

## WBR ARTICLE

### Gov says budget shortfall may exceed \$300 million

By Dennis E. Curran

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CHEYENNE – Gov. Dave Freudenthal met with reporters today to talk about the state's deepening budget woes and to announce that the state will sue the federal government over its decisions to keep Wyoming wolves on the endangered species list.

The governor said Wyoming's one-time billion-dollar budget surplus has disappeared completely and instead the state will have to reduce its existing General Fund budget more than \$300 million this summer.

Freudenthal told reporters that the state's economy has had a "great ride" over the past six years, but he said declines in energy prices – particularly the "steep decline" for natural gas – are going to require belt-tightening for all state agencies.

He previously had asked agencies to identify budget reductions that wouldn't affect their core missions, and if they don't respond, he will make the cuts himself, he said.

"I am not going to go into the red," he said, noting that it would be prohibited by the constitution and "frankly would be bad business."

The state will start the second year of its 2009-2010 biennium July 1, and the governor said the Consensus Revenue Estimating Group has informally advised him that revenues likely will fall about \$300 million to \$325 million short of what is needed for the \$3.8 billion General Fund budget, the operating fund for most state agencies.

Freudenthal said he expects the coming fiscal year will be the first of three difficult years for state government.

"Nothing would delight me more than to come back here in six months and say, 'I was completely wrong, that the economy has taken off, natural gas prices are back up' ... but I just don't see it," he said.

"This is not something I want to do," he added, "but it is the reality we live with, it's the reality the private sector is living with."

In other news from the State Capitol, State Attorney General Bruce Salzburg announced that Wyoming will challenge a federal decision to keep wolves on the endangered species list in Wyoming but not Idaho and Montana.

Salzburg said the decision by the U.S. Fish and Wildlife Service is flawed and is based on "politics," "emotion" and "public relations concerns" more than science. The attorney general also said the federal action would impose an unfair management burden on Wyoming and ignored changes in Wyoming's wolf management plan made earlier this year.