

## Gov. says state must spend less

**Local governments face deep cuts. The city of Cheyenne would lose about \$5 million next year if the governor's budget is approved.**

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Governor Dave Freudenthal speaks to members of the media about his recommendations for the state's budget during the next two years on Tuesday in his office at the State Capitol. A Aaron Ontiveroz/staff

CHEYENNE -- The city of Cheyenne is estimated to lose about \$10 million over the next two years under the proposed 2011-12 Wyoming State Budget.

The cuts would slice about 10 percent out of the city's budget during the next two fiscal years.

Last year, state money contributed \$7.5 million to the city's \$51 million budget. The proposal for the next biennium would shrink that amount to about \$2.5 million per year, said Scott Smith, spokesman for the city of Cheyenne.

The money goes into the city's general fund to pay for fire, police and sanitation services. It also covers departments like parks and recreation.

He added that a drop in the city's sales tax collection creates a double whammy against the city's budget. City officials took proactive steps to cut back with a hiring freeze and reduced travel. But the \$1.2 million savings isn't enough to cover the loss.

Consensus Block Grant money from the state also won't be available during the next biennium, Smith said. Last year, the city collected \$16 million to cover a shortfall in funding and pay for projects like a new water main.

Smith said it will be up to the mayor and City Council to determine how the budget could be trimmed and how the decreases will impact city services. Gov. Dave Freudenthal said despite the funding decreases, the state would still cover city and county losses from the permanent repeal of the tax on food sales. Smith said city officials aren't sure whether this support is enough.

Laramie County Clerk Debbye Lathrop said she couldn't comment on the potential impact to the county because she hadn't reviewed the governor's recommendations.

The budget proposes about \$50 million for direct distribution to local government general funds, said Joe Evans from the Wyoming County Commissioners Association. He added that the total doesn't include other potential funding sources such as Community Development Block Grants.

Evans said the proposed budget includes steep cuts, but the impact could have been worse. The final numbers also could change when the Wyoming Legislature reviews the governor's recommendations during the budget session that begins Feb. 8.

The next set of revenue projections could encourage legislators to increase the budget totals or make further cuts, he added.