

Mead urges Wyoming lawmakers to keep his budget proposal intact

By BEN NEARY Associated Press writer | Posted: Tuesday, December 6, 2011 7:00 am

CHEYENNE — Gov. Matt Mead urged state lawmakers on Monday not to cut his proposed \$3.4 billion state budget for the coming two-year period, saying Wyoming needs to invest in infrastructure to continue to build its economy.

"If you've got a hole in your roof and you've got \$10, do you fix your roof or do you put it in the bank?" Mead asked members of the Legislature's Joint Appropriations Committee.

Mead last week unveiled his state funds budget, calling for keeping ongoing spending roughly flat while putting \$433 million into the state's so-called "rainy-day fund." It left \$86 million for legislators to divide on their own pet projects.

Mead's proposal is heavy on infrastructure spending, calling for \$154 million in capital construction, an increase of about \$80 million over the current budget. He also called for \$168 million in funding for Wyoming's cities, towns and counties, up \$3 million from current levels.

But Mead's proposal could face opposition from some lawmakers who believe that flat revenue projections for the coming years mean that Wyoming needs to bank even more money.

State revenue analysts project the state will finish the current two-year budget cycle in June with roughly \$1.5 billion in its rainy-day fund. That money is in addition to many more billions of dollars the state has in untouchable permanent savings.

The co-chairmen of the joint appropriations committee wrote to Mead budget officials last month, telling them that agencies should come to this week's budget hearings prepared to explain how they would implement cuts of 2 percent, 5 percent or 8 percent in the coming budget cycle.

"We can hope revenues will go up, or we can begin to take corrective action now," Sen. Phil Nicholas, R-Laramie, told Mead on Monday. Nicholas has said he would favor having \$3 billion in the state's rainy-day fund. Rep. Rosie Berger, R-Big Horn, is the other co-chairperson.

Nicholas said Wyoming faces a challenge to prepare for the coming 10 years, emphasizing that the state's energy-dependent economy has suffered in the recent past. He said that if revenues from coal-bed methane production hadn't started pouring into state coffers in the late 1990s, "we would have been sunk."

Speaking after his presentation, Mead said he wanted lawmakers "to accept my budget as close as they can; if they do not, I do not prefer the 5 or 8 percent, I would recommend the 2 percent" cuts.

Sen. Curt Meier, R-LaGrange, pointed out that if government spending grows in excess of the rest of the economy, higher taxes must result. He said he would favor cutting the existing budget by 2 percent.

Committee member Rep. Ken Esquibel, D-Cheyenne, said after Mead's presentation that he opposes across-the-board cuts for state agencies. He applauded Mead's plans for infrastructure spending, because "those are issues that are going to put people to work. That will help deal with some of the unemployment issues that are out there, and some of the tough economic times we're facing."

The committee will hear from state agencies this week, then present its recommendations to the full Legislature, which convenes in February.