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House debates budget cuts

By Erica Peterson

May 26, 2009 · A budget with more than \$200 million worth of cuts is already moving through the WV Legislature, but federal stimulus money is helping to blunt the impact of some of those cuts.

In the extended [session](#), lawmakers plan to revise and pass a budget bill. Usually the budget is approved right after the regular session, but this year lawmakers elected to wait until after tax season, in hopes of having a better idea of the recession's impact on West Virginia.

One impact – Gov. Manchin has already asked state agencies to trim anywhere from 2 to 10 percent from their budgets.

The Governor's office released its revised 2010 budget Tuesday morning. The House Finance Committee approved it and sent it to the full House of Delegates to consider.

However Ted Boettner of the [West Virginia Center for Budget and Policy](#) questions whether enough time is being spent on the state budget.

"Of course at the federal level the budget takes months and months for the committee to consider and look at," Boettner said. "But as we're noticing here at the state level, they're being asked to pass out a budget in one simple meeting, and we're talking about a budget that contains over \$10 billion.

"That's a lot of money. That's a good chunk of the state's economy. And the public services that are in there, the money for higher education affects everyone in the state. These questions are huge and they deserve to have a longer, deliberative process."

The budget the House Finance Committee passed contains almost \$200 million in proposed cuts, but only \$31 million of those are actual cuts—the rest are mainly cuts in programs that are getting federal stimulus money to fill the void.

Still, Boettner says the current budget doesn't take full advantage of all of the stimulus funds that are available.

“With the flexibility of this money they can use it in many ways,” Boettner said. “They can appropriate less in one area and make that up with the fiscal stabilization money, and that allows them great flexibility in not cutting programs.

“From what I’ve seen today, there is no reason anything needs to be cut. There is enough federal money to backfill anything they need to do.”

The biggest budget cut—\$51 million—is from the state’s “other post-employee benefits program,” which offers retired employees discounted state health insurance. 44 million dollars is being cut from Medicaid, but that will be replaced by federal stimulus money.

Despite all these cuts, the House Finance Committee staff is predicting the state could see a \$348 million budget deficit as soon as 2013, when the federal stimulus money has run its course.