

# 46 states forced to reduce services to deal with budget gaps

By Marsha Mercer, AARP Bulletin

Despite signs the economy is brightening, state governments face a fourth straight year of financial crisis. To balance their budgets over the past three years, officials have cut programs that help their most vulnerable residents, including older people and the disabled. They've hiked university tuitions and sliced K-12 school spending. They've laid off hundreds of thousands of public employees and pared workers' benefits and pensions.

It took all this and more to close \$430 billion in state budget gaps during the worst economic period since the Great Depression.

But more tough decisions and deep cuts lie ahead. On the chopping block are programs that Americans rely upon from cradle to grave: Many states are slashing child care assistance, and at least one state, Virginia, will eliminate the fund that paid for indigent burials.

"Everything is on the table – and it has to be," says Chris Whatley, deputy executive director of the Council of State Governments, a nonpartisan policy research group based in Lexington, Ky.

Forty-four states and the District of Columbia are projecting \$122 billion in budget shortfalls for fiscal 2012, according to the Center on Budget and Policy Priorities, which reports that nearly every state plans to spend less in 2012 than in 2008, after inflation.

Fiscal 2012, which starts July 1 in most states, “is shaping up as one of the most difficult budget years on record,” according to the center, which advocates fiscal policies that help low- and moderate-income people. And some states are predicting deficits totaling \$75 billion in fiscal 2013, which starts in July 2012.

“These are painful cuts,” California Gov. Jerry Brown said in March as he signed \$11.2 billion in spending reductions to programs benefiting the poor, the sick and older people, to close a \$26.6 billion deficit in the 2011-2012 budget. “It hits vulnerable people. It’s not the kind of thing I like doing ... But when you have a deficit, you have to.”

But, the governor warned, “the next round of cuts will be much more painful and much more disruptive.”

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