

Budget Crunches Mean Future Hardships

States that once had funds in reserve are faced with the difficult decisions about funding deficits. There are only two ways to address the problems: raise taxes or cut spending. Education, health care, and public services are bracing for the cuts. State workers in Connecticut, Medicaid patients in Missouri and Oklahoma, and homeless in Massachusetts are already feeling the sharpness of the budget axe. Smokers and drinkers are likely to see a decrease in the amount of pleasure their dollars buy as taxes on their vices increase.

What about the prisons? Some states have put prison construction projects on hold. In Illinois, a new maximum-security prison sits empty; the state lacks money to run it. Some states are taking other drastic measures. Kentucky's governor released 567 inmates in December to reduce costs. Other states are considering early releases and more lenient sentencing.

The spending cuts and tax increases are not likely to be short-term measures unless the economy does an about face. War may exacerbate the problems. Politicians have nowhere to turn; they must make the unpopular choices.

Source: David Crary, The Associated Press State & Local Wire, January 27, 2003.

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