

Budge questions state fund prediction

By BEN J. PLASTINO

Post-Register political editor

Senate President Pro Tem Reed Budge, R-Soda Springs, said Thursday many of the anticipated figures emanating from the Statehouse appear erroneous and that the state's financial picture is brighter than most believe.

Budge, who won the top leadership spot in the Senate last session over other favorites because of what he said was his solid conservative stand, pointed out in a Post-Register telephone interview state officials are predicting the 1 Percent Tax Initiative would bring a \$100 million revenue loss to cities and counties.

"This has now been reduced to \$17 million," he said. "The cities, counties and other taxing entities have been crying wolf but the situation is not as bad as they would lead you to believe."

Budge said he feels, unlike House Speaker Ralph Omstead,

R-Twin Falls, that the tax initiative should be implemented this year, rather than extending the freeze another year or two as has been proposed.

Inflationary spending

Budge also said there is altogether too much inflationary spending on the state level. He noted the governor has figured the surplus at \$10 million the current year and now \$7 million more surplus is predicted for 1981. He observed a \$65 million increase is proposed for the 1981 budget.

"That's inflation," he said. "If the state is generating that type of funds, I think we should have tax relief, maybe in state income tax."

He noted the general fund budget increase is planned to advance from about \$358 million the current year to \$406.2 million in fiscal 1981, plus the surplus.

Budge noted public education

got a 6 percent increase, which was more than any other agency, most being placed on a status quo basis.

Sales tax

The Senate leader questions the sales tax revenue increasing at a predicted 12-14 percent, saying that the latest figures shows it to be down to 5 percent. He expressed favor of 80 percent state funding for public schools.

Regarding the threat of the Idaho Education Association to close the schools if public schools did not get a 13.2 percent hike, he said "I react adversely to any intimations. They should know better than that."

Budge said he also would have difficulty going along with the 13 percent salary hike asked by the state employees, plus fringe benefits. He said there is a slow down in the state economy and this must be figured in next year's budget.

He also said he has personal reservations for increases in the state gasoline tax and vehicle registration for state highway funding.

Revenue projection

He added he felt the governor is overly optimistic in his revenue projections, including revenue from the cigarette and liquor fund.

In other matters, Budge said he questioned the state's legality for doing anything to ban radioactive wastes but felt there should be a better method to dispose of radioactive waste into the Snake River Aquifer but

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lauded the INEL's tremendous economic impacts on the state, opposed a full-fledged Department of Energy, certificate of need, more local option authority to cities, and any amendment that would take away the Legislature's power on tax initiative implementation.

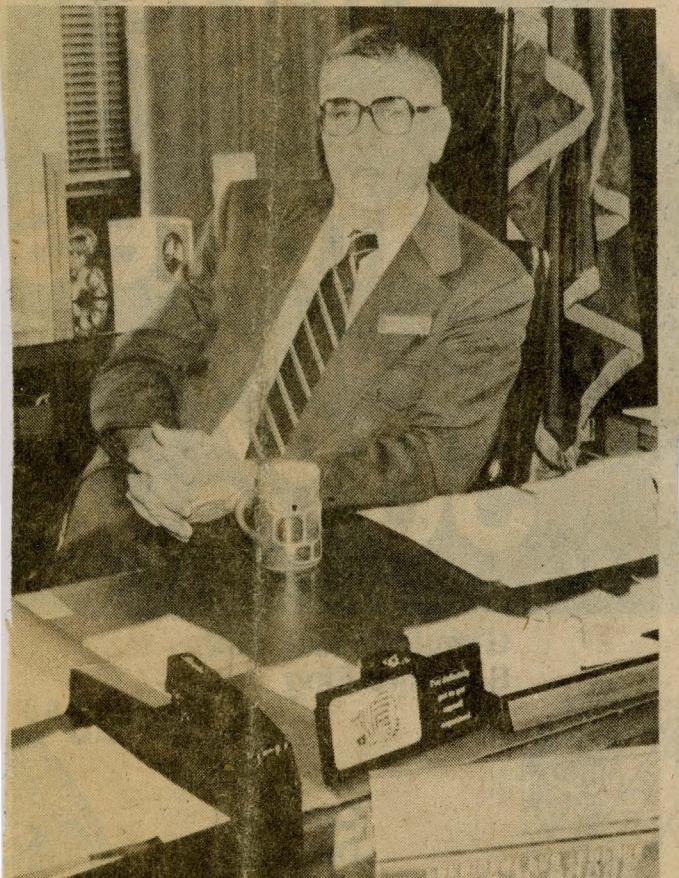
Regarding the certificate of need legislation, Budge said he did not view seriously the federal government's threat it would withhold \$12 million annual federal health care matching funds unless the legislation is enacted.

He pointed out this same threat was used on highway funding but the state in defiance eliminated vehicle inspection and requirement to wear motorcycle helmets.

Regarding health care containment, Budge said he thought "health insurance and Medicaid have gone a long way toward increasing health care costs. It's terrible what the hospitals and doctors are charging."

Local option

Budge explained he opposed



Post-Register

Senate boss

BOISE — Senate President Pro Tem Reed Budge, R-Soda Springs, believes many of the state's predicted revenue figures are misleading but urges a conservative approach in the upcoming 1980 Idaho Legislature.