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# Budget Worries Push Governors to Same Mind-Set

By MONICA DAVEY

CHICAGO — The dismal fiscal situation in many states is forcing governors, despite their party affiliation, toward a consensus on what medicine is needed going forward.

The prescription? Slash spending. Avoid tax increases. Tear up regulations that might drive away business and jobs. Shrink government, even if that means tackling the thorny issues of public employees and their pensions.

In years past, new governors have introduced themselves in inaugural remarks filled with cheery, soaring hopes; plans for expansions to education, health care and social services; and the outlines of new, ambitious local projects.

But an examination of more than two dozen opening addresses of incoming governors in recent days shows that such upbeat visions were often eclipsed by worries about jobs, money and budget gaps. Those speeches are the best indication thus far of the intentions of this class of 37 governors — 26 new and the others re-elected.

“The rhetoric has grown very similar,” said Scott D. Pattison, executive director of the nonpartisan National Association of State Budget Officers. “A lot of times, you can’t tell if it’s a Republican or

Democrat, a conservative or a liberal."

In Wisconsin, the new Republican governor, Scott Walker, says that any prospect of a tax increase is off the table, and that he wants to "right-size" state government, meaning, he says, that it would provide "only the essential services our citizens need and taxpayers can afford."

In California, the new Democratic governor, Jerry Brown, lists as one of his guiding principles (second only to his tenet to "speak the truth") support for new taxes only if voters want them. And he says it is time to examine the state's system of public pensions — an increasingly vitriolic political issue in states around the country — to ensure that they are "fair to the workers and fair to the taxpayers."

Without question, this emerging consensus comes in a wide range of degrees. Exceptions have also emerged.

Here in Illinois, a state that has wrestled with some of the most dire financial circumstances in the country, including some $8 billion in unpaid bills to social services agencies and others and a desperately underfinanced pension system, Gov. Patrick J. Quinn, a Democrat, pledged after renewing his oath of office simply to "stabilize our budget." Three days later, on Thursday, he did the reverse of what so many governors are urging, and signed a 66 percent increase in the state's income tax rate.

And in Minnesota, where Gov. Mark Dayton, another Democrat, faces a $6.2 billion deficit and a Legislature controlled by Republicans, he has advocated for a tax increase on the wealthy.

After being sworn in this month, Mr. Dayton told the crowd, "To those who sincerely believe the state budget can be balanced with no tax increase — including no forced property tax increase — I say, if you can do so without destroying our schools, hospitals and public safety, please send me your bill, so I can sign it immediately." Otherwise, Mr. Dayton said, he hoped his colleagues would work with him on "this challenging, complicated and essential" budget process.

Though public remarks in the moments after being sworn into office may be the first signal of a governor's true intentions, actual policies can be another matter entirely. Those can depend, not least of all, on the decisions of legislatures. And governors of all political stripes have a tendency to talk tough in their early days.

The difference now, experts say, is that the financial circumstances leave little room to do nothing, and governors will soon be tested on their words — as early as in the next few weeks, when many of them must propose budgets for next year.

Some states seem better off (North Dakota) and others worse (California), but the shared, essential problem in many states is simple: not enough money coming in to pay for all that is going out.

While state revenues — shrunken as a result of the recession — are finally starting to improve somewhat, federal stimulus money that had propped up state budgets is vanishing and costs are rising, all of which has left state leaders bracing for what is next. For now, states have budget gaps of $26 billion, by some estimates, and foresee shortfalls of at least $82 billion as they look to next year's budgets.

This class of governors arrives in a wave of Republican victories in the 2010 elections for state legislatures and governorships, a trend that may be affecting everyone's approach. Even in states where the fiscal struggles have been less pronounced, new governors are sounding warnings and talking, again and again, of waste, frugality, simplicity, shared sacrifice and painful choices.

"Some of our sister states and some cities within them face the very real possibility of bankruptcy because of their mountains of deficits and debt," said Dennis Daugaard, the newly inaugurated Republican governor of South Dakota, who has asked departments in his state to cut spending by 10 percent and has announced that he would cut his own annual salary to $98,000 from the $115,331 his predecessor collected.

"They have promised their citizens something for nothing," Mr. Daugaard said of other states during his inauguration in Pierre this month, "and created a society where everyone wants to be carried and no one wants to pull their own weight."

Governors appeared to be girding residents for a rocky road ahead — a path they seemed to sense residents may not yet grasp, given headlines of improvements in other parts of the economy.

Many called for bipartisanship in their efforts (the words “Republican” and “Democrat” are not mentioned in the Maine Constitution, reported Gov. Paul R. LePage, a Republican), and alluded to past moments of crisis (hurricanes, yellow fever outbreaks, even a “dark day” in 1780 when daytime skies were said to mysteriously appear nightlike in New England) as rallying points for the current gloom.

In his speech, Rick Scott, the new Republican governor of Florida, called for eliminating a business tax and reducing property taxes. He dubbed taxation, regulation and litigation “the axis of unemployment.” And he issued a warning: “No job — public or private — should be immune from accountability.”

On the other side of the country, and in the other major political party, John Kitzhaber, the new governor of Oregon, elaborately described the state, which needs to bridge a projected budget deficit of $3.5 billion, as an old house in need of an overhaul.

“There are too many rooms, and they aren’t the right size,” Mr. Kitzhaber said. “There’s no insulation, and the windows are drafty. And the cost of keeping this house is more than the family can afford. The roof needs to be replaced, and the siding is falling off.”

In New York, Gov. Andrew M. Cuomo, another Democrat, sounded a similar call. “We must right-size the state government for today,” said Mr. Cuomo, who added that New York had no future if it intended to be “the tax capital of the nation.”

*Emma Graves Fitzsimmons contributed research.*