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Haslam not ready to say how Tenn. would respond if deep federal cuts become reality

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First Posted: August 31, 2011 - 12:45 pm
Last Updated: August 31, 2011 - 4:54 pm

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VONORE, Tenn. — Republican Gov. Bill Haslam isn't ready to say how Tennessee would respond if the deep cuts to the state's share of federal funding become a reality.

The Haslam administration this week released state agencies' plans for how they would cope with the loss of up to 30 percent of their federal funding. The worst-case scenario would involve slashing \$4.5 billion and laying off more than 5,100 state employees.

Haslam said after a biorefinery tour in Vonore on Tuesday that he doesn't expect Congress to make such drastic cuts to all state agencies, but that officials wanted to have a good idea how those cuts would look on paper.

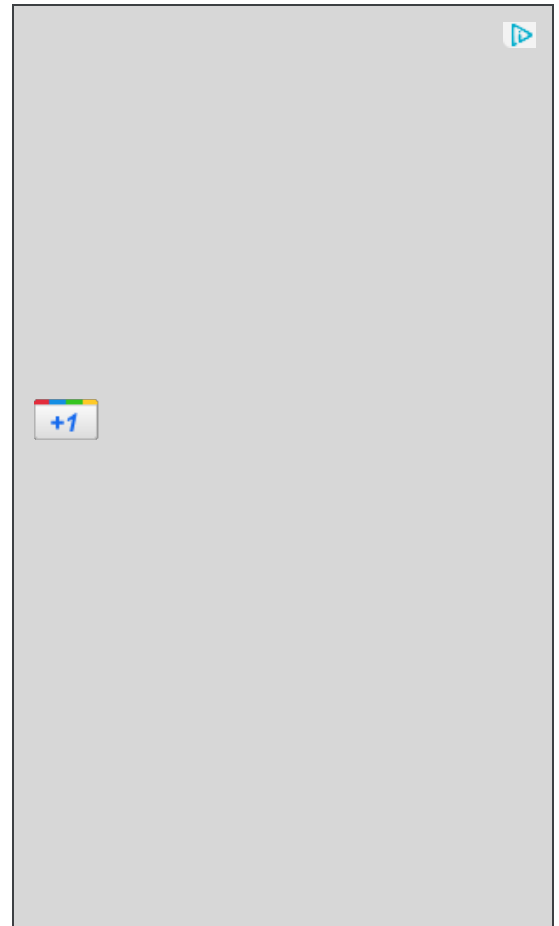
"We are obviously susceptible to some sort of federal cuts," he said.

The governor declined to speculate when asked by a reporter whether a \$273 million reduction in the state's transportation budget would require an increase in the gas tax to help keep the state's infrastructure intact.

"I don't know the answer to that," he said. "We'll look at the numbers. There's a whole lot of ifs in there."

The governor said the state will have to wait and see what cuts are approved by Congress as part of the recent agreement on raising the federal debt ceiling.

Haslam said services for the poor and disabled would be



disproportionately affected by potential cuts because so much of the budgets for those agencies come from federal sources.

"The human service agencies are the ones where we are the most vulnerable," Haslam said. "You see how much of their budget is federal-related, and it does cause you to catch your breath a little bit."

TennCare, the state's expanded Medicaid program, would cut more than \$2.2 billion under the larger reduction scenario, while the Department of Human Services would lose \$861 million.


Tony Garr, policy director for Tennessee Health Care Campaign, called on federal and state officials to try to find other solutions the budget problems.

"Cuts of this magnitude will force family members who are currently in nursing homes to be put out on the sidewalk, for hospitals in rural Tennessee to close their doors," he said.

"Now is not the time to cut the federal deficit to the magnitude that they're talking about. We need more good jobs than we need to pay down the deficit."

Associated Press writer Lucas L. Johnson II contributed to this report.









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