

# Arizona could be weeks away from going broke

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You can bet that getting finances in order is the top resolution for the State of Arizona.

It will get an early test this month.

A massive education payment is expected to drain state resources down to zero.

What happens next will affect anyone who works for or with state government.

It's what happens when you run out of money.

You can't pay your bills.

KOLD News 13 talked with State Representative Vic Williams (R-District 26) on New Year's Day to get his take on the budget crisis, and what he thinks it will take to get out of this mess.

He says something like this hasn't happened in nearly three-quarters of a century.

"I don't know what's going to unfold here, but it's not going to be good," Williams said.

Arizona legislators have not been able to resolve the budget crisis, and our state could be weeks away from running out of money.

That means having to issue IOU's to everyone.

And it's not only state workers, but also those who provide services, such as child care centers.

For instance, about 70% of the children at Outer Limits School in Tucson get a state subsidy.

Owner Bill Berk said the crisis could be devastating to his industry.

"We can't give our employees IOU's for their paychecks. We can't give the electric company an IOU," Berk said.

Representative Williams hopes to be able to work something out with banks so they'll accept the IOU's, but he knows that can't last forever.

He says this is going to take legislators forgetting their differences, and working together to begin a very long process to fix Arizona's budget.

"We got here by mismanagement of our budget. We've been over spending for the last few years," Williams said.

And then there's the recession that has slammed Arizona.

"We're not coming out of this in the next year. This is going to be here in 2012, 2013," Williams said.

And, over the years, voters have approved propositions that cost a lot of money for education and health care for the poor, for instance.

It's mandated spending the legislature can't touch.

"Over 60% of our state budget is locked down by those voter mandates," Williams said.

Williams said dramatic and difficult decisions are coming for legislators, voters and taxpayers.

"There are several areas where the state could look at fees or look at taxes. But, as well, we have to have significant reductions in spending with some regenerated revenue coming into the state. That's the only way we're going to get out of this problem," he said.

Tax increases. Budget slashing.

We'll have to see what actually does come to the table when the legislative session opens January 11th, and how the people we elected to represent us finally handle this crisis.

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