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Nothing to sneeze at: Secretary of State uses tissue boxes to explain budget

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Courtesy/Heidi Dahms Foster

Arizona Secretary of State Ken Bennett explains the state's budget woes in his tissue box illustration Thursday morning at the Prescott Valley Economic Development Foundation's Quarterly Breakfast.

Ken Bennett gave a unique account of the state's budget mess Thursday morning.

Bennett, Arizona's new secretary of state, used tissue boxes as part of his presentation showing how the state budget began sliding in the wrong direction over the past couple of years.

Standing in front of members and guests of the [Prescott Valley Economic Development Foundation](#), Bennett's presentation gave people a three-dimensional look at where the state gets its money and how it gets spent.

Bennett labeled tissue boxes and stacked them in rows in his demonstration of how lawmakers spend the state's roughly \$10.5 billion general fund.

After that, Bennett taped pieces of paper on the wall showing the state's revenues and spending pattern since 2007, when revenues and expenses were about equal at \$9.6 billion.

As the sour economy rolled through the state into 2008, Bennett said that was when spending began outpacing revenues. In 2008, lawmakers projected state revenues at \$10.1 billion and set spending at \$10.6 billion. But 2008 revenues continued to slide, coming in around \$8.8 billion.

Bennett said lawmakers began looking for ways to make up the deficit by taking steps like tapping the state's rainy day account that had about \$700 million, postponing more than \$300 million in payments to K-12 school spending and making \$100 million in cuts.

Lawmakers now eagerly are anticipating Arizona's \$500 million slice of President Barack Obama's economic stimulus package.

"That's why the state's in a pickle," he said. "If you don't react timely, as we know in business, you create a pickle."

Bennett showed how the state is spending about \$11.1 billion this year while lawmakers expect revenues to fall about \$3 billion short.

On Friday federal lawmakers gave their approval to Obama's \$787.2 billion economic recovery package.

Bennett said the stimulus money is a short-term solution.

"It'll help, but again its one-time money," he said. "The state will be able to use that to cover the deficit this year and maybe next."

Bennett said one of the keys to reviving the state's financial health is getting lawmakers to scale back spending to 2007 levels.

"We'd be in a lot better shape than where we are now," he said. "That would solve about half of the \$3 billion problem."

Greg Fister, manager of economic development for Prescott Valley, said Bennett's presentation is a great way to clarify the complexities of the state's budget.

"He really simplifies things for the audience," he said. "I thought it explained things pretty well."

Jane Bristol, director of economic development for the [City of Prescott](#), said Thursday the presentation was the first time she saw Bennett explain how the state slid into a budget deficit.

"You can see what the actual impact of what those cuts are with the Kleenex boxes," she said.

To watch Bennett's tissue presentation, visit www.maricopa.edu/mctv/client/Bennett/KenBennett.wmv.