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GOP governors switch stance, fight spending limits

By T.R. REID
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DENVER – Gov. Bill Owens, R, has been crisscrossing the country for years promoting the virtues of this state's strict constitutional limits on government spending. He has repeatedly urged other states to adopt restrictions of their own, based on Colorado's "Taxpayer Bill of Rights" amendment, known here as TABOR.

But this summer, Owens says, he'll be traversing his own mountainous state pushing the opposite message. Midway through his second term, Owens is working to persuade Coloradans to suspend the limits he championed and let the state government spend $3 billion more in tax money than TABOR would allow.

Owens thus becomes another low-tax, limited-government advocate who has found those principles hard to hold onto amid a sluggish economy and a sharply diminished flow of federal money to the states.

In the past two years, Republican governors including Nevada's Kenny Guinn, Idaho's Dirk Kempthorne, Georgia's Sonny Perdue and Ohio's Bob Taft have dumped no-new-taxes pledges to push for major new revenue and increased state spending.

Perhaps the most stinging reversal for tax-limitation groups in Washington was the quick conversion of Mitchell E. Daniels Jr., R, who was President Bush's first budget director and an outspoken advocate of lower taxes – until he was elected governor of Indiana last November. In his first state budget, Daniels recently proposed a 29 percent increase in the income tax, targeted at the upper brackets. Daniels cited a $250 million revenue shortfall and said spending cuts of that size were untenable.

All of these tax-raising Republicans offer the same basic reasons for their change of heart. "I have done something that is absolutely not part of my fiber," Kempthorne when he proposed Idaho tax increases in 2003. "But I'm not going to dismantle this state, and I'm not going to jeopardize our bond rating, and I'm not going to reduce my emphasis on education."

Guinn provided a similar explanation after he pushed through the biggest tax increase in Nevada history.

"Some people say that makes me a bad Republican," said the former banker and corporate executive. "Well, I would be a worse Republican, and a worse grandfather, and a worse citizen, if I didn't find enough money to educate our children and fund our Medicaid program and provide decent prenatal care."

For Owens, a key reason for the tax increases at home has been tax-cutting in Washington. Facing decreased revenue and record deficits, Bush has targeted transfers to the states as a ripe place to reduce federal spending. In his budget for fiscal 2006, the biggest single reduction is a $60 billion cut in Medicaid funds that help the states provide health care to the poor.

"The federal cuts have been very difficult for states to manage," said economist Bert Waisanen of the National Conference of State Legislatures. "Governors have to run programs like Medicaid, No Child Left Behind, homeland security. But there is less and less money coming from Washington.

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