Gov. Arnold Schwarzenegger, acknowledging that California faces tough economic times, proposed an austere budget Thursday for the next fiscal year that would take billions of dollars from public schools, shut down four dozen state parks and release tens of thousands of prisoners to close a projected $14.5 billion deficit.

Virtually every state department was required to slash 10 percent from this year's spending, a move that would cut services for many Californians, especially the poor, the elderly and the disabled.

"I understand how difficult (the cuts) will be for many people," Schwarzenegger said as he unveiled the budget at a Sacramento news conference. "But we need to be fiscally responsible and spend only the money we have."

The governor also declared a fiscal emergency and called a special session of the Legislature to trim spending during the current year, which at today's levels is expected to put the state as much as $3.3 billion in the hole by the end of the fiscal year in June.

Some of the people who would be directly affected by the cuts called the governor's plan shortsighted.

"The Legislature would be well-served to automatically dismiss these cuts," said Herb Meyer, 76, a disabled resident of Larkspur who relies on state-funded home health care that is targeted for cuts.

Democratic leaders of the Legislature vowed to vigorously oppose Schwarzenegger's proposal. "This budget would cause tremendous permanent damage," said Assembly Speaker Fabian Núñez, D-Los Angeles.

Schwarzenegger's planned trims include the elimination of $4.8 billion from public schools over the next 1 1/2 years and a reduction of prison inmates by 35,000, including the early release of 22,000 inmates over the next two years. The budget would also cut prison staff by 6,000, including the layoffs of 2,000 prison guards.
The governor also wants to close many of California's parks. Under his budget, 48 of the state's 280 parks would be affected: 43 parks would be temporarily shut down - among them nine in the Bay Area, including Portola Redwoods in San Mateo County, Tomales Bay in Marin and Candlestick Point in San Francisco; two parks would be partially closed; and the openings of three new parks would be delayed.

Not all of the deficit would be erased by cuts. Schwarzenegger proposes that the state borrow $3.3 billion from previously approved bond money.

As Schwarzenegger pushes for an overhaul of the state's health care system to cover nearly all of California's uninsured residents, he also is ready to cut as much as $1 billion from Medi-Cal, the state's medical service program for the poor, elderly and disabled.

To achieve the savings, administration officials said they want to eliminate some Medi-Cal benefits - such as dental care for low-income adults - instead of reducing the number of people who get basic medical services.

The Republican governor's proposed budget does not include new taxes except for a few small increases in fees, including one on homeowner's insurance to help pay for rural firefighting.

"I have made it very clear we cannot tax our way out of this problem," Schwarzenegger said. "There's no reason to tax anyone because our system doesn't work."

But Democratic leaders argued that voters might not support a plan to balance the budget with cuts only. When Republican Gov. Pete Wilson faced a similar budget deficit 17 years ago, he and lawmakers agreed to raise taxes, the last major hike approved by the Legislature.

"A blind pledge to never raise any taxes at any time I believe is a straitjacket that ill fits California and the needs of the people we represent," said Núñez.

But Republicans gave the governor's plan high marks. "We must regain control of spending and live within our means," said Senate Minority Leader Dick Ackerman, R-Irvine.
The governor's plan would spend a total of $141 billion in the next fiscal year - less than the $145 billion the state had been scheduled to spend this fiscal year before cuts that lawmakers will debate in the coming weeks. The governor's emergency declaration started the count on a 45-day period in which the Legislature must act on the pending $3.3 billion shortfall.

Schwarzenegger has asked for several cuts immediately, including $400 million from schools and community colleges, $33 million from Medi-Cal, $74 million from welfare programs and $25 million from a project at the Stanford Linear Accelerator Center.

The 10 percent across-the-board cuts next year also would apply to the governor's own budget as well as legislative and constitutional offices.

K-12 education, which normally receives about 40 percent of general fund tax money under Proposition 98 guarantees approved by the voters, would take the biggest hit under the budget plan. To cut as much money as the governor is proposing, lawmakers would have to suspend the measure - which happened only once before, during the 2004-05 fiscal crisis.

Such a move is likely to face stiff opposition from the state's powerful education lobby.

California educators, who expected that 2008 would be the "Year of Education" that Schwarzenegger promised last spring, are seething over his proposal to make what some called the deepest cuts to schools in California history.

The governor wants to take more than $1 billion from before- and after-school programs for low-scoring students, career and technical classes and the small-class-size program. He also wants to spend $358 million less on special education.

He also is proposing changes to the welfare system that would allow the state to drop families - including children - from state aid if parents do not find employment within certain time frames. Schwarzenegger proposed that change last year, but Democrats, who form a legislative majority, rejected it.
State higher education officials were stunned by the budget proposal, which would virtually guarantee student fee increases while forcing officials to consider cuts to existing services or limiting enrollment.

"This is going to be a very bad year for California students and their families," said Pat Callan, president of the National Center for Public Policy in Higher Education. "This is more likely to hit the families who have the toughest time paying for college anyway."

But the governor said tough choices have to be made.

"We need to control this budget because right now the budget is controlling us," Schwarzenegger said, adding: "We have to be disciplined this year and look at it as an opportunity to solve this problem."

**To weigh in on the governor's plan**

To comment on the governor's proposed budget, contact:

-- Gov. Arnold Schwarzenegger: Sacramento office (916) 445-2841; San Francisco office (415) 703-2218; e-mail from the governor's Web site at [gov.ca.gov](http://gov.ca.gov).

-- Assembly Speaker Fabian Núñez, D-Los Angeles: Sacramento office (916) 319-2046; e-mail [speaker.nunez@assembly.ca.gov](mailto:speaker.nunez@assembly.ca.gov).

-- Senate President Pro Tem Don Perata, D-Oakland: Sacramento office (916) 651-4009; district office (510) 286-1333; e-mail [senator.perata@sen.ca.gov](mailto:senator.perata@sen.ca.gov).

-- Senate Republican leader Dick Ackerman of Irvine (Orange County): Sacramento office (916) 651-4033; e-mail [senator.ackerman@sen.ca.gov](mailto:senator.ackerman@sen.ca.gov).

-- Assembly Republican Leader Mike Villines of Clovis (Fresno County): Sacramento office (916) 319-2029; e-mail [assemblymember.villines@assembly.ca.gov](mailto:assemblymember.villines@assembly.ca.gov).

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