Brown's Countdown, Day 70: An all-cuts budget may surface

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Cutting universities, shifting prisoners to county jails and slashing funds for Medi-Cal patients is difficult.

But from a political perspective, those were among the easier moves.

Lawmakers voted to erase $14 billion of the state's $26.6 billion deficit last week by cutting various state programs, taking funds from special accounts and finding creative ways to raise revenue.

Finding the rest of the money will be significantly harder.

Republicans remain opposed to Brown's proposal to put tax extensions on a June ballot or eliminate redevelopment agencies, two ideas that require bipartisan support.

Absent those solutions, the governor is vowing to pursue an all-cuts approach.

Possibilities range from ending K-3 class-size reduction to eliminating sports at community colleges, according to a list from the nonpartisan Legislative Analyst's Office released last month.

Democrats have never embraced that list, and they likely would not stomach billions more in cuts.

But Republican votes are also unlikely.

Even in the first round of cutting last week, most Assembly GOP members voted against budget bills. Senate Republicans supported health and welfare reductions but opposed cuts to education and corrections.

Democrats approved many of the cuts on a majority vote, relying on new voter-approved powers.
It's not unusual for Republicans to lay off spending cut bills in the Legislature as a strategic move to force Democrats to vote for the bills first.

But floor debate this week went beyond strategy; on a bill to cut services for the developmentally disabled, Assemblyman Cameron Smyth, R-Santa Clarita, said, "I wonder at what point we are going to take (this) seriously and stop focusing our cuts on the most disadvantaged in California."

He said the state should instead consider allowing offshore oil drilling or stop bond sales to make up the money.

That raised the ire of Brown, who said afterward, "The Republicans, for some reason, known only to them, they don't want to balance the budget with cuts. And they don't appear to want to balance it with new revenues. So they must want a profound, continuing unbalanced budget."

Assembly Republican Leader Connie Conway, R-Tulare, said later that Republicans aren't opposed to cuts, but rather the way in which Democrats have pursued them.

"Well, we're not going along with his plan," Conway said. "We agree with cuts, but if you look at it overall, there are some cuts, but it's not $12 billion worth of cuts. It's fund shifts, and it's moving around."

Five Senate Republicans who have engaged in talks with Brown want to place a tight spending cap and pension cuts in the constitution. They also want to ease regulations that affect businesses and construction. Unions oppose the constitutional changes but say they are willing to address the worst abuses in the pension system.

Lawmakers say they are still working toward a ballot solution. Senate President Pro Tem Darrell Steinberg, D-Sacramento, said Thursday he hasn't ruled out a special election on June 7, even though more than a week has passed since the deadline that Brown initially set.

But if they never approach a deal, Brown must think about an alternate course.

Daniel J.B. Mitchell, a professor emeritus of public policy and management at UCLA, said the governor may try to "present the budget from hell and see what happens."

Brown has not yet laid out a worst-case budget. His predecessor, Gov. Arnold Schwarzenegger, proposed extreme cuts like the elimination of welfare-to-work and health insurance for children in low-income families to get people's attention, but Brown said in January "some people might say that I'm putting a gun to their head, so I'm not going to do that."

"Brown could take the position that 'you're not giving me this (tax) option, so if that's what you want, I'll give you the budget you seem to say you want,' " Mitchell said.
Democrats and their allies may explore other ways to raise taxes. They could test the legal waters by placing taxes on the ballot with a majority vote in the Legislature, though Democrats so far have said that is a losing proposition.

Unions may gather signatures for tax initiatives on the ballot, which could target oil, tobacco or other businesses. But the latest Field/UC Berkeley poll showed that while registered voters support tax extensions, they oppose new tax hikes.

"I think that's a very challenging course," said Adam Mendelsohn, a Sacramento political consultant and former adviser to Gov. Arnold Schwarzenegger. "I think they have to be careful that it's not perceived as they're going to the voters to raise taxes because the Legislature couldn't get the job done. People have such a low opinion of what's happening in Sacramento."

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