The state's nonpartisan budget analyst agreed Thursday with Gov. Jerry Brown's rosier view that California will take in $6.6 billion more than once thought through June 2012, assuring that the revenue bump will factor into the state's fiscal solution.

But Legislative Analyst Mac Taylor framed the budget divide in a different light than the Democratic governor, suggesting that lawmakers have more options than all cuts or all taxes to close a remaining $9.6 billion deficit.

Brown is still pushing for an extension of higher taxes on vehicles, sales and income to bridge most of the remaining deficit. Absent those taxes, Brown has hinted at deep cuts to schools, public safety and health care.

"We say evaluate the whole range of options that are in front of you," Taylor said. "In the May revision, the governor said it kind of came down to a choice between his program or an all-cuts budget. And clearly, that's not the case. The Legislature has all sorts of options available to it."

Taylor said lawmakers could instead consider a mix of taxes, alternative revenues, additional spending cuts and fund shifts to solve the shortfall. He specifically urged lawmakers to eliminate business tax credits in "enterprise zones" and tighten a formula for corporate tax liability.

The legislative analyst took a dim view of Brown's requirement that voters decide whether to extend taxes in the coming months. He suggested that lawmakers instead solve the 2011-12 budget to give schools and local governments enough certainty to plan their own spending. If they must have the electorate weigh in, Taylor said it should happen toward the end of the 2011-12 fiscal year, not in the middle.
"I think everyone would agree that if you could do this without going to the voters, that's the best way because you know then at the start of the year the resources you have available to you," Taylor said.

Brown's office issued a statement Thursday from Ana Matosantos, director of the Department of Finance, that reiterated the governor's call for an election.

"We understand that our schools and local governments want a final budget so they can make plans for next year – so it's vital to get this choice before voters without delay."

Taylor also said other assumptions in Brown's budget were "reasonable." He praised the governor's emphasis on reversing some of the budgetary gimmicks of past years, though he left it up to lawmakers to decide whether that was a greater priority than directing money immediately toward programs.

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