Gov. Jerry Brown said for months that he could broker a bipartisan budget deal.

By agreeing to a majority-vote budget, passed by Democrats in the Legislature on Tuesday, he conceded he could not.

The pact laid bare Brown's limitations: Though closing California's remaining $9.6 billion budget deficit, the budget relies on $4 billion in revenue that may not materialize and could force a round of midyear cuts. It puts off at least until next year any public vote on taxes.

For a few hours Tuesday, the budget's fate was in limbo as key Senate Democrats held out for a new bill that would not eliminate redevelopment agencies. But two lawmakers ultimately relented, sending the $86 billion general-fund plan to Brown less than three hours before midnight.

Despite focusing the first six months of his administration on negotiations with Republican lawmakers, the Democratic governor could not find the two Republican votes needed in each house to put a tax measure on a ballot.

"The premise here was that one man could outmaneuver the system ... that the governor, through his wiles, his skills, his experience, could change things in Sacramento," said Bill Whalen, a research fellow at Stanford University's Hoover Institution and former speechwriter for Gov. Pete Wilson. "That premise was a patent failure."

Before taking office in January, Brown believed he could reach a budget deal with the Legislature by March, within 60 days of releasing his budget proposal.

"I'm not giving up," Brown said three months ago, after missing his first, self-imposed deadline. "I've been around a long time. I know we can do it."

Tuesday was the 170th day.

Squeezed between Senate President Pro Tem Darrell Steinberg and Assembly Speaker John A. Pérez at a news conference in his office on Monday, Brown said, "I thought we were getting close, but as I look back on it, there is an almost religious reluctance to ever deal with the state budget in a way that requires new revenues."
Instead, Brown agreed to a budget that includes further spending reductions, including in education, if revenue projections fall short, and leaves open the possibility of pushing deficits into next year.

The agreement left unclear the future of Brown's bid for an election on taxes. In recent months, he characterized consulting the electorate as not only a political necessity but a moral imperative.

Brown said he would "look very seriously" at a voter initiative. Many of Brown's Democratic allies believed a tax election could not be won this fall, while turnout is expected to be more favorable for Democrats in the presidential election in November 2012.

"For Jerry Brown, this is a 'live to fight another day' budget," said Dan Schnur, a veteran GOP strategist and director of the Jesse Unruh Institute of Politics at the University of Southern California. "This agreement might not help him very much. But it's probably not going to hurt him, either, and at the very least leaves him to fight another day."

Two weeks ago, it appeared that Brown's position in budget talks had improved. His veto of Democratic lawmakers' first budget, on June 16, was widely praised by political observers, and his reasoning – that it was unbalanced – invited state Controller John Chiang's decision to block lawmaker pay.

Assuming Brown signs the budget package, lawmakers will get paid for work as of Tuesday. All told, rank-and-file members lost about $4,830 each over 12 days.

The pay withholding afforded Brown additional leverage, and he suggested as recently as last week that talks could continue for at least a "few weeks" more.

But Legislative Democrats fumed, attacking Brown publicly and demanding a budget alternative. Their feuding recalled Brown's sometimes-bitter relationship with the Legislature when he was governor before, from 1975 to 1983, and Jeff Cummins, a political science professor at California State University, Fresno, said "perhaps that experience was set in his mind, and he didn't want to start off his term getting off on the wrong foot with Democrats."

Cummins said Brown "probably came to the conclusion that it was better to get something done rather than continue to drag this out."

Brown acknowledged that this budget was not his first choice. He said Monday that the state's "wall of debt" remains, and he suggested a tax measure still is necessary for long-term stability.

But the spending plan includes elements significant to Brown, including funding his plan to shift some state services to local governments.

"Jerry Brown's a realist, and he's trying to deal with this situation as he has to," said Bill Carrick, a Democratic strategist. "You can only do as good as you can do."
Talks between Brown and Republicans broke down most recently over Republicans' unwillingness to extend temporary tax increases until after a fall election on those taxes. Brown spokesman Gil Duran said Brown accepted the Democrats' majority-only budget only after exhausting talks with Republicans.

"We can't sit here until we're covered in cobwebs waiting for them to be reasonable," Duran said Tuesday. "He's doing his job. He did his best to broker a bipartisan deal, but instead he had to find a way to wade through the dysfunction and get a budget on time."

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