Dan Walters: Brown's budget faces the state's ugly facts

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Published: Tuesday, Jan. 11, 2011 - 12:00 am | Page 3A
Last Modified: Tuesday, Jan. 11, 2011 - 12:20 am

Newly inaugurated Gov. Jerry Brown said it well Monday as he introduced a state budget to finally erase California's chronic deficit.

"For 10 years," Brown told reporters, "we've had budget gimmicks and tricks that pushed us deep into debt. We must now return California to fiscal responsibility and get our state on the road to economic recovery and job growth."

Brown's tough-love solution: Slash spending, especially for welfare and health services and higher education. Match the cuts with revenue by extending temporary sales, income and car taxes for five more years and closing some loopholes. Then use some of the new money to shift programs to local governments.

Brown is, in effect, wagering his new governorship on persuading a polarized, risk-averse Legislature to bite the bullet on spending and taxes, and then persuading voters to endorse a Solomon-like split.

It is, however, a wager worth making, because, as Brown says, continuing to do what's been done recently – overspending revenue and masking the deficits with gimmicks and loans – is corrosive.

California already has become an international laughingstock for failing to close a budget deficit that's scarcely 1 percent of its economic output, driving its credit rating into the basement and alienating voters.

Brown correctly equated California's profligacy with the orgy of mortgage debt that drove the nation to the brink of economic collapse. It's high time we grew up, spent only what we can afford and paid for what we spend.

"It's not going to get better unless we do something," Brown said, stating an obvious fact that somehow has eluded two governors and a rotating cast of legislative characters.

So can he pull it off? Objectively, given the infinite capacity of the Legislature for self-delusion, it's probably no better than a 50-50 chance.
Brown must persuade his fellow Democrats in the Legislature to very quickly enact billions of dollars in spending cuts that hit their closest ideological and political allies, such as social service recipients and public employee unions.

They – and perhaps a few Republicans – must also be willing to ask voters to raise taxes in the midst of a severe recession with the threat of even deeper spending cuts if the taxes are rejected. And so far, Republicans say they won't cooperate.

Brown exempted schools from the first round of cuts, saying they have suffered enough, but said they'd take big hits if the taxes are rejected, clearly hoping that the powerful California Teachers Association and other unions will finance the tax campaign.

But the CTA isn't enough. Brown needs a broadly based support coalition among interest groups, such as business and unions, that spend most of their time fighting each other.

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