Editorial: Gov. Jerry Brown, lawmakers have a month to get California budget right

Gov. Jerry Brown and the Democratic-controlled Legislature passed a budget last year that was built on a rickety foundation of false hopes. If that wasn't apparent at the time, it is now that the budget deficit has ballooned to $15.7 billion, up from Brown's $9.2 billion estimate from only four months ago.

California politicians will talk about the considerable progress they've made reining in the deficit and about all the tough cuts they've imposed. But the reality is that the budget is out of whack. Unlike the federal government, California cannot run a deficit, at least not legally.

Legislators have a month to get it right. They need to focus on the budget to the exclusion of other issues, although they won't because most face a June 5 primary. Voters, who are disgusted with incumbents, should keep the budget in mind as they fill out their ballots.

Blame is a little like red ink. There's plenty to spread around.

Too many Republicans refuse to engage on the budget, unwilling to discuss changes to the tax code that might raise taxes. Democrats dithered at making cuts earlier this year, as the governor proposed, while protecting tax breaks for their favorite corporations.

Democrats ignore Republican ideas that ought to be considered. Senate Republican leader Bob Huff of Diamond Bar, for example, suggested that school districts be permitted to sell ads that would appear on the outsides of school buses.

It's not as if ads would tout alcohol, tobacco or firearms. Nor would the signs generate huge sums of money. But the Senate Education Committee killed the measure two weeks ago, for no good reason.

The latest iteration of the interminable budget crisis comes as the Department of Finance assumes that the general fund of about $90 billion – which pays for most programs and is filled by sales, income and corporate taxes – would in the next fiscal year. However, costs, primarily for public schools, are rising faster than revenue.
Brown offered several solutions on Monday. Health and welfare programs for the poor would bear 30 percent of the cuts, including $880 million from the main welfare program, CalWORKs, through a variety of reductions.

The 1.37 million people on CalWORKs now would fall by about 60,000, if lawmakers impose the changes the governor recommends, the California Health and Human Services Agency estimates.

The governor is calling for a 5 percent pay cut for state workers, and shifting them from their current 40-hour, five-day workweek to a four-day workweek of 38 hours. Details would be the focus of collective bargaining. One option might be that departments that are open five days a week for eight hours a day now would shift to being open 10 hours a day, four days a week.

As tough as this new round of cuts will be, it would be far worse if voters reject his $8.5 billion tax increase proposal in November. Cuts – including shaving a few weeks off the school year – would become likely.

And there would be another bite from the University of California and California State University systems, necessitating yet more tuition increases.

The governor's tax package would have a tough time in the best circumstances. These circumstances are far from optimal. Voters are in a foul mood. Legislators need to impose reductions by their constitutional deadline of June 15, and not give the electorate another reason to reject the November tax package. The clock is running.

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