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Dan Walters: Protests over proposed California budget cuts are shooting in the dark

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A couple of hundred University of California students staged a street theater demonstration Monday at the Capitol, protesting looming budget cuts in higher education and the prospect of higher student fees.

It wasn't exactly a throwback to the tie-dyed 1960s; the female students wore high heels and the men coats and ties as they listened to politicians' expressions of support, including a "freeze the fees" plea from Lt. Gov. John Garamendi. But subdued as it may have been, it symbolized the angst that's developing over the state's whopping budget deficit.

Gov. Arnold Schwarzenegger's proposals for slashing spending by billions of dollars – whether serious or symbolic – and Legislative Analyst Elizabeth Hill's alternative budget that includes \$2.7 billion in revenues from loophole closures and a batch of new fees are igniting public and private resistance. Those facing spending cuts or higher fees and taxes are muscling up with lobbyists and other tools of persuasion.

The powerful Education Coalition is mounting an advertising campaign against the governor's \$4 billion-plus reduction in state aid to schools and hundreds of school districts are sending out teacher layoff notices this month. Meanwhile, the prison guards union and law-and-order legislators are denouncing Schwarzenegger's plans to overhaul parole.

When the Senate Revenue and Taxation Committee staged a hearing on tax loopholes, dozens of lobbyists turned out. The software and entertainment industries are among those that would be affected should Hill's approach to closing the state's budget gap be adopted.

While college students complain about paying higher fees, business groups are opposing fee proposals affecting them. Timber industry lobbyists, for instance, are circulating documents that oppose Hill's suggestion that fees for logging be increased. "We believe the ... proposed tax will serve to drive the timber industry from California, damage rural communities and ultimately reduce state and local tax revenues," declares one industry document distributed to lawmakers.

Capitol lobbyists, a notoriously phlegmatic lot, may see the Schwarzenegger budget and the Hill alternative as full-employment acts that will generate untold thousands,

or even millions, of dollars in income for themselves. But despite the angst, it's still uncertain whether either of the pending budget proposals, or even any of their major provisions, have any chance of enactment, or are merely political cannon fodder.

It's evident, for instance, that when the governor proposed billions of dollars in spending cuts, it was something of a ruse to generate the ain't-it-awful reaction from college students, teachers and others potentially impacted by his budget, possibly to provide cover for raising revenues of some kind.

Shortly after unveiling the budget in January, the governor said it was designed to "rattle the cages" and impress lawmakers with the depth of the state's fiscal crisis. His aides quickly insisted that despite the remark, he'd sign such a budget if given the chance, but then last week, the governor offered another verbal clue that despite his tough-sounding no-new-taxes rhetoric, he really wants to generate some more money.

Schwarzenegger endorsed, first specifically and then generally, Hill's suggestion that billions of dollars in "tax expenditures" – special tax provisions that benefit specific taxpayers – be shrunk or eliminated. Her list included a special income tax break for families with children, with the money going directly to education to offset the reductions that otherwise would be needed.

When college students, industry lobbyists and others fire rhetorical fusillades at the budget, therefore, they're shooting in the dark against fast-moving targets.
