

## Editorial: LAO charts a course to budget realism

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The best thing that's happened in the few days since Tuesday's special election is that people in the Capitol are showing signs of getting real.

With voters and fiscal experts advising against more borrowing and the federal government refusing to co-sign for the state's loans, the governor has acknowledged that debt is not the answer. Two days after the election, he withdrew a proposal to seek \$5 billion in lending from private sources.

The Democrats, meanwhile, have conceded that the public has little appetite for further tax increases, and they have resolved to at least try to balance the budget without them.

Republican lawmakers haven't quite reached full realism, having advocated a fresh set of helpful reforms but, so far, no specific spending cuts. Their ideas will be needed, and the sooner, the better.

A report issued Thursday by the nonpartisan legislative analyst lays out the nature of the problem and presents some new ideas for resolving it.

None of the options is pleasant. But rather than simply filing this report away, as it has done with so many of the analyst's sensible recommendations, the Legislature needs to examine it closely and seriously consider adopting many of its painful prescriptions.

Any citizen who still thinks the budget can be balanced by trimming waste, fraud and abuse, cutting legislative salaries or eliminating services to illegal immigrants should also read the report, at [www.lao.ca.gov](http://www.lao.ca.gov).

Analyst Mac Taylor and his staff have led the way in finding waste, fraud and abuse in state government, but even they are suggesting real cuts in services, staff reductions, and pay and benefit rollbacks.

The analyst, for example, suggests cutting 5 percent of the non-instructional support staff at the University of California and the California State University system; increasing class size at these

universities by 5 percent; and requiring professors to teach an average of one additional course per year.

Combined, these measures would save about \$600 million a year. None is an option we would choose in good times or even normal bad times. But today's predicament might require all three.

The analyst also suggests several measures that would reduce the prison population and save the taxpayers hundreds of millions of dollars per year.

Releasing inmates 30 days early if they have no record of violent, serious or sexual offenses would save \$50 million. Another \$57 million could be saved by keeping in county jails, rather than the prisons, any convicted felons who have less than six months to serve on their sentence. And the state could save \$262 million by not sending parolees back to prison when they fail to check in with their officer, fail a drug test or even commit a misdemeanor, which would be prosecuted instead as a new crime and dealt with at the local level.

Some have criticized Gov. Arnold Schwarzenegger for proposing painful cuts, arguing that he was trying to scare voters before the election or punish them now. But the analyst's office has no reason to engage in such political games, and its recommendations also would cut deeply into basic services. That, after all, is where the real money is.

These ideas and many more like them, unfortunately, are going to have to be seriously considered if California has any hope of ever living within its means again.