

Editorial: Brown budget is a start, but it could be bolder

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Gov. Jerry Brown's budget proposal issued Monday is a work in progress that provides a clear-eyed view of California's dire straits. It offers significant spending cuts and some major structural reforms but, alas, not enough of the latter.

As Brown sees it, California's general fund, the portion of the budget filled with income, sales and corporate taxes, will be \$84.6 billion for the 2011-2012 fiscal year, basically flat. Spending from earmarked taxes, fees and bonds will push overall state spending to \$127 billion.

To close a \$25.4 billion deficit, Brown is proposing \$12.5 billion in cuts, and is seeking legislative approval for a June ballot measure asking voters to extend about \$9 billion in annual taxes due to expire at the end of June.

He offers other proposals that would bring the total from taxes to \$12 billion, and offers a few relatively modest one-time fixes.

The implication is clear. If voters reject the taxes, the governor said at the start of his second week in office, additional cuts would be "draconian, and Draco wasn't a very nice chief executive."

He and his Democratic supporters including Sen. Darrell Steinberg face a double hurdle: getting the tax extension on the ballot, then persuading voters to endorse it. Brown had barely finished presenting his proposal Monday when Republicans announced that none would vote for it. The new year did not usher in warm bipartisan feelings.

Brown is nothing if not crafty, as his budget shows. Perhaps he can bring some Republicans to the table. If they refuse, Brown and Steinberg seem to leaving the door open for an attempt to get the tax extension on the ballot through a majority vote. That would in turn trigger a showdown in the courts.

Brown's budget includes several cuts that are necessary and some that are ill-considered. He proposes to protect spending on public schools, which is fine, and would whack \$500 million from the University of California and \$500 million from the California State University systems.

For the first time, students (and their parents) would be paying more in tuition than the state spends in support of the institution. That reversal is ominous, although the trend began years ago.

The governor is calling on local authorities to house low-level offenders and juvenile offenders, and to take over parole functions. That shift spending from the state to locals, with the potential of making the programs more efficient and effective.

However, overall prison spending would rise by about \$1.6 billion, much of it for inmate health care. Brown explains the increase by saying he is dispensing with the old trick of imposing "cuts" he knows would not take place. Still, most departments face real cuts.

Prisons should not be immune.

Included in his \$3 billion in health and welfare spending cuts, Brown, like ex-Gov. Arnold Schwarzenegger, is calling on lawmakers to end California's adult day care program. That was short-sighted when Schwarzenegger suggested it and remains so. Many people use the service as a way to remain in their homes, rather than moving into far more costly nursing homes.

Politicians are fond of saying a good crisis should not go to waste. Brown needs to be bolder in his handling of this one. His opening budget omits discussion about extending sales taxes to some services and tweaking income tax rates so that everyone who works pays at least some taxes. His budget could have gone further on eliminating or scaling back tax breaks.

A governor's January proposal is just that – a proposal. Brown deserves credit for avoiding the gimmicks of past governors. He also is setting up a choice for voters to decide what kind of state they want. As a first draft, the proposal is a start. But there is much more that must be done for this state to get its fiscal affairs in order.

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