

Editorial: Brown seeks to claim fiscal middle ground

Published Tuesday, May. 17, 2011

In his revised budget issued Monday, Gov. Jerry Brown resisted the temptation to overspend and instead called upon legislators to pay down California's daunting debt. That's quite a concept, one worthy of support.

With the economy beginning to rebound, the state is expected to collect \$6.6 billion more in taxes this year and next fiscal year. Rather than spend it all, Brown wants to use much of it to pay off what he calls a "wall of debt." By his estimate, his budget would shave \$29 billion from the state's debt of \$35 billion by 2014.

But there is a rub. To keep government operating at levels acceptable to most Californians, he will need to win support from legislators to place his tax package before voters, and voters will need to approve it.

Failure to approve the roughly \$9.3 billion in tax revenue would result in deeper cuts to schools and other social and health programs. That's a tall order.

But alternatives are worse.

He could, as some Democratic legislators and organized labor backers suggest, try to muscle a tax extension through the Legislature this year, forgoing a statewide vote.

He could, as some Republican lawmakers urge, raid other funds and make unacceptably deep cuts in programs for the poor and vulnerable.

But Brown seems to be charting a middle path. Most importantly, he is not giving in to the temptation to borrow his way out of the budget mess.

Importantly, the Democratic governor is talking about the state's many unfunded liabilities, including \$100 billion in pension and health care obligations to state workers, \$56 billion for retired teachers, and \$13 billion for University of California employees.

We take issue with some of his proposals. It is folly to eliminate adult day care, a program that costs little but serves to keep elderly people out of nursing homes.

He has backed off his plan to eliminate business tax breaks known as enterprise zones, although he is suggesting a modest change that could end some of the worst abuses.

Brown is sticking by his plan to eliminate redevelopment, a step that could save the state \$1 billion or more. But he says he is willing to entertain replacing it with another program that would permit cities to address legitimate concerns about blight without state subsidies.

Laudably, he remains intent on altering the prison system and reducing crowding by having short-term inmates serve their sentences in county jails rather than far more costly prisons.

None of it will be easy. Budgets never are simple, especially when they involve paying off debt rather than, say, opening parks or building roads. The success of Brown's governorship depends on this bank shot.