

Gov. Jerry Brown tells legislators he will push for a \$25-billion cut in California's budget unless voters OK tax extension

Jerry Brown, testifying before the Legislature, says without more taxes he will insist on a budget that is balanced through spending cuts. He has said he does not want to borrow to close the gap.

Anthony York and Shane Goldmacher, Los Angeles Times, 2-25-11

SACRAMENTO -- Gov. Jerry Brown said Thursday that he would hold out for a budget that cuts more than \$25 billion from state services if voters and lawmakers do not approve more taxes.

Brown made his comments to a panel of lawmakers who are working on a spending plan — the first time in nearly 50 years that a sitting governor has testified before the Legislature.

"I want to make one thing clear," Brown said. "... If we don't get the tax extensions, I am not going to sign a budget [unless it is] an all-cuts budget."

Brown, a Democrat, has said he does not want to borrow to close the gap or employ the kinds of bookkeeping gimmicks used to balance the budget in recent years. He has alluded to "dire consequences" if his plan to extend billions in income, sales and vehicle taxes is not taken to voters and ratified this year.

As a cold rain fell outside the Capitol, Sen. Mark Leno (D-San Francisco), a budget panelist, said failure to have the taxes extended would "make today's weather look like a sunny day in July."

The governor needs some Republican support to place the tax issue before the public. But many GOP lawmakers have said they want to see state regulations eased and public pensions revamped before even considering the tax proposal.

They received a boost Thursday from the bipartisan Little Hoover Commission, a watchdog agency, which urged legislators to freeze pension benefits for current government workers. The commission also proposed capping future pensions and raising the retirement age for some state employees. The report, embraced by Republicans and critics of California's public retirement system, could become a blueprint for a GOP-backed pension proposal.

But a spokeswoman for the Service Employees International Union called the proposal "fundamentally unfair to workers and unwarranted by the facts."

For the first time Thursday, Brown seemed ready to include discussion of pension changes as part of the budget negotiations. He sparred with Assemblywoman Diane Harkey (R-Dana Point), asking if she would support the tax package if it were coupled with a plan to curb pensions.

"If that's serious, let's do it," Brown said.

Harkey declined, and Brown burst back in: "This is your chance to make [Democrats] do something that they don't want to do. All you have to do is step up and do something you don't want to do."

There were moments of levity during Brown's appearance. While expressing disappointment at Republicans who have signed anti-tax pledges, he quipped that as a young seminary student he made vows of poverty, chastity and obedience that were later withdrawn.

"It took the pope to do that, but I want you to know we can set up a process where we can dispense people from pledges," he said to laughter.

"Any Republican that wants a dispensation, they should come down to my office."