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Brown's Countdown, Day 54: Budget panel approves plan

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Democratic lawmakers on Thursday pushed Gov. Jerry Brown's budget plan to a likely vote next week, backing his proposals to eliminate redevelopment agencies and to shift many state services to local governments.

The vote by the two-house budget conference committee, over the opposition of minority Republicans, sets up floor votes in the Assembly and Senate.

Brown, facing a \$26.6 billion budget deficit, has set next Thursday as a deadline for approval of the spending package that includes the still-unresolved matter of asking voters to extend 2009 tax increases on income, sales and vehicles.

Democrats said they had moved "far outside our comfort zone" to enact cuts to social service programs they hold dear.

"We agreed to take these cuts because we must act, and that requires concessions for the greater good," said Assemblyman Bob Blumenfield, D-Woodland Hills and chairman of the conference committee.

Republicans provided votes for some but not all of the spending cuts and program changes in Brown's plan. They were dismissive of many of the actions taken Thursday, complaining that many of the measures had not been fleshed out or would draw legal action and not produce projected savings.

One of the most controversial elements of Brown's proposal is a measure to dissolve redevelopment agencies, taking \$1.7 billion to pay for Medi-Cal and trial courts and diverting future revenue to schools and local agencies.

The League of California Cities on Thursday called the plan unconstitutional and said agencies would sue to block it.

Democrats said the reductions they approved amounted to \$12.5 billion to help close the deficit, but they lowered or otherwise altered some cuts proposed by Brown.

The conference committee:

- Rejected Brown's plan to limit the number of doctor visits by adults under Medi-Cal, instead approving a "soft cap" that would require physician certification that any visits beyond seven a year are necessary.
- Reduced Brown's proposed cuts to CalWORKs, which provides cash assistance to needy families. The legislative committee agreed to lower grant levels by 8 percent; Brown had proposed reducing grant levels by 13 percent.
- Increased by \$50 million Brown's proposal to save \$200 million in general fund spending through department consolidations, operational efficiencies and other cost reduction measures.

All four Republicans on the 10-member committee opposed the final measure. Afterward, Assemblywoman Diane Harkey, R-Dana Point, called for an analysis of how much of the budget consists of such measures as one-time cuts and borrowing.

Under Proposition 25, approved by voters in November, majority Democrats can pass a budget bill and most related measures without needing Republican votes to achieve a two-thirds majority.

That does not hold for the tax extension measure, however, and Brown continues to look for two Republican votes in each house that would allow a June 7 election. While he is talking to a handful of Senate Republicans, none has come forward to back the tax extension vote.

To that end, the governor got an indirect assist from one of the state's most prominent business leaders earlier Thursday.

Allan Zaremberg, president of the California Chamber of Commerce, sought to assure lawmakers that they can count on support in their communities if they face tough votes that prove unpopular with political activists.

"Some are going to be subject to more criticism than others, whether or not they're pro-business Democrat or a Republican," Zaremberg said. "I think it's important for them to know and people to know that there's going to be support for them if they participate in a solution that is comprehensive and helps solve the budget crisis."

Zaremberg was coy about whether he would back Brown's framework of taxes and cuts, though he reminded reporters that the business group backed a tax-and-cut package in 2009.

Still, Brown seemed to appreciate the gesture.

"It is apparent that momentum is now building for a bipartisan budget solution that includes spending cuts and a temporary extension of current taxes," he said in a prepared statement.

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