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Assembly GOP issues budget ahead of governor's plan

At long last, **Assembly Republicans** have issued their own budget plan.

The proposal includes: a roughly 10 percent reduction in state employee costs; health and welfare cuts rejected by legislative Democrats; taking money from redevelopment agencies; and emptying out special accounts for First 5 and mental-health programs.

The Assembly GOP budget provides K-12 schools and community colleges nearly the same amount that Gov. **Jerry Brown's** proposal did, absent about \$450 million in supplemental funds for low-performing schools. It also provides \$500 million for local law enforcement that Brown wanted to fund through a portion of higher vehicle taxes.

It does not include Brown's proposal to extend higher taxes on vehicles, sales and income, in part because it assumes California will benefit from about \$5 billion in higher revenues than the Department of Finance anticipated in January. That includes \$2.5 billion more already in the bank, as well as another \$2.5 billion bump in 2011-12.

The Assembly Republican plan also rejects Brown's proposal to shift responsibilities to local governments.

The rare GOP budget outline comes four days before Brown will release his May budget revision, a proposal that will set the stage for the next round of negotiations to bridge a remaining \$15.4 billion gap.

Legislative Republicans have long resisted issuing a full balanced budget, arguing that their ideas are never taken seriously or that Democrats now have control of the budget process and don't need GOP support. But the recent revenue spike has benefited their position, so they are moving fast to decouple taxes and education funding, the thrust of Brown's case for additional revenues.

Several of the GOP ideas would be highly contentious. It is hard to see how Democrats would slash state worker compensation by anything close to 10 percent after employees agreed to some concessions in new contracts within the last year. Assembly Republicans did not outline specific cuts but suggested the state could pursue layoffs or ramp up health care costs.

Also, the plan calls for \$700 million in savings through electronic court reporting, centralizing state program eligibility reviews and contracting out services for the developmentally disabled and those in mental health facilities. The savings would come through supplanting public employee jobs.

Another hurdle would be the fact that two of the ideas would require voter approval. The plan calls for taking \$2.3

billion from tobacco-tax funded First 5 and millionaire-funded Proposition 63 mental health accounts, which represents the entirety of their reserves and 2011-12 revenues. Voters rejected similar proposals in a 2009 special election, and it is hard to see Democrats getting behind a complete raid of those programs.

Assembly Republicans are relying on a redevelopment overhaul for \$1 billion to \$1.7 billion in revenues. Because of differing opinions in the caucus, the plan does not spell out whether to fully eliminate redevelopment, as Brown has proposed, or whether to take a smaller payment but keep the program intact, as the agencies have suggested.

They want Democrats to revisit about \$1.4 billion in solutions that the governor originally proposed. That would mean further cuts to In-Home Supportive Services, developmentally disabled and welfare-to-work.

It is unclear how many of the proposals would have lasting impact; Brown has made the case that his plan solves the state's structural budget problem for the next five years rather than one time.

Categories: State budget
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10:09 AM | 50 Comments | [Share](#)

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Yawn

There is plenty of "reform issues," while I enjoy a modest government retirement with taxpayer funded health benefits, I agree there needs to be pension reform, reining in of exhorbiant executive salaries and perks. Some my non-vested pension benefits have been cut. But everyone has to share the pain.

Both political parties are to blame. Each are to blame for part of the budget deficit:

1. Demos are bankrolled by labor.
2. Republicans by corporations.

The solution for exchange of reforming Redevelopment Agencies--most importantly making the taxpayer approve any bonded debt issue and stop the practice of decaring an entire city blighted; labor will give up pensions of 50-3% and start picking up some of the costs of their retiree health benefits.

Republicans cannot wear the mantle of free enterprise and continue the giveaway of millions of taxpayer money to businesses. Democrats cannot claim to be for the "little people," and hold

back reform by placating labor with perks not required or affordable.

Check out the latest corruption scandal in the County of San Bernardino, one of the major indictments is against a man who made money on the affordable housing requirement and allegedly moved on the buy votes. Trojan Horse of RDA is affordable housing.

5 minutes ago 1 Like Report Abuse

Like Reply



Shooter916

The GOP just had 7 years of GAS leadership and did nothing. So as President Obama had to remind John McCain more than once YOU LOST. Now sit down and shut up.

13 minutes ago 4 Likes Report Abuse

Like Reply



davidinist

Pension reform is needed for the excessive benefits of State Workers with unfunded liabilities in the billions. When on the ballot, this measure will pass now with a 70% majority of the public, municipal and state workers need to have their pensions scaled back, period. We also need an all cuts budget. With all the teacher abuse going on, there are plenty of people we can fire including their pensions.

8 minutes ago in reply to Shooter916 1 Like Report Abuse

Like Reply



bille

This state did what our Federal government did and relied on capital gains to make up for tax rate cuts. The capital gains from the Dot Coms then from real estate. It was a foolish gamble and now no one wants to reinstate the former tax rates, that has been renamed a "tax increase". For all of GAS bags hot air about a spending problem you can see he out spent everyone.

http://www.sco.ca.gov/state_fi...

1995 tax rate - scroll to the bottom and notice a 10% and 11% top marginal rate

<http://www.ftb.ca.gov/forms/95...>

Current top marginal rate reduced to 9.55%

<http://www.ftb.ca.gov/forms/20...>

<http://www.ftb.ca.gov/forms/20...>

18 minutes ago 2 Likes Report Abuse



ragtop

Let's have a "Passed the Budget" Party! I'll send out the invites around Halloween...

28 minutes ago Report Abuse

Like Reply



bille

Make sure it says, "don't open until Christmas".

17 minutes ago in reply to ragtop 2 Likes Report Abuse

Like Reply



FrederickT

How can any critical thinking person with an IQ above room temperature, not realize that the fiscal crisis we face in this state and this nation is the direct result of 50+ years of Democratic Party policies. The Legislature which controls California's pursestrings has been controlled by Democrats for over 3 decades. Democrats in Congress (the nations pursestrings), have been in controll for 38 out of the last 50 years-yet all our problems are the fault of those evil Republicans? No wonder this state and nation are in such fiscal shape. Unless you actually know how the budgetary process actually works, maybe you should not be allowed to vote!!!

29 minutes ago 9 Likes Report Abuse

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Melusina

California is a liberal democratic state. If you don't like it then you can always hightail it to one of those southern welfare states. They're rife with ignorant people. You'll fit right in. Type your comment here.

8 minutes ago in reply to FrederickT Report Abuse

Like Reply



jbhunt

You are right on! The sad thing is the Democrat voter will not even look at this plan.

25 minutes ago in reply to FrederickT 3 Likes Report Abuse

Like Reply



liberamundi

I did look at this plan. I'm still laughing.

13 minutes ago in reply to jbhunt 2 Likes Report Abuse

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