

# Calif. governor proposes deep cuts

By AARON C. DAVIS, Associated Press Writer *Thu Jan 10, 6:15 PM ET*

Gov. Arnold Schwarzenegger declared a fiscal emergency in California Thursday, and released a state budget proposal that would close an estimated \$14 billion gap by cutting education funds, **releasing inmates** and closing dozens of state parks.

The emergency declaration forces lawmakers to vote on many of the cuts within 45 days, instead of waiting until the new budget year begins July 1. If they take no action, they cannot address other state business.

The \$141 billion plan would give schools 10 percent less money, release 22,000 inmates and shut 48 state parks. Cuts or freezes in funding for children of welfare recipients and elderly, blind or disabled people also are in the plan.

"This is a budget that doesn't please everybody, I know that for sure," Schwarzenegger said. "But the bottom line is I think this is the fairest way to go."

California faces a \$3.3 billion deficit for the current fiscal year if no action is taken, and projects an \$11.2 billion shortfall next year.

Economists have long advocated measures to control spending as a way to bring California's revenue and expenditures in line — unless the Republican governor reneges on his promise not to increase taxes. Major cuts to education and social programs, however, will be difficult if not impossible in the Democrat-controlled Legislature.

State agencies and programs would be cut by 10 percent. Education would lose more than \$4 billion, cuts that would require the Legislature to suspend provisions of a voter-approved initiative that guarantees a minimum funding level for schools.

That proposal drew immediate criticism from Democrats and educators. A group of parents also demonstrated outside the governor's press conference, holding signs and chanting that the state must protect its children.

"The governor's budget takes a giant step backwards," state Superintendent of Public Instruction Jack O'Connell said in a statement. "Our state shouldn't punish our children for its grown-ups' mistakes."

Cuts to the prison system would come through the early release of inmates determined to be "low risk" who have less than 20 months remaining on their sentences. Only prisoners serving sentences on nonviolent, non-sex-offender crimes would be eligible.

He also proposed eliminating active supervision of 18,522 parolees and **making it far more difficult to return lawbreakers to prison**. In all, the cuts and weakened parole policy were expected to **reduce the state's prison population by 35,000** in the next two years.

Republican lawmakers have been critical of any attempt to release inmates early and reacted angrily.

**"The governor is unequivocally proposing to jeopardize public safety to balance his budget, when he's always said he would never do that," said Assemblyman Todd Spitzer, a Republican.**

Schwarzenegger also will resubmit a proposal the Legislature rejected last year to cut benefits for the children of welfare recipients if their parents fail to get jobs. The state's medical coverage for the poor would be cut by \$1 billion, mainly by eliminating dental coverage for more than 3 million.

The \$14.5 billion shortfall rivals the one left by Schwarzenegger's predecessor, former Gov. Gray Davis. Schwarzenegger covered that gap with loans and other fixes, then glided on borrowing and an unexpected surge in state tax revenue, but now has far fewer options to bring the state's spending and revenue in line.

The cuts outlined by the governor are larger than what Democrats expected. They are pushing for a combination of cuts and tax increases.

"It's the governor's day of reckoning," said Steve Maviglio, spokesman for Assembly Speaker Fabian Nunez, a Democrat. "And it won't be pretty."