

## **Governor's Budget Slashes State Spending But Protects Major Funding for Youth Crime Prevention Programs**

*By David Steinhart*

On January 10, California Governor Gray Davis released his FY 2003-04 Proposed Budget. To address the worst state deficit ever, Davis slashed funds for education and health programs, announced sales and income tax increases and laid plans to “realign” \$8 billion in state-funded services, making the counties responsible for them.

This cost-cutting frenzy hit programs in all areas except public safety and corrections. The Governor's FY 03-04 proposed funding level for all Youth and Adult Corrections was \$ 5.6 billion (9 percent of all general fund, and within one percent of last year's amounts). By contrast, the Governor's proposed FY 03-04 general fund appropriation for Health and Human Services was down 34 percent, and for K-12 education down 6 percent from FY 02-03 levels.

Amidst all these cuts, state-funded youth crime and violence prevention programs were protected by the Governor, emerging practically unscathed. The three largest programs were slated by the Governor for support at the following levels for FY 03-04:

- After School Education and Safety: \$ 107.3 million (vs. \$ 121.5 million last year).
- Schiff- Cardenas Crime Prevention Act: \$ 116.3 million (same as last year).
- School Safety grants: \$ 72.1 million (versus \$ 82.1 million lat year).

What does all this mean? It means that the Governor has indicated in no uncertain terms his staunch financial commitment to public safety programs, including the Schiff-Cardenas Crime Prevention Act. But, it is important to recognize that the Governor's January Budget is only a proposal—one that will be scrutinized and challenged by lawmakers over the next six months. Already, cries of protest are being launched at the Governor from education and health constituents who suffered the deepest cuts. And local governments are in a state of near-panic about the Governor's proposed recapture of vehicle license fee “backfill” funds, about realignment costs and about the sales tax hike and its suppressing effect on local fundraising plans.

Lawmakers have already closed ranks in political camps—with Republicans vowing to reject tax increases and Democrats insisting that taxpayers will have go to their wallets to help government get through the crisis.

Right now, the Legislature is in a special concurrent session called by the Governor last December to consider “mid-year” spending cuts for the current budget year (FY 02-03). Lawmakers are reviewing about \$ 10 billion in “mid-year” reductions sought by the Governor, and they must act by the end of January. Then the attention will rivet on the FY 03-04 budget. In the normal course of events, Budget Subcommittees in both houses meet

between February and May to produce Senate and Assembly Budget versions. Then in May, the Governor issues his Budget Revision based on the latest revenue forecasts. The constitutional deadline for lawmakers to send the budget to the Governor is June 15. There is no telling whether the normal timing of events will be followed in the fiscal tumult. The road to compromise will be a long and bumpy one, perhaps a political minefield, as Democrats and Republicans clash over ideologies and practical solutions.