

# **WILSON STICKS TO HIS PLAN FOR BUDGET GOVERNOR STILL PINS HOPES ON IMMIGRATION AID**

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## **Body**

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Further complicating efforts to balance the state's **budget**, the **Wilson** administration said Friday it won't decide until mid-June whether to count on federal **immigration aid** -- \$3.1 billion almost nobody expects -- to settle its books.

The Republican **governor** tinkered slightly with his \$39 billion general fund spending **plan**, reporting that because California has begun to emerge from its economic slumber, the state has about \$280 million more than he expected in January.

"California's economy is improving," said **Wilson's** **budget** chief, Russell Gould.

But the difference between existing levels of state spending and current receipts is **still** \$3.8 billion, a gap **Wilson** would bridge by so-far unspecified cuts, by borrowing, or both.

The non-partisan Legislative Analyst's Office, relying on a less rosy scenario, has put the **budget** gap at \$5 billion.

**Wilson** and Democratic legislative leaders have been saying for weeks that they expected relatively easy **budget** approval this year because they intended to count on \$3.1 billion in federal **immigration aid**.

Even though the White House has said the state can expect only about \$500 million, top state lawmakers have said the reliance on what some call the "mystery money" would allow **Wilson** and them to get through Election Day this November without making politically unpopular **budget** cuts.

Facing the bad news

But Gould told reporters at a Capitol news conference Friday that **Wilson** may be willing to confront what is likely to be bad news from Washington by June 15, the Legislature's constitutional and widely ignored deadline for **budget** action. "We're going to have to make an assessment in mid-June of where we are," Gould said. "We're going to have to make a realistic assessment of what kind of federal reimbursements we can expect and then proceed to a balanced **budget**. We're going to fight for every dollar."

**Wilson plans** a trip to Washington next week to step up lobbying for money over which California has filed suit in U.S. District Court in San Diego.

In contrast to recent years, **Wilson's** May rewrite of his **budget plan** -- typically setting the stage for a monthlong fight over its approval -- was not calamitous.

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The revised **budget** includes most of what **Wilson** called for four months ago, including no cuts in per-pupil spending for students in kindergarten through high school, massive cuts in welfare grants, and higher community college fees. It calls for \$33 million in extra spending on prisons as the effects of California's new "three strikes, you're out" law begin to take hold.

Property tax revenue to dip

Because of historic housing depreciation, particularly in Southern California, the state will lose \$500 million more than expected in property taxes. But that loss is offset, in part, through lower than expected demand on the state's classrooms and medical services.

**Wilson** also has ordered that funds for the controversial California Learning Assessment System (CLAS) tests be removed from his **budget** until an audit of its performance is finished.

"We believe that through legislation, modifications can be made to that program and should be before it is funded," said Gould, director of the state Department of Finance.

Administration officials said its revised **budget** picture was conservative when compared with private economic projections.

State Treasurer Kathleen Brown, a Democrat and **Wilson**'s most formidable foe in this year's gubernatorial contest, assailed the revised **Wilson budget** as a farce.

"It was a lie when he proposed it and it remains a lie today," Brown said in a statement faxed to political reporters. "**Wilson**'s **budget** is **still** cobbled together on the **hope** and prayer that the federal government will balance California's **budget** with \$3.1 billion."

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