



California Federation of Teachers  
American Federation of Teachers, AFL-CIO

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*In case you missed it...*

## **San Jose Mercury**

### **Mercury News editorial: Obstinance on budget could backfire on GOP**

Mercury News Editorial  
04/17/2011

If California GOP lawmakers don't relent and allow voters to decide whether to extend taxes to help close the state's \$26 billion deficit, they may end up making it easier to raise taxes in the long run.

The gridlock in Sacramento is absurd. Two Republicans in each house of the Legislature are all it takes to obstruct the budget process, leaving millions of Californians in limbo. But if the worst-case scenario unfolds, and an additional \$15.4 billion has to be cut from schools, sheriff's offices and other public agencies in addition to cuts already passed as part of Gov. Jerry Brown's budget, the backlash could be severe. It could clear the way for initiatives on already popular ideas for taxes on the rich and on Big Oil, and it might even weaken support for the two-thirds threshold needed to pass new taxes or extend expiring ones.

At the least, it will improve the chances of passing ballot measures for a 1 percent income tax charge on the top 1 percent of earners and for a 12.5 percent severance tax on the 200 million barrels of oil produced in the state every year. Together the taxes would bring in an estimated \$4.5 billion a year, which is still less than a third of today's \$15.4 billion gap -- but it would be a start.

Business leaders don't like either of these taxes -- though to us, they sound more reasonable by the day. The prospect should influence them to ratchet up the

pressure on Republican lawmakers to make a deal with Brown rather than going for gridlock.

A survey last month by the California Federation of Teachers found that taxing the wealthy already is popular, even absent the prospect of budget Armageddon. Nearly 8 in 10 of 800 likely voters said they supported taxing those earning \$500,000 and above. Even 60 percent of Republicans agreed.

It's easy to see why: It's a relatively painless way to bring in much-needed revenue and narrow the growing gap between rich and poor. If an Assembly bill to impose the tax fails, as expected, the teachers association is seriously considering putting it on the ballot.

An oil severance tax isn't quite as popular, since the costs would trickle down. But California has none, in contrast to two dozen other states, including Texas and Alaska. Proponents would earmark the proceeds for colleges and universities, which in the best-case scenario will take a \$1 billion whack next year alone. Skyrocketing tuition could convince voters that paying a little extra at the pump is worth it.

Republicans in the Legislature have utterly failed to do their jobs, refusing to allow voters to decide whether to raise taxes while also withholding support for most cuts and making demands that would add billions to the deficit. They have no solution, other than waiting for the deficit fairy to wave her magic wand.

The Bay Area Council, Silicon Valley Leadership Group and chambers of commerce back Brown's budget plan, although with some caveats, and have pledged cover for any Republicans who vote for it.

They need to step up the pressure on the party that so far has refused to lift a finger to help California solve its budget mess.

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