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**To:** [SO2CBO@LISTSERV.CCCNEXT.NET](mailto:SO2CBO@LISTSERV.CCCNEXT.NET)  
**Subject:** Budget update

Colleagues,

In case you haven't heard the news, Governor Brown announced today that he has ended discussions with Republican legislators to put tax extensions on the June ballot. In a press conference held late this afternoon, Senate Pro Tem Darrell Steinberg confirmed that a June election was not going to happen.

What is not clear is the next step in the process. There have been discussions about attempting to place an initiative on the ballot in November, whether by a straight majority vote of the Legislature or through a signature gathering process. Such a scenario could create a lot of uncertainty for the budget (Reduce now and add funding back in later? Borrow money to get the first part of the year, and then cut in November if the initiative fails?). Others are advocating waiting until the presidential election in November of 2012 when the odds of passage may be greatest, leaving districts to live through at least 2 years of deep cuts. Others haven't given up hope of convincing some Republican members of the Legislature to vote directly to extend taxes without the need for a ballot initiative, though that would appear to be a significant political challenge.

Certainly, today's announcements indicate the threat of an all-cuts budget is high, but much uncertainty still remains. We'll do our best to keep you updated.

Thank you,  
Dan Troy

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