

Angelides scorns governor's policies Treasurer accuses Schwarzenegger of breaking promises

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Sacramento -- State Treasurer Phil Angelides, who plans to run for governor in 2006, launched a pre-emptive attack Tuesday on Gov. Arnold Schwarzenegger's State of the State address, saying the governor has broken the promises he made to the people of California.



Angelides unveiled a television spot, which is airing this week across California in anticipation of Schwarzenegger's speech today and the release of his budget proposal Monday. The ad asks Californians to contact the Republican governor and hold him to his promise of fixing the state's fiscal mess without hurting education or borrowing large sums of money.

"I urge the governor to end his failed policies of debt and budget deception, which have left our state with \$26 billion in credit-card debt, facing an \$8.1 billion deficit and looking at devastating cuts to education and health care," Angelides, a Democrat, told reporters Tuesday.

In his speech tonight, Schwarzenegger is expected to call on lawmakers to work in special sessions to deal with proposals ranging from streamlining state bureaucracy to redrawing political boundaries in an attempt to make it easier for more centrist candidates to win election to the Legislature and Congress.

But Angelides said if the governor focuses on things other than the budget, he is deliberately changing the subject from larger and more difficult issues.

"He is shifting the focus away from our budget, from the critical issues about how to balance the budget while protecting education and health care like he promised," said Angelides, who said he favors a tax increase for wealthy Californians to help balance the state budget.

Schwarzenegger is expected to eschew higher taxes and propose a broad array of spending cuts and government reorganization plans to bring spending in line with revenue.

H.D. Palmer, a spokesman for the governor's department of finance, said the administration plans to detail over the next week how it wants to solve the state's recurring deficits.

He noted that voters approved Propositions 57 and 58 last year, ballot measures that imposed a balanced budget requirement and authorized \$15 billion in borrowing. Palmer said the moves calmed the fears of Wall Street and led to an upgrade in the state's credit rating.

"He is on the wrong side of the people and on the wrong side of Wall Street," Palmer said of Angelides.

But Angelides said the governor's decision to continue to borrow money to balance the budget has loaded the state with \$26 billion in debt that will force the state to spend more on debt repayment than on higher education or health care programs for children.

"We are at a point now where we face, because of the governor's policies, a tsunami of devastating budget cuts to education and health care that will hurt our children," he said. "And we cannot let that happen."

Angelides repeated the reference to a "tsunami" of problems three times, prompting a sharp response from Palmer.

"I think it is absolutely appalling that on several occasions the treasurer used the word tsunami in a partisan context, when hundreds of thousands of people have lost their lives in Southeast Asia," he said.

Angelides deflected questions about his own run for the governor's seat next year, but he has consistently been one of Schwarzenegger's most vocal critics and has said he will run for the state's top job. Schwarzenegger has not yet announced whether he will seek a second term.

The 30-second TV spot, which cost several hundred thousand dollars to air, is paid for by the Stand Up for California committee, which is controlled by Angelides, who has amassed about \$12 million for his expected run for governor.

California State University Sacramento political communications Professor Barbara O'Connor said it makes sense for Angelides to begin to highlight issues on which the governor might be vulnerable.

"He will have to break the juggernaut," she said, noting that Schwarzenegger has had record-high approval ratings for most of his first year in office. "There has to be a redundant, ongoing litany of how the governor is not keeping his word."

Still, she said there is a risk associated with personally attacking someone who is so popular.

"Taking on Goliath with a slingshot is not necessarily a great idea," she said. "It is important to call him out on the issues."

Senate President Pro Tem Don Perata, D-Oakland, said he was not sure it is the right time to attack Schwarzenegger.

"I believe there is a time and a place for pressure," he said. Perata, who said he had not seen the commercial, said there is a "time and place" for challenging whether the governor had broken his word.

Perata and legislative Democrats have said they are committed to working with Schwarzenegger on issues but want to focus on education and health care.

Still, they are also gearing up to take on the governor if he decides to take his agenda to the voters in a special election later this year.

"There's no way in the world someone is going to call a special election and load it with measures that favor one side and not the other," Perata said. "We are certainly going to give voters choices. If there's going to be a gun fight at the OK Corral, we're not going to go in there unarmed."

State of the State

Gov. Arnold Schwarzenegger will deliver his State of the State address at 5:08 p.m. today. Bay Area television stations planning to broadcast the speech include CBS 5-TV, KTVU (Channel 2) and KRON (Channel 4).

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