Shawn Steel

From: Chairman [Chairman@cagop.org]

Sent: Thursday, October 04, 2001 10:01 AM

Subject: Op-Ed: State Budget Predictions Fall Deep into the Red



October 2, 2001

State Budget Predictions Fall Deep into the Red

Davis' Poll numbers follow

By Shawn Steel

Chairman, California Republican Party

As President Bush calls for Americans to return to their lives and get the American economy back on track, California's State Treasurer warns, "People do not see the freight train of fiscal chaos coming." Phil Angelides' prediction comes as California taxpayers and businesses wait to feel the aftershocks of the Gray Davis energy crisis. Instead of the \$4 billion surplus Governor Davis inherited throughout his first year in office, we are now facing at least a \$5 billion budget deficit. New predictions show this deficit growing to over \$10 billion if the economy remains slow. As our state budget numbers fall deeper into the red, Gray's poll numbers follow close behind.

Californians are growing increasingly dissatisfied with the job being done by Gray Davis. This sentiment is echoed by a recent poll showing the Governor's approval rating to be around 41 percent, the lowest it has been since he took office. The same poll illuminates Davis' vulnerabilities to potential Republican challengers. Among registered voters, former Los Angeles Mayor Richard Riordan beats Davis by a margin of 45 to 42 percent, even though he has not formally announced his candidacy.

The Davis administration has actively worked to take credit for averting the rolling blackouts predicted early this year, most noticeably through their "Flex Your Power" advertising campaign. The media blitz started as a conservation effort, but by summers' end has morphed into a taxpayer-sponsored pat on the back for Davis. The ads cite the administration's valiant efforts to create more power plants as a primary cause for the lights staying on. Poll numbers show that voters aren't buying that line. They view the absence

of blackouts as a result of their conservation efforts and a mild summer.

As the governor's poll numbers go south, his spin-doctors have kept the political propaganda machine moving. Garry South, the governor's top damage-control strategist, said that reporting poll results taken before the September 11 terrorist attacks on the East Coast was "horribly misleading." "These kinds of watershed events that shake the national psyche always have an effect on job approval," he said. "These kinds of things have effects on the way people feel about incumbents in general."

In some respects South may be correct. The nation has rallied around President George W. Bush, and Rudy Giuliani has been donned America's mayor. South is more than confused, however, to believe that the "California psyche" will be so shaken as to ignore the failures of Gray Davis come Election Day. Being an incumbent does not insure a free ride in times of national turmoil. South's suggestion is insulting to California's electorate, and illustrates how out of touch the Davis administration really is.

The Governor's latest public relations disaster builds on this sentiment. Just as our President urges the nation to get back to business and support our ailing commercial airline industry, Davis announced plans to lease a private jet. The \$960,000 a year contract was initially scheduled to go to a major campaign contributor without any competitive bidding. The timing of this announcement could not have been any worse on the "psyche" of Californians, to use South's words. In an economic crisis we expect our Governor to lead by example. His distrust in the safety of commercial airlines does not bode well in the eyes of those regular people considering a return to air travel. Amidst public backlash, the Governor realized his mistake and has back-pedaled, taking plans for a private jet off the table.

These examples are just a few of the reasons why Californians are loosing faith in the leadership of Gray Davis. Former Los Angeles Mayor Riordan noted that California's problems can't be solved by "looking at the polls every day" or by "micromanaging." Governor Davis has earned these criticisms since he took office, and has failed to deliver on the priorities he promised Californians as he campaigned. California is ready for a change in the Governor's office, and the state's economy is in dire need of a new direction. The size of Davis' campaign war chest suggests that he won't go down without out a fight. Republican alternatives are promising they'll be ready for a battle in 2002. Until then, we can only hope that California's economy doesn't bear the brunt of the failures of the Davis Administration.

###