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## State budget impasse softens after Núñez shares fine wine with negotiators

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When Californians look back on what eased this year's budget negotiations, the unsung hero might be a pair of distinguished Napa Valley reds.

Although no deal was struck Wednesday, the 3-week-old state budget impasse appeared to have softened during a 24-hour period in which Assembly Speaker Fabian Núñez shared two bottles of fine wine - a 2002 Joseph Phelps Insignia declared by Wine Spectator as Wine of the Year and a 2003 red wine from Quintessa Estate.

"The wine helped," Senate Republican leader Dick Ackerman said Wednesday after taking an impromptu stroll with Assembly leaders outside the Capitol. "He has good wine."

Núñez also showed off political generosity Wednesday. He named Assemblyman Van Tran, a Vietnamese Republican from Orange County, to a newly created Select Committee on International Trade that will be charged with expanding import-export opportunities. Chairmanships are usually reserved for the party in power.

Optimism ran so high, it triggered rumors of a possible weekend vote.

In May, Gov. Arnold Schwarzenegger unveiled what his administration called a restrained \$103.8 billion spending plan for the 2007-08 fiscal year that began July 1.

Republicans have been calling for a significant reduction in the Schwarzenegger administration's \$1.5 billion operating deficit, saying government growth has outpaced revenue. Democrats, meanwhile, have refused to forgo cost-of-living

increases for the poor, elderly and disabled.

Now, instead of accusing each other of stalling, both parties acknowledged the need to respect each other's priorities.

"Significant progress is being made," Núñez, D-Los Angeles, said Wednesday before taking a stroll outside the Capitol with Republican leader Mike Villines, with reporters and television crews in tow.

Once on the west steps, the two men ran into Ackerman, who was finishing up a bag of peanut M&Ms.

"Walk with us," Núñez said as he patted the senator's shoulder. The senator obliged.

Ackerman, who stopped to talk to reporters afterward, said Republicans still have some "unanswered questions" and would like to negotiate for a smaller operating deficit that won't lead to more difficult choices in the future.

"We're not there yet," he cautioned about a deal. "I think we made a lot more progress (Tuesday) than we had in the past two days."

The tone was strikingly different from the beginning of the week when Democrats were ready to stage a floor vote in an effort to show voters how Republicans were out of touch with the state's priorities, especially on education and welfare.

Núñez went so far as to order members of the lower house to cancel vacations in preparation for a protracted summer. The state Legislature is scheduled to begin a four-week recess that runs from July 20 to Aug. 20. The hiatus is typically used by lawmakers for family getaways.

Instead, Núñez convened a meeting Tuesday afternoon that lasted two hours. It was at this time the speaker uncorked the wines from his wine cooler.

By Wednesday morning, the mood inside the Capitol had lightened.

"Sen. (Don) Perata and I were going to declare an impasse this morning and have a vote on a Democratic version of a budget, and we decided not to do that," the speaker said. "And that's for a reason - because we're making considerable progress."

None of the leaders is saying when the budget measure, Senate Bill 77, will be put up for a vote. Villines, of Clovis, said the four leaders agree on one thing: "We need to put Californians first."

Villines said he doesn't advocate "cuts to anybody" but would like to "get to a place where we both feel positive," referring to Núñez.

The sentiment might not be shared with conservatives in the Senate. Sen. Dave Cox, R-Fair Oaks, said he believes a spending reduction of 1 percent is not too difficult.

"We have a \$104 billion budget, and there's a \$1.4 billion deficit," Cox said. "Spread that over the agencies and the state of California, and put the budget on the governor's desk."

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