Editorial: Schwarzenegger outlines eclectic state agenda

Budget stabilization fund, schools data and health care are positive goals for '08

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If Gov. Arnold Schwarzenegger wanted to further his reputation as a dabbler who has political Velcro glued to his fingers, he succeeded with elements of his State of the State speech yesterday.

One minute this Republican governor was praising the public works programs of Franklin Delano Roosevelt. The next he was calling for more partnerships with private industry to build public infrastructure – the seeming antithesis of the New Deal.

One minute he was acknowledging the harsh consequences of spending cuts that involve "not just dollars, but people." The next he was calling for across-the-board spending cuts and refusing to raise taxes.

Incongruity often seems to be Schwarzenegger's middle name. Yet even if he lacks philosophical purity, he still charges ahead and sometimes attaches his wandering fingers and towering ambition to some worthy policy proposals.

Below are three that stood out in Tuesday afternoon's speech:

• The governor wants a constitutional amendment to avoid future budget shortfalls such as the current $14 billion deficit. The main part of this proposal is a budget stabilization fund. This fund would collect excess tax revenues in years when the treasury is flush, and then hold them for times (such as this fiscal year) when tax revenues drop below the long-term average.

Such a proposal would counter the tendency of lawmakers to spend everything that comes in during flush times, holding little or nothing in reserve.

• As part of his education reform package, the governor wants to greatly improve the accuracy, availability and transparency of data collected about school performance. This may not sound like a sexy issue, but if schools are to be held accountable, and if taxpayers are to be assured their dollars are going toward school reforms that truly work, the state needs to demand the best possible data on student achievement and teacher performance.
• The governor remains committed to passing health care reform, despite the budget troubles. During his address, Schwarzenegger told the all-too-familiar story of a 51-year-old San Diego man who lost coverage after his insurance company learned he had become stricken with lymphoma. "We are taking action so that what happened to Todd will not happen to any other Californian," the governor said.

Not all of Schwarzenegger's reforms deserve a warm reception in the Legislature. His proposed constitutional amendment, for instance, would allow the governor and future governors to enact midyear budget cuts whenever revenues fell below a certain threshold.

The governor knows this idea is a nonstarter. He would be wise to focus just on his budget stabilization fund, which would negate the need for midyear spending cuts or a "Robo-saw" to achieve those cuts.

For Schwarzenegger, his real test will come Thursday, when he unveils a budget sure to slam numerous state services and their constituencies. If Schwarzenegger spreads the pain judiciously, Democrats will be more likely to work with him on some of his long-term reforms. But if he uses a buzz saw instead of a scalpel, this could be a long, frustrating year for this hard-charging governor.