The good news is that California politicians, who have sidestepped the state's shameful and ever-worsening budget mess for six years, may finally face the music.

The bad news is that they really don't have a clue how to close the chronic deficit, given its three-dimensional nature.

The first dimension is rational. The new estimate from Gov. Arnold Schwarzenegger's administration that the state faces a $14 billion deficit over the next 18 months is an absolutely predictable consequence of what his predecessor, Gray Davis, and legislators of both parties did in 2000. They squandered most of a $12 billion, one-time bump in revenue on permanent spending and tax cuts.

When revenue returned to normal in 2001, the state faced a structural deficit that has persisted, to one degree or another, ever since, financed with tens of billions of dollars in formal and informal loans and bookkeeping gimmicks.

Schwarzenegger was elected as Davis was being recalled in 2003, and promised that as governor, he would eliminate the "crazy deficit spending." He has, however, failed miserably. Four years later, the deficit is every bit as bad as it was the day he was sworn in.

Just-the-facts rationality collides with the other two dimensions – legal and political. Some of that extra spending, particularly the $2 billion or so given to schools, is locked into constitutional law and could be reduced only by extraordinary votes in the Legislature. Likewise, restoring the taxes that had been reduced, such as the notorious "car tax," would require two-thirds legislative votes.

The legal thicket creates a political impasse since Democrats don't want to reduce the former and Republicans won't rescind the latter. For more than a half-decade, the two parties have tolerated the deficits because leaders of both believed that when the day of reckoning arrived, which may be now, the other side would surrender.

Schwarzenegger's aides are insisting that he will not propose new taxes to resolve the crisis, and he reportedly will propose a 10 percent overall reduction in spending. Meanwhile, Assembly Speaker Fabian Núñez and other Democrats are beginning to beat the drum for new taxes.
The 10 percent spending reduction is DOA. The Democrats and their constituent interests, such as the public employee unions, would never accept it. But massive new taxes are equally unlikely, given the governor's no-new-taxes pledge and the implacable opposition of Republican lawmakers.

The voting public, meanwhile, is all over the map. Voters may not like the continued budget mess in Sacramento, but a new poll by the Public Policy Institute of California indicates they oppose new taxes 2 to 1 while endorsing, at least in concept, the 10 percent spending reduction.

That would seem to give Schwarzenegger the high ground in the forthcoming battle. But legislators in gerrymandered districts don't have to worry about voter backlash, and there's simply no way that a very liberal Democratic majority in the Legislature would agree to put all of the pain on the spending side.

Were the political and legal dimensions absent and the budget crisis existed only in the rational realm, the path to resolution would be evident.

It would include some thoughtful revenue increases that would bring more, not less, stability to the state's income stream, perhaps closure of unjustified loopholes and spreading the load of income and sales taxes.

And it would include some tough-minded, but fair, spending reductions, such as the politically popular but fiscally irresponsible subsidies to local police agencies and the convoluted and irrational "categorical aids" that distort school finance.

It's another test of the plausible theory that California has rendered itself ungovernable.