They used to call it the "Washington Monument strategy" – the tendency of government agencies, when asked how they would trim their budgets, to suggest the most visible reductions possible, the ones that would prompt the biggest backlash from the public. As a way of protecting its pet projects, the National Parks Service would propose closing the memorial to the nation's first president, knowing that no politician could ever vote for such a thing.

Gov. Arnold Schwarzenegger appears to be employing his own version of that approach in the budget he has proposed for the next fiscal year, which begins July 1.

Facing a $14 billion gap between the tax revenues coming into the state and projected spending, Schwarzenegger has proposed to reduce spending by 2.3 percent next year, or about 8 percent below the amount the state would spend if all programs were allowed to grow at the rate current law permits.

Schwarzenegger says he would cut $4 billion from education for kindergarten through 12th grade, which would probably mean massive layoffs of teachers, larger classes and fewer services for struggling students.

He proposes cutting nearly $3 billion from health and social service programs. Doctors and hospitals caring for the poor would see their reimbursements slashed, which would mean many would stop seeing those patients. Adults getting subsidized medical care would no longer be eligible for dental care, eyeglasses and podiatry. Tens of thousands of poor families would be kicked off welfare.

And to save $13.2 million in the Department of Parks and Recreation, the governor would close 43 state parks, while lifeguard services at state beaches would be cut in half.

"We have to control the budget," Schwarzenegger told reporters Thursday, "because right now, the budget is controlling us."

That's true enough, and his failure to control state spending stands as the biggest disappointment of Schwarzenegger's four years as governor. He rode into office in 2003 with a promise to tame what he called those "crazy deficits." The state's fiscal mess, he implied, could easily be fixed if only the politicians would stop spending more than they were taking in from taxes.
Now he is one of those politicians, and the four budgets he signed have not solved the problem. Arguably, they've made it worse.

But it's difficult to believe that Schwarzenegger is serious about the proposal he put on the table last week. He knows that the Democrats who control the Legislature will not vote for the cuts he is proposing.

What, then, is his strategy? Schwarzenegger appears to be trying to get the attention of the public and to his Republican colleagues in the Legislature. This is what the budget will look like without additional revenue, he is saying. If you don't like it, do something about it.

The Legislature's Democratic leaders seemed to be playing along with that strategy last week. Rather than bashing Schwarzenegger personally, they respectfully disagreed with the priorities he laid out and then called for a bipartisan solution. And they pointedly noted that Republicans who refuse to vote for the budget, or new taxes, might see programs in their districts slashed more than they have in the past.

Indeed, Schwarzenegger's decision not to spare the schools is a good way to stir Republicans to action. Republican lawmakers are more comfortable cutting health and welfare services for the poor than they are reducing spending on the schools that the children of their mostly middle-class constituents attend. Democratic Senate President Pro Tem Don Perata even suggested that he might look for ways to cut school budgets in Republican districts more deeply than those in Democratic neighborhoods, if Republican lawmakers continued to oppose new taxes.

Schwarzenegger said he does not support a tax increase to balance the budget. But he has floated the idea of leasing the state lottery to a private firm as a way of raising some quick money to help get the state through tough times. And one look at the long-term projections suggests that the lottery idea might rise again.

The state is expecting tax revenue in the coming year to total about $101 billion. The year after that it would be $106 billion, and then $116 billion. Spending this year will probably be about $104 billion.

If those projections are accurate, the governor and the Legislature could allow spending to grow by 12 percent over the next three years while still balancing the budget at the end of that period. They just need to find a way to fill the revenue gap that would result in the meantime. Leasing the lottery would be one way to do that.

A three-year workout plan is exactly what Schwarzenegger should have proposed and enacted when he came into office. Had he done so, the problem he is facing today wouldn't exist or would be much smaller.

Persuading the Democrats to slow spending growth to 4 percent a year sounds a lot easier than trying to get them to reduce it from one year to the next. If Schwarzenegger can accomplish that, he just might be able to leave the state government in good fiscal shape when he steps down in 2011.

That should be his goal.