Steve Wiegand: Budget cuts easier said than done

By Steve Wiegand - swiegand@sacbee.com
Published 12:00 am PST Saturday, November 17, 2007

Nothing, to paraphrase Mark Twain, so needs reforming as other people's spending.

Keep this in mind over the next few months, as you listen to the wailing and gnashing of teeth from various denizens of the Capitol over the 2007-08 version of the California Budget Mess.

The latest iteration was kicked off Wednesday with a report by Legislative Analyst Liz Hill that there's a $9.8 billion gap between state revenues and spending.

While there's a bit of novelty to one of the current chief culprits – a sagging housing market – this season's version isn't much different from those we've witnessed since the beginning of the millennium.

The governor – Gray Davis or Arnold Schwarzenegger, it doesn't really matter – proposes a budget he swears is sensible and balanced and takes care of the state's pressing needs without raising taxes.

The Legislature spends seven or eight months pawing it before sending it back to the guv, who signs it and reiterates that it's eminently sensible and carefully balanced.

About five minutes later, the package begins to unravel. Once again, it's revealed that the state budget is so much flimflam.

And once again, the very same chowderheads who just passed the thing begin expressing dismay and issuing pronouncements about how it's time to get serious about the process.

"We need to explore all options," observes Assemblywoman Hyperbole. "We must start making tough decisions," spouts Sen. Bluster.

But it doesn't take a clairvoyant to predict that, once again, Schwarzenegger and legislators will, if at all possible, ignore options and avoid tough decisions.

They've already started down that road. Senate Republican leader Dick Ackerman made it clear this week his caucus will block efforts to raise taxes or fees, even though the last general state tax hike was in 1993.
And there's talk of closing part of the inflow-outgo gap by depriving elderly, blind and disabled poor people of a benefit increase they didn't get this year but were promised to get next June.

Boy, that'll be a tough decision. Much tougher, say, than rescinding a $45 million sales tax break that legislators and the guv just gave yacht, plane and RV owners in the current budget.

To be fair, balancing the state budget is not an easy task. Fundamental to just about everything else the state does, maybe, but not easy.

One problem is the sheer size of the gap. And with GOP legislators tenaciously clinging like so many limpets to their no-tax-hike rock, it's going to take bold and creative thinking to even come close to solving the problem purely through cutting.

That's especially true since Schwarzenegger, and Davis before him, have maxed out the state's credit cards.

I guess they could borrow $424 from each of the estimated 23.1 million Californians over the age of 25. Or they could sell our half of Lake Tahoe to Nevada.

But it's really going to come down to cutting spending, and that's easier said than done.

Eliminate the Legislature's entire budget? Sure, it sounds good, but that $253 million would erase only 2.6 percent of the $9.8 billion gap.

Of course, also eliminating all state funding for the University of California, the judicial system, the California Highway Patrol, the Governor's Office, the attorney general's office, the Board of Equalization and the Franchise Tax Board would get pretty close.

But there might be some objections to one or two of those cuts.

In the end, it's likely lawmakers and the guv will fall back on the tried-and-true formula for budget balancing.

See, first they get this big truckload of smoke and mirrors ...