Dan Walters: Let the California budget games begin

By Dan Walters

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The state Constitution requires governors to unveil their proposed budgets for the next fiscal year by Jan. 10.

Jerry Brown's 2012-13 proposal was hastily released Thursday, five days before its scheduled delivery, after it inadvertently found its way onto a state website.

"This is an honest budget that got started a little earlier than expected," Brown told reporters at an afternoon briefing that caught many legislators by surprise. He later described it as "based on my experience … the best I can put together."

And that may be true, but it's not a complete fiscal plan for the state, as Brown indirectly acknowledged, and it probably bears only passing resemblance to what will actually happen during the fiscal year that begins on July 1.

For one thing, it assumes that the Legislature will act quickly on billions of dollars in spending cuts, especially in health and welfare services, to begin chipping away at the projected deficit, but the leader of the state Senate, Darrell Steinberg, quickly rejected early action.

"The cuts are premature," Steinberg declared, adding, "I have a quarrel with up-front cuts in early 2012."

But an even bigger uncertainty is Brown's budget assumption that voters will pass a $7 billion per year increase in sales and income taxes next November, more than $4 billion of which would be received during the fiscal year – backed by "trigger" spending cuts, mostly in education, that would occur automatically if voters say "no."

If that sounds familiar, it's because the 2011-12 budget that was passed last June also contained spending cut triggers to be pulled if rosy revenue estimates fell short. Some triggers were pulled last month.

The new triggers are in the most popular categories of state spending, such as K-12 and higher education, firefighting, wildlife protection and lifeguards, which provoked sharp questions from reporters about whether they were designed to prod voters into raising taxes. It's known in political circles as the "Washington Monument strategy."
Brown flatly denied it, asserting that the trigger list came from "the bowels of the Finance Department bureaucracy," but suspicions of political motives will certainly linger.

So begins another edition of the annual budget game in which the governor, legislators and lobbyists for countless political, governmental, social and economic interest groups will joust for months over what to spend on what.

As Steinberg, a veteran budget gamer, observed, "A January budget is never even close, most of the time, to the final product."

And this year, the "final product" won't be known at least until voters have their say on taxes on November and even after that, until the courts resolve the inevitable lawsuits that each budget spawns.

Let the game begin.