

Daniel Weintraub: Governor caught in a trap set by his own promises

By Daniel Weintraub -- Bee Columnist

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Gov. Arnold Schwarzenegger has just learned a valuable lesson: Don't make promises you aren't absolutely sure you can keep.

A year ago, Schwarzenegger made nice with the state's most powerful teachers union - the California Teachers Association - and the union's allies in the education lobby. The schools establishment supported his request to trim the projected growth in education spending by about \$2 billion. In return, Schwarzenegger pledged not to tinker with their budgets anymore in the years ahead.

What neither the governor nor the school lobby knew at the time was that state revenues in the ensuing year, buoyed by a strengthening economy, would soar well beyond expectations. And the state's constitutional formula that dictates spending on education would then trigger a massive increase for the schools, which if delivered would devour almost all of the growth in revenues and leave next to nothing for any other program in the budget.

To keep to the letter of his agreement with the school leaders, Schwarzenegger would have had to cut services elsewhere or raise taxes - violating other pledges he had made. Even if he had decided to raise taxes, his agreement with the schools would have given them more than half of any new money brought into the treasury. Promising too many things to too many people, he had boxed himself in.

To escape his predicament, Schwarzenegger proposed giving the schools a 6 percent increase of \$2.9 billion - about \$2.4 billion from state funds and the rest from local property taxes. That's enough to allow local districts to keep pace with enrollment growth and inflation; indeed, it is probably more than anyone thought education would be getting when the original deal was hatched a year ago. But the governor's new budget would give

the schools about \$2.3 billion less than they would have been entitled to under a strict reading of Proposition 98, the constitutional provision that sets a minimum level of funding for education.

Schwarzenegger is correct when he says that school spending will still grow at a healthy clip, and he could also point out that state and local spending on education has grown by more than \$11 billion since 1998. Spending per pupil has also grown, by more than 20 percent - contrary to what you might be hearing in the teachers radio commercials blasting Schwarzenegger and alleging, falsely, that the education budget has been cut.

But this is about more than just numbers, and school leaders are right to feel that the governor let them down, and to question whether his word is good.

In a visit to The Sacramento Bee's editorial board Tuesday, Schwarzenegger was understandably defensive about the situation. He pointed out that he kept his word to higher education leaders who had a similar deal with him, and to local government officials. He even invited The Bee's reporters to investigate his dealings in Hollywood, where, he said, his word was good, and he was known for delivering more than he agreed to in his business deals.

"I would never, ever, intentionally say something to someone knowing that I cannot keep my promise," Schwarzenegger said.

But Sacramento isn't Hollywood, and Schwarzenegger is no longer the master of his own fate. His ability to follow through on a deal is affected by the economy, by the state's spaghetti pot of fiscal funding formulas, by 120 independent members of the Legislature and their willingness to go along with his ideas.

In this case, the governor said, circumstances changed, and he simply could not deliver.

"When you have a certain amount of money, when you have growth of revenues of \$5 billion, and someone comes to you and says, 'Now give us \$4.7 billion out of this \$5 billion,' we can't do

that. Now did I think about it? Was it a tough decision? Yes. It's a very tough decision. ...

"It is very difficult sometimes to make those decisions, about education, should we give this \$4.7 billion because this is something we talked about last year, or should I then take off hundreds of thousands of kids from health care, from [the] Healthy Families [program]? Should I take them off from that, when I kept saying in my campaign that I want to have during my administration all kids get insured?

"So it's like you have these two opposing things. ...[You] have the children on both sides, education and health care, so you try to give both something."

I asked the governor what, if anything, he had learned from the experience. His answer: Always leave yourself an out.

"I think you learn, uh, to just always make it clear that things can change, and that changes, then, the deal," he said. "That's just the way it is. ... At that point, when I sat there, I didn't know what situation we would be in today, and that there would be this other side, and we'd have to take the money away."

Just a few days ago, Schwarzenegger said that the state's budget mess was the result of politicians promising people more than the state could afford to deliver. Now he knows firsthand just how easy it is to fall into that trap.