



Steve Wiegand: Budget talk makes you go 'Huh?'

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Legislative Analyst Elizabeth Hill held a news conference Wednesday to explain all the things that are wrong with Gov. Arnold Schwarzenegger's proposed state budget.

The conference was about 45 minutes long. She fielded about 15 mostly intelligent questions from the media, while referring to at least a dozen nicely colored posters, many of them bearing bar charts.

The corners of the posters also bore the letters "LAO," although it escaped me what a large ethnic group from Southeast Asia has to do with the California budget.

I understood very little of what the legislative analyst actually said, except that the gov's people have apparently cooked the books -- again -- to make it look as if his proposed budget is nice and balanced.

Of course, Hill, who is pretty politically savvy for a nonpartisan numbers person, didn't use the term "cooked the books." That would be rude and provocative and is not the analyst's style.

Instead, she said tactfully, "If we spend more than we take in, we have a structural shortfall."

Hill has been saying such things for 20 years, even as governors have routinely ignored what seems to be the obvious.

She said the gov's proposed budget would spend \$2.6 billion more than the state is likely to take in during the fiscal year that starts July 1. That would eliminate the reserve from the current fiscal year and leave us \$726 million in the hole.

That's not a huge hole in a budget that envisions spending a total of \$130.8 billion (or \$358 million a day), but it's the kind of thing that can get a state in trouble if it's not careful.

Usually during the annual budget dance, legislators don't pay much attention to what their analyst says until May. That's when everyone takes a look at how much is actually coming in by way of revenues and going out by way of bills. Then the gov and the legislators say, "Holy Crap!" or something like that, and the horse-trading starts.

But Hill said Schwarzenegger and the lawmakers shouldn't wait this year but should start making adjustments to the current budget.

Sifting through baffling terms such as "rebenching" and "reversion accounts" jotted down in my notes, I sort of recall she said that legislators should cut \$600 million from the current money earmarked for K-12 education, because the money isn't needed and would only drive up the base amount schools would expect to get next year.

She also said the gov should forget about making an extra \$1 billion repayment of bond money the state borrowed to get out of an earlier budget deficit. Hill said it was akin to making an extra mortgage payment when you are having a hard time paying the utility bill.

She also talked about some other stuff, like a tax on yachts and not spending \$9.8 million to study the construction of two dams and lowering the cost-of-living pay increase for state workers for next year from 3.3 percent to 2.3 percent.

Much of what Hill said will be ignored. Her office's apolitical nature means it will make recommendations that make sense from the standpoint of good government but are nonsensical from the standpoint of political expediency -- and guess which standpoint trumps the other among elected officials?

Besides, it's hard to get excited about recommendations concerning a process that to the average Californian might as well be conducted in Sanskrit.

Now, if she had recommended something like eliminating fourth grade to save education money, or having people put buckets in their yards in lieu of building dams, I would have paid more attention.

And maybe understood some of it.
