

Pundits and the California Budget - Los Angeles Times

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OPINIONATION

The state budget drew a lot of opinions -- here are several more.

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State legislators and California Gov. Arnold Schwarzenegger were smiling when they announced that they finally had a budget deal. But how did it play with the pundits? A sampling of opinion from across the state and nation, compiled by Kevin Patra:

Oakland Tribune

The most significant problem is the state's graduated income tax, which relies heavily on a relatively small percentage of wealthy Californians whose incomes fluctuate significantly. As a result, income tax revenues often vary wildly from one year to the next. Creating a large reserve fund in good economic years to be used in weak ones could ease the problem.

Another major long-term problem the budget failed to address is the state's huge pension liability. Without reductions in benefits, California is going to be in an even worse fiscal situation in the future.

Sacramento Bee

Daniel Weintraub

Most of the focus lately has been on what Schwarzenegger and the Legislature have not done, namely, solve the state's fiscal problems once and for all. And that's a valid criticism. California's government will be struggling to make ends meet for years. ... But in the middle of the worst recession since the Great Depression and in the wake of the collapse of the state's once-booming housing industry, solving the entire problem now might be close to impossible. What Schwarzenegger has done instead is to stabilize the state's finances and enact a handful of reforms that will reduce spending in the future. He has also set the stage for the final year of his two terms in office, when he will try to finish the job he was elected to do -- bringing the budget back into balance -- while enacting even more sweeping reforms that could change the very structure of California government.

New York Times

Chris Elmendorf and Ethan J. Leib

We suggest a more modest role for an assembly of ordinary citizens: breaking budget stalemates. Here's how it would work. If the Legislature and the governor fail to adopt a budget four weeks before the deadline for the new fiscal year, a group of randomly selected citizens -- one from each legislative district -- would be convened to resolve the stalemate. Three competing budgets would be drawn up: one by the governor, one by the Democratic caucuses in the legislative

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branch and one by the Republican caucuses. (These proposed budgets would have to be finalized before the citizens were selected.)

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Orange County Register

Mark Landsbaum

Tax Crisis Expert Local CPA Since 1969 818-992-5800 Famous for fixing tax disasters. www.JMROSE.net State government has metastasized into such an unwieldy beast that even its elected leaders have little clue. It's a monster on autopilot, animated by unchangeable taxing and spending formulas, steered by huge, politically powerful constituents and protected by layer upon layer of self-interest, impervious to reform. It bears little resemblance to the concept of government as protector of God-given rights. It looks much more like Santa Claus.

Calbuzz.com

Jerry Roberts and Philip Trounstein

Looking at the outcome, it's hard to believe that the Democrats enjoy huge majorities in both houses; sure the two-thirds vote makes things tough, but the Steinberg-Bass performance of caving in every time the Republicans threaten to hold their breaths ... [is] little more than appeasement.

After the shameful spectacle of the Legislature pulling yet another adolescent all-nighter, deciding and disposing of heaps of substantive policy in the dead of night without a pretense of serious deliberation, all Calbuzz can say is: Richie Ross was right. Bring on baseball arbitration.

U.S. News & World Report

Mortimer Zuckerman

This is why California is stuck with a grotesquely narrow revenue base. The state gets 55% of its revenue from income taxes. In most states, the revenue base is one-third property tax, one-third sales tax and one-third income tax. In a state of 38 million people, 144,000 in the top income bracket pay virtually one-half of all income taxes! This is unsustainable. It is driving out the very people California needs to create and propel new enterprise. California clearly needs a broader tax base that doesn't depend so much on a relatively small number of wealthy residents (who can and are leaving the state). But when a Republican governor tries to control worker pensions and other health and welfare benefits, the Democrats think that it is only the "selfish rich" who object to their spendthrift ways.

They confront Schwarzenegger with the argument that the budget process should not be used to jam through public policy. Yet ... they are supporting an Obama administration that does the same thing.

Opinion

