

Recommendations for the May 19, 2009 Election

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California's flawed system of governance has triggered yet another election—the fourth in sixteen months—with the most nebulous content of any ballot in recent times. As we prepare to vote, we must do so with an appreciation of the incredible systemic failure that this election is and represents.

At the opening of the 20th Century, political reformers believed that to hinder corruption, regular citizens should be directly involved in lawmaking. Instead of just the Legislature writing and passing laws, voters would too. However, now a hundred years later, we have seen that system fail: elections have become a conveyor belt of long and complicated laws, and the Legislature and executive branch's responses to urgent situations are slowed as their proposals sit stagnant until the next regularly-scheduled election.

Once in awhile, as is the case now, an emergency so great occurs that a special election must be called (and funded) so that the Legislature can seek our expedited approval. Unfortunately, even with this emergency election, the situation that triggered it will have already pended for three months by the time we vote.

We cannot continue to let romantic notions of democratic participation blind us to reality: we have, for good or ill, placed our trust in our elected officials, and we must not regularly freeze our government to double check their work—especially when we intervene so immaturely with very low voter turnout and inordinate reliance on juvenile television commercials. As you participate in this election, cast each vote asking yourself: why are we even doing this?

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Summary of Recommendations

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1	Proposition 1D	State	Yes
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1	Proposition 1F	State	Yes

Recommendations

Proposition 1A		
<u>Jurisdiction</u> State	<u>Vote for</u> 1	Yes
<p>Under our State Constitution, the Legislature must pass a balanced budget by a supermajority (two-thirds) vote. That proved tortuously difficult this year as revenue dropped in the recession, opening a \$40,000,000,000 deficit. Through a very delicate negotiation involving significant sacrifices by everyone, they eventually duct taped together a mixture of significant tax increases and spending cuts.</p> <p>As discussed above, the State Constitution also prohibits the Legislature from taking a variety of actions without our direct approval. Typically, budget passage does not encroach onto this restricted territory, but this year’s was so difficult that the Legislature had to do so—and not just once but six times. It then had to call this emergency election to have us review those sections (Propositions 1A-1F). Thus, with the exception of 1F (discussed below), if we reject any piece, the whole package is thrown off.</p> <p>Does this mean that we should vote Yes? Not automatically. It does, however, mean that we should show deference. When we chose our elected officials, we placed our trust in them. They have analyzed our finances, and this budget is their solution. If this were the federal government or some other states, their decision would be final. As we now arrive late and uninformed onto the scene, we must appreciate that almost all of us have never reviewed the entire state budget, never will, and never will want to. To disrupt things and vote No at this point, we would need a very compelling reason. We must also respect that this is a true compromise. It is not particularly liberal or conservative: remember, there are both major tax increases and also deep spending cuts involved.</p> <p>This brings us to 1A, the biggest and most important of the six pieces. It contains numerous and extremely complicated parts, but the basic idea is as follows: it expands our reserve fund (widely called the “rainy-day” fund). When revenue comes in above expectations, we will save it instead of spend it. Then, in years when revenue drops, we would use reserves instead of making cuts. This fiscally responsible step is real systemic reform. However, to help fuel these reserves, 1A also extends across-the-board tax increases that the Legislature had already implemented this year under emergency authority. Certainly, new taxes are unfortunate, but we are in difficult times. On balance, the overriding consideration is that building a reserve, even through increased taxes, is good news.</p> <p>Finally, I want to make a note about my party’s position. As I do every election, I list the two major parties’ positions below my own to provide context. The State Republican Party has chosen to oppose everything to protest the overall budget. It does so even though its leadership and membership clearly supported and even created certain pieces of the compromise. Such a posture is indiscriminate and irresponsible. Their symbolic rather than substantive response renders their recommendation totally uninformative.</p>		
State Democratic Party: Neutral		State Republican Party: No

Proposition 1B

Jurisdiction
State

Vote for
1

Yes

For additional context, see explanation for Proposition 1A.

1B is an incredibly obscure piece of the package. We determine state-level public education funding through a series of very complicated formulae, and this plan rearranges some of those formulae. For propositions like this, an informed voter would typically want to know whether education funding would go up or down as a result. However, we do not really know. The answer is partially contingent on the economy but also on pending litigation over what funding level the current law requires. This is a good example of why we should defer to our legislators. If they now prefer this formula, we should give it to them. Remember, in many other governments, they could have done this without asking us at all.

State Democratic Party: Yes

State Republican Party: No

Proposition 1C

Jurisdiction
State

Vote for
1

No

For additional context, see explanation for Proposition 1A.

As I said above, we should defer to the budget compromise except if there is a good reason for doing otherwise. For 1C, there is. Californians purchase fewer lottery tickets than the national average, and this plan would expand marketing of the state lottery to encourage better ticket sales. We would then borrow \$5,000,000,000 to close the budget deficit and guarantee the loans with the anticipated new lottery revenue. Also, while 1C does not directly change or expand the types of lottery gambling that the state offers, it does authorize the Legislature to change it by a two-thirds vote.

This proposal clearly deals with raw philosophical issues that we the voters can address. In short, 1C makes it official state policy that we do not gamble enough. With the state unemployment rate ballooning into the double digits, Californians are in an emotionally and financially vulnerable position. Now of all times is not when we should gamble more. 1C stands out as an especially bad part of this plan, and we should not have it on our conscience. This does mean that I recommend throwing the budget off of balance by \$5,000,000,000, but so be it. We can sacrifice in better ways than this.

State Democratic Party: Yes

State Republican Party: No

Proposition 1D

Jurisdiction
State

Vote for
1

Yes

For additional context, see explanation for Proposition 1A.

One of the biggest problems with our budget system is that over the years, California voters have mandated various expenses and have tied specific revenue sources to them. Once we do this, the Legislature must build the rest of the budget around them even when it means cutting far more important spending. Worst of all, these earmarked expenses do not necessarily match with the earmarked revenue, so the programs can become either over or under funded. For instance, if we approve a proposition saying that all toll revenue from bridges must fund the beautification of parks, then the Legislature must spend that money accordingly even if that toll revenue is far greater than is needed and even if profoundly more important services are being neglected. As a rule, specific expenses should never be linked to specific revenue, and the Legislature should have maximum discretion to rearrange spending wherever it sees fit in difficult budgetary times.

In this case, we had previously required that \$0.50/pack of the cigarette tax go toward certain children's health programs. However, this revenue stream has been bringing in more money than these programs have spent. 1D would move the built-up reserve into the General Fund and use the money to close the deficit. This is one small but meaningful step toward disentangling the budget.

State Democratic Party: Neutral

State Republican Party: No

Proposition 1E

Jurisdiction
State

Vote for
1

Yes

For additional context, see explanation for Propositions 1A and 1D.

The underlying principal of this proposal is very similar to 1D: remove earmarks. Here, it frees up money that we the voters had linked between a portion of a specific income tax bracket's revenue and certain mental healthcare program expenses. As part of the budget compromise, the Legislature wants to strip part of this earmark and move some of the money elsewhere. They should have this ability. Note that doing this does not necessarily cut spending on these programs: the Legislature could still theoretically pay the same (or even more) out of the General Fund. Obviously, under this year's conditions, it could not, but it does leave the option open. Stripping earmarks never cuts spending; it merely boosts flexibility. Now more than ever, we need flexibility.

State Democratic Party: Neutral

State Republican Party: No

Proposition 1F

Jurisdiction
State

Vote for
1

Yes

For additional context, see explanation for Proposition 1A.

This proposal is the only one that does not have directly significant impact on the budget's bottom line. It freezes pay increases for state elected officials during times of deficit. This is more of a symbolic change than anything else since these officials historically do not receive substantial pay increases, but it is a respectable good-governance proposal and deserves our support.

State Democratic Party: Yes

State Republican Party: No

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