

Viewpoints: Spending limit act would put state on road to fiscal health

Special to The Bee

Published Wednesday, Dec. 07, 2011

Over the past several weeks, ballot measures have been proposed or filed that would impose tens of billions of dollars in new or higher taxes on California families and small businesses. These proposals range from increasing the existing sales, income or business taxes to imposing a new tax on services.

Rather than reining in out-of-control spending, politicians and special interests promote new and higher taxes that will damage our economic recovery, kill jobs and ultimately will be paid by California consumers. Despite a massive tax hike in 2009, we continue to face billion-dollar deficits year after year, and it is clear that the only way to restore budget accountability is for voters to impose a reasonable spending limit on the politicians.

Since 2000, state spending has increased by \$39 billion while our debt remains nearly \$200 billion. Our unfunded government employee pension liability has been estimated to be \$500 billion. Budgets rely on gimmicks and are out of balance as soon as they are signed. Yet our elected officials refuse to reform pensions and fail to prioritize spending. Instead, they threaten cuts to programs like law enforcement and schools unless voters approve massive tax increases.

Legislative leaders also look for ways to game the system to increase taxes with a simple majority vote, not the two-thirds vote threshold required by law. And just a few months ago, lawmakers pushed through a measure in the dead of night that delayed a public vote on a rainy day fund initiative by two years. The rainy day measure would have required our state government to establish a prudent reserve to carry us through tough times and would have helped put California back on the road to fiscal health.

Voters have repeatedly indicated they are not willing to send more money to Sacramento as long as spending is out of control and politicians refuse to reform the state's budget and pension systems. Doing so would be a waste of money, as Illinois learned this year when a \$7 billion tax increase went almost entirely to fund pension promises to government employees.

In 1979, voters approved Proposition 4, the original spending limit measure, by a 74 percent margin. Then-Gov. Jerry Brown supported it. Prop. 4, also called the Gann Initiative after its sponsor, Paul Gann, placed a spending limit on state and local governments for each year equal to the prior year's spending with adjustments allowed for changes in population and the cost of living.

Since that time, the Gann Limit has been diluted to the point of ineffectiveness. The only way to control government spending, root out waste, pay off our debt, and protect taxpayers is to impose a reasonable spending limit that will force California politicians to once again live within our means and stop the unrestrained growth of government spending.

That's why the California Taxpayers Association, the Howard Jarvis Taxpayers Association and the Small Business Action Committee have filed the "Government Spending Limit Act of 2012" and intend to qualify it for the November 2012 general election ballot.

Provisions in the Spending Limit Act would limit annual state appropriations to the prior year's level, adjusted for growth in the state's personal income, require surplus revenue to first be spent on debt service, and strengthen the two-thirds vote requirement for legislative enactment of laws that authorize or raise taxes.

Tens of billions in tax increases, like those recently filed or proposed, will not solve our fiscal problems. In fact, they would simply enable our elected officials to continue irresponsible spending instead of making the tough decisions we need to get our budget balanced once and for all.

Voters deserve a choice. Do they prefer the status quo, where politicians increase spending, rack up debt and refuse to address the problems of our state? Or do they want Sacramento to end waste, prioritize spending and live within our means?

It is time for the people to force the state to do what responsible families are doing themselves: make tough decisions, spend only what they can afford and live within their means.

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