

I served in the California Legislature for 5 years from 2000 through 2005. Consequently, I witnessed the last California fiscal crisis first hand in 2002/2003, and determined that the Governor and Legislature were unlikely to ever control spending. So, they need an external discipline to force them to do so. Make no mistake about it, the current and past fiscal crises were all caused by runaway spending, not because taxes were cut or otherwise too low. In order to combat this, I became the primary author of a proposal to create a state constitutional spending limit which we called the "Deficit Prevention Act" (DPA). This proposal was the product of much research, polling, and consensus building amongst a number of interested groups and individuals in Sacramento and throughout the state of California. I made enacting a spending limit, like the DPA, a signature part of my time in the legislature because I felt it was the only thing that would prevent the state from overspending its way into another crisis. Had the DPA been a part of the 2005 ballot initiatives and passed, we would not have a deficit today.

Now as a Member of Congress, I have continued this quest and introduced a Federal Constitutional Amendment which would establish a spending limit at the federal level. I tell my colleagues in Washington that if they want to see what the federal fiscal situation will look like after a few years of Pelosi/Obama leadership, look no further than the prophetic example in California.

Since I have made spending limits a major part of my career as a public official, you would expect that I support Proposition 1a because it's a spending limit, right?

Wrong. I strongly oppose 1a (and frankly all the initiatives 1a-1f).

Why? Well first of all, it's not really a spending limit. Let me explain

The Deficit Prevention Act was a real spending limit. It has a "hard spending cap" of the previous year's spending plus population growth and inflation. As a result, you can raise taxes all you want, but you won't be able to spend them if they are over the limit. Under the DPA, any revenues received in excess of the spending limit must first go to a rainy day fund, until that is "full" at 10% of total spending. Then any additional revenues are refunded to taxpayers on a year by year basis.

The DPA is much more complex, but this is the basic inherent principle. There is no benefit from raising taxes and no way to permanently increase spending over the limit.

But Proposition 1a is not such a limit. Instead, it is what we used to call a "smoothing" of spending. It "smoothes" spending by spreading increases out over a few years rather than instituting them all at once. The "smoothing limit" is based on an average of the increase in revenues. You can increase taxes as much as you want and you will be able to spend the money. Not right away, but rather over the next few years.

Under the DPA, part of the objective was to limit government at its current percentage of the state's economic output so that we don't have a larger government 'creep' every year.

Under Prop 1a however, government and taxes can continue to inexorably grow forever. That's why so much of the spending lobby in Sacramento is in favor of it. It makes continued massive spending increases seem to be reasonable, and that's exactly what they want. Not to mention, it gives them the cover of a "spending limit" for future tax increases.

A "spending smoothing" proposal like Prop 1a is not by itself a bad thing. It is better to have spending increase more gradually than have the dramatic increases we have seen as of late. However, it is simply not worth the huge and probably permanent tax increases that are also contained in Prop 1a.

At the end of the day, the question is this: Will the passage of Prop 1a keep future governors and legislatures from putting us back in this kind of overspending mess once again, which we have seen and experienced 3 times in the last 15 years?

The answer to that is no. This, plus all of those tax increases, is why you should vote against Prop 1a.

A real spending limit is still a good idea. This, unfortunately, is just not it.