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A Constitutional Convention Would Create a Sound, Reliable Budget Process

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It is time for California to update its constitution. The two most important issues are the budget and the initiative process.

On the budget, let's keep the 2/3 requirement before our legislature is allowed to increase taxes. As the highest income tax state, and the highest sales tax state, California can't afford to make it even easier for the legislature to increase taxes. However, the budget should be allowed

to pass every year on the vote of a majority, provided the increase in spending is no more than that due to growth in population and inflation. We used to have that rule in our constitution; when we changed it, our state government spending skyrocketed.

Over time, we also ought to migrate to a system where we gather revenue in one year, let it earn interest, and not spend it until the next year. That way, there will be no doubt about how much money we have to spend in any given year; it will be known precisely. Liberals and conservatives can argue about how the money should be spent, but there won't be any disagreement about how much money there is to spend.

If the legislature still cannot agree on a budget on time, the previous year's budget should continue until they do. If the state's revenue has fallen, the previous year's budget

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should continue, minus across-the-board cuts in all programs to match the lower revenue. In addition, we should build up a reserve that cannot be raided in good times, but could help cushion programs for the needy in tough times.

With these changes, California's budget system, which has failed us so dramatically in recent years, will again be reliable. That will help us attract jobs to our state, since those with jobs to offer are presently worried about coming into our state, where the annual budget crisis leads to threats to increase their taxes.

Second, we should amend the initiative process. If a group puts an initiative on the ballot that costs money, they should be obliged to specify, in detail, what tax they'd impose, or what expenditure elsewhere they would cut, to pay for the initiative. Vague promises of "savings by eliminating waste, fraud, and abuse" would not be sufficient; we should make any initiative that costs money pencil out its sources of funds, and have that attested by a neutral third-party.

Some worry that a constitutional convention could go in totally different directions; but we can control that in two ways: (1) by the initiative that creates the constitutional convention; and (2) by our ultimate right to vote yes or no on the product of the convention.