
CALIFORNIA BUDGET REPORT

Volume 5, Number 1

January 12, 2007

Is the Governor's Budget Balanced?

Depends on other issues, including health care, corrections and a brand-new bond package of about \$43 billion!

The Legislative Analyst Trashes the Budget Assumptions

Here is how to find all the budget information you might need. We caution you, however, that you have to work a bit to ferret out the information you might want. Eventually, you will be able to see on the web the two volume set of the actual budget, and the Wages and Salaries Supplement, but not yet.

- Charts used in this *California Budget Report*, <http://www.ebudget.ca.gov/pdf/BudgetSummary/SummaryCharts.pdf> and Overview of the Governor's Budget (see below)
- Governor's Budget Message, <http://www.ebudget.ca.gov/BudgetSummary/GOV/1249556.html>
- Budget Summary (you have to work your way through other jumps to the information you want), <http://www.ebudget.ca.gov/BudgetSummary/BSS/BSS.html>
- Budget Details, by state agency, <http://www.ebudget.ca.gov/BudgetSummary/BSS/BSS.html>
- The just-released 2007-08: Overview of the Governor's Budget, Legislative Analyst, http://www.lao.ca.gov/2007/budget_overview/07-08_budget_ov.pdf

The Governor's Proposed Budget: An Overview

We encourage you to step back from the budget details, and pay attention to the larger questions. How much is the state going to get in revenue in 2007-08? How much is the state going to spend? Where is the difference coming from? Finally, we encourage you to pay attention to another question: What are the major guesses and assumptions that are the foundation of the budget, and are they real?

We think the major questions for this budget year are the following:

1. Does the Governor's health care expansion plan, which is clearly his highest priority for 2007, have any chance of success? If the answer is yes, you can be almost certain that additional state General Fund money will be needed.
2. Does the Governor's proposed \$43 billion bond package for schools, prisons, courts, water facilities and other things have any chance of success? If the answer is yes, then you can expect much of the 2007 budget discussion to be a blending of "How do we structure spending from the November 2006 bond measures" with "How can we control or shape the Governor's new bonds?" This will lead to considerable confusion.
3. Who is right about predictions on a higher or lower amount of revenue and spending: the Governor or the Legislative Analyst? We discuss this further below, but the real fight is over what the LAO calls unduly optimistic predictions by the Governor. Note that we may have far better answers on the revenue side in two or three weeks, according to the LAO. At that point, we will be able to estimate fourth quarter tax receipts. The Governor and his staff are praying for the "Google Miracle" to happen—a one-time, huge infusion of increased tax payments relating to the growth of the high-tech sector of the economy. That was part of the solution in 2006-07, but it could play a larger role next year. Of course, a "miracle" just means one-time money to fund ongoing programs.
4. Are legislative Democrats going to continue to play ball with Schwarzenegger? If so, we predict that they will move to support his proposed health care expansion, even though labor and liberal interest groups are holding out for the perfect world of single-payer health care, financed by taxes on the rich. This will push the onus for blocking health care expansion on legislative Republicans, who seems to like the idea they can stop something.
5. Will legislative Republicans, who are pretty unhappy with the Governor, decide to go into major opposition? We think not, but they are not a group of happy Republicans, and you can expect to see them battle the Governor on a host of issues, most obviously his proposal to pay for health care for the children of illegal immigrants.
6. Will the financial community respond well to another \$43 billion bond issue, so soon after the last one? This question sounds silly to people who follow the private market, since Wall Street, the insurance companies, bankers and others who loan money don't seem concerned about much of anything. However, for a number of years California is facing a bond debt ratio of 8 percent, significantly in excess of the imagined 6 percent guideline. We add this comment only to show that we remember how the market is supposed to work, even if it does not.

Let's walk through the proposed budget. Here is the summary chart used by the Governor to justify his claims that the budget is balanced and the deficit abolished.

**2007-08 Governor's Budget
General Fund Budget Summary
(Dollars in Millions)**

	<u>2006-07</u>	<u>2007-08</u>
Prior Year Balance	\$10,816	\$3,198
Revenues and Transfers	<u>\$94,519</u>	<u>\$101,278</u> ^{1/}
Total Resources Available	\$105,335	\$104,476
Non-Proposition 98 Expenditures	\$61,325	\$61,951 ^{1/}
Proposition 98 Expenditures	<u>\$40,812</u>	<u>\$41,190</u>
Total Expenditures	\$102,137	\$103,141
Fund Balance	\$3,198	\$1,335
Reserve for Liquidation of Encumbrances	\$745	\$745
Special Fund for Economic Uncertainties	\$2,453	\$590
Budget Stabilization Account	\$472	\$1,495
Total Available Reserve	\$2,925	\$2,085

^{1/} A total of \$2,046 million will be transferred to the Budget Stabilization Account pursuant to Proposition 58. Half will remain in the Account for future purposes (displayed as a reduction in revenues). The other half will be further transferred for the purpose of early retirement of Economic Recovery Bonds (displayed as an increase in expenditures).

And to flesh out the picture, here is the Legislative Analyst’s chart description of how the Governor proposes to balance the budget next year.

Figure 1

How the Governor’s Budget Closes the 2007-08 Shortfall

(Dollars in Millions)

	Totals
LAO November Forecast	-\$2,411
New Spending	-\$1,198
Supplemental deficit-financing bond payment	-\$595
Other	-603
Budget Solutions	\$3,438
Substitute transportation special funds for General Fund expenditures	\$1,111
New tribal gambling compacts	506
Substitute bond proceeds for General Fund expenditures	200
CalWORKs reductions	496
Shift some child care costs to Proposition 98	269
Tax policy changes	200
Other	656
Baseline Estimates	\$1,178
Higher revenue estimate	\$641
Lower expenditure estimate	537
Court-Related Assumptions	\$1,078
CalWORKs (<i>Guillen</i>)	\$553
Pension obligation bonds	525
Budget Estimate of 2007-08 Reserve	\$2,085

Comparing both charts, you can see that the Governor's claims of fiscal prudence, unfortunately, ignores some big holes.

- When you compare the “total resources available” to “total expenditures” there is indeed a \$1 billion surplus. However, that only happens because this year's budget will have a one-time carryover of funds from the previous year.
- A better way to look at it is to compare the “revenue and transfers,” about \$101.3 billion, with the proposed expenditures of \$104.5 billion! In other words, the state will spend at least \$3 billion more this coming year than it expects to receive in current year revenue.
- Even more important, the favorable conclusion reached by the Governor depends on a host of related assumptions coming true, and on the Legislature adopting all of his recommendations (not at all likely, in our view). Here are some hot issues to think about:
 - ✓ **The budget has no money to pay for the Governor's big expansion of health care.** That's fine, as long as the Legislature agrees to charge doctors and hospitals about \$6 billion, and mandate that all individuals in California get health insurance, that those individuals pay some share of the cost and that insurance companies have to cover anyone who wants to be covered. Given the dismal record of recent years, there is no reason to believe the Legislature will make anyone pay for anything. That could result in no taxes, no fees and no new revenue for a health care expansion! However, the Governor and Democrats are interested in a big health care plan being adopted, and they will likely be looking for up to \$6 billion to pay for the expansion. It will be interesting to see if a good share of that winds up coming from the existing state General Fund, which would throw everything out of wack.
 - ✓ **The budget assumes \$500 million from approval of tribal gaming compacts.** Rumor has it that Speaker Nunez advised the Governor that his current compacts are not acceptable in their present form. If that is true, or if the Assembly blocks ratification again (as they did for the Agua Caliente compact in 2006), the budget loses \$500 million.
 - ✓ **The budget assumes \$1.1 billion is removed from the mass transit account and spent on other things in the budget.** This is generating major concern from urban transit districts, but is being proposed because of the higher-than-expected gas tax receipts in the last year.

- ✓ **The Governor proposes to cut assistance to welfare recipients on the CalWORKS program, to the tune of almost \$500 million.** This includes not passing on the COLA for recipients and enforcing the work-for-benefits provisions of federal law. Both Senator Perata and Speaker Nunez have declared this to be unacceptable. Result: another \$500 million is taken out of projected revenue.
- ✓ **The Governor wants to spend \$102 million for 100 new judges.** Expect this to be cut substantially, or phased in over several years, which at least would limit new state spending.
- ✓ **The Governor wants to freeze state contributions to In Home Supportive Services care workers.** This would save some money in the budget year, but is more important in out years. Expect Democrats, labor and counties to object.
- ✓ **The Governor reduces his budget reserve from about 3 percent of the General Fund to 2 percent.** Call this a budget trick, since even 2 percent is insufficient.

You get the point: there are a host of issues still in play. And we have not even mentioned the Governor's proposals to abolish the teacher's tax credit, use Proposition 98 funds to pay for childcare for welfare recipients, increase fees for UC and CSU students, impose cuts to drug treatment programs, guesses about litigation, and on and on...

And here below is how the Governor proposed to spend the money next fiscal year. Please note, the first chart gives you the percent of the General Fund year-to-year increase; the second shows you the General Fund, plus selected bond funds and special funds (what some call "state-own funds").

General Fund Expenditures by Agency
(Dollars in Millions)

	<u>2006-07</u>	<u>2007-08</u>	<u>Change</u>	<u>%</u>
Legislative, Judicial, Executive	\$3,505	\$3,793	\$288	8.2%
State and Consumer Services	602	575	-27	-4.5%
Business, Transportation & Housing	3,026	1,588	-1,438	-47.5%
Resources	2,161	1,472	-689	-31.9%
Environmental Protection	92	86	-6	-6.5%
Health and Human Services	29,820	29,875	55	0.2%
Corrections and Rehabilitation	9,236	10,043	807	8.7%
K-12 Education	40,016	40,512	496	1.2%
Higher Education	11,368	12,002	634	5.6%
Labor and Workforce Development	105	118	13	12.4%
General Government	<u>2,206</u>	<u>3,077</u>	<u>871</u>	<u>39.5%</u>
Total	\$102,137	\$103,141	\$1,004	1.0%

Note: Numbers may not add due to rounding.

2007-08 Total Expenditures by Agency
(Dollars in Millions)

	<u>General Fund</u>	<u>Special Funds</u>	<u>Bond Funds</u>	<u>Totals</u>
Legislative, Judicial, Executive	\$3,793	\$1,995	\$285	\$6,073
State and Consumer Services	575	810	21	1,406
Business, Transportation & Housing	1,588	7,861	2,322	11,771
Resources	1,472	2,061	2,030	5,563
Environmental Protection	86	1,037	351	1,474
Health and Human Services	29,875	8,114	111	38,100
Corrections and Rehabilitation	10,043	22	-	10,065
K-12 Education	40,512	620	3,990	45,122
Higher Education	12,002	36	2,871	14,909
Labor and Workforce Development	118	308	-	426
General Government	<u>3,077</u>	<u>4,821</u>	<u>602</u>	<u>8,500</u>
Total	\$103,141	\$27,685	\$12,583	\$143,409

Note: Numbers may not add due to rounding.

A final word from the Legislative Analyst

The LAO has a wonderful chart summarizing the major assumption/modifications and changes requested by the Governor. Keep this in your purse or wallet for consultation over the next few weeks.

Figure 4

Key Programmatic Features of the 2007-08 Budget Proposal

Proposition 98

- Implements current-year program expansions, but does not propose new expansions for budget year. Uses \$1.9 billion funding increase to cover a 4 percent cost-of-living adjustment (COLA) in K-12 and provides additional support for CalWORKs-related child care.
- Rebenchmarks the minimum guarantee related to transportation proposal discussed below.
- Increases community college funding to cover a 4 percent COLA, 2 percent enrollment growth, and the full-year costs associated with backfill of the student fee reduction that takes effect in the middle of 2006-07.

UC and CSU

- Provides funding to cover 4 percent base increases and 2.5 percent enrollment growth in both segments. Proposes student fee increases of 7 percent for UC and 10 percent for CSU. The increased fees would be retained by the segments.
- Eliminates state support for outreach programs.
- Proposes \$70 million in lease-revenue bonds and \$20 million in General Fund support to UC for a research initiative on technological innovation.

Transportation

- Uses \$1.1 billion from the Public Transportation Account to replace General Fund spending in three areas: Proposition 98 funding on home-to-school transportation; transportation services provided by regional centers; and debt service on general obligations bonds issued for transportation projects.

Health and Social Services

- Suspends the July 1, 2007, COLA for CalWORKs grants, and places new time limits and sanctions on children whose parents cannot or will not comply with CalWORKs participation requirements.
- Makes relatively few significant changes in health programs. Does not reflect impacts of Governor's proposed health care reforms.

Criminal Justice

- Provides significant funding increases in the Department of Corrections and Rehabilitation to cover price increases, inmate growth, compliance with various court orders, and a new probation grant program. Includes some offsetting savings from a proposed change in parole policies and shifts juvenile offenders to county facilities.
- Proposes capital outlay spending of about \$10 billion—mostly funded with lease-revenue bonds—that is generally consistent with the prison capacity package recently announced by the Governor.

Revenues

- Includes \$506 million resulting from amended tribal gambling compacts.
- Proposes permanent elimination of the teachers' tax credit and permanent extension of the recent use tax law changes.
- Assumes \$78 million in new revenues from audit-related proposals to address the "tax gap."

The LAO leaves us with a final, dour observation:

The downside risks in this budget could easily exceed the \$2.1 billion reserve budgeted for 2007-08. It is also important to remember that the state continues to face a significant ongoing structural shortfall in its budget, as well as pressures related to unfunded retiree health care costs and potential additional costs to the state's correctional health care system. In view of these factors, it will be important that the Legislature develop a more realistic budget which includes alternative budgetary solutions and avoids raising ongoing commitments (absent identified funding to pay for them).

Our regular readers know that *California Budget Report's* take on California's budget dilemma is equally pessimistic. We seem to be living in an era where the citizens of California and this nation believe that government spending should never be cut, taxes should never be raised, and money should never be borrowed. Politicians, with rare exceptions seem to have accepted this dogma and conservative and liberals have concluded that nothing can be done to change our ways.

We continue to spend more than we bring in. We continue to authorize new spending, as if the money for new projects can be found buried in caves, rather than taken from other existing programs. At some point, fiscal reality may catch up with dogma, but we doubt that it will be this year.

If you project into the next 20 years of our future, you will see continued battles over funds already committed to "good" programs. The shrinking pie of state discretionary funds will get even smaller. Funding for new program, new initiative or addressing new challenges will be faked up with unrealistic revenue assumption, budget tricks and endless borrowing. Politicians will be waiting for a change in public attitude, or a crisis (flood or other natural disaster, terrorist attacks, etc.), which will politically allow the raising of taxes. It's one hell of a way to run a complex society for almost 38 million people.

What happens next?

Ignore all of our Malthusian rumblings. There is a lot of politics, government and commotion to come.

The next weeks will see competing press conferences by politicians and Administration representatives, the endless secret meetings of worried interest groups and the musings of media pundits. Not much is going to happen on the budget for the next few months.

On the Senate side, only Senator Denise Ducheny (D-San Diego) has been announced as chair of the Budget Committee. In the Assembly, John Laird (D-Santa Cruz) will continue to chair the committee. Members of these important committees are expected to be announced shortly, but it could be mid-February before all the details are announced.

We believe today's LAO analysis of the Governor's Proposed Budget will be used by both Republicans and Democrats to challenge the budget. Keep your eyes open for the next chapter of the LAO assault, the highly touted *Analysis of the Budget Bill* and the separate *Perspectives and Issues* will be out in mid to late February.

Finally, we expect new Treasurer Bill Lockyer to issue his own report on the Governor's bond and borrowing proposals. We also look forward with considerable interest to the announced formation of a joint Controller/Treasurer bond spending oversight committee. Both Lockyer and Controller John Chiang have agreed to work together to monitor how well the major bond programs are wisely spent.

A chart for the historically inclined

We leave you with one of the few charts produced in the state budget that gives you any kind of perspective on issues. This is the semi-famous *Summary of State Population, Employees and Expenditures*. It won't tell you everything you need to know, but you can sure find out some interesting things about the growth of government spending.

SCHEDULE 6
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES

Year	Population ¹		Employees per 1,000 Population	Personal Income (Billions)	Revenue		Expenditures		Expenditures per Capita		Expenditures per \$100 of Personal Income	
	(Thousands)	Employees ⁴			General Fund (Millions)	Total (Millions)	General Fund ² (Millions)	Total ³ (Millions)	General Fund ²	Total ³	General Fund ²	Total ³
1950-51	10,643	61,000	5.7	\$20.0	\$672	\$994	\$587	\$1,006	\$55.15	\$94.52	\$2.94	\$5.03
1951-52	11,130	63,880	5.7	23.2	734	1,086	635	1,068	57.05	95.96	2.74	4.60
1952-53	11,638	65,720	5.8	25.7	774	1,151	714	1,177	61.35	101.13	2.78	4.58
1953-54	12,101	69,928	5.8	27.6	798	1,271	809	1,381	66.85	114.12	2.93	5.00
1954-55	12,517	74,099	5.9	28.4	879	1,434	852	1,422	68.07	113.81	3.00	5.01
1955-56	13,004	77,876	6.0	31.3	1,005	1,578	923	1,533	70.98	117.99	2.95	4.90
1956-57	13,581	82,299	6.5	34.3	1,079	1,834	1,030	1,732	75.84	127.53	3.00	5.05
1957-58	14,177	98,015	6.9	36.8	1,111	1,751	1,147	1,891	80.91	133.39	3.12	5.14
1958-59	14,741	101,982	6.9	38.7	1,210	1,925	1,246	1,932	84.53	131.06	3.22	4.99
1959-60	15,288	108,423	7.1	42.4	1,491	2,198	1,435	2,086	93.86	136.45	3.38	4.92
1960-61	15,883	115,737	7.3	44.8	1,598	2,338	1,678	2,525	105.78	159.18	3.75	5.64
1961-62	16,412	122,339	7.5	47.5	1,728	2,451	1,897	2,406	103.40	146.80	3.57	5.07
1962-63	16,951	128,981	7.6	51.3	1,886	2,688	1,881	2,703	110.97	159.48	3.87	5.27
1963-64	17,530	134,721	7.7	54.8	2,137	3,057	2,064	3,182	117.74	181.52	3.77	5.81
1964-65	18,026	143,898	8.0	59.5	2,245	3,295	2,345	3,652	130.09	202.80	3.94	6.14
1965-66	18,484	151,199	8.2	63.4	2,509	3,581	2,580	4,059	139.73	219.83	4.07	6.40
1966-67	18,831	158,404	8.4	68.9	2,895	4,073	3,017	4,659	160.21	247.41	4.38	6.76
1967-68	19,175	162,677	8.5	74.3	3,682	4,927	3,273	5,014	170.89	261.49	4.41	6.75
1968-69	19,432	171,855	8.8	81.5	4,136	5,450	3,909	5,673	201.16	291.94	4.80	6.96
1969-70	19,745	179,583	9.1	89.3	4,330	5,743	4,456	6,302	225.68	319.17	4.99	7.06
1970-71	20,039	181,581	9.1	96.3	4,534	5,919	4,854	6,556	242.23	327.16	5.04	6.81
1971-72	20,346	181,912	8.9	102.4	5,395	6,897	5,027	6,864	247.08	328.52	4.91	6.53
1972-73	20,585	188,460	9.2	112.3	5,780	7,366	5,816	7,422	272.82	380.55	5.00	6.61
1973-74	20,869	192,918	9.2	124.0	6,978	8,715	7,299	9,311	349.75	446.16	5.89	7.51
1974-75	21,174	203,548	9.6	138.7	8,630	10,405	8,349	10,276	394.30	495.31	6.02	7.41
1975-76	21,538	206,361	9.6	153.5	9,639	11,567	9,518	11,452	441.92	531.71	6.20	7.46
1976-77	21,936	213,795	9.7	171.6	11,381	13,483	10,487	12,832	477.16	575.86	6.10	7.36
1977-78	22,352	221,251	9.9	191.5	13,695	15,962	11,686	14,003	522.82	626.48	6.10	7.31
1978-79	22,836	218,530	9.6	218.8	15,219	17,711	16,251	18,745	711.84	820.85	7.43	8.57
1979-80	23,257	220,193	9.5	250.1	17,985	20,919	18,534	21,488	796.92	923.94	7.41	8.59
1980-81	23,782	225,567	9.5	284.5	19,023	22,104	21,105	24,511	887.44	1,030.65	7.42	8.62
1981-82	24,278	228,813	9.4	320.0	20,980	23,801	21,693	25,022	893.53	1,030.65	6.78	7.82
1982-83	24,805	228,489	9.2	341.6	21,233	24,291	21,751	25,330	876.88	1,021.17	6.37	7.42
1983-84	25,337	226,695	8.9	369.1	23,809	27,626	22,869	26,797	902.59	1,057.62	6.20	7.26
1984-85	25,816	229,845	8.9	413.4	26,536	31,570	25,722	30,961	996.36	1,199.30	6.22	7.49
1985-86	26,403	229,641	8.7	448.3	28,072	33,558	28,841	34,977	1,092.34	1,324.74	6.43	7.80
1986-87	27,052	232,927	8.8	478.8	32,619	37,767	31,489	38,079	1,183.28	1,407.82	6.57	7.95
1987-88	27,717	237,761	8.8	515.3	32,534	38,773	33,021	40,452	1,191.36	1,459.47	6.41	7.85
1988-89	28,393	248,173	8.7	557.9	36,953	43,322	35,897	44,634	1,264.29	1,572.01	6.43	8.00
1989-90	29,142	254,589	8.7	601.5	38,750	46,453	39,456	48,594	1,353.92	1,667.49	6.56	8.08
1990-91	29,828	260,822	8.7	648.3	39,214	47,024	40,264	51,446	1,349.87	1,724.76	6.21	7.94
1991-92	30,459	261,713	8.6	682.7	42,026	53,117	43,327	56,280	1,422.47	1,847.73	6.54	8.49
1992-93	30,987	260,939	8.4	696.7	40,946	52,526	40,948	56,480	1,321.46	1,822.70	5.88	8.11
1993-94	31,314	265,035	8.5	707.9	40,095	52,384	38,958	53,083	1,244.11	1,695.18	5.50	7.50
1994-95	31,524	269,004	8.5	730.5	42,710	54,942	41,961	54,613	1,331.08	1,732.43	5.74	7.48
1995-96	31,712	271,076	8.5	766.8	46,296	59,266	45,393	59,870	1,431.41	1,887.93	5.93	7.82
1996-97	31,983	271,966	8.5	810.4	49,220	62,831	49,088	64,523	1,535.78	2,018.68	6.06	7.96
1997-98	32,453	271,254	8.4	860.5	54,973	69,424	52,874	68,528	1,629.25	2,111.81	6.14	7.96
1998-99	32,883	282,860	8.6	936.0	58,615	74,281	57,827	75,260	1,759.64	2,280.11	6.18	8.04
1999-00	33,419	296,076	8.9	999.2	71,931	87,536	66,494	84,864	1,989.71	2,539.39	6.65	8.49
2000-01	34,099	311,239	9.1	1,103.8	71,428	88,419	78,053	96,382	2,289.01	2,826.53	7.07	8.73
2001-02	34,784	323,803	9.3	1,135.3	72,283	89,804	76,752	99,220	2,206.53	2,852.46	6.76	8.74
2002-03	35,393	321,394	9.1	1,147.7	80,684	95,794	77,482	106,779	2,189.19	3,016.95	6.75	9.30
2003-04	35,990	316,860	8.8	1,184.5	76,774	96,365	78,345	104,223	2,176.95	2,895.89	6.61	8.80
2004-05	36,522	313,984	8.6	1,264.4	82,209	104,462	79,804	107,591	2,185.09	2,945.92	6.31	8.51
2005-06	36,982	317,593	8.6	1,332.9	93,427	118,331	91,592	119,812	2,478.66	3,234.33	6.87	8.97
2006-07	37,444	340,120	9.1	1,421.2	94,519	119,693	102,137	136,146	2,727.73	3,635.99	7.19	9.58
2007-08	37,904	344,870	9.1	1,502.5	101,277	127,841	103,141	143,409	2,721.11	3,783.48	6.86	9.54

¹ Population as of July 1, the beginning of the fiscal year.

² Includes Special Accounts in General Fund from 1973-74 to 1976-77.

³ Expenditures include payments from General Fund, Special Funds and Selected Bond Funds beginning in 1963-64.

⁴ Please see footnote regarding total positions on Schedule 4.

What is left out of the previous chart is the ratio of government spending to the state's Gross Domestic Product, or whatever we call it these days. We may write about this later.

This is the fifth year of our *California Budget Report*. One thing we want to try in 2007 is including some comments, suggestions and ideas from our readers. Of course, we understand that most of you would not want to be quoted on things governmental—or at least not quoted varying from the conventional wisdom. Which is why we guarantee **your confidentiality**.

So, send us your ideas, thoughts and suggestions and we promise to read them and, if we can figure out the right way, include some of your thoughts, labeled as “Coming from a knowledgeable insider...”

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