What Pete's Not Saying: The Real State Of The Golden State

By Melinda Welsh

Jan. 8, 1992. Gov. Pete Wilson marched with ironic assurance into a state Assembly chambers jam-packed with politicians, pundits, pollsters and media types. Pete fearless leader of the sixth-largest economy on the globe advanced to the podium and proceeded with that annual rite of gubernatorial passage known as California's "State of the State" address.

Though laced with cautionary language, Pete's recitation was chock-o-block full of standard-issue political optimism (the guarded kind that centrists love) about the rosy future we face (as long as we crack down on welfare cheats and immigrants) in the Golden State. Basically, the whole scene constituted a Public Relations Love Fest of the highest order.

Because it doesn't take Einstein to recognize that optimism isn't really in order for the Golden State at the moment; it doesn't take Jeanne Dixon to pronounce that California, the richest and most populated state in the union, is actually headed for the toilet especially in its capacity to educate its children, provide health care for its citizens, deal adequately with its criminal element and rid itself of its raunchy air and congested freeways. Let me admit: The year has been big for California bashing, and it's no real fun adding to the stew. We had the Time magazine bash, the Fortune bash and the Newsweek bash. Plus the Standard & Poor's bash. (San Francisco Chronicle writer Alice Kahn even notes that the year past saw bikini-clad Barbie change her beach of preference from Malibu to Hawaii.) But maybe we deserve some bashing.

For now, let's get this into one obituary-like paragraph: Since the late '70s, California has moved from "first to worst" in almost every category imaginable.

California children are less likely to have health insurance, less likely to be immunized and are less likely to go to college than children in any other state in the union. Education-wise, our state ranks near the bottom in terms of per-capita expenditures for our students, and we have the largest average class size in the nation. Smog, mostly from the 25 million vehicles on our freeways, has fouled the air; the Los Angeles basin has the dirtiest in the country. The California coast has the most DDT ever found in marine mammals.

About 90 percent of our old-growth forests are history. Ditto with our
wetlands. We have the most congested freeways and surface streets in the nation.

We have the highest housing costs in the country. Our crime rate is astronomical and, statistically speaking, the prisons we've been erecting up and down the state haven't helped. Health-wise, we have the fifth-highest rate of uninsured citizens (about 5.2 million) in the country. Thanks to the recession, 1 million Californians are out of work, and we have an unemployment rate that's higher than the national average and a homeless population that's soaring. About 31% of our citizens are on welfare. To top it all, we're facing an unprecedented fiscal crunch the one that led to last year's state deficit of 14 billion was only the beginning.

All this in a state that, in the mid-'70s, had the most enviable education system in the nation. All this in a state that used to boast one of the nation's most sublime physical environments from its Pacific coastline to its Sierra Nevada. All this in California, a state that is today, arguably, the most politically potent state in the history of the union because of its new, census-driven, 52-member House delegation and its 54 (one-fifth of those needed to elect a president) electoral votes.

So what happened? Does the California future really have to resemble Ridley Scott's Blade Runner vision of a grim, high-tech, grossly polluted, ethnically volatile wasteland? And at what point does our decline become irreversible?

CALIFORNIA: FROM FIRST TO WORST

This from Time magazine's Nov. 18 cover story on California: Whatever happens now in California will be happening to America before long, and to the entire world a little while after that. If you want to know whether America still works, then ask whether California still works.

So does California still work? Scary question, due in large part to the voter-sponsored 1978 revolution for tax and fiscal reform. We're talking results of Prop. 13 and the Gann limit, folks. Because the unintended consequence of that revolution was the basic devastation of the state's infrastructure. All California needed in addition was a population boom (and it got one!) for the state's prospects to head from first to worst, from 1978 to 1990.

Here's a look at what's been happening in a few categories.

EDUCATION

By the year 2000 there will be no ethnic majority to speak of in the state of California, only minorities. (In fact, about 20% of the state's population is now foreign-born, migrating primarily from Asia and Latin America.) The trend will continue until after the turn of the century, and our schools in a preview of our future society will look more and more like a rainbow of faces representing a multitude of languages. (Since the passage of Prop. 13 in 1978, non-English speaking students have increased from 5% to 13% of the school population.)

As the population changes, so must our public institutions change, right?

Well, not in California. Despite the fact that in some school districts as many as 80% of the students are limited or non-English speaking, immigrant children are still treated like a fringe element
instead of what they are: the future core of our working population. Meanwhile in this situation where innovative teaching systems and highly skilled teachers are essential the state's funding per student has been flat for nearly 20 years.

Throughout the 1980s, California's school revenues as a percentage of personal income have been close to last in the nation, despite the generally higher costs of education in this state, and even the best efforts of California educators and teachers haven't been able to stem the funding tide. (California spent about 4,075 per pupil in 1988-89, compared to a national average of 4,896.)

In terms of class size, California has always been larger-than-average because of its rapidly growing population. But since Prop. 13, the problem has gotten worse. California is now the second worst state in the nation in this key indicator.

ENVIRONMENT

In the L.A. basin, 8 million cars and trucks spew 1,246 tons of noxious gasses into the air every day, helping make the region's air the dirtiest in the nation. Where Los Angeles has made some smog progress over the past few years, general air quality in the Golden State has plummeted.

Most of California's original stands of old-growth forests (90% of the original stands of redwood and Douglas) are already felled, and the state's 32.5 million acres of remaining forest continue to shrink. Timber companies battle with environmentalists over what's left. (Indeed, critics charge the U.S. Forest Service with permitting ruinous clear-cutting on public lands endangering surviving giant Sequoias.)

Pete Wilson did the state a favor in creating a new California Environmental Protection Act, but he took it back when he limited its authority. Most recently, he vetoed the so-called "Sierra Accord," which was widely perceived as his own administration plan to impose new timber harvesting rules with stronger environmental protections. Now he's replaced it with a so-called "Grand Accord" (due for possible adoption this month), which is a half-baked forest compromise and will let timber companies continue to get their way with our remaining forests.

On another environmental front, California leads the nation with 283 endangered, threatened or rare species, but despite protections now in place, two-thirds of these species continue to decline.

Additionally, the Sierras are in trouble from air pollution. One of the state's unique environmental distinctions, the Delta, has been clogged by an array of dams, canals and pumps that divert water to agribusiness and Southern California cities. Also in decline is the state's former rich network of wetlands (about 90% have disappeared).

HEALTH

It's no big news flash that California and the rest of the nation has an ailing health care system complete with patient dumping, the closing of trauma centers and emergency facilities, large financial losses for hospitals and doctors, and an increased number of pregnant women with little or no prenatal care. We have rapidly rising medical care costs, impoverishment of the elderly as a result of uncovered long-term care costs, and (no big surprise) declining public funds for
public health needs.

In 1990, 19.1% of Californians (that's 5.2 million people) were uninsured a number that increased by 50% during the 1980s (nationally, the uninsured rate is 16.5%). About 2 million of those are children. Of those uninsured, a huge percentage are working-class and lower-middle-class families.

The percent of the state budget spent on medical care has declined considerably since 1982-83, despite medical care costs that increased at three times the rate of inflation.

Californians are growing increasingly impatient with health care costs and access problems. The 1991 Gallup California Health Care Poll found that 68% of Californians would be willing to pay more taxes to support health care for the poor, up from 59% in the same poll two years ago. Three-quarters say the state government should provide a health insurance plan for everyone who does not have insurance.

CRIME

California's correction system is a mind-boggling mess. For the past decade, a combination of "get tough on crime" political rhetoric and tunnel-vision have burdened California with a wasteful and costly correction system.

Despite an explosion in prison construction and population, our crime rate has not declined over the past decade. Fear of crime may win elections, but in the end the voters must pay for a system that, at worst, exacerbates the existing problems of inmates and, at best, does little more than warehouse over 100,000 men and women in overcrowded, expensive prisons.

It's shocking to look at the statistics and realize that the average California prisoner is not a violent offender. The typical inmate is a young, substance-abusing, semi-literate, unemployed man of color who was arrested for a crime that did not involve violence.

Nobody's in favor of turning loose dangerous criminals. But the complete lack of effective programing for inmates in and out of prison has turned our prison gates into revolving doors. California taxpayers have a right to ask themselves whether they are getting their money's worth when nearly 80% of those prisoners released on parole will be back again. (In 1989, 47% of those sent to prison were incarcerated for violating the conditions of their parole they weren't even convicted of new crimes by a court!)

It costs 20,562 per year to house a convict in a California prison (which is more than it takes to send a person to the University of California for a year). The 40,000 parole violators incarcerated in 1989 alone cost the state 360 million. Prison and other criminal justice costs come directly from general funds at the state and county level. Can we really afford the results of this illusory "get tough on crime" prison-building campaign?

CHILDREN AND THE POOR

More of California's children are in deeper trouble than ever before thanks, among other things, to a decade of program slashing and budget cuts, an eroded tax base under Prop. 13, the recession, the rise in single-parent families, and growing national problems such as drug abuse.
There are plenty of studies that say California is doing terribly for its children. A study released in 1989 by Policy Analysis for California Education (PACE) on the condition of our state's children demonstrated that the percent of children living in poverty used to be lower in California than in other states. But by 1980, California's percentage equalled the nation's, and since 1981, California's child poverty rate has exceeded the national rate. Today, almost 2 million California children live in poverty that's about a quarter of all our state's children.

The PACE report concludes that from the 1940s until the 1970s, California led the nation in developing programs (such as child care and child abuse projects), but that leadership has faded over the past 10 years.

For now, more children are on waiting lists for child care than the number of children served by existing programs. Additionally, about 2.1 million children have no public or private health insurance - a 62% increase over the past six years. (California now ranks 42nd among the 50 states in terms of children without insurance.)

Other children-related conditions have worsened since the late '70s. California has about the highest rate of incarcerated juveniles in the nation. Ditto with teen pregnancy. Children Now, an advocacy and research group, proposes "The Right Start," a program to ensure that all of California's children start out right from prenatal care to sound early-childhood education programs. The plan would be expensive, 20 per year for every Californian (as opposed to the 2,000 every Californian will pay to bail out the failed Savings and Loans?). It's worth it, says Children Now.

This group's argument: What you spend on one end, you save on the other. For every 1 we shortchange immunizations, we pay 10 for children who contract measles. For every 1 we hold back from preschool education, we pay 4.75 in the costs of special education, public assistance and crime.

STATE FINANCES: THE BIG EMPTY

Maybe someone will someday develop a language that can make average citizens understand the inner-workings of the state's budget and tax system. Until then, we're stuck trusting the numbers that come out of Sacramento.

For now, the numbers say this: Everything has gone blooey. In fact, some of the figures lately are so staggering, they have pundits and newspaper columnists scrambling to figure out what's going on. For starters: When Wilson took office in 1991, he faced a deficit of 14 billion, a vast figure that dwarfed the previous year's 3 billion. Wilson's people say that's only the beginning.

A big part of California's money hole is a result of the recession and Reaganomics. Yes, but the Commission on State Finance also identifies a long-term "structural" deficit of about 5 billion per year. Lenny Goldberg of the California Tax Reform Association recently released a report called "Taxation Without Representation" that, among other things, documents how the "structural" deficit exists because the state's tax base has been eroded by Prop. 13 and is insufficient to keep up with growth and the demand for services generated from that growth.
Viewing Prop. 13 as problematic is nothing new: The Los Angeles Times has called Prop. 13 a "disaster" that has "ripped apart California's social fabric." Basically, the tax revolution moved California from the upper ranks to the middle ranks and lower in many categories of taxing and spending. More numbers: state and local taxes amounted to 140 for every 1,000 of personal income in 1970. In 1989, that fell to 114 per 1,000. And while they've increased slightly this year, they are still lower than they were two decades ago.

Meanwhile, however, Californians continued to demand a high level of services from their medium level of taxes.

Here's what's happened: The eroded tax base affects more than government "fat." The erosion strips away the muscle and bone of the state's public sector: schools, health care, transportation, even police and fire services.

The state has been operating in survival mode, fending off disasters, lacking the capacity to look to the future. Local governments are powerless to do anything about all this, because Prop. 13 eliminated their ability to raise revenues.

A key question: How much tax revenue has the public sector lost since Prop. 13? The state's Legislative Analyst calculated the cumulative tax cuts from 1977-78 to 1988-89 at nearly 190 billion, an average of 14.5 billion per year. (About the size of last year's deficit.) Now, these are big numbers, vast numbers, and would probably not carry across to California's bottom line if Prop. 13 had never existed. Still, the calculation is a good way to look at why we've been missing what we've been missing.

Meanwhile, contrary to what many of the state's politicians would like us to believe, polls taken in spring of 1991 (with the recession already in swing) showed that voters expected tax increases, opposed tax cuts that hurt the poor, and were concerned primarily about the fairness of the distribution of the burden in terms of spending and taxing. (Actually, voters have been ahead of their elected reps for some years with regard to taxing and spending.

Voters approved a number of tax increases in 1988, a 25-cent-per-pack increase for cigarettes and Prop. 98, guaranteeing a base level of funding for education.)

Anyway, voter revolt or no, the state's citizens now appear more than willing to tax themselves for specific purposes in order to gain specific results.

GO AHEAD, BLAME THE VICTIM

So what are our state's feckless leaders doing in the face of all these problems, in the wake of an eroding tax base? Not much. Is it Wilson's fault that he came into power when California's bills came due? Not really. But now, instead of facing the music, the governor's shifted into a blame-the-victim mentality that completely misses the point.

Despite the fact that public assistance to poor families and children constitutes only 5% of the state's general fund, suddenly, to hear Pete tell it, the state's mega-list of problems can all be blamed on lax welfare mothers and wild-eyed immigrants.

He's started a cynical new movement and launched the "Taxpayers
Protection Act," which will come before California voters in a referendum in November. The act, which seeks to cut payments to welfare mothers by up to 25%, will put the politically volatile "welfare" issue at stage center during a time when both California Senate seats will be up for grabs. (In fact, some are making the prediction that California could prompt a national anti-welfare movement as potent as the anti-tax movement it set off with Prop. 13.)

Instead of honestly addressing the state's complex problems, an eroding tax base and flawed infrastructure Wilson goes after the easy target, trying to convince California that it has become a welfare magnet where generous benefits draw poor people from other states (that's with our current welfare stipend of 663 a month for a mom with two kids, plus food stamps and MediCal).

While it is true that California maintains a relatively high level of public welfare spending (we rank 12th in the nation), studies indicate that real benefits have fallen since 1978. The state's high housing costs (where most of the welfare checks go) account for a lot of that. Plus, the increase in California's caseload, 20% between 1988 and 1991, isn't unique. It reflects what's happening in the country due to the economic downturn.

Sacramento Bee columnist Peter Schrag recently took Pete to task for evoking the "California as welfare magnet" idea when there's very little evidence to back it up. Schrag's argument: Only 7% of the new beneficiaries on the state's rolls lived in some other state in the year before they became welfare clients in California. Less than 3.5% of them were on welfare in the months before they arrived here.

So why does Wilson come out swinging against welfare mothers instead of addressing the state's real problems? Perhaps because Pete has plunged faster in the polls during his first year as governor than any of his predecessors did during their entire administrations.

What better quick fix for a political career than to exploit the most explosive and divisive issue of the day - welfare - and run with it? All the sadder for California.

Last year, Wilson spent his January speech stumping for California to move from "reaction and remedy to anticipation and prevention." Sounded good. But living up to the 1991 "anticipation and prevention" motto is not exactly what Pete's path looks like for 1992.

Is it too late to halt the decay? Can the state legislature, California's Theater of the Absurd, ever lead us back toward becoming a national leader in education, health care and quality of life? Unknown. But attention must be paid. A battle must be joined, one that creates a tax system that works and invests in an education system worthy of a state that seeks to be a first-rate economic power. Also needed? A refusal by the California public to equate the failure of its government with the failure of its people.

The following agencies and groups provided much of the information in this article: California Tomorrow, the Sierra Club of California, the Center on Juvenile and Criminal Justice, the State Department of Education, the California Tax Reform Association, the New California Alliance, Health Access, California Policy Seminar, Children Now and PACE, Policy Analysis for California Education.