

Reforming California: Easier said than done

By Evan Halper, Los Angeles Times

SACRAMENTO – For the last couple of years, some of the state's most influential business titans and elder statesmen have taken time off to grapple with the mess in Sacramento.

Former Secretaries of State George Shultz and Condoleezza Rice, Google Inc. Chairman Eric Schmidt, Los Angeles philanthropist Eli Broad and other heavyweights have all attended an effort known as the Think Long Committee for California, which is focused on squaring away the years of mismanagement from Sacramento and conflicting mandates from citizen initiatives.

They haven't gotten very far.

Nor has a similar effort launched by U.S. Secretary of Defense Leon Panetta and others before he departed California for the Obama administration. A push by Bay Area business leaders to launch a constitutional convention to deal with the state's vexing policy problems sputtered and died.

Gov. Arnold Schwarzenegger had some very big names working on blowing up the boxes of government – almost all of which are still intact.

It's a decades-old pattern in California. The state plunges into financial crisis, Wall Street sounds an alarm about reckless management, celebrity thinkers spend countless hours hashing out solutions, only to see them pushed aside when special interests push back or tax receipts start to pick up.

Now, with billions of dollars of new taxes that voters approved in November, the urgency is easing again.

"These reform efforts have been going on for a long, long time," said Bill Leonard, a former GOP lawmaker from the Inland Empire who served for decades.

Leonard was the member of a bipartisan commission drafted by the governor and legislative leaders to find ways to revise the state Constitution to avoid future budget crises – in 1996.

"I can't remember a single one of our recommendations being enacted," he said. "We didn't even get the courtesy of a hearing."

The big names at Think Long, which also include former Gov. Gray Davis and former Assembly Speakers Willie Brown and Bob Hertzberg, have yet to propose any laws for their plans to overhaul the state tax code. But billionaire Nicolas Berggruen, the group's leader, struck out on his own to help bankroll a less ambitious measure on the ballot this year.

It was badly beaten.

Proposition 31, a medley of changes to state budget rules drafted by the group Panetta helped form, California Forward, got panned by environmental organizations, unions and the state Democratic Party. Tea party activists, meanwhile, warned that it was part of a global conspiracy – rooted at the United Nations – to take away personal liberties.

In the weeks before election day, with polls showing the measure destined for defeat, Gov. Jerry Brown expressed skepticism about outside groups swooping in with big, far-reaching packages to make state government function smoothly.

"There is no quick, easy big fix," he said. "It is incremental. Step by step ... government, like everything else living, evolves."

Joe Mathews, coauthor of "California Crackup: How Reform Broke

the Golden State and How We Can Fix It," also predicted change will be slow going.

"These guys are rich and impatient and want to do everything in the next election cycle," he said. "They are nuts. Change doesn't happen that way. You have to seed the politics of the state to have actual deliberation and debate. They want to push a button and get it fixed."

Berggruen said Think Long adopted its name because its members are in it for the long haul, not the next election cycle. He's pledged to spend at least \$20 million to push his group's plans for rewriting the tax code, reshaping the initiative system and rebooting the relationship between state and local government.

An international man-about-town and intellectual who lives out of luxury hotels in the world's great cities, Berggruen has launched movements to reshape governance on three continents. He said he was drawn to this state because "if California can reform, it shows democracy can reform."

Berggruen, sometimes known as the "homeless billionaire," said Think Long's efforts have been delayed but not derailed. The group, which initially wanted to bring a package before voters this year, put its plans on hold when Brown decided to go to voters seeking billions of dollars in new taxes.

"We thought with two tax measures on the ballot, it would be difficult to win," he said. "Anything that is complex in front of voters, even if well intended, will have difficulty."

Although some efforts to reshape government have been successful, they have been narrowly focused. Voters have approved measures to ease term limits, allow lawmakers to pass a budget with a simple majority vote and put the job of mapping political districts in the hands of an independent commission, all of which proponents argue result in a more adept, responsive Legislature.

It is generally agreed among economists and budget analysts, however, that bolder action is needed.

“Our larger, underlying problems are as acute as they have ever been,” said Lt. Gov. Gavin Newsom, noting that state government’s overreliance on income taxes from a small group of wealthy earners will continue to result in cash shortages with even slight dips in the economy.

Newsom still supports a constitutional convention, in which a large group of citizens would draft far-reaching changes to the state Constitution for voters to consider. The last effort fizzled, he said, because too many power brokers were too threatened by it.

But change doesn’t have to take the form of such a convention, Newsom said – it just needs to take form.

“How many times have we promoted and been promised reforms but fallen short?” he said.