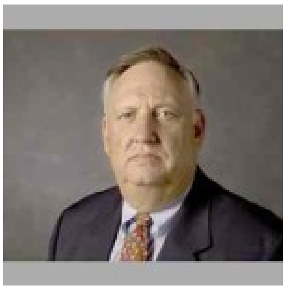
# Opinion: California needs to pay attention to structural deficit

**By Dan Walters, Sacramento Bee**

When Jerry Brown departed from his first governorship in 1983, he left behind what later became known as a “structural deficit” in the state budget.

It’s a deficit that results from spending commitments that outstrip revenues even when the underlying economy is doing well, rather than one caused by recession.



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Brown’s structural deficit stemmed from two actions in the immediate aftermath of the 1978 voter approval of Proposition 13, the state’s iconic property tax limit.

Brown, then seeking a second term, famously morphed overnight from a Proposition 13 foe to a self-proclaimed “born-again tax cutter.” He and legislators cut state income taxes to align themselves with the mood of voters as they enacted a multibillion-dollar “bailout” of schools and local governments to cushion Proposition 13’s tax cut.

Raising spending while lowering taxes threw the budget into an immediate operational deficit, which was financed from reserves until they ran out as Brown ended his second term.

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