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# ICYMI: *The Orange County Register*: Healthier state budget not a green light for spending sprees

Last week, the State's Legislative Analyst's Office (LAO) once again confirmed that the state will continue to have surplus revenues for the foreseeable future. Despite this positive economic news, special interest groups and legislators continue to push for billions in new and higher taxes. *The Orange County Register* recently wrote about the positive economic forecast for California and cautioned legislators against going on a spending spree that could jeopardize our positive economic growth.

***Orange County Register:*** **Healthier state budget not a green light for spending sprees**

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Last week, the Legislature's nonpartisan fiscal analysts projected steady budget surpluses through fiscal year 2019-20. Under the main scenario considered by the LAO, assuming current policies with consistent economic growth through 2019-20, the state could yield "significant annual operating surpluses and budget reserves in future years."

Among the major projections, the analysts assume fiscal 2016-17 will conclude with an $11.5 billion reserve, even as General Fund spending grows 5.1 percent, largely driven by Medi-Cal, but also due to $533 million in additional contributions to the California State Teachers' Retirement System.

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"Less additional ongoing spending on public programs now probably would mean fewer difficult choices about those programs later," the report notes. "While our main scenario indicates that the Legislature would have the capacity for some new one-time or ongoing commitments in the 2016-17 budget, we advise the Legislature to weigh the merits of those new commitments against the potential for larger budget shortfalls when the next economic downturn occurs."

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Some legislators, fortunately, are heeding these warnings and urging self-control, including Assembly Budget Committee Vice Chair Melissa Melendez, R-Lake Elsinore.

“In years of budgetary surplus, it is of utmost importance that we exercise fiscal restraint and not squander it by going on a spending spree,” she said, suggesting a focus be placed on high-priority programs, growing reserves and paying down debts.

Meanwhile, Assembly Speaker Toni Atkins, D-San Diego, issued a statement with a list of ideas for spending alongside putting money away in the “rainy day fund.” The ideas included setting “aside funds for state costs associated with increasing the minimum wage to $15 per hour” and providing “meaningful new investments in developmental disability services, education – from preschool to higher ed – infrastructure and other critical needs.”

If California is going to remain on a positive trajectory and stay remotely prepared for downturns, this desire for further “investments” should be limited as much as possible. Otherwise, the state will run the risk of not only deeper shortfalls in the future, but added pressure to either extend “temporary” tax hikes like Prop. 30 or further assault Prop. 13 taxpayer protections.

Ideally, legislators and their respective special interest groups would allow taxpayers a break for once, something that evidently can be afforded under the projections of the LAO.

Read more here: *please* *click here.*