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## Turning Our Backs On Our Children

by Robert C. Fellmeth

Your company's fiscal year is ending, and your division has an unexpected $5,000 balance. You can't hire anyone, but you don't want the money "going back to corporate." So you make the traditional "one-time-only" purchase of two new computers.

This familiar micro-dilemma is now being extended in California as the prime directive guiding public investment. The mantra emanating from Gov. Gray Davis is: "don't add to the base." The "don't add" approach, understandable at the office level, does not work as state budget policy. Nevertheless, over $7 billion of the $12 billion in surplus funds invested in 2000-2001 are going to "one-time" expenditures. The preoccupation with this simplism shortchanges our children and squanders available resources on spending without long-term vision or commitment. States cannot print money and deficit finance as Washington does. So political leaders understandably fear economic downturn, with the unpleasant choice of raising taxes or cutting back existing programs. But before we route our $12 billion surplus away from the "base," we should consider the following:

First, even with some downturn, most of the $12 billion will not disappear; it represents genuine growth, not an isolated act of God.

Second, the "base" actually should expand automatically by population growth and inflation every year - just to hold even. Failure to add that much reduces the real spending base.

Third, if the 2000-2001 "spending base" for children were at the same percentage of adult income invested one generation ago, we would be spending $9 billion more on our kids, and adding it to the base. That was the commitment of our parents to us, and theirs to them, a commitment that produced the finest schools in the land, from preschool to university level.

The difference is largely the result of 20 years of tax loopholes that have accumulated to shred the state's general fund upon which children rely. These loopholes now total a record $32 billion per year. Why don't our state officials view tax breaks as "adding to the base?" These breaks are sought acquisitively by the Capitol's 1,600 registered lobbyists. They need not be approved each year but continue automatically every year; and in California (unlike most states) a two-thirds vote is required to end or lessen them. They constitute a cumulative, continuing subtraction from our children's future public revenue base.

This neglected side of the coin - the future "revenue base" - can feed the spending base only if the citizens of the future are healthy, and can read, write and obtain contributing jobs. The children of today constitute that future revenue base. And investing in them doesn't just create contributors, it lessens future costs as well. For example, California has gone from 19,000 adult prisoners in 1977 to 162,000 today - an eightfold increase in a generation. The failure to invest in children can add to that future, continuing spending obligation.

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The spending (investment base) expansion must be directed first and foremost at the developing intractable underclass of impoverished children projecting to one-third of our future population, at the very time the upper 10 percent are achieving unprecedented wealth. We are headed for a society of Third-World disparities inimical to democratic values. While the California Children's Budget 2000-2001, a 650-page study of condition indicators, public investments and sums invested in California children recommends a$12 billion Child Advancement Fund, the new state budget adopts less than 10 percent of it.

California's 2000-2001 budget spends new funds on school teacher development, and on incentives to enhance low scoring school performance. But the major investments we are not making include the following:

A public campaign on the right of a child simply to be intended by two adults committed to him or her, with reduction in unwed birth rates and paternal responsibility restoration the No. 1 priorities of any responsible child advocates familiar with the data.

Class-size reduction for grades 4 through 12; the 1998 and 1999 test results indicate the K-3 reductions are accomplishing significant gains. But despite this evidence, we remain 49th in the nation in class size and our high school reading scores at near the very bottom of the nation.

A state earned income tax credit of 30 percent of the federal EITC will allow working poor parents to pay California's higher rents and remove a current barrier to true self-sufficiency.

A seamless system of quality child care for the working poor, with subsidy declining on a sliding scale as income increases and children age.

Higher education opportunity expansion is critical. A higher proportion of our kids must get advanced training because our job niche in the future is not on assembly lines. But we are sending a lower proportion of our youth to advanced education than we did in 1990.

These investments will "add to the base," representing a long-term commitment, one properly made in a planned, determined, steady manner. It will take years for each to reach fruition, and we are not seriously beginning them.

We need to demand more of our public officials, that they match the precedent of our forbears, who sacrificed more for us from the much less they had. Their investment has created the considerable wealth we enjoy. Our grandparents were more generous with their enemies after World War II than today's adults are with their own children.