EDITORIAL: It’s time to invite Valley to the recovery party

Gov. Jerry Brown must not forget that for swaths of California "happy days" are not yet here. The Valley never recovered our job losses, we are still suffering from reduced government services (such as police protection) and it seems as if the folks only think about us when they're thirsty. It's time to invite us to the party, governor.

RINGO H.W. CHIU — AP Photo

We keep hearing about how well California’s economy is doing. Jobs are up, Silicon Valley is awash in cash and record tax revenues are about to flood the state treasury. The steady climb of the stock market and the rebounding real estate market have been kind to California’s investors. Must be party time!

April’s income tax collections were about 25% higher than a year ago, and far greater even than Gov. Jerry Brown estimated in January. We’re talking $4 billion higher — possibly more.

The improving economy is likely to continue into next year, but higher tax collections cannot grow at this remarkable pace forever. And that’s a key point for lawmakers and all of us to consider as Brown prepares to release his revised budget. The trick for him is to balance the short-term needs of state programs (and the people who depend on them) with a prudent approach to the future. Said another way: No spending spree.

California has a history of roller-coaster revenues, with tax collections climbing fast in good times then falling off the table when the economy stalls. Too often, though, our legislators get ahead of themselves — passing pet programs that can’t be pared back in a slowing economy. So we get the boom, then the bust. We’d rather see services remain flat than have to cut them later.

Complicating things are the requirements of Proposition 98, which amended the constitution to guarantee school funding. If followed strictly, Proposition 98 likely will require that nearly all of the new revenue coming into the budget be spent on kindergarten through community college education.

Brown wants a go-slow approach. The governor is focused on repaying debt, making good on the state's obligations to local government, and prepaying commitments to public employee health and retirement benefits. He also is trying to build a reserve against an inevitable future downturns. Good plan, as far as it goes.

All of these moves will serve the state well. Of highest importance is making certain the retirement system for public employees can meet its obligations. But as he revises his budget and lawmakers enter into final negotiations over spending, we would like to see the governor pay more attention to the needs of lower-income and middle-income Californians. A lot of them are our neighbors.

He should consider restoring some of the health and welfare programs cut during the last recession. Brown should find a way to avoid the tuition increase planned by the University of California — while simultaneously demanding the bubble in administrative positions be punctured. We are most keen that he help us deal with this drought. As we suggested last week, providing money earmarked for "cash-for-grass" programs would be an excellent step.

Finally, he must not forget that for swaths of California "happy days" are not yet here. We've never recovered our job losses, we're still suffering from reduced government services (such as police protection) and it seems as if the folks only think about us when they're thirsty.

It's time to invite us to the party, governor.