



California Audit Released 350 Days Past Deadline, Shows Conservatives Are Right About the State

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March 20, 2024

Forty years ago, President Ronald Reagan secured re-election with a 525-13 Electoral College shellacking of Democratic challenger Walter Mondale.

California, land of boundless opportunity and breathtaking natural beauty that seemed to symbolize Reagan's "Morning in America," helped its former Republican governor complete that historic near-sweep in the unforgettable 1984 presidential election.

Alas, everything has changed. California, by its own accounting, has degenerated into a failed state.

According to The Center Square -- a news outlet focused on state and local governments -- California's belated Annual Comprehensive Financial Report for the fiscal year ending June 30, 2022, showed that the state had liabilities \$55 billion in excess of its total resources.

Despite post-pandemic job growth in its lucrative tech industry, California still did not come close to achieving a balanced budget.

Nor does the future look promising. A \$73 billion deficit confronts the state in 2024-25. With expanded, taxpayer-funded benefits to illegal immigrants, and with Texas' stepped-up border security diverting invaders to California, that number could increase, particularly in the face of much slower job growth.

Furthermore, according to Marc Joffe of the Cato Institute, California's pandemic-era profligacy included \$29 billion in improper Unemployment Insurance payments that the state may have to repay to the federal government.

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The 374-page state financial report included an overview that outlined the state's advantages to any sane and responsible group of elected officials.

"California's economy, the largest among the 50 states, accounted for 14.2% of the U.S. Gross Domestic Product (GDP) in 2022 and continued to rank fifth largest in the world (in terms of GDP) at the end of the year," the report read.

Considering all that productive capacity, it takes a special kind of incompetence to multiply liabilities.

Of course, California has just the man for the job. Democratic Gov. Gavin Newsom, the state's virtue-signaler-in-chief, has presided over this accelerated decline.

"[W]hile Gavin Newsom's California aspires to take on the world's 'big, hairy, audacious goals,' it remains unable to reliably tackle the less glamorous challenge of running a transparent, financially responsible government," Joffe wrote.

But Joffe, while correct, understated the scope of the calamity.

In fact, if California's core problem lay only on its balance sheets, then it could still maintain hope of recovery. In that case, it would not yet qualify as a failed state.

California's elected officials, however, have compounded insolvency with lunacy.

Crime has skyrocketed. Illegal immigration remains not only unchecked, but encouraged by the state's progressive policies. Human waste covers city streets and public beaches alike.

And people have voted with their feet by leaving the state altogether.

As a result of the 2020 census, California lost an electoral vote. No other state west of the Mississippi River suffered population loss sufficient to diminish its national representation.

That exodus has continued into the current decade. One source, in fact, estimated a nearly \$350 million loss in tax revenue from residents fleeing the state in 2021-22.

In terms of pure electoral math, exasperated Californians fleeing for states such as Texas and Florida would aid conservative causes. As deep-blue California grew bluer but smaller, red states would grow redder and larger.

On the other hand, that process would take decades. And in the meantime, the once-great Golden State will sink further into the progressive abyss.

Better, therefore, to contain the state's lunacy within its current boundaries and hope for a broader awakening.

California, after all, once gave the nation a Reagan. Perhaps it will do so again one day.