Perhaps the most obvious fiscal reform for California lies in an oil severance tax, which charges producers per barrel coming out of the ground. California is the only major oil-producing state without such a tax (the miniscule fee to fund the Department of Oil, Geothermal, and Geophysical Resources doesn't count), and because of the international market for petroleum, it will not cause prices to increase at the pump. The failure to enact such a tax represents hundreds of millions of dollars that the Legislature has left on the table. To put it in perspective, recall that Sarah Palin's Alaska has a $25-per-barrel OST.

Yesterday, the state Senate walked away from the table again, putting SB 241 (Evans), which would have enacted an OST, in the "suspense file." That's a fancy way of saying that it won't be considered again until next year. SB 241 would have dedicated these revenues to higher education (UC, Cal States, and community colleges), with a small portion (7%) going to State Parks. It was a no-brainer, and with Democrats holding supermajorities in both legislative houses, they could have enacted it without Republican support. What gives?

It might have just been a pure wimp-out. It's no secret that Democrats have long lacked the courage of their convictions, but it's more than that. Recent studies have found that politicians believe their constituents to be far more conservative than they really are, so Democrats might have believed that voters would prefer to continue to raise fees on middle- and working-class kids going to UC, Cal State, and community colleges rather than tax ExxonMobil etc. If Democrats ever wonder why it's often difficult to turn the base out, here's Example Number 337 as to why.

That being said, there may be a more subtle strategy at work here.

First, there is a good chance that while the vast majority of Democrats favored SB 241, in order to enact it they need a two-thirds vote, and more conservative Democrats from the Central Valley might have balked. There is no point in rushing a bill forward if it won't get through.

Second, it is not too much to expect that the constituencies that stand to gain from SB 241 — viz. UC, Cal State, and community colleges — start a grass-roots effort to push the bill. Politicians are known for many things, but courage is generally not one of them. They want backers, and organized groups, to help them. There are ten UC campuses, 23 Cal States, 112 community colleges, and hundreds of thousands of students and alumni of them. That's a lot of people to build a political organization on.

Third, a lot of those people and campuses are in Republican districts. Putting SB 241 on suspense could represent an effort to get bipartisan support for the measure. I think that that's a pipe dream: Grover Norquist owns GOP officeholders far more than their constituents do, and that's especially because under California's term limits, every one of these legislators will soon be running not as incumbents, but against other Republicans who will attack them for "raising taxes." But now, those term limits have become somewhat less draconian: a ballot initiative last year allowed uninterrupted service in one house or another for 12 years, allowing to build up incumbency advantages. Moreover, California instituted the jungle primary, in which all voters can vote and the top two vote-getters go to a runoff. That means that GOP legislators will not have to face hostile Republican bases to the same degree and can rely on independent and Democratic crossovers, even in heavily Republican districts.

I still don't like it. It still seems to me to be leaving money on the table. But at this point, the task for advocates of sound fiscal policy and higher education is clear: build a grassroots campaign for SB 241 through the summer, and push hard in the fall when more students come back to school and legislators are in their districts. That is the challenge that the state Senate has set for us. Are we up to it?