

2950 PERALTA OAKS COURT P.O. BOX 5381 OAKLAND CALIFORNIA 94605-0381  
 T. 1 888 EBPARKS F. 510 569 4319 TDD. 510 633 0460 WWW.EBPARKS.ORG



## **AGENDA**

### **BOARD LEGISLATIVE COMMITTEE**

**Friday, September 18, 2009**  
**12:45 p.m., Peralta Oaks Board Room**

The following agenda items are listed for Committee consideration. In accordance with the Board Operating Guidelines, no official action of the Board will be taken at this meeting; rather, the Committee's purpose shall be to review the listed items and to consider developing recommendations to the Board of Directors.

#### AGENDA

<u>STATUS</u>	<u>TIME</u>	<u>ITEM</u>	<u>STAFF</u>
	12:45 p.m.	1. STATE LEGISLATION / ISSUES	
		A. NEW	Pfuehler/O'Brien
(R)		a. Proposed Legislation SB 448 (Pavley)	
		B. ISSUES	
(I)		a. Prop. 1A-ERAF Shift Update	O'Brien/Pfuehler
(I)		b. California Constitutional Commission / Convention	O'Brien/Pfuehler
(I)		c. State Parks Access Pass Bond Initiative	O'Brien/Pfuehler
(I)		d. 2009 Delta Bills	O'Brien/Pfuehler
		C. UPDATE N/A	
		2. FEDERAL LEGISLATION / ISSUES	
		A. NEW	
		a. S. 1469 – Port Chicago Designation	Pfuehler/O'Brien
		B. ISSUES	
(I)		a. Health Care Reform	Pfuehler/O'Brien
(I)		b. Transportation Bill	Pfuehler/O'Brien
(I)		c. Energy Bill	Pfuehler/O'Brien
		C. UPDATE N/A	
		3. PUBLIC COMMENTS	
(I)		4. STATUS OF RECOMMENDATIONS	Pfuehler/O'Brien
		5. CORRESPONDENCE & ARTICLES	

(R) Recommendation for Future Board Consideration      Future 2009 Meetings:    October 30    November 20    December 18    January 15, 2010  
 (I) Information  
 (D) Discussion

Executive Committee Members:

Ted Radke, Chair, Doug Siden, John Sutter, Alternate  
 Erich Pfuehler, Staff Coordinator

Board of Directors

Ted Radke President Ward 7	Doug Siden Vice-President Ward 4	Beverly Lane Treasurer Ward 6	Carol Severin Secretary Ward 3	John Sutter Ward 2	Whitney Dotson Ward 1	Ayn Wieskamp Ward 5	Pat O'Brien General Manager
----------------------------------	--	-------------------------------------	--------------------------------------	-----------------------	--------------------------	------------------------	--------------------------------

Distribution/Agenda Only

Afton Crooks  
Michael Kelley  
Stana Hearne  
Peter Rauch  
Johan Klehs  
Judi Bank

Distribution/Agenda Only

Dan Levy  
Pete Wilson  
Robert Follrath, Sr.  
Fred W. Lopez  
Yolande Barial  
Bruce Beyaert

Distribution/Full Packet

Board of Directors  
Pat O'Brien  
Rosemary Cameron  
Dave Collins  
Bob Doyle  
John Escobar

Distribution/Full Packet

Allen Pulido  
Carol Johnson  
Tyrone Davis  
Dave Kalahela  
Carol Victor  
Ted Radosevich

Distribution/Full Packet

Hulet Hornbeck  
Dr. George Manross  
Norman LaForce  
Rich Guarienti  
Di Rosario  
Jon King



## THE CALIFORNIA FORWARD 2010 REFORM PLAN

*California Forward* is a bipartisan group of citizens from every walk of life who have come together to reclaim our power and make our government work again. Our goal is fundamental change: government that's small enough to listen, big enough to tackle real problems, smart enough to spend our money wisely in good times and bad, and honest enough to be held accountable for results.

### RESPONSIBLE BUDGETS ON TIME

1. **Pay-As-You-Go.** Require that new programs identify a funding source for any new spending they require.
2. **Base Budgets on Results.** Require the Governor and lawmakers to set clear goals for programs, consider results and effectiveness when making budget decisions, oversee performance to improve efficiency, and consider eliminating outdated and duplicative programs.
3. **Two-year Budget.** Require the Governor and Legislature to craft two-year budgets with midcourse correction authority, and provide long-term revenue forecasts and capital investment plans.
4. **One-Time Use of One-Time Revenues.** Reduce future budget shortfalls by prohibiting the use of unexpected spikes in revenues to increase spending on programs that continue year after year.
5. **Reduce the Budget Vote Requirement.** Reduce the likelihood of budget stalemates by changing the legislative vote requirement for state budget approval to a simple majority (to be adopted in conjunction with the plan's other fiscal reforms, and while retaining the two-thirds majority vote requirement for tax increases).
6. **Provide Certainty Regarding Passage of Fees.** Clarify the circumstances in which the Legislature and the Governor can impose fees without a two-thirds majority vote to those areas with a clear and justifiable nexus to the service provided.

### GOVERNMENT THAT'S CLOSER TO THE PEOPLE

1. **Protect Local Revenue.** Give communities more control over community-related services and prevent the state from siphoning off local revenue by giving local governments legal ownership of specific funds for community services, including the property tax.
2. **Foster and Fund Long-Term Collaboration.** Encourage community-level governments to coordinate and consolidate programs when it makes sense. Allow cities, counties and school

districts that craft long-term flexible plans to address community needs, to seek majority-vote approval to provide funds to pay for them, while retaining the vote thresholds established under Proposition 218.

### **CONSTITUENT ACCESS AND ACCOUNTABILITY**

1. **Term Limit Reform.** Reducing the total time newly-elected state legislators are allowed to serve from 14 years to 12 years, regardless of whether the time is spent in the Assembly or Senate.
2. **Constituent Access and Accountability.** Requiring legislators to spend part of every year in their district, in consultation with constituents and local leaders.

**###**

BOARD LEGISLATIVE COMMITTEE  
2009/10 Status of Recommendations

The following is a record of bills that the Board has taken action on.

1. AB 83 (Feuer) Torts: personal liability. (2/2009)  
AB 90 (Adams) Torts: personal liability. (2/20/09)  
**STATUS:** The Board unanimously voted **support** pending state legislative AB 83 and AB 90. (Resolution #2009-4-105)  
**NOTIFIED AUTHOR:** *April 24, 2009*
2. AB 1496 (Skinner) Torts: personal liability immunity. (3/27/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation AB 1496. (Resolution #2009-4-106)  
**NOTIFIED AUTHOR:** *April 24, 2009*
3. AB 521 (De La Torre) Utility property: leases for park purposes. (3/27/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation AB 521. (Resolution #2009-4-107)  
**NOTIFIED AUTHOR:** *April 24, 2009*
4. AB 979 (Berryhill) Hunting or fishing: local regulation (4/17/09)  
**STATUS:** The Board unanimously voted to **oppose unless amended** pending legislation AB 979. (Resolution #2009-4-107)  
**NOTIFIED AUTHOR:**
5. AB 1084 (Adams) Local planning: development projects: fees (4/17/09)  
**STATUS:** The Board unanimously voted to **oppose unless amended** pending legislation AB 979. (Resolution #2009-4-107)  
**NOTIFIED AUTHOR:**
6. AB 135 (Jeffries) Public resources: forest resource improvement: urban forestry: cost sharing(5/15/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation AB 135. (Resolution #2009-6-167)  
**NOTIFIED AUTHOR:** *June 1, 2009*
7. AB 817 (Nestande) Government liability: special districts: indemnification.  
**STATUS:** The Board unanimously voted to **support** pending legislation AB 817. (Resolution #2009-6-168)  
**NOTIFIED AUTHOR:** *June 1, 2009*
8. AB 1464 (Symth) Transportation: California Bicycle Routes of State or Regional Significance Act (5/15/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation AB 1464. (Resolution #2009-6-169)  
**NOTIFIED AUTHOR:** *June 1, 2009*

9. SB 372 (Kehoe) State parks system: unit modification, adjustment, or removal. (5/15/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation SB 372.  
(Resolution #2009-6-172)  
**NOTIFIED AUTHOR:** *June 1, 2009*
  
10. SB 555 (Kehoe) Eminent Domain Law: conservation easement. (4/13/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation SB 555.  
(Resolution #2009-6-173)  
**NOTIFIED AUTHOR:** *June 1, 2009*
  
11. HR 1044 (Miller) Port Chicago Naval Magazine National Memorial Enhancement Act of 2009 (5/15/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation HR 1044.  
(Resolution #2009-6-170)  
**NOTIFIED AUTHOR:** *July 6, 2009*
  
12. HR 1443 (Matsui) The Complete Streets Act (5/15/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation HR 1443.  
(Resolution #2009-6-171)  
**NOTIFIED AUTHOR:** *July 6, 2009*
  
13. HR 1329 (Blumenauer) The Clean Low-Emissions Affordable New Transportation Efficiency Act (CLEAN-TEA). (3/6/09)  
**STATUS:** The Board unanimously voted to **support** pending legislation HR 1443.  
(Resolution #2009- )  
**NOTIFIED AUTHOR:**

9/10/09

## **SFGate.org**

# **Outline and analysis of Obama's proposals**

Victoria Colliver

Thursday, September 10, 2009

Some of the primary issues President Obama addressed in his speech to Congress:

### **Public plan option**

What he said: Obama affirmed his preference for a public plan as "an additional way to keep insurance companies honest." But he stopped short of demanding the plan be an element of reform, and called for Congress to remain open to "other ideas that accomplish our ultimate goal."

Analysis: This leaves the door open for a compromise in which a public plan option would kick in if and only when private insurers, after a period of time, fail to provide affordable coverage in a region.

### **Changes to private insurance**

What he said: The president pushed for agreement on significant reforms: that insurers be prohibited from denying people coverage due to pre-existing medical conditions, from dropping them when they get sick and from imposing arbitrary coverage caps. He also called for limits on out-of-pocket expenses, saying "no one should go broke because they get sick."

Analysis: Most of the country's health insurers have agreed to these changes, as long as any plan requires Americans to have coverage. These reforms are included in the current health reform bills.

### **Costs and financing**

What he said: Obama estimated the overhaul would cost \$900 billion over 10 years and proposed to include in any plan a requirement to enact more spending cuts if promised savings fail to materialize. Much of the initial savings would come from reducing fraud and abuse in Medicare and other programs. He said some revenues to pay for the plan would come from drug and insurance companies, as well as from fees on expensive health policies.

Analysis: He assured Congress that he wouldn't approve a plan that would add to the federal deficit, but was short on details.

### **Employer, individual responsibility**

What he said: He called for a requirement that individuals have basic insurance and employers either "chip in" or provide coverage. He recommended that government provide subsidies to people who can't afford insurance and said a hardship waiver would likely exempt 95 percent of all small businesses from the requirement.

Analysis: A requirement that both employers and individuals have coverage has been a central part of the current proposals, as well as the primary condition for health insurance companies to agree to major market reforms.

## **Tort reform**

What he said: While stressing that malpractice reform is not a "silver bullet," he acknowledged that "defensive medicine" practiced by doctors to avoid lawsuits has added to the costs of health care.

Analysis: This was clearly an attempt by the president to appeal to physicians and Republicans who have called for reform of malpractice laws to control costs.

## SF Gate

# Obama urges Congress to enact health care overhaul

By DAVID ESPO, AP Special Correspondent

Wednesday, September 9, 2009

(09-09) 17:57 PDT WASHINGTON (AP) --

Shaking off a summer of setbacks, President Barack Obama summoned Congress to enact sweeping health care legislation Wednesday night, declaring the "time for bickering is over" and the moment has arrived to protect millions who have unreliable insurance or no coverage at all.

Obama said the changes he has in mind would cost about \$900 billion over decade, "less than we have spent on the Iraq and Afghanistan wars, and less than the tax cuts for the wealthiest few Americans" passed during the Bush administration.

In a televised speech to a joint session of Congress, Obama spoke in favor of an option for the federal government to sell insurance in competition with private industry. But he said he was open to alternatives that create choices for consumers — a declaration sure to displease its liberal supporters.

Obama's speech came as the president and his allies in Congress readied an autumn campaign to enact his top domestic priority. While Democrats command strong majorities in both the House and Senate, neither chamber has acted on Obama's top domestic priority, missing numerous deadlines leaders had set for themselves.

In a fresh sign of urgency, Sen. Max Baucus, D-Mont., announced that his Senate Finance Committee would meet in two weeks to begin drafting legislation, whether or not a handful of Democrats and Republicans have come to an agreement. The panel is the last of five to act in Congress, and while the outcome is uncertain, it is the only one where bipartisanship has been given a chance to flourish.

Obama said there is widespread agreement on about 80 percent of what must be included in legislation. Any yet, criticizing Republicans without saying so, he added: "Instead of honest debate, we have seen scare tactics" and ideological warfare that offers no hope for compromise.

"Well, the time for bickering is over," he said. "The time for games has passed. Now is the season for action."

"I am not the first president to take up this cause, but I am determined to be the last," he added.

The president was alternately bipartisan and tough on his Republican critics. He singled out Sen. John McCain, R-Ariz., for praise at one point. Yet, moments later he accused Republicans of spreading the "cynical and irresponsible" charge that the legislation would include "death panels" with the power to hasten the death of senior citizens.

In one gesture to Republicans, Obama said his administration would authorize a series of test programs in some states to check the impact of medical malpractice changes on health insurance costs.

In a reflection of the stakes, White House aides mustered all the traditional pomp they could for a president who took office vowing to change Washington. The setting was a State of the Union-like joint session of Congress, attended by lawmakers, members of the Cabinet and diplomats.

The House was packed, and loud applause greeted the president when he walked down the center aisle of the House chamber.

Additionally, the White House invited as guests men and women who have suffered from high costs and insurance practices, seating them near first lady Michelle Obama. Vicki Kennedy, the widow of Sen. Edward M. Kennedy, D-Mass., was also on the guest list. Kennedy, who died last month, had made health care a career-long cause.

Obama intends to follow up the speech with an appearance Saturday in Minneapolis, the White House announced.

Despite deep-seated differences among lawmakers, Obama drew a standing ovation when he recounted stories of Americans whose coverage was denied or delayed by their insurers with catastrophic results.

"That is heartbreaking, it is wrong, and no one should be treated that way in the United States of America."

The president sought to cast his own plan as being in the comfortable political middle, rejecting both the government-run system that some liberals favor and the Republican-backed approach under which all consumers buy health insurance on their own.

Obama said the legislation he seeks would guarantee insurance to consumers, regardless of pre-existing medical conditions, as well as other protections. "As soon as I sign this bill, it will be against the law for insurance companies to drop your coverage when you get sick or water it down when you need it most," he added.

The president assured those with insurance that "nothing in this plan will require you or your employer to change the coverage or the doctor you have."

Obama also said the legislation he seeks would help those who lack insurance to afford it. "These are not primarily people on welfare," he said in a line that appeared aimed at easing concerns among working-class voters. "These are middle-class Americans."

The president also said he wants legislation that "will slow the growth of health care costs for our families."

Obama said a collective failure to meet the challenge of overhauling health care for decades has "led us to a breaking point."

Responding on behalf of Republicans, Rep. Charles Boustany, R-La., said in excerpts released in advance that the country wants Obama to instruct Democratic congressional leaders that "it's time to start over on a common-sense, bipartisan plan focused on lowering the cost of health care while improving quality."

"Replacing your family's current health care with government-run health care is not the answer," said Boustany, a former cardiac surgeon.

The so-called government option that Obama mentioned has emerged as one of the most contentious issues in the monthslong debate over health care, with liberal Democrats supporting it and many moderates inside the party opposed. An early draft of Baucus' plan calls for an alternative consisting of nonprofit co-ops. Sen. Olympia Snowe of Maine, the Republican who seems most inclined to cross party lines on the issue, favors a different approach, consisting of a standby in which the government could sell insurance if competition fails to emerge in individual states.

The speech took place after weeks of halting progress and highly publicized setbacks for Obama and his allies on the issue of health care. After internal divisions prevented House Democrats from passing legislation in July, numerous members of the rank and file were confronted in town-hall style meetings with highly vocal critics.

There were charges — launched by former Republican vice presidential candidate Sarah Palin and debunked by nonpartisan organizations — that the legislation included "death panels" whose purpose was to facilitate the end of life for the elderly under Medicare.

At the same time, polling has shown a deterioration in support for the president, and an AP-GfK poll hours before the speech showed public disapproval of Obama's handling of health care has jumped to 52 percent, an increase of 9 percentage points since July.

Democrats had yet another change to factor into their plans. Sen. Edward M. Kennedy's death this summer robbed them not only of the experience of one of the Senate's most accomplished legislators, but also of their 60th vote in the Senate. That meant they needed at least one Republican vote to choke off any filibuster. Alternatively, they could try a more partisan approach, drafting a bill that could not be filibustered, but also shorn of some of the provisions they want.

Republicans greeted Obama's appearance politely but coolly.

"When it comes to health care, Americans don't want government to tear down the house we have," said Senate GOP leader Mitch McConnell of Kentucky.

"They want it to repair the one we've got. That means sensible, step-by-step reforms, not more trillion-dollar grand schemes."

Obama has said repeatedly that agreement exists on about 80 percent of the issues involved in drafting legislation, and the White House and Baucus have lined up numerous outside interests to help shepherd a bill to passage.

The nation's drugmakers and hospitals have already made deals to help pay a cost of the legislation. The American Medical Association also is in support, in large measure because the bills would avert planned reductions of 20 percent in their Medicare fees.

AARP, which advocates for those aged 50 and over, supports the approach Obama and his congressional allies have taken.

On the other hand, the nation's health insurance providers have yet to come to terms with the White House. In recent weeks, Obama has used them as a target, accusing them of putting profits over patient coverage by denying coverage and other steps.

## **Democrats Begin Rallying Members Behind Obama's Health-Care Call**

By Shailagh Murray and Paul Kane  
Washington Post Staff Writers  
Thursday, September 10, 2009 1:40 PM

Congressional Democrats on Thursday began their push to unify their ranks behind President Obama's outline for health-care legislation, hours after the president laid out that plan in a speech that was met with loud protests from some Republican lawmakers.

House Democrats held a meeting of their top vote-counters in the morning, and they scheduled a pair of key meetings later Thursday. One was to gather a group of centrist Democrats who have been opposed to a key plank of the legislation and the other was with party liberals who have been the loudest proponents of that proposal, known as the "public option," a government-funded insurance program that has served as the biggest fault line in the debate so far.

In addition, Vice President Biden is coming to the Capitol on Thursday to meet with the Congressional Black Caucus, which has joined the liberal call for a "robust public option."

"It's probably the most important initiative any of us have ever been involved with in Congress. Members are ready," [House Speaker Nancy Pelosi](#) (D-Calif.) said Thursday at her weekly press briefing.

Biden predicted Thursday that Congress would complete a health-care reform bill "before Thanksgiving." He added in an interview on NBC's "Today" show that Obama is "willing to sign a bill, any bill, by whatever mechanism, that in fact guarantees that there is a choice for people that is affordable."

The Senate, meanwhile, paused to pay tribute to the chamber's leading proponent of the health-care legislation, the late [Sen. Edward M. Kennedy](#) (D-Mass.), who died last month after a 15-month battle with brain cancer and whose memory Obama invoked Wednesday night.

Most Senate Republicans said Obama's address fell short of what they were hoping for, particularly with his continued support of the public option, but they took to the floor Thursday to hail Kennedy's efforts at bipartisan legislation over his nearly 47 years in the Senate. The GOP tone in the Senate echoed the tone in the House chamber last night, when most Senate Republicans either remained silent or gave nods of approval and applause at lines in Obama's speech they supported. That contrasted with House Republicans who shouted catcalls as Obama spoke, including [Rep. Joe Wilson](#) (R-S.C.), who has since called the White House to apologize for shouting that Obama was lying about how the Democratic legislation treats illegal immigrants.

Wilson stuck by his contention Thursday that the president was wrong to say that illegal immigrants would not be covered. A nonpartisan evaluation by the Congressional Research Service, he said, "has indicated that indeed the bills that are before Congress would include illegal aliens, and I think that this is wrong."

But he told reporters that his outburst was "spontaneous."

Obama said Thursday after a meeting of his Cabinet that he appreciated Wilson's apology. "We all make mistakes," the president said.

Democrats made an effort to prevent discussion of Wilson's actions from drowning out a substantive debate on health care. "It was stunning," Pelosi said, but she called for no further recourse. "It's time for us to talk about health care and not Mr. Wilson."

The organizations with the most at stake in health-care reform -- the health-care industry and related interest groups -- say that they remain open to the idea of big changes in the availability, financing and regulation of health insurance, as Obama called for Wednesday night.

Leaders of the American Medical Association, America's Health Insurance Plans, the Pharmaceutical Research and Manufacturers Association and AARP all agreed that Congress must push through a health-care overhaul this year.

But Democrats still have a long way to go in terms of building party unity toward that goal.

Liberals sat silently when Obama cited "constructive ideas" that could take the place of a government insurance plan, but cheered wildly when he vowed to hold insurance companies "accountable." Afterward, many congressional liberals said that, rather than paying attention to Obama's olive branch to party centrists, they were pleased to hear Obama's praise for the public option. "I thought in every way he supported the public option," [Sen. Sherrod Brown](#) (D-Ohio) said.

As Congress proceeds, the template Obama provided will help to guide Democratic leaders through the minefield that lies ahead. The president even widened the cast of potential supporters by endorsing provisions that are popular among Republicans, including pilot programs to test whether medical malpractice reform could lower health-care costs and an expansion of special-risk pools that allow people with preexisting conditions to buy insurance.

And yet the road to a White House signing ceremony remains difficult terrain. In both the House and Senate, Democratic leaders must combine several bills, factoring in Obama's priorities but also the proclivities of internal factions. The middle road is usually the path of least resistance, especially in the Senate -- but already Baucus, the only Democratic chairman seeking to forge a bipartisan consensus, has sparked a liberal backlash by tweaking certain provisions to satisfy moderate Democrats, along with the three Republicans helping to draft his bill.

In the Senate, the spotlight will remain on the Finance Committee, where Chairman [Max Baucus](#) (D-Mont.) is prepared to release a bill next week, in advance of a formal debate now set to begin the week of Sept. 21. If Baucus can't produce, Democratic leaders will be forced to contemplate procedural maneuvers to bring reform legislation to the floor on a party-line vote. But if the Finance process unfolds smoothly, the committee would approve the legislation -- with or without Republican support - - by the end of the month.

At that point, Reid would take over, melding the Finance bill with the legislation produced by the Senate health committee and bringing the massive package to the Senate floor for debate. Senators would then have the opportunity to test support for controversial ideas such as the public option, malpractice protections and an individual insurance mandate.

Because the House has more authoritarian rules than the Senate, Pelosi can reshape the pending House bill with input from a dozen or more key lawmakers, including those from competing ideological caucuses.

Once the House leadership thinks it has a bill that can garner at least 218 votes, the minimum for a simple majority, the legislation will be dropped into the House Rules Committee, the body that will formally draw up a bill and dictate how the debate will unfold. Democratic sources said the House bill could come to the floor late this month. Reid's tentative goal is to produce a Senate bill by Oct. 15.

Republicans are calling for a streamlined bill that addresses the problem of the uninsured, rising health-care costs and insurance industry abuses, and some GOP lawmakers welcomed Obama's speech as an opportunity to bring some of their ideas to the table.

"I stand ready to work with the president and congressional Democrats on a bipartisan common-sense health-care solution," said [Sen. John Thune](#) (S.D.), a member of the GOP leadership.

Sen. Robert F. Bennett (Utah) was one of many Republicans who applauded vigorously when Obama proposed medical malpractice reforms. "That was one concession we were all delighted to see," he said.

Baucus said he would continue to negotiate with the three Republican members of the Gang of Six until he released his bill. "A bipartisan bill is much more durable, much more sustainable," he said.

But [Sen. John D. Rockefeller IV](#) (D-W.Va.), the senior liberal on the finance panel, ticked off a list of provisions in the Baucus bill that he doesn't like, adding: "I think we've got a long way to go."

*Staff writers Debbi Wilgoren, William Branigin and David Brown contributed to this report.*

## **Rallying for regional trails**

Thadeus Greenson/The Times-Standard

Posted: 09/04/2009 01:27:12 AM PDT

Proponents of a regional multi-use trail system got a major endorsement Thursday.

"What you're doing is fantastic," North Coast Congressman Mike Thompson said, standing just off the Hammond Trail at a rally for regional trails. "Please know, I'm in full support, and will do everything I can to help."

The congressman's comments came as welcome news to many in attendance at the rally, as Thompson's help will be integral in Humboldt People Powered Pathways' vision of creating an interconnected system of walking and bicycle trails throughout the county.

In fact, the primary reason for Thursday's rally was to urge Thompson to assertively pursue creating a new Active Transportation Investment Fund when Congress considers re-authorizing the \$10 billion federal transportation bill.

"It's not new money," Arcata Mayor Mark Wheatley said. "It's a re-prioritization of how money can be invested in infrastructure."

Through Humboldt People Powered Pathways (HP3), Humboldt County is one of 50 communities lobbying to have Congress set aside \$2.5 billion -- \$50 million for each community -- of the transportation bill to invest in regional trail networks. On the North Coast, proponents say such a network would translate into a better-connected, healthier and more vibrant community.

They say it will also have a significant economic impact.

Humboldt County 4th District Supervisor Bonnie Neely said similar projects have been economic boons in other parts of the country. In Outer Banks, N.C., Neely said, bicycling is estimated to have an annual economic impact of \$60 million, create more than 1,400 jobs and bring more than 40,000 visitors to town every year. Similarly, in San Antonio, Texas, Neely said Riverwalk Park has eclipsed the Alamo as the most popular attraction in the city's \$3.5 billion annual tourist industry.

Several speakers at Thursday's rally said it's amazing that the HP3 plan has managed to bring together representatives from Arcata, Eureka, Fortuna, Humboldt County, Caltrans, the Humboldt County Association of Governments, the state Coastal Conservancy, the Redwood Community Action Agency and local tribes.

"How often do you see a project that mobilizes the support of cities, the county and local tribes?" asked Jen Rice, co-director of the Natural Resources Services Division of RCAA.

But, standing under a blue sky on the edge of the Hammond Trail, several speakers made clear the vision simply won't become a reality without federal dollars.

Addressing the crowd of several dozen, Thompson pointed out that Democratic Minnesota Rep. Jim Oberstar, the chairman of the Committee on Transportation and Infrastructure that will work on the transportation bill, is an avid cyclist.

”He gets it,” Thompson said. “He's been a leader in this area.”

Further, Thompson said, there is support for walking and bicycle trail infrastructure throughout his district, noting the Bicycling Hall of Fame is located in his district in Davis.

”We've got some strong spokes holding this whole thing together,” he said.

Thadeus Greenson can be reached at 441-0509 or [tgreenson@times-standard.com](mailto:tgreenson@times-standard.com).

[http://www.times-standard.com/ci\\_13268577?source=rss](http://www.times-standard.com/ci_13268577?source=rss)

# Calitics.com

## CA-10: Yesterday's Victory and Tomorrow's Challenges

by: [John Garamendi](#)

*Wed Sep 02, 2009 at 17:28:09 PM PDT*

What a night! As you may have seen, last night I was the [highest vote-getter](#) in the 10th Congressional District special primary election and will now face Republican David Harmer in the November 3rd general election.

I want to thank our incredible team of hard working volunteers. They spent countless hours knocking on doors, making phone calls, and making their presence known at community events throughout the district. Our success would not have been possible without them, and they have my deepest gratitude. Because of their efforts, we won all four counties in the district.

I also want to take a moment to acknowledge my competitors in this election:

To **David Harmer**: Congratulations on your victory among Republicans. I look forward to two months of dialogue focused on the issues and solutions that matter to the people of the 10th Congressional District. I intend to make it clear that a radical right wing agenda that seeks to stop health care reform, starve the education of our children, fails to finance the transportation and infrastructure systems we need, and advocates more tax breaks for the most wealthy is not in the interests of the people of the 10th Congressional District, California, or America.

To **Senator Mark DeSaulnier**: Your health care town halls helped establish an important dialogue in the campaign about the need for comprehensive health care reform. You are an institution in Contra Costa County, and you have many admirers. You deserve special acknowledgement for your work seeking a constitutional convention. The two-thirds majority requirement has worsened California's problems and I look forward to working with you to bring a working democracy and majority rule back to California.

To **Assemblymember Joan Buchanan**: Thank you for highlighting the concerns of small businesses in your campaign. I look forward to having a conversation with you about innovative ways we can promote job growth in the region. As a former school board member, you also helped focus the debate on education policy, and I thank you for that. I think you'd agree that in the long term, a sound investment in education is the most important economic stimulus of all.

To **Anthony Woods**: I'm not the first person to say this and I won't be the last: you have a bright future in politics should you choose to pursue a political career. I first joined the state legislature around your age, and I quickly fell in love with public policy. You have an intelligence, grace, and resume that is worthy of elected office. Thank you for your service to our nation; and thank you for helping to make the issues facing LGBT people a focus in this campaign. You deserve the freedom to openly serve our country, and I pledge that one of my first acts in Congress will be to co-sponsor legislation to repeal "Don't Ask Don't Tell."

To **Adriel Hampton**: Thank you for highlighting the importance of online outreach. We followed your use of social networking and Web 2.0 tools, and I look forward to chatting with you about the ways we

can use the Internet to better reach out to our constituents. You were an accessible and upfront candidate and have my sincere respect.

It's been a hard fought campaign, and now that the primary is over, we Democrats must unite. We will not allow radical, regressive right-wingers, with their block-progress-at-all-costs agenda, to get a toehold here in the 10th Congressional District - this is a forward-looking, forward-thinking, progressive Democratic district and I intend to fight for every vote to keep it that way!

I look forward to working with President Obama and the Democrats in Congress to protect Social Security, fix our broken health care system, create jobs, broaden educational opportunity, protect the environment, and bring needed federal money back to the district. This election was truly a wonderful experience. I can't wait to get to Washington, DC to represent the people of the 10th and begin to tackle the many challenges facing our nation!

*Lieutenant Governor John Garamendi is the Democratic nominee for California's 10th Congressional District. He is a University of California regent, California State University trustee, chair of the California Commission for Economic Development, and chair of the California State Lands Commission. He was a twice elected State Insurance Commissioner, Deputy Interior Secretary under President Bill Clinton, and a Peace Corps volunteer. A special election will be held on November 3rd. For more information, please visit <http://www.garamendi.org>.*

Tags: majority rule, two-thirds majority, education, public option, Universal Health Care, Adriel Hampton, anthony woods, Joan Buchanan, Mark Desaulnier, david harmer, John Garamendi, 10th congressional district, CD-10, CA-10, CD10, ca10, lieutenant governor, Lt governor, (All Tags)

**Contra Costa Times**

## **Primary CD10 winners prepare for all-out battle**

By Lisa Vorderbrueggen

Contra Costa Times

Posted: 09/02/2009 05:09:08 PM PDT

Updated: 09/02/2009 11:36:12 PM PDT

California's lieutenant governor and the son of a former lieutenant governor, two candidates at deeply opposed ends of the political spectrum, set out Tuesday on a highly uneven contest for the 10th Congressional District seat.

Lt. Gov. John Garamendi, a rancher from Walnut Grove, won the Democratic party's nomination in Tuesday's special election. The liberal Democrat will face Republican attorney David Harmer, of Alamo, and three minor party candidates in the Nov. 3 runoff.

The two have no common ground on the most contentious issues in the national debate. Garamendi undeniably sits atop the pack.

The 64-year-old has held public office for three decades, including two stints as state insurance commissioner, seats in both houses of the Legislature, and was deputy secretary of the Interior Department in the Clinton administration.

Garamendi is a prodigious fundraiser running in a heavily Democratic district that political experts on both sides of the aisle view as virtually unwinnable for a Republican, especially an unknown candidate such as Harmer.

Harmer, whose father, John, was a state senator and appointed by Gov. Ronald Reagan to an open lieutenant governor's seat in 1973, has no illusions about the odds.

"I recognize that I will have to outperform Garamendi 7-to-1 at the polls," Harmer said. "I think I can do that."

The 46-year-old attorney said he will focus on his qualifications for the job, and reach out to independents and moderate Democrats dissatisfied with federal health care reform proposals and the faltering economy.

Harmer has never held elected office — he lost his 1996 Utah congressional primary race — but he points to his public policy experience.

He was a management-level staff member in both the U.S. Senate and House of Representatives and spent time writing and researching for two conservative think-tanks, the Cato Institute and the Heritage Foundation.

Harmer moved to Dougherty Valley in 2001 to take a job as first vice president and assistant general counsel for the credit card division of Provident. He lost his job in January after JPMorgan Chase acquired the company and dissolved his department.

On the issues, voters will have no trouble telling the two men apart. They agree on almost nothing.

Garamendi supports single-payer health insurance. Harmer does not.

Harmer opposed the federal stimulus package. Garamendi supported it.

Garamendi wants a strong cap-and-trade system to help cut greenhouse gas emissions. Harmer calls it an onerous burden on consumers.

Harmer said he will continue to deliver a message focused on reducing the federal deficit and reviving the economy with tax cuts.

"Mr. Garamendi has a program for every problem and that's great, but I'm saying, 'Who is paying the bill?'" Harmer said. "All (Garamendi's) ideas come with a big price tag attached, and it's my kids who are carrying the freight."

Garamendi may have the upper hand when it comes to fame and party registration, but he says he will mount an aggressive general election campaign.

Not only does Garamendi want to win in November, but he wants a strong showing, chiefly to ward off 2010 challengers. Members of Congress stand for re-election every two years, creating an almost nonstop re-election cycle.

"We are going to run a very comprehensive campaign," Garamendi said. "It's what I have always done and what I will continue to do."

He described Harmer as a "very conservative, right-wing Republican who mouths the same philosophy that has gotten this nation into the worst economic crisis since the Great Depression."

As for voter angst over health care reform — likely to be a major campaign issue — Garamendi said that media coverage of raucous protests has created a false impression of voters' views.

"What I see in this district are people who are desperate for health care reform," he said. "I have been at this for 35 years, and I will not give an inch toward what the Republican Party is doing, which is to kowtow to the profiteers of the insurance industry."

"If the Republicans want a fight, come on down, boys."

Reach Lisa Vorderbrueggen at 925-945-4773 or [www.ibabuzz.com/politics](http://www.ibabuzz.com/politics).

**Contra Costa Times**

## **Garamendi, Harmer to face each other in November CD-10 runoff**

By [Lisa Vorderbrueggen](#)

[Contra Costa Times](#)

Posted: 09/01/2009 10:31:09 PM PDT

Updated: 09/02/2009 04:36:58 AM PDT

It may be premature for Lt. Gov. John Garamendi to start printing new business cards, but he could be placing an order for them soon.

The well-known 64-year-old lawmaker and rancher from Walnut Grove triumphed over his Democratic competitors in Tuesday's special 10th Congressional District primary.

"I have represented every part of this district for the past 10-1/2 years," Garamendi said via telephone over the din of his campaign party in Walnut Creek late Tuesday. "The people of this district understood that I knew the issues that they cared about and that I could be a good and forceful representative."

The well-known Garamendi will advance to the Nov. 3 runoff as the prohibitive favorite in this heavily Democratic district.

He will most likely face Dougherty Valley attorney David Harmer, who won by a substantial margin among the field of six Republican candidates.

The returns also showed Garamendi beating, respectively, fellow Democrats state Sen. Mark DeSaulnier, of Concord; Assemblywoman Joan Buchanan, of Alamo; Iraq war veteran Anthony Woods, of Fairfield; and investigator Adriel Hampton, of Dublin.

In addition to the top Republican and Democrat finishers, three minor party candidates who had no primary challengers will compete in the runoff.

Garamendi abandoned his bid for governor earlier this year and set his sights on the rare -- and more attainable -- open congressional seat.

He ran on his broad name recognition and a deep political résumé that includes elected positions in both houses of the California Legislature, two stints as state insurance commissioner and a deputy secretary assignment in the Clinton administration.

Garamendi successfully fended off accusations during the campaign that he was a carpetbagger from a neighboring congressional district who chose an easy contest rather than take on Republican incumbent Rep. Dan Lungren in his home district.

The lieutenant governor's Walnut Grove home sits across the Sacramento River from the District 10 boundary; he couldn't even vote for himself on Tuesday.

The 10th Congressional District stretches from Livermore, up through a slice of the San Ramon Valley, includes Walnut Creek and Pleasant Hill, spreads out to East Contra Costa, and takes in parts of Solano and Sacramento counties.

The special election was triggered in June when former Rep. Ellen Tauscher was confirmed as Undersecretary for Arms Control and International Security in the U.S. State Department.

Political experts from both parties view the seat as very difficult for a Republican to win.

Democrats have an 18-point registration lead in District 10. And Garamendi, a proven fund raiser who has held public office for 35 years, will have ample cash as constituents and special interests flock to win favor with a presumed new member of Congress.

Despite the steep odds, local Republican leaders hope public angst over the Democrats' health care reform proposals and President Barack Obama's declining poll numbers will push voters into the Republican's column.

"Elections have a history of becoming referendums on sitting administrations," said California Republican Party Vice Chairman Tom Del Beccaro, of Lafayette. "I don't think it's going to get better for Obama" before the Nov. 3 runoff.

The likely GOP nominee, Harmer, a 47-year-old attorney, has never held public office and may find it difficult to bring in the kind of cash it will take to mount a serious challenge in a strong Democratic district.

Harmer has also refused in the primary to disclose his views on social issues, saying voters care more about the economy and jobs than abortion or gay marriage.

He may find it more difficult to duck hot-button social issues in a general election face-off with Garamendi, who is pro-choice and favors the legalization of same-sex marriage.

Harmer was first vice president and assistant general counsel in the credit card division at Provident, which was eventually acquired and dissolved by JPMorgan Chase in January.

Before moving to Dougherty Valley, the California native worked as an attorney in Salt Lake City. He also ran the campaign and Washington, D.C., office of former Utah Rep. Enid Greene Waldholtz for about a year in the mid-1990s.

Reach Lisa Vorderbrueggen at 925-945-4773 or [www.ibabuzz.com/politics](http://www.ibabuzz.com/politics).

election results

For up-to-date returns in Tuesday's special 10th Congressional District primary election, go to [www.contracostatimes.com/politics](http://www.contracostatimes.com/politics).

Inside Bay Area

## **George Skelton: On water, Dems attempt a handoff**

By George Skelton

Syndicated columnist

Posted: 08/30/2009 12:01:00 AM PDT

Updated: 08/31/2009 09:16:14 AM PDT

TAKE A GOOD look, because you won't see this often: The Legislature's majority party trying to surrender power.

It's power that Democrats have been incapable or unwilling to exercise anyway. And it's not like they're giving it to Republicans.

They're attempting to create an independent governing body to decide how to restore the ecosystem and remodel the waterworks of the deteriorating Sacramento-San Joaquin River Delta, a major source of drinking water for Southern Californians and irrigation for San Joaquin Valley farms.

Wealth, livelihoods and ways of life are at stake. Some of California's most combative interests — agricultural, business, urban, environmental — have been battling over the Delta for decades. Because these stakeholders can't agree, neither can the politicians whose policies tend to be shaped by their patron interests. That's the system.

Handing off the decision-making authority to an outside entity was suggested by a special commission — the Delta Vision Blue Ribbon Task Force — created by Gov. Arnold Schwarzenegger and headed by attorney Philip Isenberg, a former high-ranking legislator and Sacramento mayor.

More than 200 federal, state and local entities have their fingers in Delta water, the panel noted in its report last October. "Everyone is involved but no one is in charge. ... Continuation of the current system of governance ... guarantees continued deadlock and inevitable litigation."

Sen. Joe Simitian, D-Palo Alto, author of a bill to create a powerful Delta Stewardship Council, blames California's "reform tradition" for much of Sacramento's gridlock.

"In response to big-city machine politics on the East Coast, California created lots of checks and balances so nothing bad can happen," Simitian says. "The flip side is nothing good gets done. At some point, you have to let go and let somebody make the hard decisions.

"Those decisions would be better made in a less political environment by people who know what the hell they're talking about. The lesson of the last 25 years is that political institutions are not very well equipped to make plumbing decisions. We need to provide for independence and expertise."

The senator's mention of the last 25 years refers roughly to the last time the Legislature and governor had the courage to step up and make a major water decision. They were slapped down by voters.

Gov. Jerry Brown and the Legislature authorized a "peripheral canal" to funnel Sacramento River water around the brackish Delta and directly into a southbound aqueduct. But in 1982 an unlikely coalition of rich farmers and skittish environmentalists talked voters into repealing the legislation.

Farmers thought the canal's operation would be too friendly to the environment, while environmentalists believed it wouldn't be friendly enough.

Voters actually had approved the canal in 1960 when they authorized bonds for Gov. Pat Brown's State Water Project. But by the time Oroville Dam and the California Aqueduct were built, the state had run out of money for the canal.

The canal originally was proposed by state wildlife officials to protect fish from being sucked into pumps draining delta water into the aqueduct. But many environmentalists, Delta farmers and San Francisco Bay Area cities over the decades have fought the canal, envisioning it as a giant straw to siphon additional northern water into valley irrigation ditches and Southern California swimming pools.

But things have changed. We've entered a new era in the perpetual water wars.

The fishery has tanked, and courts have curtailed deliveries to save the remaining fish. Delta levees are crumbling and are vulnerable to flooding or the inevitable big earthquake that could cut off all water shipments for years.

Global warming threatens to reduce the Sierra snowpack and melt it faster, requiring more water storage — reservoirs and underground — to prevent worse droughts and flooding. Scientists also predict that climate change will raise the sea level, swamping the Delta with salt water.

The new fight against time is to restore the ecosystem while providing a reliable water supply — emphasis on reliable, even if the supply is reduced from previous commitments.

There's a growing consensus among farm, urban and many environmental interests — but still not Delta farmers who rely on fresh Sacramento River water — that some peripheral canal is needed. Or perhaps a peripheral tunnel. Or a combo of both. Or both combined with a more secure water route through the Delta — a route that could devastate one of the estuary's most scenic boating areas.

Whatever the "conveyance" — new water lingo for the emotional word "peripheral" — Democratic legislators want it to be decided by a seven-member Delta Stewardship Council. The governor would appoint four members and the Legislature two. The chairman of a Delta Protection Commission would be the seventh member.

The council's co-equal mission would be to improve both the ecosystem and water supply. It would assess fees on users of Delta water to pay for the billions in upgrades.

The Simitian bill is part of a comprehensive Democratic package that also would, among other things, require a 20 percent reduction in urban water consumption by 2020. Crop irrigation likewise would have to be more efficient. And all groundwater levels would be monitored by local agencies and reported to the state.

"This is the most profound, the most radical change in water policy in my lifetime," says Randeel Kanouse, veteran lobbyist for the East Bay Municipal Utility District. He says much tinkering is needed and urges the Legislature to delay final action until next year.

But Democrats are holding weekly committee hearings in hopes of passing legislation by Sept. 11, the end of this year's regular session.

Schwarzenegger, backed by Republicans, dampened optimism by vowing not to sign legislation that doesn't include bonds for dams. A bond bill would require a two-thirds majority vote, a generator of gridlock. The other water bills need only a simple majority vote.

"The governor has to decide whether he wants to solve this problem or have another food fight," says Assemblyman Jared Huffman, D-San Rafael, who heads the water committee.

Dams are needed. But they'd be of little use without a healthy Delta. This is a once-in-a-generation chance to heal the estuary.

Critics might accuse Democrats of passing the buck. But it's a wise move that recognizes the Legislature's limitations.

Skelton covers the state Capitol for the Los Angeles Times. His e-mail is [george.skelton@latimes.com](mailto:george.skelton@latimes.com).

## Inside Bay Area

### **Editorial: Begin repairing Delta with or without approval of new dams**

MediaNews editorial

Posted: 08/29/2009 10:00:00 PM PDT

Updated: 08/31/2009 09:17:07 AM PDT

CALIFORNIA HAS procrastinated far too long on a comprehensive effort to repair a degraded Delta ecosystem, rebuild decaying levees and assure thirsty farmers and urban residents of an adequate and reliable supply of water.

Fortunately, there has not been a severe drought in recent years. Even so, the Delta has suffered sharp declines in several species of fish, water deliveries have been cut back and levees continue to weaken.

A drought like the one in the late 1970s could raise salinity levels in the Delta to unacceptable levels and result in even more reductions of fresh water supplies. A major winter storm could undermine and destroy levees, causing significant flooding and possible disruption of water deliveries.

Fixing the Delta's major problems is a difficult and expensive task that could cost up to \$54 billion, according to consulting economist Steven Kasower.

With the state's continuing budget crisis, a steep recession and endless political squabbling, progress on salvaging the Delta and serving the 24 million Californians who depend on it is a daunting challenge. But the state's future depends on finding a solution, or at least, beginning work on one soon.

There are three critical elements toward fixing the Delta:

- Enough fresh water must flow through the estuary to maintain an environment in which fish and other wildlife can recover and thrive.

No matter what is decided upon how water will be delivered — through current pumping, a canal or a tunnel — adequate flows of fresh water must be devoted to ecological balance of the Delta.

- Levees must be repaired. There are hundreds of miles of earthen levees that have deteriorated over the years. Continued subsidence of land has weakened the base of levees. The most vulnerable need to be strengthened now before there is a disaster.
- Deliveries of fresh water for agricultural and urban use must be reliable even in dry years. It may be that there will be less water available and that greater conservation efforts, particularly on farms, will be needed. But all users should be able to count on consistent deliveries of water, even if it means paying a higher price.

Meeting these three needs will require extensive levee work and a means to deliver a reliable supply of water in a way that does not harm fish and is not vulnerable to an earthquake or flooding.

Fixing the levees will be costly, but there is little political disagreement that they must be improved and maintained.

How to deliver water is far more problematical. Those who opposed the Peripheral Canal back in 1982 understandably are wary of building an aqueduct around the Delta or a tunnel under it.

We believe a tunnel, at an estimated cost of \$33 billion, is far too expensive and should be dismissed as an option. But a modest aqueduct that would not dramatically increase water delivery to south of the Delta deserves consideration as long as there are guarantees of a minimum year-round flow of water into the Delta to maintain its ecology.

The key to success in solving all of the Delta's problems is water storage in new or enlarged reservoirs not just in underground aquifers. That is why Gov. Arnold Schwarzenegger is so adamant about building new dams and has threatened to veto any water plan that does not include them.

Greater water storage is essential to make enough water available — primarily for the Delta environment — and for agriculture and urban use in dry periods.

We agree with the governor about the need for more aboveground storage. But he should not allow a veto to kill other aspects of fixing the Delta.

Levee projects should not be delayed by an impasse over reservoirs, nor should a veto undermine monitoring aquifers and increasing conservation. It is crucial to at least get started on work to fix the Delta, with or without quick approval of dams.

We trust that as time goes on the need for new or larger reservoirs will become more evident. That is especially true if global warming raises sea levels and reduces the Sierra snow pack.

# Contra Costa Times

## Rep. Stark answers health care questions

By Josh Richman

Oakland Tribune

Posted: 08/31/2009 02:49:29 PM PDT

Updated: 08/31/2009 10:21:44 PM PDT

This Q&A is one in a series of interviews with Bay Area members of Congress and others involved in the health care debate. Reporters asked the representatives chiefly about the health care bill but also touched on other pressing issues in their districts. Today: Rep. Pete Stark, D-Fremont.

Q: What are the chances for passing a bill this year with a public option? Without a public option?

A: I think in the house they're very good, I'd bet you even money. I don't know if the public option will get watered down some from what we wrote in the three committees, but I'm pretty confident we'll get a bill with a public option out of the House. Whether or not we get it in the Senate, I don't know.

If the Senate reports a watered-down bill then we go to conference and see what we get, and that's where I think the president weighs in. We've written it in the house to comply with the standards he had.

Q: Will you, personally, vote for a bill without a public option?

A: I have said publicly and I would repeat that I probably, when all the negotiations are done, am not going to like the bill that we finally vote out of the House — it ain't going to be the bill I wrote.

But if I can have an interview with you after we pass it and I can guarantee that 95 to 97 percent of people will have insurance within five years, I can't vote against that. I think it would be far better with a public plan.

We could accomplish what the president wants to accomplish without a public plan but the regulation of the private insurance companies would have to be so strict and so changed that we'd never get it passed.

Q: What's your take on the boisterous nature of many members' town meetings this recess?

A: In two of the three meetings, I had what I presume were Larouchees (followers of Lyndon Larouche), people who were practiced at being annoying "... I just sat down and waited for them to shut up or waited for the crowd to tell them to shut up.

At each meeting more than the fair share of protesters got their chance to ask a question or make a statement, they weren't 10 or 15 percent of the audience, but at least a third of them got to speak their minds.

Q: What do you believe people are so scared of or angry about?

A: I think the things I'm hearing that are being promoted are this death panel, which is completely trumped up, that there's a panel that's going to decide whether you live or die.

I think there's some concern that they will no longer be able to choose their physician. Half the people in your circulation area belong to Kaiser "... Kaiser beneficiaries are very loyal. But there is nothing in the bill that would restrict anybody's choice of physician, unless they pick a plan that has a limited number of physicians.

I think there are a lot of conservatives both Republican and Democratic who are scared for the wrong reasons, but the fear is real.

Q: There's a lot of misunderstanding and/or misinformation about what HR 3200 does and doesn't do. Do you think constituents are particularly prone to being misled on this issue compared with others, and if so, why?

A: I think it's basically the American public's resistance to change. The American public doesn't quickly switch their outlook, so if they thought we were going to end Social Security or Medicare, you get the seniors pretty upset "... and with a lot of discussion and really, I think, disinformation, it's not hard to get people upset. I think the people promoting the House bill weren't quick enough"... I think the Republicans got the lead in scaring people and just kept at it.

Q: Do you have any opinions on live constituent meetings versus "tele-townhalls" for discussion of this or other issues?

A: I would tell you that I have had in my career 1,200 town meetings — three on one Saturday of the month, 10 months of the year "... and I just wasn't about to chuck it in this time because somebody said they were going to come and raise hell. I said jokingly, for what they pay me, they can come and shout at me all day long. "... The people who came I think walked away, at least half the objectors, feeling they'd had a chance to have their say.

But for a freshman, I can understand that your first town meeting might be a pretty terrifying experience if it's filled with people who've come to bite your head off.

I feel the telephone town halls are wonderful but I don't feel that's a good thing to do at a time like this. For me, when I don't have any particular fussing, any particular issue at the time, it's a good way to figure out who's upset and what they're upset about.

## California state parks closure list due soon

[mweiser@sacbee.com](mailto:mweiser@sacbee.com)

Published Sunday, Aug. 30, 2009

California is on the brink of another American first, this one rather dubious: In a week or two, officials say they will start shutting down 100 state parks, an exercise in government retrenchment unprecedented for a citizenry that cherishes the outdoors.

The cutbacks – which involve closing the parks much of the year – are a Band-Aid on a bleeding state budget. Gov. Arnold Schwarzenegger, when he signed the budget, penciled in a \$14 million cut for California State Parks, a relatively meager slice amid much bigger reductions.

The cut to parks amounts to 0.05 percent of the \$26 billion deficit the new budget tries to resolve.

But for many residents, when parks start shutting their gates, that meager slice will be the most visible fallout yet from the state's budget troubles.

State parks are a major economic engine and source of community pride in small towns like Angel's Camp, Grass Valley and Garberville. Nearby parks bring more than 100,000 visitors annually to each of those communities.

"If it were to close down entirely, that's a great loss to the community," said Tom Stade, a volunteer at Empire Mine State Historic Park near Grass Valley. "I've spent 18 1/2 years here, and I would hate to see it close. It would hurt very much."

Soon after Labor Day, the state is scheduled to release the list of 100 parks – out of 280 in the system – that it plans to close for various portions of the year.

Technically, people still could access some parks for day hikes, albeit at their own risk. The cost savings will come from suspended or reduced visits by park rangers, maintenance workers and park aides. The money spent daily to fill gas tanks, keep lights on, print brochures, buy toilet paper and haul garbage will come to a halt.

How much attention the parks get once they're closed will vary. All will need at least occasional ranger visits to monitor trespassing, vandalism, burglary and other crimes. This may occur as rangers move among parks in the same district, or perhaps through cooperation with other law enforcement agencies.

But those visits will be much reduced. There are remote parks today that have the attention of a gun-toting ranger who lives on site full time, preventing mischief and protecting historic resources. Ironically, those parks – with fewer visitors and lower revenue – may be more likely to close.

"We're nervous," said Wes Nelson, president of Malakoff Diggins Park Association, the nonprofit that assists this remote historic park deep in the mountains of Nevada County. "We're worried about squatters, vandals, people going in trying to retrieve gold out of the old mining areas."

## **Closures will be phased in**

The decision-making behind which parks to close, and the mechanics of actually shutting them down, defies simple formulas, said Brian Cahill, an assistant to the deputy director for park operations, who has played a lead role in planning the closures.

"I get e-mails from park superintendents at 2 or 3 a.m. in the morning, who can't sleep and are sweating over how they're going to make this work," said Cahill. "A lot of people were comfortable thinking it was just political theater. It really has to happen."

The parks will be closed over a period of months, as it makes for the most savings, Cahill said. Many jobs eliminated in the closures will be shifted to parks that remain open, where vacancies have been held open for years to save money.

Once the list of closures is released, he said, the department will meet with nonprofits and private businesses to explore how they might help keep parks open.

Many state parks have longstanding relationships with nonprofit "cooperating associations" that lend money and volunteer time. One example is the Empire Mine Park Association, of which Tom Stade is a longtime member.

Stade, 80, is manager of the association's "Over the Hill Gang," a group of 19 retired men who do much of the park's maintenance.

Their work is a big reason Empire Mine Park, unlike many in the system, has virtually no deferred maintenance. Such a partnership could keep some parks open.

Stade's gang spends every Tuesday and Thursday doing maintenance and repairs at the park in Grass Valley, which used to be one of the richest gold mines in California. Last Thursday, a team of three retirees rebuilt leaded glass windows from the park's historic cottage. The 112-year-old cottage was once home to the mine's owner and now is a popular spot for weddings.

## **Economics will play a role**

Another retiree, Steve Wolf, spent the day squirming in a crawl space beneath the cottage to run conduit for an electrical outlet outside the building's south wall.

"I love this place," Wolf said as he surveyed the property's lawns, rose hedges and fountains, kept immaculate by the volunteers. "So when I tour guide, it's supposed to be 45 minutes, but I usually take an hour."

About the park closures, Wolf said: "I have mixed feelings about it, because I'm a fiscal conservative. If you shut this place down, it would cost a fortune to bring it back up."

Economics are a large factor in deciding which parks to close. The state parks system never has been close to a break-even operation: only 49 percent of operating costs were covered by park revenues in 2008. The balance, about \$90 million, came from other state funds.

Some parks perform worse than others financially. Those with low revenue and fewer visitors are more likely to face closure, Cahill said, though other issues could swing the scales.

One park may not be practical to close because a highway runs through it; another because its borders are sprawling and remote.

Some parks – Empire Mine is one – are so loaded with historic artifacts that packing and storing these treasures could be more costly than keeping the park open.

"This process has made everybody ask the question, 'Are we making money in our state parks system?'" said Traci Verardo-Torres, vice president of governmental affairs for the California State Parks Foundation, a nonprofit that augments park programs.

"I don't think that's the right question, because these are part of the natural infrastructure, these are part of a system of public goods that provide benefits that are difficult to quantify."

## **Parks a free classroom**

Those benefits are getting more attention now that closures loom.

One reason most parks make so little money: State law mandates that grade-school children get free admission for educational programs. Marshall Gold Discovery State Historic Park in Coloma, for example, welcomes more than 70,000 children annually for educational tours to learn how the Gold Rush led to statehood.

Even some state lawmakers who supported park closures to balance the budget now are pressing the Schwarzenegger administration not to close parks in their districts to preserve these educational benefits along with the paychecks parks generate in surrounding communities.

"Marshall Gold Discovery State Historical Park is where California began its rise to greatness," Assemblyman Ted Gaines, R-Roseville, wrote in a letter to Schwarzenegger on Aug. 24. "Please do not let it be where it also starts its decline."

David Rolloff, an associate professor of recreation, parks and tourism administration at California State University, Sacramento, said park visitors generate far more economic benefit than parks cost to operate. As a result, towns near parks are bracing for an economic blow when the closure list is announced.

## **Local communities benefit**

Rolloff and a team of researchers recently completed the largest-ever economic survey of state park visitors. They polled more than 9,700 visitors at 27 parks over 18 months ending in February.

They found that park visitors spend \$4.3 billion annually both inside and outside the parks, averaging \$57.63 in daily spending per visitor.

Spending by out-of-state visitors alone dwarfs California's cost to operate parks.

Nonresidents account for 12 percent of all park visitors. They spend three times more per day than the average, producing \$1.6 billion in economic benefit for the state.

"State parks create their own economic weather," said Rolloff. "Dollars and cents wise, it just makes no sense to close parks even at the lowest visited site."

There are other economic threats. The National Park Service has warned that the closures could cost California both money and parks.

Lands within six park properties were given to the state by the federal government: Point Mugu, Mount Diablo, Angel Island, Fort Ord Dunes, Point Sur and Border Field.

These grants require the properties to remain open to the public. If closed by the state, the land would be taken back by the federal General Services Agency, which would then "re-dispose" of the parcels to the highest bidder.

In addition, California has received \$286 million in federal funding for 67 state parks since 1965. The money came from the Federal Land and Water Conservation Fund, a program funded by mineral leasing revenues.

If it closes any of those parks, California would lose eligibility to receive additional grants under the program. It also could lose \$18 million in pending payments, said David Siegenthaler, California program manager for the National Park Service.

### **Bipartisan concern**

For all these reasons, Cahill said, no parks will be closed 365 days a year.

In a worst-case scenario, he said, a park might be open for just one or two special events each year. In other cases, parks might be open on weekends only, or during the busy summer season.

Whether part-time closures appease the federal government or lawmakers in those districts remains to be seen.

"Many of us are very concerned about it," said Sen. Dave Cogdill, R-Modesto, who wrote his own letter to the administration urging that parks in his district be kept open. "I don't think these parks, and what they mean to the surrounding communities, should be candidates for closure."

Cogdill does believe other state parks should be closed. He said this should be based on an economic analysis that ranks the significance of each park's contribution to its surrounding community.

Cogdill was among many Republicans in the Legislature who joined the governor in opposing a \$10 fee on vehicle licenses to subsidize parks. The fee would have more than covered the parks' operating cost.

The State Parks Foundation is gathering signatures for a petition drive to place such a fee on the ballot in 2010.

"I can't help but think that people would pay more," said Laurie White of Santa Rosa, who visited Empire Mine Park with her husband for the first time Thursday. They are regulars at Armstrong Redwoods and Annadel state parks closer to home. "No one wants to see state parks closed."

White marveled at the well-preserved buildings – made from granite blasted from mine shafts 11,000 feet deep – a testament to the enterprise that helped make California an economic and political powerhouse.

"This is history right here," she said. "This will speak to future generations."

Sacramento Bee

## Money is no miracle in California politics

[jchang@sacbee.com](mailto:jchang@sacbee.com)

**Published Monday, Aug. 31, 2009**

Al Checchi, Bill Simon, Jane Harman, Michael Huffington, Steve Westly ...

The list of super-rich candidates who limped away from Election Day in defeat is long in California. It's about to get longer next year.

The curse of the self-financed, wealthy candidate is being tested yet again, as two tech billionaires, Meg Whitman and Steve Poizner, vie for the Republican gubernatorial nomination.

Another wealthy candidate, former Hewlett-Packard CEO Carly Fiorina, opened an exploratory committee this month to challenge Democratic U.S. Sen. Barbara Boxer.

As the campaigns prepare to heat up after Labor Day, the three Republicans share more than deep pockets and promises to apply corporate discipline to government.

They're also confronting voters who haven't been kind to wealthy candidates, many with little political experience.

That history includes energy executive Huffington's record-breaking, unsuccessful Senate campaign and businessman Ron Unz's gubernatorial loss in 1994, Checchi's and Harman's doomed gubernatorial campaigns in 1998, Simon's failed run for governor four years later and eBay executive Westly's unsuccessful bid for the same office in 2006.

Notable exceptions are Gov. Arnold Schwarzenegger, who spent about \$5 million of his own money – out of \$19.4 million raised – in the 2003 recall campaign and U.S. Sen. Dianne Feinstein, who spent \$2.5 million of her fortune – out of \$12.5 million – to narrowly defeat Huffington.

"There are traps that a wealthy candidate can easily fall into because there are precedents at work against them," said Darry Sragow, who was Checchi's campaign manager. "The goal is to know how to not fall into those traps."

Sragow speaks from experience. Checchi, a former co-chairman for Northwest Airlines, spent about \$35 million of his \$700 million fortune hoping to capture the Democratic nomination.

Then-Lt. Gov. Gray Davis ended up winning with less than a fourth of Checchi's budget and less than half the money of Harman, who sank about \$17 million of her family's electronics industry fortune into the race.

Four years later, Davis beat another wealthy candidate, Republican Bill Simon, for re-election. This time, the incumbent had built a massive war chest.

Garry South, Davis' campaign chief, said corporate giants-turned-candidates often doom themselves by stepping into the biggest trap awaiting them – an excess of hubris. South was also an adviser to Westly's 2006 campaign.

"They come into politics thinking they're better than everybody," South said without naming specific candidates. "Everyone else is a helpless bureaucrat. They come in with an attitude problem, and that attitude shows. They come off as arrogant, smug, flippant, full of themselves."

South has a stake in the current gubernatorial race as the chief consultant for San Francisco Mayor Gavin Newsom's campaign.

But even Republican analysts said they worried that Whitman and Poizner would fall into a parallel trap facing wealthy candidates – voter suspicion that they're trying to buy public office.

Making the candidate personable and human is key to overcoming that perception, said Jon Fleischman, Southern California vice chairman of the California Republican Party and publisher of the FlashReport conservative blog. That means "overexposing" the candidate, Fleischman said – having the candidate talk often to the media, clearly explaining political positions and diving into public appearances.

Whitman, however, has treaded carefully, hewed closely to her talking points and declined debates. That approach has juiced the fears of some Republicans that Whitman, as governor, would follow Arnold Schwarzenegger's example and tack left once in office, Fleischman said.

"A stereotype is that a very wealthy person would erect barriers between them and the public," he said. "I think (Whitman) should make herself overly available."

Poizner spokesman Jarrod Agen responded that voters already know Poizner from the years he's spent in public service before running for governor, currently as the state's insurance commissioner.

Whitman, Agen emphasized, has no such experience.

"It's extremely naive to think that the political world is the same as the corporate world, and extremely smart people still fall into the trap," Agen said. "Steve realizes the differences and learned that very early on and used it to run a local race" for state Assembly, which he lost.

Whitman spokeswoman Sarah Pompei said Whitman's lack of experience has actually been seen as a positive among Republicans tired of business as usual.

Like other business-world candidates, Whitman has touted her bio at every opportunity – she takes credit for turning the online auction company eBay into a worldwide phenomenon after joining it as CEO in 1998. Whitman left the company in 2007 as its fortunes began a slow decline.

Poizner sports a similar story: He started a firm called SnapTrack, which developed GPS systems, and sold it in 2001 for \$1 billion.

Whitman's billionaire back story was certainly a draw for Sacramento resident Jorge Riley, who attended an Aug. 18 Whitman event at an El Dorado Hills home.

"She's run a corporation that reaches around the world," Riley said. "Those are skills we need in a governor."

Many expect Whitman to obliterate spending records for a state race.

From January to June of this year, Whitman's exploratory committee spent \$6.1 million, although the Republican primary was still a year away. The candidate contributed \$4 million of her own money to her campaign in that period and gave herself another \$15 million in July.

Poizner has given his campaign \$4.2 million since the end of last year and spent \$1.4 million.

Checchi broke spending records in 1998. South said it became a liability.

"In a normal campaign, you have to target," South said. "You have to get the biggest bang for your buck."

In a campaign where money is no object, South said, "you hire everybody in the Western Hemisphere. What you get when you do that is you have a polyglot collection of people. ... Their message is all over the place."

With such history in mind, the third GOP gubernatorial candidate, Tom Campbell, argues that he's still very much a contender, although he's raised little more than \$300,000 over the first six months of the year.

Polls show Campbell narrowly trailing Whitman, with both well ahead of Poizner and more than half of Republicans undecided.

"We're talking to voters, and we know what's on their minds," said Campbell spokesman Jamie Fisfis, who was Simon's communications director in 2002. "Credibility can't be bought. It has to be built, and that takes time."

## THE CALIFORNIA FIX

Long road to a constitutional convention

### **Can Californians scrap their Constitution? Yes, but it will be a complicated process.**

August 31, 2009

The first barrier to Californians calling a convention to draft a new state Constitution: Doing so may be unconstitutional.

The current document, adopted in 1879 and amended hundreds of times since, protects itself by outlining the single way it can be scrapped. Voters can call a convention, but only after two-thirds of the members of each house of the Legislature put the question on the ballot. Two lawmakers introduced bills late last year to call for a convention, but they are unlikely to get anywhere because many members of the Legislature correctly see in the move a wrenching change in the way they currently do business.

Voters can amend the Constitution, but only a piece at a time because of yet another provision known as the "single subject rule." They can limit the terms of elected officials, for example, but they can't adopt a package that deals simultaneously with term limits, redistricting, political contributions, the vote threshold for adopting a budget and raising taxes, and a spending cap. But special interests that might accept comprehensive reform, in which each provision balances the others, tend to defeat piecemeal initiatives.

So if the Legislature holds the sole key to a convention, are Californians stuck? No. Repair California, the coalition now pushing for a convention in 2012, has mapped a way forward. It requires several steps.

First up is an initiative -- to amend the Constitution to allow the people to call a convention without the Legislature. Repair California is aiming for the November 2010 ballot, when voters elect a new governor to replace Arnold Schwarzenegger. That election is right around the corner, and the secretary of state is recommending Sept. 25 as a target date to file applications with the attorney general for the required ballot title and summary.

The attorney general has until Nov. 17 to return the title and summary, and then Repair California has 150 days to gather nearly 700,000 valid signatures.

There would have to be a parallel "Proposition 2" to actually call the convention. The same title, summary, signature and deadline rules apply.

Our prediction: These measures would find a receptive public. Voters baffled and dismayed by Sacramento's paralysis are ready for a new approach.

The scope of the convention could be limited in the measures. Some proponents want everything on the table, from a reconsideration of last year's Proposition 8 marriage restriction to Proposition 13 to pretty much anything else. The approach carries some appeal; what's the point, after all, of a citizens' convention if citizens are limited in what they can do? But including subjects as diverse and as divisive

as taxes and marriage rights invites the same kind of emotional turmoil that has plagued the initiative process and has gummed up the Constitution.

Repair California has not finalized its plan, but it has been promoting a limited agenda that includes only four broad topics: governance, including how the Legislature and state agencies and commissions are structured and operate; elections, including initiatives, campaign finance and term limits; the budget, including the threshold (two-thirds, simple majority, or something else) for the Legislature to adopt a budget, plus spending limits and requirements; and revenue distribution, especially how tax money is allocated among state and local governments.

The thorniest question, which also must be decided next month to make next year's general election ballot, is who will be the delegates. Countless efforts at redistricting commissions have crashed and burned because various interests could not agree on how to pick members. Do you want democracy? Elect the members. But then delegate selection becomes mired in the same political partisanship, the same special-interest string-pulling and commitment-extracting that a convention is, in part, intended to curtail. Do you want to avoid all that? Appoint the delegates. But who does the appointing? The same problems arise: The powers of the status quo, and the special interests, insert their hand into the process.

Repair California is also studying a citizens assembly approach, modeled on a Canadian system, in which citizens are summoned, perhaps from each county or Assembly district, using voter rolls. Up to 200 people would meet, confer and then pick perhaps three people from among them to be convention delegates. They would be paid for their time, perhaps an amount equal to what Assembly members get paid.

Other ideas are worth considering and blending: County boards of supervisors could nominate some delegates, state officials could name others, some could secure positions by election. No method is perfect. The question of how best to select delegates is vital, and we'll explore it more fully in forthcoming editorials.

Repair California expects a convention process to move at a fairly fast clip for such a large job. Californians would vote next year to convene a convention, it would meet over the next 12 to 18 months, and the final product would go on the ballot in 2012.

Some critics say that's too long to wait; we need reform now to address severe problems with our budget process, our prisons, our infrastructure, our confidence in government. That may be so, but government has failed so far to make the necessary reforms, and there is little prospect of it doing so any time soon. Fixing California can proceed on multiple tracks. Efforts in the Legislature, or at the ballot box, are welcome. But plans for a convention should go forward to give lawmakers some sense of urgency, and to allow Californians to take charge of their own destiny should their representatives, once again, fall short.

For other editorials in this series, go to <http://www.latimes.com/CaliforniaFix>.

Copyright © 2009, [The Los Angeles Times](#)

## Charting a way out of the mess in the Capitol

**The reform group California Forward has proposed a plan to change state and local governments that has something for everyone, except perhaps for the extreme right and left.**

George Skelton  
Capitol Journal  
August 27, 2009  
From Sacramento

Here's a way to start fixing the state Capitol. Maybe also repair some city halls and county courthouses.

The bipartisan reform group California Forward has proposed a modest, reasonable and doable set of significant changes in how state and local governments operate.

The package has something for everyone left and right of center, although it may not satisfy those on the extreme wings.

There's no denying the problems: gridlock, perpetually late budgets, chronic deficits, IOUs, Sacramento raids on local coffers. . . .

The solutions are a bit more controversial. But these are some steps recommended unanimously by the California Forward's Leadership Council after 18 months of mulling:

\* Lower the Herculean hurdle for legislative passage of a state budget from a two-thirds majority to a simple majority. But retain the two-thirds requirement for tax increases.

Passing an on-time budget would "stop the drumbeat that no one in Sacramento knows what they're doing," says the reform group's co-chairman, Bob Hertzberg, a former Democratic Assembly speaker. The annual summer stalemate over spending is "one of the reasons people hate Sacramento so much."

Many liberals argue that the majority party -- virtually always the Democrats -- still would be handicapped if it couldn't raise taxes occasionally to finance the budget. But the counter is that at least Democrats could set the state's spending priorities, subject to gubernatorial veto.

"Those spending decisions should belong to the majority, as they do in 47 other states," says Democrat Fred Keeley, the Santa Cruz County treasurer-tax collector, a member of the group's leadership council and ex-assemblyman. Budgets get deadlocked and distorted, he asserts, while "a minority of a minority hold their breath until they turn purple."

Anyway, says council member Bruce McPherson, a former GOP legislator and secretary of state: "Let's face it, the two-thirds process hasn't worked very well. It's not an example of how to do good budgeting."

Do it with a majority vote and let the Democrats be held accountable.

\* For fiscal conservatives and anyone with common sense, require that unexpected spikes in tax revenue be spent only for one-time purposes, not to enhance programs in perpetuity.

Require the sponsor of any new spending proposal, whether in the Legislature or at the ballot box, to identify the funding source. No more free-lunch proposals, such as then-actor Arnold Schwarzenegger's 2002 after-school initiative that became a \$550-million annual hit on the bleeding budget.

Budget for two years, rather than one, and regularly monitor the spending plan to watch for red ink.

Set clear goals for each program. If they're not met, change or chuck the program.

Prohibit the Legislature from raising taxes on a majority vote and calling them "fees." Democrats tried that last December. The tactic is legally suspect, but worried Republicans insist that it be made unequivocally illegal.

California Forward hopes the required budgeting prudence, along with thwarting the tax-fee shenanigans, will be regarded by both political camps as a fair trade-off for eliminating the two-thirds budget vote.

\* Provide local governments with more control over their own fates by barring the state from raiding property taxes and other revenue.

Permit cities, counties and school districts to unite in some common endeavor, such as gang suppression, and pay for it with a tax increase passed by a simple majority of voters. Now it would require a two-thirds vote.

\* Relax term limits while reducing the overall time a person could spend in the Legislature. Lawmakers could serve only 12 years, but all of it in one house if they wanted. Now, a legislator is limited to three two-year terms in the Assembly and two four-year stints in the Senate -- a total of 14 years.

If this sounds familiar, it should. A similar proposal was rejected by voters last year. But there's one very substantial difference in this latest idea: It would affect only future legislators, not the current crop.

The goal again is to allow for growth in leadership, expertise and institutional memory in each house -- and, Hertzberg says, to discourage "people from running for another office every two minutes."

Legislators would be required to spend part of each year in their district. This is vague and possibly unenforceable. It's a response to the budding movement to demote the Legislature to part-time status. Petitions currently are circulating to qualify such an initiative for the June 2010 ballot.

The part-time Legislature notion is for another column. But initially, it seems to reflect a Norman Rockwell fantasy, a yearning for a nostalgic era that hasn't existed in California for at least a half-century. There are many impracticalities for a part-time Legislature in the 21st century.

This state is the most populated in the nation with the eighth-largest economy in the world. It needs a

full-time Legislature -- operating under an improved system -- to deal with the state's increasingly complex problems. Weakening the Legislature merely would shift more power to the governor and the Capitol's 1,000-plus lobbyists.

There's also a drive to hold California's first constitutional convention since 1879 to rewrite the rambling document and submit it to voters. One problem with that is the sponsor, the business-oriented Bay Area Council, intends to select the delegates randomly in some as yet undetermined manner.

Delegates to such a momentous, historic confab should be elected, probably locally, not picked from a phone book.

Anyway, it would take years for a constitutional convention to bear fruit.

California Forward's package could be adopted by voters next year. The Legislature will consider it in the fall. If it doesn't place some version on the ballot, the reform group will sponsor an initiative.

"It's not that we don't have smart people in Sacramento," says Co-Chairman Thomas V. McKernan, a Republican activist and chief executive of the Automobile Club of Southern California. "People sometimes are captive of the system they're in. And unless we change the system, their behavior doesn't change."

The quickest, safest route to change is the course mapped out by California Forward.

[george.skelton@latimes.com](mailto:george.skelton@latimes.com)

Copyright © 2009, [The Los Angeles Times](#)

## Editorial: Keep Williamson Act protection alive

August 27, 2009

Tulare County's commitment to sustain agriculture through the Williamson Act is long-standing and exceptional in California.

As the county considers cost-cutting reforms for its own Williamson Act initiative to replace the state-sponsored program, it should keep in mind that ag property threatened by urban development is the most in need of public support in the way of property tax abatement.

The county can construct an effective program for protecting ag land that uses a gradual approach to offering Williamson Act-style property tax relief.

The county is to be commended for taking a complete approach to Williamson Act reform and eliminating any waste or corruption taking place now.

Perhaps a good way to make further reforms is to apply a need-based approach: Properties that would be most susceptible to urbanization ought to be given priority for entering into Williamson Act contracts.

The Williamson Act is a statewide program that provides for reduced property tax for farms that make a commitment to remain in production for at least 10 years. Property owners sign contracts promising to keep the land in agriculture production.

In return, they are given rebates on their property taxes. The state reimburses counties for a share of the property tax revenue the county would have received. In Tulare County, that amounted to about \$3 million a year.

In the current fiscal crisis, however, California, at the suggestion of Gov. Arnold Schwarzenegger, has suspended the Williamson act.

And who knows if the program will return? In Tulare County, that affects more than 14,000 parcels under Williamson Act contracts.

The dilemma is this: Either the county, already strapped for funds, will be forced to subsidize those contracts at a cost of \$3 million a year, or farms would see an increase in their property taxes, making it more attractive for them to take the land out of production, use it for other uses or sell to developers.

Tulare County has a statewide reputation for its protection of farmland, and its historical support for the Williamson Act is part of that, along with its agriculture-friendly planning principles. We would hate to see the county retreat from that position. Once ag land is lost to urbanization, it never again returns to production. The trend in California is that more farmland is lost every year.

There must be a limit to the county's generosity for this program, however, at least for the time being.

The county might have to suspend Williamson Act subventions temporarily for those properties that are not under threat from urban development.

For those properties that are likely to be removed from Williamson Act protection in the next few years anyway, the county might as well let them go. In the current economy, they might not be developed that quickly anyway.

But if they are, their property value would increase, offsetting the loss of revenue from other properties.

One way or another, we hope the county continues with some version of the Williamson Act.

We urge legislators to keep the Williamson Act concept alive in Sacramento, which each year becomes less sensitive to the needs of agriculture.

In all these discussions, it must be kept in mind: Williamson Act-style protection for land in agricultural protection is not simply a subsidy for one of California's most important industries; it's a way to level the playing field so that agriculture property can be considered just as valuable and viable as commercially developed property.

# Contra Costa Times

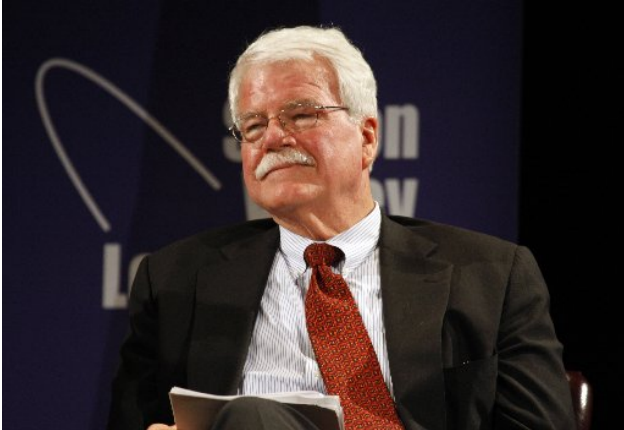
## Rep. George Miller hopeful about health care bill's chances

By Lisa Vorderbrueggen

Contra Costa Times

Posted: 08/25/2009 08:54:12 PM PDT

Updated: 08/26/2009 06:54:07 AM PDT



US Congressman George Miller.  
(Nhat V. Meyer/Mercury News File)

Political reporter Lisa Vorderbrueggen sat down with Rep. George Miller, D-Martinez, over turkey sandwiches in his Concord office Aug. 12.

Here is an edited portion of their conversation.

Q: You are one of House Speaker Nancy Pelosi's closest advisers and the chairman of the House Education and Workforce Committee, one of the three committees that wrote the health care reform bill. It has been the subject of considerable debate and controversy this month. What is your assessment of its prospects at this point?

A: I think they are pretty good.

I think people inside the medical field are now recognizing that the current health care system is racing toward collapse. Whether people can continue to afford the premiums in the current system. Whether businesses can do that. And we're not getting the health outcomes for the money we are spending.

Q: What effect do you think the protests around the country will have on the final legislation?

A. Not very much. Look, we had a telephone town hall last night. I had one 10 days ago.

What I hear from the people who call in, they want to know, "How is this going to affect me?" Cancer survivors call and want to know if their treatments will be covered. A woman's daughter has a pre-existing condition, and she can't get coverage.

Really, when you get done with the sideshow that is going on — which is designed to interrupt the conversation where we can inform people what's in the bill — when people hear about what's in the bill, they say, "Thank you," and "That's great."

We had 1,400 people who stayed on the call for an hour. That's a very large audience.

Q: You have hosted hundreds of in-person town hall meetings in your career. What do you say to those who accuse you of hiding from your critics with these teletown hall events?

A. My town hall meetings have always been about having a conversation with my constituents. These people aren't interested in having that conversation.

Look, I've been through the Sagebrush Rebellion, the Vietnam War, the first Iraq war, Afghanistan, busing "... but this is the first time where people have deliberately tried to keep the conversation from taking place.

I am one of the authors of the bill. I know what the bill says. I've read the bill. What I am doing is listening and matching the bill to their concerns. I need to hear that.

Not everyone that called in said, "I love the bill." It was a mix.

Q: The California Legislature and Gov. Arnold Schwarzenegger are working on fixes to the Delta. What is your assessment of the state's efforts?

A: They are too narrow to succeed. It makes the solutions further away.

Without the integration and comprehensive involvement of the federal agencies, we can't get to the results we want, which is a more flexible water system, one that will be more efficient, that can provide the protect to the North Coast economy, the Delta economy, the fisheries and agricultural and municipal water use.

It is going to take a coordinated effort that we haven't yet seen.

Q. I understand you hiked in Yosemite National Park last week. How many years have you been going to Yosemite now?

A. I think it's 26 or 27 years. We've hiked the last eight or nine, going up in to the High Country. It was gorgeous. I guess I hiked about 50 miles.

Q: Five-zero? Really? You've had two hips replaced, right?

A. Yeah, I love it. I got up to 10,000 feet. Went swimming in a lake with snow still melting into it. It was invigorating. But it is getting harder. I am getting older.

Q: Is it harder than passing health care reform?

A: It's all part of the same process.

#### EDITOR'S NOTE

This Q&A is one in a series of interviews with Bay Area members of Congress and others involved in the health care debate. Reporters asked the representatives chiefly about the health care bill but also touched on other pressing issues in their districts.



## Fixing Delta comes with high price tag

Costs could total \$54 billion, a consultant estimates.

by Mike Taugher

Contra Costa Times

Posted: 08/25/2009 05:04:14 PM PDT

Updated: 08/25/2009 08:57:08 PM PDT

The Delta fix supported by Gov. Arnold Schwarzenegger and many of the state's largest water agencies could carry a staggering price tag of \$23 billion to \$54 billion, a consulting economist was planning to tell lawmakers Tuesday.

The estimate, provided in a paper by Steven Kasower, appears to be the first time that potential costs of different pieces of the proposed fix — storing and moving water, offsetting environmental damage caused by those projects and restoring habitat — have been compiled in one place.

But he emphasized that the numbers were very preliminary and that lawmakers would be foolhardy to pass a package of bills before better numbers are available.

Some critics of Delta planning efforts have observed the state could end up committing money for new water and environmental solutions that could otherwise be used for programs that have been hit by budget cuts.

"It is astounding that at the same time the Legislature is slashing funding for education, health and public safety, they're considering a multibillion-dollar package with no critical analysis of how much it will cost," said Jonas Minton, a water policy analyst at the Planning and Conservation League, a conservation group.

The annual cost to finance such a massive public works project could run from \$1.5 billion to \$3.4 billion a year for projects that are most likely to be paid for through water rates and \$416 million a year from taxpayers to repay general obligation bonds, Kasower's report states.

A top water industry representative said the numbers were not surprising and a reasonable price tag considering earlier generations spent about \$50 billion in today's dollars to build the state's major water delivery projects.

Those projects were good for delivering water cheaply but were not designed to protect the environment. The next phase of investment is to modify the water delivery systems to work in a more environmentally friendly manner, said Tim Quinn, executive director of the Association of California Water Agencies.

"Water costs will go up, but it probably doesn't cost as much as cable television in this state," Quinn said. "It's going to be expensive, but our grandchildren will be better off for it."

The figures compiled by Kasower included \$4.2 billion to build a new aqueduct around the Delta and \$9.8 billion to maintain levees to allow water agencies to continue taking water from the Delta. They also include rough estimates for environmental projects and new dams. The high end, \$54 billion, would be reached if the state tunnels under the Delta to move Sacramento River water to the south instead of moving it through a new aqueduct.

Kasower came up with the very rough estimate that a Delta tunnel would cost \$33 billion by comparing the project to the cost of the Chunnel, which connects Britain and France beneath the English Channel.

The Delta is the largest remaining estuary on the West Coast and a key supply of water for much of California. Two million acres are irrigated by water delivered from the Delta major export pumps near Tracy and two in three residents get at least some of their water from the Delta, ranging from the Contra Costa Water District which is virtually 100 percent dependent on the Delta to Southern California, which gets about one-third of its water from the Delta.

Since 2000, water deliveries out of the Delta hit record highs and Delta fish populations collapsed. The diversions were a likely cause of the environmental decline but not the only cause. Pollution, particularly from sewage treatment plants, and invasive species are also culprits.

Lawmakers meant to address the twin water supply and environmental crises this year but their intentions were trumped by the budget mess. Now, in the waning days of the legislative session lawmakers are trying to come up with a fix in the coming weeks.

"I don't think that's realistic, not given these kinds of costs," said Sen. Lois Wolk, D-Davis, chairwoman of the Senate Select Committee on Delta Stewardship and Sustainability.

The package of bills addresses how the Delta's environment and water diversions would be balanced and policed; mandates that a new plan be written to address the environment and water demands in the Delta; creates a conservancy to protect land in the Delta; sets statewide water conservation goals, and regulates groundwater.

It is unclear whether the package can pass, and if it can whether Schwarzenegger will sign it. He's threatened to veto it unless major changes are made, including that lawmakers meet his demand that financing be made available for new dams.

Wolk has scheduled a hearing for today on how to pay for the Delta plans.

She said the costs are so high, and the state is so strapped, that it might make sense to put off decisions on dams and canals and that those plans might have to be scaled back because the state might not be able to pay for them.

"The numbers are astronomical, and they're incomplete," she said. "Back to the drawing board."

## Sales tax revenue plummets, cities suffer

[Matthew Yi, Chronicle Sacramento Bureau](#)

Saturday, August 22, 2009

**(08-22) 04:00 PDT Sacramento** - -- In an unprecedented move, state officials this year have notified hundreds of cities and counties that their share of the state sales tax revenue has been cut because sales have dropped more severely than expected.

The latest round of letters was sent Friday by the state Board of Equalization, informing 337 cities, counties and transportation agencies of their reduced payments. Of those, 14 cities and one county were told revenue had declined so steeply they bottomed out - and would receive not a cent. Those unlucky 15 included the Bay Area cities of Petaluma, Cotati, Hercules and Portola Valley.

The news is yet another blow to cities and counties that have had to give up billions of state dollars to help close California's \$24 billion deficit.

"It's just bad news, after bad news, after bad news," said Jean Hurst, a lobbyist for the California State Association of Counties.

### Local losses

The state Board of Equalization, which collects all sales taxes and doles out portions that belong to local jurisdictions, would typically send such letters sporadically when a city lost a big department store or other major source of sales tax revenue.

But with this recession, which some economists have called the worst since the Great Depression, sales tax receipts plummeted further than expected, prompting the Board of Equalization to send mass notifications in February, May and this month.

"We've never had broad-based, statewide reductions like this until this year," said Anita Gore, a spokeswoman for the agency.

In all, cities, counties and agencies such as transportation authorities will be losing a total of \$58 million in August because of sharper-than-expected decline in sales tax receipts in April, May and June, the Board of Equalization said.

State officials had expected sales tax revenue to drop 14.4 percent in those months compared with the same period last year, but the actual tax receipts fell by 18.75 percent, said Gore.

Teresa Barrett, vice mayor of Petaluma, which won't be getting any portion of the \$375,000 that the city had expected this month, called it terrible news.

"This just exacerbates our (financial) problem," she said.

Like the state and most other local governments, Petaluma has had to balance its budget by closing nonessential city offices every Friday and laying off employees, including the city's entire planning staff of about a dozen workers.

"We now contract that service out," she said. "It's been a big change to our city, and we're hoping that we can turn things around, but we're not in a vacuum."

But some local agencies said Friday's bad news was expected and they plan to dip into their reserve funds to make up for the loss.

## **Not unexpected**

"It's not a total surprise to us," said Joe Smith, chief financial officer for the Santa Clara Valley Transportation Authority, which will receive \$11.2 million in August, which is nearly \$1.4 million less than expected.

The agency has budgeted \$54 million - about 15 percent of its budget - in reserves for the current fiscal year. Still, the tough economic times are far from over for the transit agency, which will impose a 25-cent fare increase in October while the agency's board contemplates an 8 percent service cut beginning in January.

"We're anticipating things will deteriorate a bit more," Smith said. "We're assuming sales tax receipts next year will be 5 percent less than in 2009, and possibly down again by 3 percent in 2011."

Hurst said that for most cities and counties, this month's reduction in sales tax allotments will hurt their cash flow, which became more problematic this summer when the cash-strapped state began issuing IOUs on July 2 to taxpayers, vendors and local governments.

"Cash-flow management has become increasingly difficult," Hurst said.

But in one bit of good news Friday, the state's top finance officials agreed to stop issuing IOUs on Sept. 4, nearly a month ahead of schedule, because of the budget agreement reached late last month between Gov. Arnold Schwarzenegger and the Legislature.

On Friday, the state controller said his office so far had issued 386,000 IOUs for a total of \$2.15 billion.

## **No revenue**

One county and 14 cities were notified Friday that they would not be receiving sales tax revenues in August from the state.

Amador CountyCotati

DorrisGustine

HerculesIsleton

LivingstonLoyalton

MaricopaPetaluma

Portola ValleyRipon

Rilling HillsSierra County

Villa Park

# California Budget Project

## Stormy Skies Ahead

August 24, 2009

The Department of Finance has posted its most recent multiyear budget forecast, updated to reflect the July budget agreement. The forecast, which assumes that all of the savings and other solutions included in the budget agreement are realized, projects an operating shortfall of \$7.4 billion in 2010-11, widening to \$15.5 billion in 2011-12, the first year of the next governor's term in office. The forecast assumes that governors will suspend the transfer into the Budget Stabilization Account, a budget reserve added by Proposition 58 of 2004, through 2012-13, something that most likely would not have been possible if the voters had approved Proposition 1A of 2009 in May.

Back up materials to the forecast, not posted on the web, but circulating among Sacramento budget wonks, provide interesting insights into the implications of the recent agreement. The forecast assumes, for example, that the state will repay local governments for property tax dollars borrowed pursuant to Proposition 1A of 2004 in 2012-13. The state will repay local governments \$2.37 billion in 2012-13 in exchange for the \$1.935 billion borrowed in the recent agreement – that's an extra \$435 million in interest and other amounts owed. The spending detail also reflects continuation of the recent spending cuts, such as the deep reductions in the Healthy Families Program, through the end of the forecast period and continued diversion of so-called "spillover" funds from transit to cover state debt service costs. Speaking of debt service, that's one area of the budget that is expected to rise sharply, increasing by 91.5 percent between 2008-09 and 2012-13, driven both by General Obligation bond debt, which is expected to increase by 84.2 percent, and lease revenue bond debt, anticipated to rise by 136.0 percent. In contrast, Proposition 98 spending is anticipated to rise by a modest 17.1 percent over the same period.

– Jean Ross

August 24, 2009

## Thomas Elias: Constitutional convention: Can of worms?

*By Thomas Elias*

The most interesting thing about the New America Foundation think tank's Sacramento seminar on replacing the California state constitution with something unknown and unpredictable was that even the foundation's designated election law expert had to admit the "Pandora's Box" problem.

For months, the business-sponsored Bay Area Council and others who want to tinker with the fundamentals of this state's governance have claimed they can limit matters to be covered by the constitutional convention they would like to call, a putative gathering known to some by the shorthand term "Con-Con."

A ballot initiative calling for such a convention, they've said, could guarantee there will be no changes in the property tax limits set under Proposition 13, for just one example.

But it's not necessarily so. As election lawyer James Harrison told the seminar, the best example of a constitutional convention deviating from all plans was the first one: the 1787 convention that drew up the U.S. Constitution.

That convention was supposed to revise the ailing Articles of Confederation. But delegates quickly gave up on that weak document and instead produced a new plan that led to a much stronger national government.

Similarly, the only real limit on what a state constitutional convention might do is that its final product would have to be approved by a vote of the people. Approval would take only a majority vote, not even the 55 percent semi-supermajority now needed to approve such trivial matters as local school construction bonds.

Which means the Pandora's Box problem is real. Open a convention and there's no way to tell what might come out.

Not only might a convention get rid of Proposition 13, it might also eliminate the stronger-than-federal California abortion rights signed into law by the late Gov. Ronald Reagan. It might decree that gasoline tax money can be used for all sorts of things besides transportation and roads, or it might make big changes in labor laws. It could do as it wished with gay rights, gun control, offshore oil drilling, criminal sentences and a host of other major issues including some that were allegedly resolved many years ago. Bottom line is that a constitutional convention could do just about anything it wanted. The only check on it would be that final up-or-down vote of the people.

What it might do, of course, would largely be a function of who is in it. That was an open question until mid-August, as the current constitution offers no guidance on who might participate. The New America Foundation wants delegates chosen randomly in a manner similar to juries. That way, says the group's political reform program director, it could be completely representative. No elitism for this think tank, which draws its funding from rich foundations and big businesses such as Comcast, Blue Shield and Microsoft. So there would be no careful vetting of delegates, as there was for that original 1787 convention. That way, you could have more many car wash workers than political science professors among the delegates.

But the first of what figure to be a spate of proposed initiatives on the subject, which entered circulation Aug. 14, don't even try to limit subject matter and call for popular election of 400 delegates. These proposed measures seek to keep things Simon-pure by imposing strict campaign spending limits of a sort that's been found unconstitutional (federally) many times before and by ordering delegates' names kept secret until the vote results are certified and all 400 of them, plus their staff, are sequestered with all outside contact forbidden.

Of course, that doesn't account for polling, which would indicate who the likely delegates will be long before they're chosen. Nor does it prevent special interest groups from running their own candidates. So this plan is no more workable than the New America Foundation's notions and chances are the current measures won't get close to the 694,354 valid voter signatures needed to put them on a special election ballot.

Which leaves Californians back at square 1, pondering what a convention might cover and whether it'd be filled with as many illiterates as university professors.

What problems do the Con-Con backers say they want to fix? They'd like to end the two-thirds majority requirement for passing state budgets and new taxes. They want to end some aspects of the initiative process; especially they don't want voters setting priorities for how their tax money will be used ballot box budgeting. In short, they'd like state government to run more smoothly, regardless of what the people might want.

But it may not matter much what backers want to do. Once a convention were convened, it could pretty much do whatever it liked, just like the first one.

Which means calling a constitutional convention would be risky business, especially since every fix the current backers say they want to make can be done with an old-fashioned ballot initiative. And of course, the Con-Con also might create far more new problems than it solves old ones.

- Thomas Elias, a journalist based in Southern California, writes about state politics. His column appears in Opinion on Mondays. E-mail to: [Tdelias@aol.com](mailto:Tdelias@aol.com).



## Poll: 57% don't see stimulus working

By Brad Heath, USA TODAY  
August 24, 2009

WASHINGTON — Six months after President [Obama](#) launched a \$787 billion plan to right the nation's economy, a majority of Americans think the avalanche of new federal aid has cost too much and done too little to end the recession.

**POLL RESULTS:** [Six questions](#)

A USA TODAY/Gallup Poll found 57% of adults say the stimulus package is having no impact on the economy or making it worse. Even more —60% — doubt that the stimulus plan will help the economy in the years ahead, and only 18% say it has done anything to help improve their personal situation.

That skepticism underscores the challenge Obama faces in trying to convince the public that the stimulus has helped turn the economy around. It also could complicate the administration's plans to overhaul the nation's health care system.

"This is a wake-up call for the administration," says House Minority Whip [Eric Cantor](#), R-Va. "People see the stimulus hasn't worked, and now you want to lay on over \$1 trillion in a health care plan."

The administration declined to comment on the poll results.

The stimulus package contains \$288 billion for tax cuts and \$499 billion in new spending, much of it meant to pay for unemployment and other social services. The \$1 billion "cash for clunkers" program was not part of the bill, although its \$2 billion expansion comes from stimulus funds.

The government has allocated more than \$200 billion in aid. Since the plan began, however, the recession has left an additional 2.2 million Americans without jobs, according to Labor Department surveys.

Economists generally say the recession would have been worse without the stimulus, though they disagree widely on how much it has helped.

"The economy was like a huge pothole we had to fill, and what we did was throw a little gravel in the bottom. You don't fill the hole, not even close. But you make it better," says University of Oregon economist Tim Duy. "Many people don't see the effects so they assume it's not working."

The poll Aug. 6-9 of 1,010 adults has a margin of error of +/-4% for the full sample. In a question asked of a subsample, 51% of Americans say the government should have spent less on the stimulus; 31% say the amount was "about right." Also, almost half in the full sample say they are "very worried" that stimulus money is being wasted.

USA TODAY/Gallup Poll

One year from now, do you think the economy will be:

Are you worried, or not worried, that money from the economic stimulus plan is being wasted? If you are worried, are you very worried, or only somewhat worried? Do you think the economic stimulus plan has made the economy better, has had no effect or made it worse?

Over the long term, do you think the stimulus will make the economy better, have no effect or make it worse?

In the short term, do you think the economic stimulus plan has made your financial situation better, not had an effect, or made your financial situation worse?

In the long term, do you think the economic stimulus plan will make your financial situation better, not have an effect, or make your financial situation worse?

*Source: USA TODAY/Gallup Poll of 1,010 adults Aug. 6-9. Margin of error: +/- 4 percentage points. Note: Not all results add up to 100% because of rounding.*



## Daniel Weintraub: California might be governable after all

Syndicated columnist

Posted: 08/22/2009 12:00:00 AM PDT

DON'T LOOK now, but post-partisanship is making a comeback. Nobody is celebrating, but Gov. Arnold Schwarzenegger and state lawmakers have just demonstrated again that it's possible to bridge the deep partisan divide that has frozen California's Legislature in a condition of near perpetual gridlock.

Last week, for the second time in five months, Schwarzenegger cobbled together a difficult budget plan and joined lawmakers from both parties to support the compromises necessary to pull the state back from the brink of insolvency.

In February, he got fellow Republicans to raise taxes temporarily. And now he has persuaded Democrats to make deep and permanent cuts in spending. Both budgets passed with bipartisan votes. They had to, thanks to California's much-maligned requirement that a two-thirds majority of legislators approve any spending bill. And both plans passed despite withering attacks from some of the most powerful interest groups in the state.

Most of the focus lately has been on what Schwarzenegger and the Legislature have not done, namely solve the state's fiscal problems once and for all. And that's a valid criticism. California's government will be struggling to make ends meet for years to come. But in the middle of the worst recession since the Great Depression and in the wake of the collapse of the state's once-booming housing industry, solving the entire problem now might be close to impossible.

What Schwarzenegger has done instead is to stabilize the state's finances and enact a handful of reforms that will reduce spending in the future. He has also set the stage for the final year of his two terms in office, when he will try to finish the job he was elected to do — bringing the budget back into balance — while enacting even more sweeping reforms that could change the very structure of California government.

If he can do either or both of those things, Schwarzenegger could well leave office as a success. That would be amazing, considering that a few months ago he was given up as politically dead, a lame-duck, irrelevant.

Of course, Schwarzenegger himself has to bear much of the blame for the string of deficits over which he has presided. He inherited a mess, but as a candidate in 2003, he never should have pledged to roll back the car tax, and he could have won the state's historic recall election without doing so. But once he made that pledge the centerpiece of his campaign and decided, correctly, that he needed to follow through after taking office, Schwarzenegger should have insisted on spending restraint from the Democrats who controlled the Legislature. He did not.

Instead, he let the Democrats write a mostly meaningless "balanced budget amendment" and presented it to the voters in early 2004 along with a \$15 billion bond to restructure the state's debt and borrow some more. He promised that the two measures combined would wean the state off its flow of red ink.

But with no long-term plan for slowing the growth in spending, that goal was a mirage, and Schwarzenegger bounced from year to year, using borrowing, fund shifts, one-time money and gimmicks to make the budget appear balanced even as the state kept spending more than it was taking in.

He could get away with that as long as revenues were growing, as they did through the middle of the decade. Each year's new money effectively covered the shortfall from the year before. But once the housing bubble burst, the state's economy tanked and tax receipts plummeted, no amount of gimmickry could paper over the deficits. By the start of 2009, the shortfall had reached an estimated \$40 billion — the difference between the taxes the state was collecting and the cost of providing all services at their current levels for another year. Schwarzenegger and the Legislature had no choice but to cut spending, raise taxes, or both.

The result in February was a bipartisan deal that the governor and Democratic leaders fashioned, remarkably, not with Republican moderates peeled away from their caucuses but with the conservative Republican leaders of the Assembly and Senate. Assemblyman Mike Villines of Fresno and Sen. Dave Cogdill of Modesto, along with four other Republican lawmakers, agreed to a temporary tax increase in exchange for the Democrats' support for a spending reform designed to create a rainy-day fund to sequester tax revenue when the economy was strong so that it could be used to avoid deficits in a recession.

Half the taxes and the spending limit, along with several other measures, were put on a special election ballot to be ratified by the voters. When the voters rejected the deal, it was widely viewed as undoing the entire February budget package. But in fact most of that package remained in place. The biggest effect of the vote was on the long term, with the loss of projected revenue from the taxes three and four years down the road.

Only about \$6 billion of the new shortfall — eventually estimated at \$26 billion — came about because of the May 19 vote. The rest was due to the deepening recession and its effect on tax revenues, and to rising costs in government as more people sought public services in the downturn. The new gap would have been \$20 billion even if the voters had approved all of the special election proposals.

But the vote did have important political ramifications. Although the campaign against the measures was funded by public employee unions opposed to the spending limit, the result was widely interpreted as a rejection of new taxes, and Schwarzenegger said he would not support any additional tax increases. His position might not have mattered anyway, because the Republican leaders who voted for taxes in February had since been replaced, and no Republican legislators appeared willing to provide the votes necessary to raise more revenue.

Instead, Schwarzenegger and the legislative leaders produced a revised budget that accelerated some tax revenue, borrowed from special funds and local governments, and cut projected spending by \$15 billion to bring the books back into balance, at least temporarily. The state spent \$103 billion through its general fund in 2007-08. In 2008-09, that dropped to \$92 billion. The latest budget reduces spending to \$84 billion for the coming year — just a little more than the state spent in Schwarzenegger's first full year in office.

Schwarzenegger also won bipartisan support for a series of reforms he has been pushing to slow the growth in spending over time. One repeals automatic cost-of-living increases for public assistance grants that have been in place since Ronald Reagan was governor. Another shortens the time families can be on welfare before losing their grant. He also won new anti-fraud requirements for the state's fastest growing public assistance program, and a plan to computerize and centralize enrollment for

health and social programs that could eventually result in the elimination of thousands of public employee positions.

The effects of the spending cuts will be felt in almost every corner of California. Schoolchildren will see larger class sizes and, in many places, a shorter academic year. College students will pay higher tuition. Poor children will get less health care, disabled people will have fewer hours of help from caregivers in their homes, immunization programs will be curtailed, local police and fire service will be cut back, parks will get less maintenance, and the state's streets and highways will go without repairs. State offices will be closed three Fridays a month for the next year as employees take unpaid furloughs that amount to a 15 percent pay cut.

At the same time, most Californians will pay higher income taxes, sales taxes and car taxes, at least for the next two years. For a family of four with an income of \$100,000 and two cars, the tax increase will amount to more than \$1,000 a year.

None of that is pleasant, but all of it, and more, is required to balance the cost of the state's services with the taxes it collects to pay for those programs. And none of it would have happened without bipartisan agreement among Schwarzenegger, the Democratic leaders in the Legislature and two sets of Republican leaders.

They have not solved the budget problem for good, but they've made some progress, and they have demonstrated that California just might be governable if its political leaders are willing to lead rather than posture and pander.

## Sales tax revenue plummets, cities suffer

[Matthew Yi, Chronicle Sacramento Bureau](#)

Saturday, August 22, 2009

**(08-22) 04:00 PDT Sacramento** - -- In an unprecedented move, state officials this year have notified hundreds of cities and counties that their share of the state sales tax revenue has been cut because sales have dropped more severely than expected.

The latest round of letters was sent Friday by the state Board of Equalization, informing 337 cities, counties and transportation agencies of their reduced payments. Of those, 14 cities and one county were told revenue had declined so steeply they bottomed out - and would receive not a cent. Those unlucky 15 included the Bay Area cities of Petaluma, Cotati, Hercules and Portola Valley.

The news is yet another blow to cities and counties that have had to give up billions of state dollars to help close California's \$24 billion deficit.

"It's just bad news, after bad news, after bad news," said Jean Hurst, a lobbyist for the California State Association of Counties.

### Local losses

The state Board of Equalization, which collects all sales taxes and doles out portions that belong to local jurisdictions, would typically send such letters sporadically when a city lost a big department store or other major source of sales tax revenue.

But with this recession, which some economists have called the worst since the Great Depression, sales tax receipts plummeted further than expected, prompting the Board of Equalization to send mass notifications in February, May and this month.

"We've never had broad-based, statewide reductions like this until this year," said Anita Gore, a spokeswoman for the agency.

In all, cities, counties and agencies such as transportation authorities will be losing a total of \$58 million in August because of sharper-than-expected decline in sales tax receipts in April, May and June, the Board of Equalization said.

State officials had expected sales tax revenue to drop 14.4 percent in those months compared with the same period last year, but the actual tax receipts fell by 18.75 percent, said Gore.

Teresa Barrett, vice mayor of Petaluma, which won't be getting any portion of the \$375,000 that the city had expected this month, called it terrible news.

"This just exacerbates our (financial) problem," she said.

Like the state and most other local governments, Petaluma has had to balance its budget by closing nonessential city offices every Friday and laying off employees, including the city's entire planning staff of about a dozen workers.

"We now contract that service out," she said. "It's been a big change to our city, and we're hoping that we can turn things around, but we're not in a vacuum."

But some local agencies said Friday's bad news was expected and they plan to dip into their reserve funds to make up for the loss.

## **Not unexpected**

"It's not a total surprise to us," said Joe Smith, chief financial officer for the Santa Clara Valley Transportation Authority, which will receive \$11.2 million in August, which is nearly \$1.4 million less than expected.

The agency has budgeted \$54 million - about 15 percent of its budget - in reserves for the current fiscal year. Still, the tough economic times are far from over for the transit agency, which will impose a 25-cent fare increase in October while the agency's board contemplates an 8 percent service cut beginning in January.

"We're anticipating things will deteriorate a bit more," Smith said. "We're assuming sales tax receipts next year will be 5 percent less than in 2009, and possibly down again by 3 percent in 2011."

Hurst said that for most cities and counties, this month's reduction in sales tax allotments will hurt their cash flow, which became more problematic this summer when the cash-strapped state began issuing IOUs on July 2 to taxpayers, vendors and local governments.

"Cash-flow management has become increasingly difficult," Hurst said.

But in one bit of good news Friday, the state's top finance officials agreed to stop issuing IOUs on Sept. 4, nearly a month ahead of schedule, because of the budget agreement reached late last month between Gov. Arnold Schwarzenegger and the Legislature.

On Friday, the state controller said his office so far had issued 386,000 IOUs for a total of \$2.15 billion.

## **No revenue**

One county and 14 cities were notified Friday that they would not be receiving sales tax revenues in August from the state.

Amador CountyCotati

DorrisGustine

HerculesIsleton

LivingstonLoyalton

MaricopaPetaluma

Portola ValleyRipon

Rilling HillsSierra County

Villa Park



## PARKS: Cheaper gasoline, free weekends drive up visitor numbers

**Noelle Straub, E&E reporter**

August 20, 2009

National parks have seen a significant increase in visitors this year, the Interior Department announced this week, though the boost is not wholly attributable to the Interior Department's much-touted free weekends program aimed at cash-strapped families.

Through June, national park units counted 127.7 million visits, an increase of nearly 4.5 million visits over the same period in 2008. In June alone, visitation to national parks increased by more than 718,000 visits from last year.

President Obama and his family visited both Yellowstone and Grand Canyon national parks last weekend, the third fee-free weekend for national parks this year. The free-admission weekends, conceived as an economic stimulus, allowed visitors to enjoy all 391 parks at no cost during peak summer periods.

While the waiver of admission fees -- which range from as little as \$3 at smaller parks to \$25 per vehicle at large Western parks -- helped, Park Service officials also cited lower gasoline prices as a factor in the higher visitor tallies.

Bill Wade, chairman of the executive council of the Coalition of National Park Service Retirees, said the increase in visitation is generally good, especially given the difficult economic circumstances many Americans face.

"It shows they continue to value national parks as places to visit and learn, and are doing so when they may not be able to take longer vacations or trips out of the country," Wade said.

But, he added, "visitation to national parks cannot continue to increase year after year without some significant impacts to the resources and to the very experiences visitors are having." Examples of such impacts include traffic jams at Great Smoky Mountains National Park or intermittent crowding of facilities in Yosemite Valley or the South Rim of the Grand Canyon, Wade said.

Yellowstone, in particular, has broken visitation records this year. Through July the park had seen 1.9 million visitors in 2009, up 100,000 from the previous record of 1.8 million recorded two years ago. Yellowstone may be on pace to break the annual visitation record of 3.15 million set in 2007, park officials said.

The park had two record-setting months this summer. More than 900,000 people entered Yellowstone in July, typically its peak visitation month. That was up 11.4 percent from the same month in 2008, and up over the previous all-time record of 847,000 visitors set in July 1995. June was another record-

setting month for Yellowstone, with just under 644,000 visitors, beating the previous record of 609,000 visitors in June 2007.

Park managers believe lower gasoline prices helped spur the increase in Yellowstone visitors over last year, when gasoline spiked over \$4 per gallon in many parts of the country. They also said the free admission weekend of July 18-19 also contributed. The number of visitors to Yellowstone fell slightly from last year during January, February and March, but each month since April has shown an increase over last year -- including a 20 percent increase for May.

Grand Canyon has had more than 2.6 million visitors through the end of July, down almost 1.5 percent from last year. The park saw more visitors in June and July than during the same months last year, but a park spokeswoman said the overall decrease is largely due to low numbers in February, when the park had heavy snow and generally bad weather.

Other national parks that reported a boost in visitors over last year include Glacier, with a 14.2 percent increase; Arches, with 8.6 percent; Great Smoky Mountains, with 6.2 percent; Everglades, with 5 percent; and Gettysburg, with 3.2 percent.

The Park Service said the increases will help businesses and towns near the parks, because park visitors spend \$11 billion in local economies each year, supporting 213,000 jobs in communities near the parks. The agency also has nearly 600 concessionaires at 120 different sites, employing more than 25,000 people, it said.

## Battle Lines Drawn on Water: Issues of Conveyance, Governance, and Financing



*by David M. Greenwald*  
*Editor*  
Posted on August 19, 2009

The legislature returned this week from their August break by taking up what is undoubtedly the most contentious topic this side of the budget, and perhaps even including the budget, water and what to do about the Delta.

Facing the legislature are five bills, packaged together to address critical issues of facing California Water and the Delta. Tuesday was largely an informational that saw the issues laid forth.

Senator Joe Simitian, a Democrat, argued that the status quo ought to be unacceptable to all elected officials and that the five bill package needs to be seen as a package. The key issue for him was finding a way to move water reliably and cleanly.

Said the Senator:

"When I looked into the situation 3 1/2 years ago I had the same concerns that I think all of you have which is that scientists tell us that there's a 2/3 chance that the whole system is going to collapse in the next 50 years and that 24-million Californians will be left without water and that's a 40-billion-dollar economic consequence. I stepped into the fray because the delta, which is the most significant estuary in the western coast, was going to hell in a hand basket and that benign neglect wasn't serving the delta well over the previous quarter century."

For the Senator, the issue is not one of conveyance, but a matter of figuring out how to fix the delta and our water system. Many, including spokespeople for the Governor argued that the status quo was

not acceptable. Lester Snow, Director of Water Resources, argued, "Anyone who thinks the status quo is working doesn't understand what's going on."

He went on to argue that the current bills appear to establish additional obstacles. They delay but do not expedite solutions. Many of them give little attention to water supply as opposed to habitat restoration.

Senator Simitian forcefully argued against the status quo, and argued that conveyance, which in his argument has not been proposed, is not necessarily the end of the world.

"I think that if we reject the package of bills before us today is a vote for the status quo. And the status quo means mass extinction of native species. The status quo means eventual levee collapse and disruption of water supplies to 24 million Californians. The status quo will result in destruction of much of California's agricultural sector, and a \$40 billion dollar plus hit to the state's economy when those levees fail."

The Senator continued:

"For those who argue that conveyance yet to be proposed, yet to be described, is the end to the world as we know it, I ask you to follow the science."

Assemblymember Huffman argued on that the Delta has been named the most endangered river and one of the culprits in the demise of the Delta is a lack of governance. He embraced the Delta Vision Process by the Delta Task Force.

The peripheral canal remains a large elephant in this process. Some argue that will be the end of the Delta while others argue that will be its salvation, a means to prevent the flooding and overflow of the river and its islands while at the same time able to provide California with critical water during dry years.

Assemblymember Huffman, argued however that this legislation takes no position on the conveyance issue. It does not establish a peripheral canal. At the same time, he argued that this process could result in permanence in the conveyance process.

As he said previously:

"I'm not legislating any specific conveyance decision. Instead, I'm trying to create a process where extensive study, planning, independent science, and a new governance entity – through an open and transparent process – can make the full range of decisions necessary to restore the Delta and address the full range of problems plaguing the West Coast's most important estuary."

Furthermore:

"My bill for the Sacramento-San Joaquin Delta requires an independent Delta Stewardship Council to develop a comprehensive plan to get California out of the crisis we face in the Delta. I have kept my focus on ecosystem restoration and how we save the fishery that depends on the Delta, particularly Central Valley salmon that migrate through the Delta between upstream spawning grounds and the Pacific Ocean. AB 39 requires a comprehensive ecosystem restoration plan that aims at recovery of our fishery. This bill would add protections for the Delta – not take them away."

Senator Lois Wolk has long been a strong protector of Delta Interests and introduced SB 458 which will reform the local Delta Protection Commission and establish the Sacramento-San Joaquin Delta Conservancy.

Senator Wolk was somewhat critical of the overall package, arguing that portions did not contain local buy-in.

She said:

"There are parts of this package that will advance Delta stewardship. Unfortunately, this package currently lacks several critical components, most importantly the full participation and buy-in of the Delta community. That is a fatal flaw. But it can be fixed."

The Senator continued:

"By strengthening the local voice on the Delta Protection Commission and creating a strong relationship between the Delta Protection Commission and the Stewardship Council, SB 458 will ensure that local concerns will be addressed that communities will be heard, and that expertise from the ground can be utilized in developing and implementing the Delta Plan."

Senator Wolk argued that the package fails to address five critical issues. First, it lacks adequate representation for the Delta Community. Second it lacks adequate funding and this funding cannot only be bond funding, "It has to be ongoing maintenance and support of these organizations."

Third, the Delta community cannot merely be an afterthought, but rather must be a critical component of the state's goals.

Fourth, they must strengthen and ensure proper oversight and finally we need stronger criteria for the Bay Delta Conservation Plan.

Assemblymember Mariko Yamada who represents Yolo and Solano Counties, also expressed concern about the lack of representation for the Delta Community. As she put it, "Nothing about us, without us."

During discussions with the Delta Community, she expressed that "There are concerns about not being included at the level that we feel we should."

She argued that "Science and evidence are the best ways to do away with partisanship and other competing interests. If we can all agree on the science, we can get to the rest of the details."

AB 49 introduced by Assemblymember Mike Feuer aims to reduce California's urban per capita water use by 20 percent by December 31, 2020. The bill requires urban water suppliers to develop water use targets in line with these reduction efforts; at the same time, it gives flexibility to these suppliers by allowing them to determine the best way to meet their targets. To promote greater efficiency with existing water supplies, the bill gives credit for the use of recycled water and rewards water suppliers' past water reduction efforts. Agricultural water suppliers will be required to prepare water management plans and implement best management practices that are already required to be used by federal Central Valley Project contractors.

Assemblymember Feuer said:

"Without taking immediate action to solve California's water crisis, we will face severe statewide water shortages and irreparable environmental damage. We must approach the issue with a view toward long-term results, and the water supply targets set in AB 49 will help ensure that future generations of Californians will enjoy safe, high quality water."

AB 49 was coauthored by Assemblymember Huffman:

“Water efficiency has to be a part of any water management package. Efficiency does more than just help existing water supplies go further; it also helps to reduce ecosystem impacts, improve water quality, increase local water supply reliability, and reduce energy use and greenhouse gas emissions.”

Senator Pavley's SB 229 would strengthen monitoring of groundwater use as well as water diversions from rivers and streams.

A number of groups and experts would testify on the issue of water before the joint committee. One of the key groups was the Delta Vision Foundation, formed by the Governor, they reviewed the five pieces of legislation, and Chair Phil Isenberg told the committee:

“We found that as a set, these are strong bills and they do a good job of building on the Delta Vision Strategic Plan, but they can be better. Our advice is simple: Do the big things right; fight about the rest”

They laid out ten major changes that would mirror their Delta Vision Strategic Plan which was released back in October of 2008.

These changes include:

- Return to the definition of coequal goals as “restoring the Delta ecosystem and creating a more reliable water supply for California.”
- Return to a Governor’s appointment for all members of the Delta Council, with Senate approval, as recommended in the Delta Vision Strategic Plan.
- Enhance the independence of the Delta Council by explicitly stating that it is independent.
- Return to the recommendations of the Delta Vision Strategic Plan regarding powers and responsibilities of both the Delta Protection Commission and the Delta Conservancy.
- Return to the recommended targets for habitat restoration, critical for ecosystem function in the Delta estuary.
- Return to the Council the authority to adopt a Delta Plan, the requirement that state agencies conform to that Plan, and give the Council authority to ensure consistency of state and local agency actions with the Delta Plan.
- Return to a general insistence that there should be an effective integration of federal agencies and activities into implementation of the Delta Plan, including exploring an option of a functional equivalent alternative to the CZMA recommendation if that better suits the needs of the federal government.
- Guarantee adequate funding of the Council and the projects included in the Delta Plan by removing the requirement for legislative appropriations of revenues generated under the authority in SB 1p.
- Make explicit that any related bond is effectively linked to the Delta Council and Delta Plan.
- Return to the recommended waivers to contracting procedures and an expedited CEQA process for the Council and Conservancy to speed action.

The issue of representation was front and center in the debate.

Barbara Barrigan-Parrilla, Campaign Director for Restore the Delta during her testimony was particularly concerned with the oversight body created by this legislation that is felt to fail to take into account proper representation for the Delta Community. She feared that decisions affecting the entire state could be made by an unrepresentative and unaccountable body of five.

This was a concern repeatedly raised by both Senator Wolk and Assemblymember Yamada, both of whom represent districts in the Delta. Assemblymember Yamada argued Tuesday:

"I also do share those same concerns articulated by Senator Wolk about the make up of the stewardship council. I am very concerned about putting in the hands of some as yet unnamed individuals and particularly giving the tipping point even more so to a Governor that I actually don't always have too

much points of agreement with currently and we don't know what's going to happen in the future. It concerns me frankly that we would have a 4 to 2 to 1 split as currently is presented in the pre-print bill."

Supervisor Mike McGowan of Yolo County represented a group of leaders from five Delta Counties told the committee, "The cats have been herded and we're sticking together."

"We've been saying for quite awhile that the Delta is not a blank slate. There are real people who live in the Delta."

He pressed the committee to create clear funding mechanisms in order to sustain the Delta Community over the long term. "The plan will be fatally flawed and unacceptable to us as counties unless the funding for the Delta issues are fully included."

He also urged the committee to strongly increase Delta representation on the Delta Council to insure the interests of the counties and the communities are represented. "We are not an interest group, we are a group of duly elected officials who represent those who have elected us."

Contra Costa County Supervisor Mary Piepho added:

"Plan development must include significant local participation. In addition to working from existing plans, it must address how to sustain Delta communities and regional infrastructure as change occurs."

Moreover,

"The goals of water supply reliability and ecosystem restoration must be joined with protecting and enhancing the unique cultural, recreational, agricultural and socioeconomic values of the Delta."

Critics of package such as Bill Jennings, executive director of the California Sportfishing Protection Alliance (CSPA) argue that while this package pays lip service to Delta restoration, it is really a way to change the water conveyance system.

"It pays lip service to fish and Delta restoration, turns the water code upside down, places a financial and water burden on the most senior upstream water rights holders and will double or triple water rates for those least able to pay - in order to subsidize the guarantee of water to the most junior water rights holders that grow subsidized crops on drainage impaired lands on the Westside of the San Joaquin Valley; lands that when irrigated leach toxic wastes back to the San Joaquin River and Delta."

Barbara Barrigan-Parrilla, Campaign Director for Restore the Delta: "Restore the Delta signed onto a report with 22 other environmental organizations. The report entitled, California Water Solutions Now, by the Environmental Water Caucus, is based on multiple scientific and engineering studies and it demonstrates how sustainable water management can provide the water needs able to serve California's projected population, economy, and environment through 2050."

She continued:

"Restore the Delta agrees with leaders that continuing with the status quo for our dying estuary is unacceptable." However, she warned against rushing through legislation at the last moment for the sake of passage, arguing that it "could lead to the final death blow for the Delta if the wrong programs and facilities are set in place."

On Monday a coalition of 23 fishing, public health, conservation, environmental justice and tribal organizations today unveiled an alternative report, "California Water Solutions Now."

Nick Di Croce, Lead Author said:

"California Water Solutions Now is presented to show that, with real reforms, California can have a sustainable water future. It's a game-changing report. The report is unique in that it marries reduction in water usage to the ability to reduce water exports."

Di Croce continued:

"It calls for Delta exports to be reduced by half from the recent levels in order to save, protect and restore the Delta. The report is based on existing, authenticated studies and data produced by the Department of Water Resources, the Pacific Institute and Planning and Conservation League and is assembled in a way that tells the game changing story."

According to a report from Dan Bacher:

"The 42-page report highlights 10 Strategic Goals and 65 specific Recommendations that can carry California into the future, and in particular describes how the state can use current supplies and existing sustainable strategies more efficiently and cost-effectively. The report also shows how we can improve our valuable river habitats, eliminate discharges from contaminated agricultural lands, and improve other water quality problems, increase regional water self-sufficiency, and provide funding for environmental agencies."

The report argues that California "has already developed enough water supplies to satisfy our needs into the foreseeable future by utilizing existing infrastructure and existing cost effective technologies."

It continues:

"Clearly, a well-managed future water supply to take us to 2050 is within reach with the current supplies and with an aggressive water conservation program. In addition, still larger savings can be expected from agricultural water efficiencies, and some of this saved water could be available for urban consumption. All of the water conservation strategies discussed in this report are much less expensive than the new surface storage and conveyance projects being contemplated by state and federal agencies."

However, in order to do that, California has to make significant changes in our water management practices.

## California government reform proposals begin to take shape

Legislators are crafting dozens of plans to ease the budget process and shift state burdens to local agencies. Political groups may be waiting in the wings with ballot measures if the lawmakers fail.

By Eric Bailey

*August 19, 2009*

Reporting from Sacramento - State lawmakers tiptoed Tuesday into the roiling debate over how to overhaul California government.

With less than a month left in the legislative session, proponents of change urged a state Senate panel to quickly adopt ideas that have bipartisan support while continuing to push for solutions to tougher problems -- or risk having voters do it for them.

"It really comes down to a question of political will -- as opposed to political won't," said Jim Wunderman, president of the Bay Area Council, a business-backed group that is pressing for a [constitutional convention](#) to let citizens draft a new blueprint for the way state government operates.

"Not only is California broke, it's broken," added Sunne Wright McPeak, a former Schwarzenegger administration official serving on the board of California Forward. That nonprofit foundation is pushing for more lawmaker accountability, a new budget-making process and a shift of more government responsibilities to the local level.

The three-hour hearing came as Sacramento lawmakers face plummeting approval ratings and growing momentum behind the fix-it movements. In addition to the proposals advocated by the Bay Area Council and California Forward, another group is circulating petitions for a ballot measure proposing a [part-time Legislature](#).

Legislative leaders have heard the drum beat for change. More than three dozen bills to change state government are in the pipeline.

"I'm very excited about the prospect of moving forward on reform," said Assembly Speaker Karen Bass (D-Los Angeles), who in recent months has held brainstorming sessions with fellow lawmakers and has asked Gov. Arnold Schwarzenegger to call a special session on remodeling California government.

Still, she vowed not to let her house be rushed into quick decisions, saying the Assembly would instead proceed in "a thoughtful manner on our own timeline."

Senate President Pro Tem Darrell Steinberg (D-Sacramento) said lawmakers need to focus on what they can achieve in the short term.

In particular, Steinberg wants to shift more government responsibilities and funding to counties and other local governments, and to adjust the initiative process to stop ballot-box budgeting.

Several experts told the Senate panel that lawmakers have had their hands tied by legal rulings, commitments made by past Legislatures and voter-approved initiatives that hamstring state spending.

California Forward last week dispatched a [letter](#) to Schwarzenegger and legislative leaders outlining an 11-point plan that includes proposals to realign more services to local governments, change term limits and reduce the state's two-thirds budget vote requirement to a simple majority.

Meanwhile, the Bay Area Council is considering sponsoring a ballot measure for next June's ballot proposing a constitutional convention.

Wunderman said he envisions a few hundred randomly selected responsible citizens meeting over the course of several months in a setting insulated from traditional statehouse special interests to craft improvements to state government.

But the group has expressed a willingness to suspend its push if the Legislature fixes its own problems.

"It would make my life a lot easier," Wunderman told the Senate panel.

# Daily News

## New bipartisan commission on taxes can change California's future

Updated: 08/18/2009 10:59:21 AM PDT

AT this over-commissioned, deficit-budgeted bureaucratic time in the history of California's government, it's hard to imagine a new state commission worth applauding.

But a new commission created by Gov. Arnold Schwarzenegger ought to receive some positive recognition because its charge

goes to the heart of the matter that now bedevils California: balancing the budget over the long term.

The Commission on the 21st Century Economy has another advantage right out of the gate. Though it's probably too late for our famously moderate, essentially nonpartisan governor to leave the kind of legacy he promised in his first election, the 14 members appointed to this panel are at least a late-in-the-game reminder of what might have been.

They are a diverse group of conservatives, moderates and liberals with one common characteristic: They do not have overly entrenched personal opinions about the problems facing our state budgeting process. In other words, they have no dog in the pointless, endless fight between the Republicans and Democrats in today's Legislature who continue to show their inability to lead California into a stable economic future.

Important as the commission is, when it releases its recommendations, don't expect magic solutions to state solvency.

One commission can't solve a systemic problem, decades in the making thanks to chronic overspending, an ever expanding bureaucracy and political deference to every demand of public employee unions and special interests with any political power.

The commission is looking instead at the funding structure of state revenue - its taxes.

No matter how you feel about taxes, it is what funds government operations, from public safety to flat roads. And this deep recession has revealed an intrinsic flaw in tax policy.

Under the current tax code, 1 percent of Californians bear half of the state's total tax burden. When the income, and thus the tax burden, of the wealthiest Californians drastically declines, as it has over the past two years, the current tax code creates a problem for us all.

Most states get about one-third of their revenue from income tax, one-third from property tax and one-third from sales tax. Whatever your views on Proposition 13 and its limitations on property taxes, its strictures skew government revenues greatly.

Realistically, the new commission, whose members include former Reagan adviser Michael Boskin from Stanford's Hoover Institution, former Republican Assembly Speaker Curt Pringle and Santa Cruz County Treasurer Fred Keeley, is unlikely to do any serious wrassling of the proposition's basic - and sacred - formula. Nor is the entirely flat tax rate long supported by libertarians and the right likely to fly.

But the commission does have the ability to increase the fairness of California's taxation. There are some intriguing suggestions in Sacramento worth exploring, such as the conservative-backed idea of having just two income-tax rates, 2.75 percent and 7 percent, and the push by the governor and environmentalists for a tax on carbon-generated fuels to diminish greenhouse-gas emissions.

There are some terrifying tax proposals as well, such as the Democratic legislators' push to expand the sales tax even further - which would hike Los Angeles' sales tax to more than 10 percent. This regressive sales tax is too high as it is.

This new commission has a heavy charge, but it's perhaps the one that can most influence California's future health and prosperity.

## Package of State water bills seek to balance thirst of water users and environment

By Mike Taugher  
Contra Costa Times

Posted: 08/17/2009 12:00:00 AM PDT

Updated: 08/18/2009 06:50:14 AM PDT

With the state's budget resolved for now, lawmakers this week will take up a comprehensive reform package that is the most ambitious attempt in at least a decade to revamp management of the increasingly unreliable Delta.

Though the package is certain to draw debate, supporters say it is the best attempt in years to resolve the intensifying conflict between the thirst of California's cities and farms and the needs of a severely damaged Delta ecosystem.

"These bills collectively are the closest thing I've seen in my career to a coherent plan for the future of both water supplies and the Delta," said Phil Isenberg, a former legislative leader and former mayor of Sacramento. He led a Delta Vision task force that recommended rebalancing the state's thirst and the Delta's health.

The bills largely reflect the Delta Vision goals, especially its insistence that the Delta ecosystem has played second fiddle to water demands for decades and that the two goals should have equal footing.

Still, the bills would completely reshape management of California's biggest watershed, and for that reason the effort is receiving support from those who say it is time for dramatic change, caution from those worried about the details, and skepticism from those who say the bills go too far or who contend the state is incapable of complying with existing laws.

Taken together, the bills:

- Establish new authorities to run water systems and protect the Delta environment. A Delta "stewardship council" made up mostly of gubernatorial appointees would set the rules and a "water master" would police water management day to day. The council would decide whether to approve a canal to divert water around the Delta.
- Impose fees on water users to finance water administration, new water investments and habitat restoration. The fees would apply to agencies that pump water out of the Delta and to water agencies, such as the East Bay Municipal Utility District and the San Francisco Public Utility District, that take water upstream and have traditionally watched Delta controversies from the sidelines.
- Requires the Bay Delta Conservation Plan that is being written to support a new canal and protect the environment to both defend species from extinction and to meet a higher standard of recovery

for endangered species. It also sets a number of other conditions before the plan, a high priority of the governor's office, is approved.

- Strengthens the role of local governments, such as Contra Costa County's, though it is unclear whether that role will be strong enough to satisfy the local governments. That issue is important because local governments generally oppose construction of a new Delta aqueduct and their power could make or break the canal plan.
- For the first time would regulate and monitor how groundwater is used in California. The bills would also take a closer look at water rights in a state where some users are under scrutiny for possibly using water without legal rights to it.

What is not in the bills is also potential for debate. Although they would set fees for water agencies, there is no larger financing tool to restore wetlands, build dams, clean up pollution or pursue other projects that water users say are the public's responsibility.

"We recognize that we are responsible for paying the costs of projects that will directly benefit us," said Tom Birmingham, general manager of the Westlands Water District, the nation's largest irrigation district and one that is particularly vulnerable to water-supply cuts in the Delta. "But the state and federal contractors should not be viewed as the ATM for the state of California."

Birmingham, like one of his staunchest critics, California Sportfishing Protection Alliance executive director Bill Jennings, compared the drive to reform state water policy to the Legislature's disastrous deregulation of the electricity industry in 1996.

Like the electricity sector, water deliveries are complex, vital and often taken for granted, and lawmakers say they will move quickly with water reform, as they did with electricity.

In each case, lawmakers turned to a legislative process that bypassed the normal reviews by policy committees in favor of an expedited path that relies on a conference committee of senators and Assembly members.

"They're approaching this like they approached the deregulation of the electricity industry," Birmingham said. "We will have the same type of unintended consequences."

Jennings also doubts the state's capacity to succeed where so far it has failed.

"If we can't enforce the existing laws, how are we going to enforce the new ones?" he said.

Despite criticism, the effort is gathering cautious support from a number of players.

Another major importer of Delta water, the Metropolitan Water District of Southern California, is pleased with the general direction of the plan.

"The major elements of the plan are consistent with where we want to go," said Roger Patterson, the Metropolitan Water District assistant general manager. "Some of the details, and we're still sorting through them, are a concern. "... We would like to see something passed this session if that's possible."

A leading environmentalist found promise in the package itself and in the fact that legislative leaders are paying attention to the water supply problem.

"It has plenty of flaws that need to be addressed, but it's a terrific opportunity," said Barry Nelson, a water policy analyst with the Natural Resources Defense Council. "A major opportunity comes around every 10 years. This is an extraordinary opportunity."

Although the state Senate's top leader, Sen. Darrell Steinberg, has said he would like to pass water reform legislation this year, it is unclear whether that is possible given the session ends next month. Gov. Arnold Schwarzenegger could call a special session for water issues, but observers note election year politics could get in the way of such a complicated and potentially debatable package next year.

The last attempt to fix California's troubled Delta-based water system was "CalFed" that developed a plan in 2000 that cost more than \$3 billion but failed to reach its goals of improving the Delta ecosystem. It failed in large part because it lacked authority to implement the plan, lacked stable funding and failed to link progress on water supply goals with environmental restoration goals, several reviews have concluded.

The bills address those shortcomings by establishing the Delta Stewardship Council and watermaster with clear authority, assessing water user fees and explicitly setting the equality of environmental protection and water deliveries.

## **Group airs proposals for California government overhaul**

[jchang@sacbee.com](mailto:jchang@sacbee.com)

**Published Saturday, Aug. 15, 2009**

The bipartisan government reform group California Forward revealed details Friday about a package of proposals it plans to place on next year's ballot to overhaul state government and, the group hopes, break paralyzing legislative gridlock.

The package includes ideas catering to both Democrats and Republicans, a combination that should inspire more cooperation among legislators than Californians have so far seen, said Robert Hertzberg, the group's co-chairman and a former Democratic speaker of the state Assembly. The group's other co-chairman is Thomas V. McKernan, CEO of the Automobile Club of Southern California and former chairman of the California Business Roundtable.

"If you put it together as a package, it works," Hertzberg said about the proposals. "But if you pull one element out, it fails."

Those changes include:

- Adopt a two-year budget cycle.
- Require a simple majority vote in the Legislature to pass budgets rather than the current two-thirds vote required. Maintain a two-thirds requirement for tax increases.
- Demand that legislators identify funding sources for new programs.
- Give counties authority to distribute property tax revenue. Local governments would also have legal ownership of some funds.
- Allow cities, counties and school districts to raise funds for long-term purposes with just majority approval from voters. Voter-approved Proposition 218 requires that local taxes funding specific items be approved by at least two-thirds of voters.
- Allow state legislators to serve longer in one office – up to 12 years in the Assembly, state Senate or some combination of the two.

Hertzberg said he hoped the state Legislature would place the package on next year's ballot but was prepared to launch an initiative petition campaign.

Also on Friday, the state attorney general's office issued titles and summaries for one initiative allowing voters to call a constitutional convention and another initiative calling such a convention.

**TO: Board Legislative Committee  
(Chair Ted Radke, Doug Siden, Ayn Wieskamp and Alternate John Sutter)**

**FROM: Pat O'Brien, General Manager  
Erich Pfuehler, Legislative Administrative Manager**

**SUBJECT: Board Legislative Committee Meeting**  
**WHEN: September 18, 2009, 12:45 p.m.**  
**Lunch will be served**

**WHERE: Board Room, Peralta Oaks**

---

**Items to be discussed:**

I. STATE LEGISLATION/ISSUES

A. NEW

a. PROPOSED LEGISLATION

**SB 448 (Pavley) California State Safe Harbor Program. (4/13/09)**

SB 448 would create a program to encourage landowners to manage their lands voluntarily, to benefit endangered, threatened or candidate species without being subject to additional regulatory restrictions as a result of their conservation efforts. Specifically, it limits the landowner's liability for incidental take of endangered and/or threatened species. Administered by the California Department of Fish and Game (Department), the California State Safe Harbor Program is designed to promote habitat for species listed under the California Endangered Species Act through the voluntary restoration, enhancement and management of habitat on private working rangelands. For creating, enhancing or managing habitat for plants and wildlife, the landowner receives regulatory assurances. Similar programs have been successfully implemented in other states, promoting species listed under the federal Endangered Species Act on farms and ranches.

SB 448 is supported by: Alameda County Resource Conservation District, California Native Plant Society, California Rangeland Conservation Coalition, Defenders of Wildlife and the Nature Conservancy.

Staff Recommendation: SUPPORT

B. ISSUES

a. Prop. IA-ERAF Shift Update

The budget agreement reached on July 28, 2009 suspended Prop. IA and allows the state to take up to 8% of property tax revenue owed to local agencies in each county. Under the provision, the state is required to repay those obligations by June 30, 2013. The legislation also authorized the California Statewide Communities Development Authority (CA Communities, Joint

Powers Authority) to securitize the property tax “take” collected by the state. Under this plan, local governments can sell their ERAF shift payments to CA Communities. CA Communities will then issue bonds and remit the cash proceeds to the participating local agencies. Local governments maintain some cash flow and bondholders receive repayment from the state at a later date. District staff continue to research this JPA to determine if participating would be beneficial.

b. California Constitutional Commission / Convention

Two key groups are pushing for a Constitutional Convention: California Forward (Fred Silva, Jim Mayer, Sunne Wright McPeak, Robert Hertzberg, Thomas McKernan, etc.) and the Bay Area Council (Jim Wunderman, Omar Benjamin, James Ghielmetti, Nancy McFadden, Mohammad Qayoumi, etc.).

California Forward has specifically called for the removal of barriers to local government coordination. Their proposal would encourage community-level governments to coordinate, consolidate and, if there is agreement, “receive property tax and reallocate them” for local priorities. They do not seem to be calling for the abolishment of Special Districts or massive changes in existing property tax policies. They also make additional proposals to reduce the 2/3rds budget vote requirement, establish “pay-go” rules and modify term limits, among other things. They are funded by major foundations in the state and are backed by a number of Silicon Valley businesses. They expect to have a number of their reform proposals on the November 2010 ballot.

The Bay Area Council has more explicitly called for a Constitutional Convention and sponsors “Repair California.” Contributions to “Repair California” are not tax deductible, which means they can conduct political advocacy on behalf of the Bay Area Council. They have sponsored a number of “Constitutional Convention Town Halls,” including one in Alameda County on September 17<sup>th</sup>. They intend to place a measure on the November 2010 ballot. After their “town halls” are complete, they will be finalizing initiative language and working on gathering 1.6 million signatures by April 16, 2010.

Additionally, Assembly Speaker Karen Bass and Senate President Pro Tem Darrell Steinberg announced a Joint Select Committee on Reform. The chairs of the Select Committee are Senator Mark DeSaulnier (staff is working on a meeting with him) and Assembly Member Mike Feuer. The Committee is tasked to come up with ways to make the legislature more transparent and for state government to run more efficiently. This is likely an internal attempt to get out ahead of a possible ballot initiative.

c. State Parks Access Pass Ballot Initiative

District staff has learned that the California State Parks Foundation is considering putting the “state parks access pass” idea on the ballot for 2010. This initiative would essentially add \$15 to each vehicle license fee in California and, in turn, allow any vehicle with California State plates to enter a state park for “free.”

This was initially proposed by State Senator John Laird last year when state park closures were first threatened in the budget debate. Republicans have refused to support it calling it a “tax.” The Foundation, with the probably help of the Resources Law Group (Mike Mantell and Corey Brown), is looking at taking the idea before the people. District staff continue to monitor this effort to ensure we are exempt or compensated for the state parks we manage (Del Valle, Crown Beach and Eastshore) should the access pass be approved.

d. 2009 Delta Bills

September 11 was the last day for the 14-member water conference committee to submit a report for water-related legislation to come up for a vote. The conference committee has virtually no members from the Delta region on it. Lawmakers have been seeking a compromise on how to overhaul the state's water system. There have been serious and challenging discussions about how to pay for it. Senate Republicans are pushing for a \$12.4 billion bond for water projects, including \$4 billion for dams. Democratic leaders want a much smaller bond balanced with user fees. Other sticking points include how much power a proposed council to oversee the Delta would have. The District has submitted comments about the composition of a proposed Delta Conservancy and has been tracking possible Delta education funding and improved recreation access.

2. FEDERAL LEGISLATION/ISSUES UPDATE

A. NEW

a. PROPOSED LEGISLATION

**S. 1469 (Boxer) Port Chicago:**

Senator Boxer's bill is identical to Rep. George Miller's bill in the House which the Committee previously voted to support. This bill amends the Port Chicago National Memorial Act of 1992 to require the Secretary of Interior to administer the Port Chicago Naval Magazine National Memorial as a unit of the National Park System.

This bill directs the Secretary of Defense to transfer a specified parcel of land within the "Port Chicago Naval Magazine National Memorial, Proposed Boundary" to the administrative jurisdiction of the Secretary of Interior if: (1) the land is excess to military needs; and (2) all environmental remediation actions necessary to respond to environmental contamination have been completed.

This bill authorizes the Secretary of Interior to enter into an agreement with the City of Concord and the East Bay Regional Park District to establish and operate a facility for visitor orientation and parking, administrative offices and curatorial storage for the Memorial. It also expresses the sense of Congress that the Secretary of Defense should promptly remediate remaining environmental contamination related to the land.

The bill is pending in the National Parks, Forests and Public Lands Subcommittee. Given the seniority of its authors, District staff expect this bill to move this Congress.

Staff Recommendation: SUPPORT

**H.R. 3534 (Rahall) The Consolidated Land, Energy and Aquatic Resources Act:** House Energy and Natural Resources Chairman Nick Rahall (D-W.Va.) introduced a bill on September 8, 2009 to forge a new Department of Interior agency to govern oil and gas leasing on federal lands and to overhaul the federal royalty system. The far-reaching bill also includes measures to improve planning for offshore energy development, address wind and solar programs, and boost funding for ocean conservation and land acquisition. It comes largely as a response to a series of scandals and scathing government watchdog reports on the federal agencies that handle oil and gas drilling on public lands. Trying to build immediate momentum for the measure, Rahall announced that his committee will hold legislative hearings in September on H.R. 3534.

The legislation would create a new agency called the "Office of Federal Energy and Minerals Leasing" to handle onshore and offshore lease sales, inspection, enforcement and revenue collection. It would consolidate the oil and gas, wind, wave and solar programs now carried out by the Bureau of Land Management and the Minerals Management Service. The Department of Interior inspector general would take over the current functions of the MMS audit and compliance management section.

The measure adds a provision to provide full funding (including stateside funding) for the Land and Water Conservation Fund (LWCF). It would require that \$900 million in revenues generated primarily from oil and gas revenues be allocated to the fund annually without further appropriation.

Reaction about the bill is mixed, but generally the environmental community supports full funding of LWCF without having to go through the appropriations process. They also believe the bill will provide more accountability of the oil and gas industry. They have expressed some concerns about the changes to the drilling permit process and wonder if the bill incentivizes more off-shore drilling. The oil and gas industry has labeled the bill a "job killer."

This bill could end up being helpful to the District if stateside LWCF is fully funded. Staff recommends working with Dave Weiman in Washington to send a letter of support to Rep. Rahall for full funding of stateside LWCF.

Staff Recommendation: WATCH

## B. ISSUES

### a. Health Care Reform

On Wednesday, September 9, President Obama addressed a joint session of Congress in an effort to reframe the debate about health care reform. In the speech, Obama affirmed his preference for a public plan as "an additional way to keep insurance companies honest." However, he stopped short of demanding the plan be an element of reform, and called for Congress to remain open to

"other ideas that accomplish our ultimate goal." This leaves the door open for a compromise in which a public plan option would kick in if and only when private insurers, after a period of time, fail to provide affordable coverage in a region. He also called for the bill to be revenue neutral and suggested he'd be open to some tort reform.

Speaker Pelosi has indicated the House would not go along with a reform package that does not include a public option, although a number of Blue Dog / conservative Democrats have indicated they will not support a public option. Senator Reid and Finance Chairman Max Baucus continue to work on a bi-partisan measure with the "gang of six." One idea being floated is a public option "trigger," by which if increases in private insurance coverage and reductions in cost don't occur in a certain amount of time a public option is "triggered" into existence.

Vice President Biden indicated he believed a bill would be completed by Thanksgiving. The devils are still in the details, but almost everyone agrees on about 80% of the reforms. This will be an on-going debate this fall, but the President's speech seems to of re-energized Congressional Democrats to move something this year.

b. Transportation Bill

Little apparent progress was made over the August recess on disagreements between the House and Senate over a surface transportation reauthorization, leaving a Sept. 30 deadline looming large as lawmakers return. In late July, Congress cleared legislation that moved \$7 billion from the general fund into the Highway Trust Fund to avoid a shortfall. That very short-term fix will expire at the end of September, and lawmakers – for now, anyway – seem no closer to agreeing on how to proceed with a longer-term bill.

In the Senate, where jurisdiction over the highway bill is split among several committees, members have been moving toward a White House-endorsed 18-month reauthorization proposal. The Obama administration has asked Congress to extend the current surface transportation law for 18 months and inject \$20 billion into the trust fund to keep it afloat through the opening months of the 112th Congress, which convenes in January 2011. That would give the Administration extra time to make long-term financing decisions about the trust fund, whose tax revenues are no longer sufficient to support the amount of spending lawmakers prefer. Rep. James L. Oberstar, D-Minn., Chairman of the House Transportation and Infrastructure Committee, has insisted on steaming ahead with a full six-year reauthorization bill this fall. In the Senate, Finance Committee Chairman Max Baucus, D-Mont., is continuing to work "toward consensus on a strong, sensible fix." A Democratic aide on Senator Boxer's Environment and Public Works Committee reiterated that the plan is to proceed with the 18-month extension. A senior Democratic House aide said some Democrats on the Transportation committee at this point may support a one-year extension as a middle-ground solution. In the interim, there is likely to

be another extension for three or six months, rather than the 18 month extension. Chairman Oberstar will try to ensure the Administration focuses on policy priorities and ways to pay for the bill.

3. PUBLIC COMMENTS

4. CORRESPONDENCE AND ARTICLES

- a. "Outline and analysis of Obama's proposals", SFGate.org, September 10, 2009
- b. "Obama urges Congress to enact health care overhaul", SF Gate, September 9, 2009
- c. "Democrats begin rallying members behind Obama's Health-Care call", Washington Post, September 10, 2009
- d. "Rallying for regional trails", The Times, September 4, 2009
- e. "CA-10: Yesterday's Victory and Tomorrow's Challenges", Calitics.com, September 2, 2009
- f. "Primary CD10 winners prepare for all-out battle", Contra Costa Times, September 2, 2009
- g. "Garamendi, Harmer to face each other in November CD-10 runoff", Contra Costa Times, September 1, 2009
- h. "George Skelton: On water; Dems attempt a handoff", Inside Bay Area, August 31, 2009
- i. "Editorial: Begin repairing Delta with or without approval of new dams", Inside Bay Area, August 31, 2009
- j. "Rep. Stark answers health care questions", Contra Costa Times, August 31, 2009
- k. "California state parks closure list due soon", Sacramento Bee, August 30, 2009
- l. "Money is no miracle in California politics", Sacramento Bee, August 31, 2009
- m. "Can Californians scrap their Constitution? Yes, but it will be a complicated process", LATimes.com, August 31, 2009
- n. "Charting a way out of the mess in the Capitol", LA Times, August 27, 2009
- o. "Editorial: Keep Williamson Act protection alive", Visalia Times-Delta, August 27, 2009
- p. "Rep. Miller hopeful about health care bill's chances", Contra Costa Times, August 25, 2009
- q. "Fixing Delta comes with a high price tag", Inside Bay Area, August 25, 2009
- r. "Stormy Skies Ahead", California Budget Project, August 24, 2009
- s. "Thomas Elias: Constitutional convention: Can of worms?", The Californian.com, August 24, 2009
- t. "Poll: 57% don't see stimulus working", USA Today, August 24, 2009
- u. "California might be governable after all", Inside Bay Area, August 22, 2009
- v. "Sales tax revenue plummets, cities suffer", SFGate.com, August 22, 2009
- w. "PARKS:Cheaper gasoline, free weekends drive up visitor numbers", E & E Publishing, August 20, 2009
- x. "Battle lines drawn on water: Issues of conveyance, governance and financing", California Progress Report, August 19, 2009
- y. "California government reform proposals begin to take shape", LA Times, August 12, 2009

- z. "Package of State water bills seek to balance thirst of water users and environment", Contra Costa Times, August 17, 2009
- aa. "Group airs proposals for California government overhaul", Sacramento Bee, August 15, 2009