

LEGISLATIVE UPDATE

February 12, 2008

Proposed Governor's 2008-09 State Budget- Work Continues

The Legislature continues to work on the Governor's proposed 2008-09 State Budget proposal. The legislative budget subcommittees on Education Finance have completed the first round of review of the Governor's proposal. It is unclear however what the next steps in the process will be in light of the fact that the Legislature has 45 days to submit a bill to the governor. Legislative Budget Committee hearings have been scheduled for this week.

As called for in Prop 58 approved by the voters in March 2004, the governor declared a "state fiscal emergency" on January 10 giving lawmakers 45 days to address the emergency (until February 23rd). There are questions however as to what happens if the Legislature does not pass a bill to the governor or if the governor vetoes the bill forwarded by the legislature. Per Prop 58, "the Legislature may not act on any other bill, nor may the Legislature adjourn for a joint recess, until that bill or those bills have been passed and sent to the governor".

The Office of the Legislative Counsel (legal arm of the Legislature) states that lawmakers do not have to submit a balanced budget in order to "address" the state's fiscal emergency and that they can continue its policy work and recess for up to 10 days even after a 45-day deadline to address the state's fiscal emergency has passed. It is also unclear as to what could happen if the governor finds the Legislature's proposal unacceptable. Prop 58 does not provide the governor recourse if the legislative body fails to pass a bill reducing spending. What is clear is that leadership of both houses stated they would meet the deadline. Democratic leaders are expected to negotiate with the GOP leaders and forward to the Governor a different budget plan.

As was reported earlier, lawmakers must deal with a projected state budget deficit of \$14.5 billion and \$800 million in proposed cuts in the current year's budget. As was previously stated, the Legislative Budget Committees are scheduled to meet this week. Stay tune for further budget news.

California's Primary Election

As you know, February 5th was California's primary election day. California moved its primary election to February in order to be more "relevant" in the presidential election process. Political pundits have stated that has occurred supported by the special attention given to California by the presidential candidates.

So what were some of the results of the primary election? With regards to the Democratic candidates Hillary Clinton received 52% of the votes cast to Barack Obama's 42%. At last count the candidates are still neck-and-neck in the all important delegate count heading into the August convention, where the final candidate selection will take place. John McCain received 42% of the Republican votes cast and Mitt Romney received 34% of the votes. However in this case, John McCain will be the Republican Presidential candidate since Mitt Romney chose to drop out of the race.

Please bear in mind that the final election results won't be known until all of the absentee ballots are processed. For a full count of election results, please refer to the Secretary of State's website <http://www.sos.ca.gov/>. One of the interesting statistics is the sheer number of votes cast in the primary, 4.3 million Democratic ballots to the 2.5 million Republican ballots. So it appears that California will continue as a "blue" state.

With regards to the various voting blocs, Hillary Clinton received 59% of the female vote and Obama 34%. Hillary Clinton also received the Latino vote (representing 30% of the Democratic voters) by 2-1. Barack received the white 18-29 year old vote at about 2-1 and the African American vote by an even larger percentage.

Lastly an enormous increase in voter registration and voter participation took place this year!! The opportunity to participate in an historical moment of the United States; an opportunity to elect the first woman or a "new generational leader" who is African American probably were the major factors contributing to this increase. This is great news no matter what the outcome.

So how did the ballot measures fare?

Props 91 & 92 went down in clear defeat with 41 % and 42% of the vote respectively. **Prop 91** dealt with transportation funding and **Prop 92** would have clarified Community College funding.

Prop 93 failed; 53% in opposition to 47% in support of the proposed term-limit revisions. This means that the current Speaker of the Assembly (Assembly Member Nunez) and the Senate president Pro Tempore (Senator Perata) and thirty-four other legislators, will be out of the Legislature in January 2009. The Senate wasted no time in selecting its new leader. Senator Steinberg representing Sacramento has been selected as the new Senate President pro Tempore and will replace Senator Perata at the end of the legislative year. A vote of the Assembly membership is set for March 11th if one candidate emerges with enough support to be elected Speaker.

Another term limit reform measure can reemerge only if it is coupled with a redistricting reform measure. The Governor stated he would support such an initiative if it qualifies for the ballot. Although this may be too late for the 34 legislators who term out in November, California can be better served if an honest and rational discussion of the entire term limits concept occurs.

Props 94-97, the Indian gaming measures, each received approximately 56% of the yes votes. \$80 million dollars was spent on the “yes” campaigns of these propositions, but the expected return for each winning tribe is expected to make the investment more worthwhile. It is still unclear how the state will benefit from these compacts, but the promise of assistance in these difficult budget times was a compelling reason for those who voted “yes” on the measures.