



Executive Director's Watch

CALIFORNIA
Counties

February 19, 2009

After a record-marathon 45.5 hour session, the State Senate approved the 37 bill package that has become the solution to the \$42 billion budget deficit. The Assembly quickly followed suit and the package is ready to be sent to Governor Schwarzenegger for signature.

It was not without some political arm-twisting and sausage making, though. As you know, the Senate has needed one vote to approve tax increases and adopt the budget. Senator Abel Maldonado (R – Santa Maria) was one of those identified as a potential 27th vote (Senators Cogdill and Ashburn had already indicated their willingness to vote for the budget). But, Senator Maldonado wanted to see some political reform before he was willing to cast a vote for the budget – and he got it.

What broke the logjam at about 4:30 this morning was the approval of SCA 4 which will call for an open primary for state offices (congressional offices are excepted). In addition, SCA 8 was approved which provides for financial penalties if the Legislature does not adopt a budget by June 15 of each year (as required by the Constitution). Both of these measures will be on the ballot in June 2010 and would take effect in 2012.

Another aspect of the logjam was the proposed 12 cent gas tax. This was stripped out of the tax measure and replaced by further adjustments in the income tax rates. The top rate will now be 9.55% (on millionaires) with the next bracket 9.33%.

There are eight (8) ballot measures that are part of the package. Many will be on the ballot in a special election to be held May 19; others, as noted, will wait until June 2010.

The 37 bills, when stacked on top of one another, is nearly 1 foot high. CSAC is culling through the bills and will produce a Budget Action Bulletin later today. I know there are questions about Williamson Act, social service funding reductions, ballot measures, etc. Rest assured that as soon as we have definitive answers to those issues, we will report back to you.

We are also attempting to contact the Controller's Office to find out exactly when the February 13 payment of state aid will be made, now that we have a budget. All will be forthcoming.

Enjoy the moment – our work is just beginning.

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