



California Family Resource Association

Strong Families. Strong Communities.

THE CFRA CAPITOL REPORT

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Legislature Takes on Governor's 2008-09 State Budget

Governor Schwarzenegger declared a state fiscal emergency in late-December triggering a series of events which few in the capitol truly understand because it has never been done before.

California voters-approved an initiative in 2004 that permits the governor to declare an emergency when revenues are substantially below what was anticipated upon signing of the budget. It also allows reductions midway through a fiscal year. The proposition also requires the Legislature to pass and send to the governor legislation to address the fiscal emergency within 45 days. If not, the Legislature is prohibited from acting on any other bills or adjourning in joint recess until such legislation is passed.

The declaration of a fiscal emergency starts a 45-day clock in which the legislature must come up with a proposal to close the budget deficit. And while the legislature has begun hearings to review the governor's budget proposal, so far no new proposals have been put forth by the legislature.

This is the first time Schwarzenegger has exercised the emergency authority. Since the governor signed the current budget in August, the economy has weakened, due largely to a slump in the housing market. Legislators will consider the fiscal emergency on a separate "special session" track, aside from regular business.

The state's gap between revenues and spending has become a perennial problem - one that Schwarzenegger vowed to solve immediately when he became governor during an unprecedented recall election in which Davis was ousted.

Health Care Reform Dies in Senate

The Governor's health care reform bill was killed this week by Senate Democrats, who argued that it would burden consumers, dig a deep hole in the state's deficit-ridden budget and provide a windfall to insurance companies. They joined Republicans in a 7-1 vote by the Senate Health Committee against the legislation.

The defeat of a bill that promised to cover 3.6 million Californians effectively ends any chance for major health care changes this year. Senator Kuehl who chairs the Senate Health Committee favors a single-payer government plan that eliminates insurers from the equation. The projected \$14.5 billion budget shortfall also raised concerns by members that there are no funds available for any major health care initiative.

Health care had become central to Schwarzenegger's agenda and backers suggested that passing this plan would vault him into the ranks of the state's legendary governors. Schwarzenegger vowed to continue working on health care.

Assembly Speaker Fabian Núñez, D-Los Angeles, the bill's author, wanted a deal to improve the Legislature's image and convince voters to approve Proposition 93, the Feb. 5 ballot measure that would change term limits to allow incumbents to serve longer in their current offices.

In light of the growing budget deficit, Senate leader Don Perata put the brakes on the legislation and sought an assessment by the independent Legislative Analyst's Office.

Supporters said the plan wouldn't impact the state's general fund because it had independent sources of revenues. But the assessment, released last week, said the plan could fall short, requiring money from the general fund.

Second Attempt to Strip First 5 Fails

Senator Dave Cox (R-Fair Oaks) once again attempted to de-fund county First 5 Commission through the introduction of SBX1 5 during the legislature's health care special session. The bill was strongly opposed by children's advocates as well as CFRA. Similarly Senator Cox's last effort with First 5, SBX1 5 died a quick death in the Senate Health Committee at the hands of Committee Chair Sheila Kuehl (D-Santa Monica) by a vote of 3-5.

The hearing on SB1X 5 did however generate considerable controversy as it was followed by public allegations that the state First 5 Commission was sitting on billions of dollars in unspent funds. The Sacramento Bee reported in January that the First 5 Commission had \$2 billion in unspent funds and Senator Cox took the opportunity to suggest that the funds could help the state with its massive budget deficit. The Sacramento Bee story can be found at <http://www.sacbee.com/capolitics/story/640801.html>.

Legislator Profile

This is part of a continuing series of California legislator profiles aimed at providing CFRA members insight into who is making decisions on their behalf in Sacramento.

Born in Seattle, educated in Los Angeles, and with a work history that spans the continent, Assemblywoman Patty Berg brings a broad wealth of experience to her work in the state Capitol.

A Humboldt County resident for three decades, Berg has established herself not only as one of the Legislature's most dependably progressive members, but as one of the few members whose personal integrity has earned her respect and cooperation on both sides of the political aisle.

Patty Berg earned her bachelor's degree in Sociology and Social Work from California State University at Los Angeles in 1967. Adventurous from an early age, she at various times worked in California vineyards, in a New York ad agency, and as a medical and psychiatric social worker.

By the early 1980s, her leadership potential was taking shape. She co-founded CHOICES, Humboldt County's first pro-choice Political Action Committee, and developed California's first K-12 comprehensive family life education curriculum for public schools which received national distribution. She also taught at Humboldt State University in the Psychology and Sociology Departments.

The primary focus of her public service crystalized when she became the founding Executive Director of the Area Agency on Aging serving Humboldt and Del Norte Counties. During her 19 years there, Patty Berg grew the nascent agency from a staff of 4 and with a budget of \$300,000 to fully functional service agency with 25 employees and a multi-million dollar budget. She became a leading advocate for policy change in Sacramento and our nation's Capitol by writing legislation and testifying before Congress. Patty also received the Administration on Aging award for her agency's work in developing the most comprehensive system of services for older adults in California. The Administration on Aging is the federal department that oversees the Older Americans Act programs and funding. She also founded the Senior Citizens Foundation in 1987.

Assembly leaders have recognized her expertise, and Patty Berg has become the Legislature's key thinker on aging issues. For the past six years, she has chaired the Assembly Committee on Aging and Long-Term Care. She released the nation's first policy agenda to help California prepare for the dramatic changes that will come as the Baby Boom generation moves into old age. In her third term, Patty Berg authored legislation to allow more seniors to stay safely in their own homes by changing our state policies from a sole emphasis on nursing home care.

For the past year, Berg has chaired the Legislative Women's Caucus. As chair, she highlighted the need for a working families agenda and flexible workplace policies for families so they can care for their loved ones.

Patty Berg is chair of the Assembly budget committee that oversees health and human services spending. She serves on the Assembly Health Committee, the Assembly Committee on Insurance and the State Coastal Conservancy.

The 1st Assembly District includes Del Norte, Humboldt, Mendocino, Lake, and Trinity Counties as well as parts of Sonoma County.

What's Next in the Capitol?

The legislature remains in special session for both health care, water, and the fiscal emergency declared by the governor. These three special sessions are now running concurrently with the 2008 regular session.

The legislature has until February 22nd to introduce any new bills for 2008. However, the Speaker and the Senate Pro Tem have announced that any new legislation with any state costs will be “dead on arrival” in the fiscal committee due to the states fiscal crisis.