



Tidbits from Sacramento

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BUDGET ON HOLD!!!

I expected to be able to write about the passage of the budget to the Governor. So much for expectations! As reported in the press, the Assembly passed the budget bill about 4:00 a.m. on July 20 after some stop and go negotiations between the Assembly Speaker Nunez and Assembly Leader Mike Villines accompanied by some good wine. The Assembly sent the amended budget bill, SB 77, to the Senate for concurrence and adjourned for their scheduled four week recess.

However, it appears that the Senate had a few problems with SB 77 in its amended form. The Democrat leadership was not happy with cuts taken in the Assembly and the Republican leaders wanted more cuts. After nearly 19 hours of caucus meetings and debates among both the Democratic and Republican Caucuses, the Senate could not gain the required 27 votes needed for passage of SB 77. None of the Republicans would vote for the bill.

The budget is one of the few times a 2/3 votes is required to pass legislation. The Senate is comprised of 25 Dems and 15 Reps. Republicans stated they voted against some of the issues during the budget committee process, but their votes are not relevant on controversial budget issues since the majority of the members are Democrats and only a majority vote is required.

Senator Don Perata, Pro-tem of the Senate, clearly tired and frustrated declared late Saturday morning that the Senate would be in recess until Wednesday, July 25. He also charged the Republicans with bringing their version of the budget to the Senate Wednesday. Thus the gauntlet was thrown.

Given the political heat that a delayed budget creates, I will be very surprised if the Senate does not pass the \$103 billion budget when they return on Wednesday. The State made it through the July 15th pay period, but each day creates an increasing problem for state employees and anyone doing business with the State.

HEALTHCARE REFORM IS NOT ON HOLD!

While the budget has taken center stage recently, the healthcare reform debate is alive and well. Various groups are continuing to meet and several coalitions have formed recently. The National Association of Women Business Owners-California (NAWBO-CA) will be meeting in early August to discuss positions on the various healthcare reform proposals. As Vice-President of Public Policy for this group, I will be inviting some principals engaged in writing the various proposals to join us for part of our meeting. NAWBO-CA is part of a coalition of businesses, some of which may join us for our August meeting. Many other business groups are doing the same thing.

The Democrats current version of healthcare reform is AB 8 (Nunez & Perata), which is the compromise version of AB 8 (Nunez) and SB 48 (Perata). Tidbits #8 contains the basic issues and compromises from the two bills.

AB 8 was heard in the Senate Health Committee last week, passed on a 7/4 vote and was sent to the Senate Appropriations Committee. . The Governor's proposal has not changed, nor is it expected to be changed until the actual debate begins, most likely the beginning of September. No action is expected on the bills until the full legislature returns from the summer break and negotiations begin

Other bills "waiting in the wings" include SB 236 (Runner), the Senate Republican's bill and SB 349 (Perata), clearly a placeholder. We can not forget Senator Kuehl's bill SB 840, the single payer bill, which is well positioned. It passed from the Assembly Health Committee on a 12-5 vote recently and was sent to the Assembly Appropriations Committee. Its funding bill, AB 1014 (Kuehl) is a two-year bill that would impose a variety of taxes to fund the program.

AB 1 (Laird) is quietly making its way through the process. This bill focuses on children. It would expand the current Healthy Families program to 300 % of the federal poverty level (FPL). It would also include a "buy-in" program for the children of families above the 300 % of FPL. The bill passed from the Senate Health committee on a 7-3 vote and was sent to the Senate Appropriations Committee. This is another well placed bill for quick action, if needed, when the Legislature returns in late August.

Some of the many interests involved in the healthcare reform issue are considering "what if" strategies. For instance, if negotiations between the Governor and the Legislators produce a law that is considered to be fiscally detrimental to a major entity in California, a referendum may be considered. Recall what happened after SB 2.was signed into law. Others are looking at proposals that may fend off any major fiscal issues, some of which may not be popular with certain segments of the political spectrum.

Mini-Tidbits

California's Seniors

California has the largest senior populations in the nation!!! We have over 4 million who are 65 or older and it is projected that in another 3 years, the senior population will be about 6 million (think baby-boomers). What will be the impact on the budget, taxes, housing, healthcare, etc? Who will be paying the taxes to care for the senior population???

New York Times (7/6/07)

"There is no better measure of the power of the healthcare issues than this: Sixteen months before Election Day, presidential candidates in both parties are promising to overhaul the system and cover more – if not all – of the 44.8 million people without insurance."

Congressional Race – 37th District

Laura Richardson (D), currently a new Assembly Member this year has won the 37th District Congressional Dem Primary. She now will face her Republican, Green Party and Libertarian candidates on August 21. Since none of the opponents are a serious challenge to Richardson, she will be representing the 37th Congressional District, effective immediately after the August 21 election. This means another contest will be held to fill her vacant Assembly seat. Term limits has produced more and more elections as those who come to Sacramento seem to keep their eye out for a political position that is not term limited – city councils, boards of supervisors, and congressional seats top the list of "favorite" types of political positions.