



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

January 13, 2004

Board of Supervisors  
GLORIA MOLINA  
First District

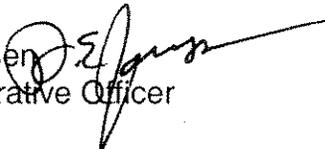
YVONNE BRATHWAITE BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: David E. Janssen   
Chief Administrative Officer

**SACRAMENTO UPDATE -- LEGISLATIVE ANALYST'S (LAO) OVERVIEW OF THE GOVERNOR'S BUDGET**

Today the LAO released its "Overview of the Governor's Budget" which is available on their web site at [www.lao.ca.gov/budget\\_overview130104\\_budget\\_overview.htm](http://www.lao.ca.gov/budget_overview130104_budget_overview.htm) (or .pdf for Adobe Acrobat).

The LAO's assessment of the Governor's Budget is generally positive, noting its realistic revenue and caseload assumptions, as well as real, ongoing budget solutions that address approximately 63 percent of the structural budget problem. As a result, they describe it as "a solid starting point for budget deliberations."

However, the LAO raises a number of questions and concerns for consideration by the Legislature including:

- Over \$2 billion of assumed savings/revenue (corrections, tribal gaming, pension obligation bonds, Medi-Cal provider rate cut) are at risk of not being fully realized;
- The structural budget deficit is reduced but not eliminated so that even assuming all of the questionable revenue, the State still faces a \$6 billion deficit in FY 2005-2006;
- Given "far reaching effects of the proposed budget reductions on state programs" and the magnitude of the remaining structural budget deficit, should additional revenues be considered?
- While the budget promises major reforms and restructuring to achieve savings, many of the details remain to be developed and unless provided in a timely fashion, the Legislature will not have adequate time to consider and adopt them to achieve the savings; and
- In order to maximize ongoing budget solutions, the Legislature needs to act early and decisively.

The LAO is scheduled to release its detailed analysis of the Governor's Budget on Wednesday, February 18, 2004. In the meantime, the Senate Budget and Fiscal Review Committee has tentatively scheduled a budget overview hearing for Thursday, January 29, 2004.

### **Status of County-Interest Legislation**

Yesterday, on a vote of 77 to 0, the Assembly concurred in Senate amendments to **County-sponsored AB 44 (Pacheco)**, sending the bill to the Governor. This measure, which contains an urgency clause, would address technical issues regarding the notification of various parties of juvenile court proceedings to determine, review, revise or terminate the status of a child as a dependent child of the court.

**County-opposed AB 1320 (Dutra)** which would have allowed for expansion of transit villages and weaken current law that curbs redevelopment abuse, was amended on January 5, 2004. The amended bill deletes provisions related to expansion of transit villages and weakening of existing redevelopment law. Our Sacramento Advocates will change the County's position on AB 1320 from opposition to no position.

**County-supported AB 1663 (Dutra)**, which would delete the sunset date for the authorization of the \$1.00 fee assessment on each vehicle registered with the County to finance the Task Force for Regional Autotheft Prevention program, was amended on January 12, 2003 to extend the sunset date to January 1, 2010. AB 1663 passed out of the Assembly Transportation Committee on a 15 to 0 vote and will be sent to the Assembly Appropriations Committee.

**County-opposed SB 18 (Burton)**, which would create a procedure in the California Environmental Quality Act for the Native American Heritage Commission to determine if a proposed project adversely affects a traditional tribal cultural site and to recommend project changes and mitigation measures, was placed on the Assembly inactive file at the request of Assembly Member Chan on January 8, 2004.

We will continue to keep you advised.

DEJ:GK  
MAL:JF:JL:lm

c: Executive Officer, Board of Supervisors  
County Counsel  
Local 660  
All Department Heads  
Legislative Strategist  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants