

CLEAR COMMENTARY June 4, 2020

We Think Our Way's Better

Late Wednesday the Senate and Assembly jointly announced they are simpatico on a state budget. It just so happens that their simpatico veers wildly from what the governor proposed last month, setting the stage for a two against one (but a very big one) debate as both legislative leaders sharpen their arguments for the final negotiations with the governor on the 2020-2021 state budget.

<u>The bilateral deal</u> largely resembles what the Senate budget committee passed last week, largely avoiding healthcare, social services, and K-12 education reductions, whereas the governor's May Revision plan largely relies on trigger cuts for these and other services if the federal government fails to provide roughly \$14 billion in aid.

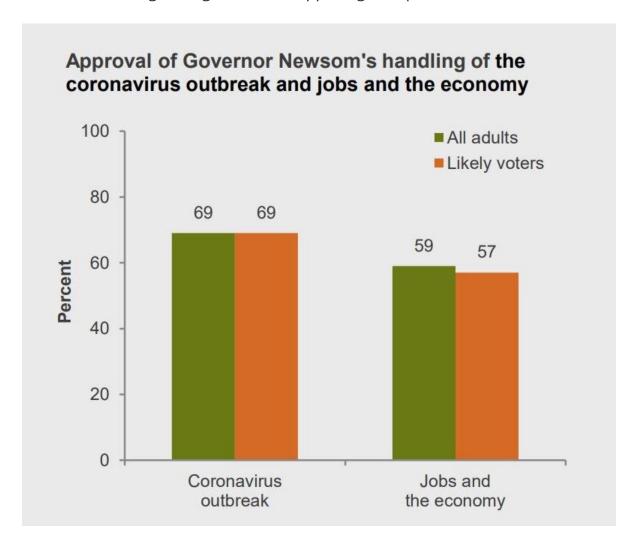
Legislative leaders will need to reach an agreement with the governor before the fiscal year that starts July 1. Depending on whose numbers are to be believed, California faces a projected \$54 billion deficit. The Legislature is expected to vote on the main budget bill and trailer bills by or before their June 15 budget deadline. Having hashed out their minor differences already in private, it appears the two houses will not convene a conference committee.

We will be closely monitoring the fine details that are often slipped into the numerous budget trailer bills.

The Public: Good Job, Governor

The most recent PPIC poll released on Thursday gives Governor Newsom an extraordinarily high 65% approval rating for his handling of the COVID crisis. Compare that to President Trump who gains less than 35% approval -- but this is California. Other interesting findings are that 58% fear contracting COVID and more than 70% believe current social restrictions should continue.

Despite budget shortfalls and a worsening economy only 32% believe increased taxes is the answer. This is a good sign for those opposing the split-roll tax.



Dr. Gilbert, We Hardly Knew Ye

In a surprise to all capitol watchers, this week Director of the Department of Health Care Services, Dr. Bradley Gilbert, submitted his resignation after only four months in the position.

As DHCS director, Dr. Gilbert was in charge of the state's \$104 billion Medicaid program (which is expected to see enrollment increase by 2 million people who lost health benefits during the virus).

Upon accepting the job four months (a lifetime) ago, his charge was to overhaul the state Medi-Cal program, such as integrating behavioral and physical health systems, revamping the way the state purchases prescription drugs, and redefining homelessness as a healthcare priority, all of which intended to save the state \$695 million in the coming budget year.

But that was then, and this is now. Those that know suggest reducing services for those most in need was not the job Dr. Gilbert signed up for. Many names are being floated as a successor. We will leave it there.

While You Might Like it, We Don't

Said just about everybody testifying this week in the Assembly Rules Committee hearing on Assembly Constitutional Amendment 25, which would allow legislators to vote remotely during a declared state of emergency.

ACA 25 was approved on a bipartisan basis, but still needs a 2/3 majority vote in both chambers before it may be placed on the November ballot, where voters must approve before becoming law.

Why the tension?

Recall that during the virus crisis Governor Newsom had singular control of the state's decision-making process to address the multi-faceted crisis. Recall the legislature was in recess and there was no oversight during their absence. And recall that some of the more senior legislators have been reluctant to return to the Capitol fearing risk of exposure to COVID.

Enter ACA 25.

What might initially appear to be a reasonable proposal, the constitutional amendment faced a rarity: organized opposition from Capitol lobbyists (how often do lobbyists personally oppose such things?).

The Institute of Governmental Advocates (IGA), which represents Capitol lobbyists, warned that given ACA 25's vague legal definition, open-ended nature and frequency of states of emergency, it would authorize the Legislature to act in the dark at almost any time it so desires." Continuing and closing with, "The Legislature should never reject, even in the face of crisis, the structural underpinnings of our representative democracy as enumerated in our State Constitution."

In a unicorn-like showing of John Q. Public being in accord with lobbyists, the public at large opposition to ACA 25 was also well organized and vocal, albeit utilizing more...colorful arguments.

For the viewing public (and us) the public comment period was, in a word, "spicy." In the time of COVID-19, public comment is allowed remotely by telephone (what could possibly go wrong with that?). One opponent suggested that the Legislature could create reasons to switch to remote voting, such as space alien invasions or gubernatorial hemorrhoids.

No, really.

For additional perspective, look <u>here</u>.

The formal IGA letter may be found <u>here</u>.

Get Outside - Daily

One of us is an avid runner, fortunate to live within a mile of the American River parkway, and looks forward to mornings by the river. On any given day, spotted are geese, ducks, turkeys, deer, squirrels, skunks, raccoons, an occasional river otter and in the Fall, the salmon migration. But best of all – the quiet. We have found an hour of quiet provides time to prepare for the day and reflect on problem solving. This week looking at Lake Natoma – all alone.

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