

Memorandum

To: Chair and Commissioners

Date: December 30, 2008

From: John F. Barna, Jr.
Executive Director

File No: Reference # 4.1

ACTION

Ref: State and Federal Legislation

Issue:

Does the Commission wish to consider bills of interest to it?

Commission staff will report on bills introduced by the Legislature. The Legislature has been in special session dealing with the projected budget shortfall. (Commission and Caltrans staff will brief the Commission about the proposed FY 2009-2010 budget under a separate agenda item.)

Recommendation:

Last month the Commission decided it would discuss its policy for bills in a given topic area prior to taking a position. The Commission, as appropriate, should elucidate for staff its policy for a given topic area and may direct staff to confer with the Executive Committee to clarify the Commission's policy.

Background:

In December after the failure of the lame duck Legislature to deal with the projected budget shortfall, the Governor called the new Legislature into special session. Under Proposition 58 (2004), if the Governor determines the state is facing substantial revenue shortfalls or expenditures may result in deficit spending, the Governor may declare a fiscal emergency. After declaring the fiscal emergency, the Governor, as required, proposed legislation to address the budget shortfall. The Legislature has 45 days to address the budget problem. Proposition 58 also prohibits most future long-term borrowing to cover budget shortfalls.

To date the Legislature has met the Proposition 58 requirements. The bills are enrolled and technically to the Governor, but no action has been taken while the Legislature's majority leaders meet with the Governor to address the Administration's issues.