

CAPITOL ALERT JANUARY 11, 2017 6:00 AM

# Rapid response to Jerry Brown’s budget plan tries to sway final deal



## Capitol Alert

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Gov. Jerry Brown proposes a budget for 2017-18 fiscal year on Jan. 10, 2017. **Randy Pench** - rpench@sacbee.com

By Alexei Koseff

Forecasting an impending economic downturn that would give California billions of dollars less to spend than anticipated, Gov. **Jerry Brown** urged caution in the preliminary budget proposal [he unveiled yesterday](#). But that didn't stop interest groups from quickly calling on him to boost support for a wide array of issues they say have reached a crisis point from state inaction or face an imminent threat from the federal government.

Will Brown and the Legislature heed these concerns by the time a final budget deal is passed in June? Here's how major voices on some of California's most significant political problems are trying to sway the conversation in the coming months.

## **Transportation**

The **Fix Our Roads Coalition**, an organization of business, labor and local government groups:

“Given the promise made by Governor Brown, Pro Tem de León and Speaker Rendon at the close of the Special Session on Transportation, when they said they would be ‘tackling this issue early in the new year’, the Fix Our Roads Coalition is ready to support the governor and the legislature to get a deal in the next few weeks, not wait until May or June.

“The Fix Our Roads coalition believes a package must include at least \$6 billion in new revenues annually to prevent the further deterioration of our local streets and roads and to make a dent in the overwhelming transportation improvement backlog. Additionally, the package needs strong reforms to ensure the money goes to transportation purposes and is responsibly spent.”

## **Housing**

**Ray Peal**, executive director of the **California Housing Consortium**, which advocates for affordable homes:

“California leaders have made a commitment to defend our state’s ideals of inclusion and opportunity, yet the budget released today allows an unprecedented housing crisis to continue taking a human and economic toll that undermines these values.

“Despite the state’s Department of Housing and Community Development acknowledging that too little housing investment impedes economic growth, today’s budget offers no new investment to jump-start affordable home construction and improve our worst-in-the-nation poverty ranking.

“Without a bold commitment to new investment, the housing market will never reach a segment of the most vulnerable Californians, including seniors, veterans and the lowest-paid workers, locking them out of a safe place to raise their families and attain health.”

## **Health Care**

**Anthony Wright**, executive director of **Health Access California**, a consumer health care advocacy organization:

“This budget continues support for the Medi-Cal programs which cover 14.3 million Californians and is a pillar of our health system. California voters understand the importance of Medi-Cal, having just voted in three separate ballot measures to invest in the program, even raising taxes twice to do so. We need to heed the voter’s choice and protect Medi-Cal from cuts, including those we see coming from the federal fight over the Affordable Care Act. Governor Brown and California voters deserve significant credit for balancing California’s budget, but that hard-won progress could be undone by these proposed Congressional cuts.”

## **Cap-and-trade**

**Catherine Reheis-Boyd**, president of the **Western States Petroleum Association**:

“The Governor, as part of his 2017-2018 Budget, has proposed to authorize California’s cap-and-trade program beyond 2020. The proposal would include a 2/3 vote to allow the State to continue to raise billions of dollars. WSPA and its member companies believe focusing on a market mechanism to achieve California’s climate goals is the prudent approach.”

“Where today’s proposal falls short is that it simply layers the cap-and-trade program on top of costly and counter-productive command-and-control measures, disregarding the increasingly important role of cost containment. WSPA looks forward to working with the Governor and the Legislature on a climate program that works towards achieving California’s climate goals while protecting the economy and California families, consumers and businesses.”

## **Immigration**

The **One California Coalition**, a collection of community groups focused on immigrant rights:

“We appreciate Governor Brown’s comments recognizing the importance of protecting all of our California residents in the face of increased deportations by the federal government. However, the Governor’s continuing baseline \$15 million allocation does not meet the realities of continuing the state’s commitment to DACA recipients and immigrants eligible for citizenship, along with a critical expansion of due process protections through state-funded legal counsel for all individuals who may go through immigration court proceedings in California.

At a time when immigrants and their families are under attack by the flagrantly hateful rhetoric of our President-elect and his closest advisors, targeted by unscrupulous notarios or fraudulent immigration consultants, and facing increasing naturalization costs, California must expand and build capacity for immigrant integration services.

**FISCAL REPLAY:** Miss the budget roll-out? Watch our Facebook Live [replay](#).

**WORTH REPEATING:** “A beer tax increase is common sense, fiscally responsible, and long overdue.” - **Bruce Lee Livingston**, director of Alcohol Justice, suggesting a quarter-a-beer tax in California

**VIDEO OF THE DAY:** At his Assembly confirmation hearing yesterday, Attorney General nominee **Xavier Becerra** proposed a [beer summit to discuss religious liberty](#) with Assemblyman **James Gallagher**, R-Yuba City.

**BY THE NUMBERS:** How expensive are the 13 state labor contracts that are going to ratification votes this month? About \$100 million more than Brown’s team estimated when it tallied up the costs of the deals, according [to a new report](#) from the **Legislative Analyst’s Office**. The state Human Resources Department estimates that the deals will increase spending on compensation by \$2 billion in 2020. But the new analysis suggests the total cost may be closer to \$2.1 billion that year, mostly because of increased overtime. The analysis also suggests the labor contracts could swell spending on pensions beyond what the Brown administration anticipates, and they may prompt managers to call for higher raises in coming years.

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