

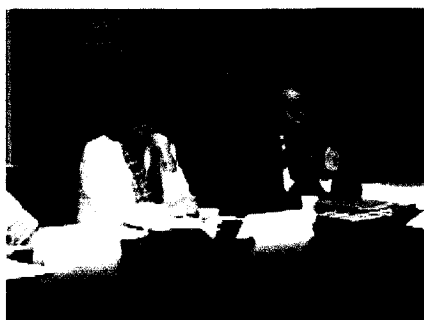
FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

February 10, 2006
Issue #6-2006

BUSH BUDGET PROPOSAL CUTS CDBG BY 25 PERCENT

The Bush administration released a \$2.77 trillion FY 2007 budget proposal last week that would increase overall spending by 2.25 percent above last year's budget. Non-defense discretionary spending, however, was cut by \$2.2 billion from current levels, touching programs that are important to cities. *For more, see Page 2.*



Caltrans Director Will Kempton addresses with League Infrastructure Task Force.

LEAGUE INFRASTRUCTURE TASK FORCE CONSIDERS STATE PROPOSALS

The League's Infrastructure Task Force met on February 7 to review the various infrastructure bond proposals put forward by Gov. Arnold Schwarzenegger, Senate pro Tem Don Perata, Assembly Speaker Fabian Nunez and other legislators. *For more, see Page 3.*



SUNSHINE WEEK SPOTLIGHTS IMPORTANCE OF OPEN GOVERNMENT

A newspaper or TV station in your town may be taking part in "Sunshine Week," a week of recognizing the importance of preserving open government, on March 12-18. *For more, see Page 2.*

WANT MORE DETAILS ON BILLS?

Visit the League of California Cities website at www.cacities.org/billsearch.

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CDBG from page 1

A key concern for cities is the **Community Development Block Grant (CDBG)** program. The budget proposes that this program would remain at the Department of Housing and Urban Development (HUD) – something that the League of California Cities and its members, along with cities throughout the nation, fought successfully to retain last year. The budget proposal, however, reduces the CDBG program to \$3.03 billion — 25 percent lower than its current funding level of \$4.18 billion.

In Washington, D.C., the National League of Cities (NLC) joined with a coalition of organizations representing local elected officials, cities and counties, and housing and community development organizations, in calling on Congress to reverse the CDBG cuts. If approved, the \$1 billion cut for formula grants for cities and states would represent the lowest level of funding for this program since 1990.

NLC and the national coalition also expressed concern that the 25 percent reduction in CDBG funding will pose serious threats to cities' ability to provide important services and economic recovery for their citizens. (For more information on NLC's reaction to the federal budget, and the coalition of other national organizations working with NLC, please visit www.nlc.org.) To view a list of budget proposals for key federal programs of interest to city, visit the League's Federal Issues page at www.cacities.org/fedpriorities.

Why CDBG Matters

CDBG is an important tool used by local and state officials as they tackle their most serious community development challenges. It provides funding for public works and infrastructure, decent affordable housing, public services and economic development. Many of these activities are carried out at the local level by private companies, such as construction contractors, plumbers and electricians, as well as by non-profit community-based providers.

Because of its flexibility and use in a variety of projects, local and state governments and devel-

opment officials have come to rely on the program as the cornerstone of any new community revitalization effort. **Every dollar of the CDBG program invested in communities is leveraged by three dollars in private funding**, bringing much-needed investment, jobs, and the chance for a fresh start to blighted communities.

Last year, a national coalition that included thousands of cities, counties and other local organizations, successfully convinced Congress to reject the Bush administration's proposal to eliminate the CDBG program in the FY 2006 federal budget. Members of Congress were impressed with the number and scope of projects made possible by the CDBG program in urban and rural communities. Just a few months ago, the Bush administration and Congress recognized once again the effectiveness of the CDBG program and delivered \$11.5 billion in targeted CDBG funding to the Gulf Coast for reconstruction activities after the 2005 hurricane season.

The League of California Cities board of directors will meet February 10-11 to consider this issue and others when it adopts federal priorities for the League in 2007.

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SUNSHINE from page 1

In its second year, this national event features participating daily and weekly newspapers, magazines, online sites, and radio and television broadcasters running editorials, op-ed columns, and other content focused on driving public discussion about why open government is important to everyone, not just journalists.

Last year, 50 news organizations in California participated in the event. This year, Hodding Carter III, an award-winning print and broadcast journalist, former State Department spokesman, and past president of the John S. and James L. Knight Foundation, has joined the Sunshine Week national open government initiative as honorary chairman.

For more details on Sunshine Week, visit www.sunshineweek.org.

LEAGUE INFRASTRUCTURE TASK FORCE CONSIDERS STATE PROPOSALS

The group was appointed last month by League President Alex Padilla, a member of the Los Angeles City Council. The task force of city officials was drawn from the leadership and membership of four different League policy committees and the executive committee of the League. Chaired by League First Vice President Maria Alegria, mayor of Pinole, the group's mission is to review the infrastructure proposals that have been introduced and formulate preliminary League positions for consideration by the League board of directors at its February meeting.

At the February 7 meeting, the task force reviewed the proposals and underlying issues in the full range of infrastructure proposals put forward by Gov. Schwarzenegger and state legislators. Caltrans Director Will Kempton was on hand for a portion of the meeting to present the governor's proposals relating to transportation infrastructure and answer questions.

Recommendations Sent to League Board of Directors

The task force developed a number of recommendations that will be presented to the League board, including general principles to guide future League decisions about proposals.

These recommended principles relate to the importance of developing a long-term capital investment plan and budget; protecting existing infrastructure revenues, such as Prop. 42 transportation funds; investing so as to maximize existing infrastructure; using state investments to leverage investments by private parties and others in state-local priorities; state support for expanding the authority of local agencies to raise funds needed to meet local needs, or to fund urban infrastructure needs; and selecting projects based on their merits – not on legislative “earmarks.”

**For more information on this and
other League issues, visit
www.cacities.org.**

FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

February 17, 2006
Issue #7-2006

LEAGUE BOARD OF DIRECTORS ADOPTS INFRASTRUCTURE RECOMMENDATIONS

The League's board of directors has adopted principles to guide the League's advocacy work on state infrastructure proposals, as well as specific recommendations regarding infrastructure for transportation and goods movement, housing, water and wastewater, flood control, libraries, schools and public safety. *For more, see Page 7.*



PROP. 42 "FIX" INITIATIVE CAMPAIGN KICKS OFF IN SACRAMENTO

A news conference to promote the launch of a Proposition 42 initiative signature-gathering campaign was held on Thursday, Feb. 16, at the future site of the new Inter-modal Station in downtown Sacramento. *For more, see Page 8.*



Elk Grove Mayor Sophia Scherman signs petitions to place Prop. 42 reform initiative on Nov. 2006 ballot.



LEAGUE URGES CITIES TO LOBBY CONGRESS TO RETAIN CDBG FUNDING

The League is urging cities to contact their California representatives in Congress, to ask them to reject the president's proposal to reduce funding for the community development block grants (CDBG) program. The administration is proposing to fund the program at \$3.03 billion - 25 percent lower than its current funding level of \$4.18 billion. *For more, see Page 7.*

WANT MORE DETAILS ON BILLS?

Visit the League of California Cities website at www.cacities.org/billsearch.

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TELECOM IN THE NEWS

San Ramon Negotiating with AT&T on Project Lightspeed

The San Ramon City Council voted 3-0 to authorize an agreement with AT&T that would bring Project Lightspeed, a combination video, high-speed Internet and phone service package, to city residents.

Although an agreement has yet to be reached, the city and the telecommunications giant are in negotiations, even though San Ramon has a local franchise agreement with Comcast. AT&T contends it is not cable service as defined under San Ramon municipal code, state law or federal law, and therefore can provide the bundled telecommunications services.

For the complete story, visit www.contracostatimes.com and search for the article titled "City's Budget, Financial Goals Top Agenda."

Walnut Creek, Livermore, Not in Agreement with San Ramon

As San Ramon makes plans to form an agreement with AT&T for the telecom giant's Project Lightspeed, the cities of Walnut Creek and Livermore have rejected similar proposals.

Although telecommunications companies began to install above-ground equipment to provide the bundled service upgrades, Walnut Creek and Livermore have stopped installation of those cabinets over concerns while a definition of Internet Protocol Television (IPTV) is established under state and federal law.

For the complete story, visit www.contracostatimes.com and search for the article titled "San Ramon Welcoming AT&T Plan, Livermore, Walnut Creek Aren't."

Microsoft Backs AT&T, Favors Federal Telecom Regulation

Bill Gates, the founder of Microsoft Corp., announced that he's in favor of federal telecommunications regulation that would reduce or eliminate local franchise agreements – which he views as barriers to entry.

The position backs the stance of AT&T, and was stated in comments filed at the Federal Communications Commission on February 13.

For the complete story, visit www.multichannel.com and search for the article titled "Microsoft Backs AT&T on Franchising."

Telecos Pledge to Pay Same Franchise Fees as Cable

Telecommunications giants Verizon and AT&T testified at a U.S. Senate Commerce Committee on February 15, that they would pay the same franchise fees as cable companies if the U.S. streamlines the franchising process.

In addition, Verizon CEO Ivan Seidenberg promised that his company would carry public, educational and government (PEG) channels, and that Verizon supports preserving local governments' authority over rights-of-way.

For the complete story, visit www.broadcastingcable.com and search for the article titled "Seidenberg, Whitacre Pledge To Match Cable Fees."

MuniWireless.com Founder Predicts Telcos Will Become Wholesale Providers of Broadband Access

The founder of muniwireless.com, a website devoted to municipal wireless broadband projects worldwide that are funded or supported by cities and towns, predicted telcos such as BellSouth will ultimately provide broadband access on a wholesale basis to other providers - entertainment and gaming companies, portals like Yahoo, applications providers like Microsoft and search engines such as Google.

Among her reasons, she cites site search engines such as Google partnering with municipalities, Internet service providers, and content providers to offer free Internet access and voice calls.

For the complete story, visit www.tropos.com and search for the article titled "Bold Prediction: Telcos Will Become Wholesale Providers."

HIGHLIGHTS OF THE LEAGUE BOARD MEETING FEBRUARY 10-11, 2006, LOS ANGELES

Board Considers Telecommunications Reform. The board considered a policy framework for telecommunications reform proposed by the League telecommunications subcommittee. It also heard presentations from three representatives of the cable and telecommunications industries engaged in providing video services. This is a major issue at both federal and state levels of government, and represents a significant challenge to local control and local revenue.

The board provided guidance on the positions the League should adopt and directed staff to revise portions of the proposed recommendation. The board will meet again soon to adopt a policy framework for the League position which will be published on the League website. Issues addressed in the policy framework include:

- protection of existing revenue base,
- local control of the public rights-of-way,
- access to services by all residents,
- support for government access and public education, and
- customer service protection.

2006—Year for Infrastructure Investment.

The League's top goal for 2006 is to expand infrastructure investment. The League's infrastructure task force, chaired by First Vice-President Maria Alegria, outlined a series of principles to guide the League's advocacy in support of infrastructure investment which the board approved with some modifications. The policies address a wide range of infrastructure needs including transportation, housing, water and wastewater, flood control, libraries, school construction, and public safety and can be found at www.cacities.org/infrastructure. The board also voted to support the library bond proposed for the June ballot.

Reaffirmation of Support for Prop. 42

Reform. The League is part of a coalition composed of labor, management, construction contractors and local governments supporting the "Campaign to Fix Proposition 42." The League's support

for the measure, currently being circulated for signatures, will include assisting with signature gathering and supporting earned media activities. The board authorized use of funds available in the Save Our Services (SOS) account to support staff costs for the campaign. City officials are encouraged to fully support the campaign in compliance with terms of the Political Reform Act.

Board Names 2006 Nominating Committee. The board appointed a nominating committee to nominate League officers and at-large directors. In accordance with the bylaws, the committee consists of eleven members, including representation of eight designated regional divisions, one League department and two at-large directors. Robert Jehn, councilmember of Cloverdale, will serve as chair, and the committee will report its recommendations at the annual conference in September. Any city official who wishes to communicate with the nominating committee or to be considered for the position of second vice-president or at-large director may contact the committee through Mimi Sharpe at msharpe@cacities.org or (916) 658-8232.

Federal Priorities. The board approved priorities the League will address with the assistance of its Washington lobbyist this year, including telecommunications, homeland security and disaster preparedness, community development funding, tax reform, and funding for key city programs.

Congressional Leader of the Year Awards.

The board voted to recognize two members of the California Congressional delegation for their outstanding contributions to the cities of California: Congressman Gary Miller (R-CA-42) for his efforts to preserve the CDBG program and Senator Dianne Feinstein (D-CA) for support of city positions on CDBG, homeland security and eminent domain.

4TH QTR 2005 NATIONAL ECONOMIC DEVELOPMENT SURVEY RESULTS

Results from the Fourth Quarter 2005 National Survey of Economic Development Professionals were recently released. The survey examines economic development industry trends across the United States, comparing current activity levels and economic program impacts.

Data from the survey indicated that prospect activity was up and is expected to continue rising in 2006. While project quality was rated as down, respondents in the survey indicated their feelings regarding the national economy has improved since the third quarter of 2005.

Overall, the survey includes a series of measures analyzing economic development activity in four categories including marketing levels, project quality/size, current views of economic conditions, and impact of the current economy on economic development programs.

For complete survey results, visit www.gpec.org/edsurvey/results.html.



ICMA RELEASES RECORDS MANAGEMENT BOOK

The International City/County Management Association (ICMA) has published *Electronic Records Management*, a book designed to clearly and concisely go over issues associated with records management in local government.

Electronic records present a new challenge to those responsible for records management in local government – city managers, clerks, information managers, and elected officials. The book discusses the broad goals of record management and explains to readers how to transition to a digital record-keeping environment.

For more information, visit www.bookstore.icma.org and search for item number 43353, or call (800) 745-8780.

CALIFORNIAN TO HEAD THE HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE

Rep. Howard P. "Buck" McKeon (CA) was named on February 15 to serve as Chairman of the House Committee on Education and the Workforce.

The appointment was made after a vote by all of the Republican Members of the House of Representatives pursuant to a recommendation of the House G.O.P. Steering Committee.

"This is a great honor and a great challenge," said McKeon, who represents the 25th CD (Santa Clarita). "I am obviously pleased and flattered that my colleagues selected me for this opportunity.

I hope to work with members on both sides of the aisle to fashion legislation that will truly meet the needs of the 21st century economy."

Rep. McKeon joins several of our other prominent California representatives holding leadership positions in the House, presenting new opportunities for California cities to make their concerns heard in Congress. Other Californians holding leadership positions in the House include Rep. Jerry Lewis, (Chairman, Appropriations Committee) Rep. David Dreier, (Chairman, Rules Committee), Rep. Bob Thomas, (Chairman, Ways and Means Committee), as well as Democratic Minority Leader Nancy Pelosi from San Francisco.

McKeon, who has served on the House Education and the Workforce Committee since 1993, and has been Chairman of the Subcommittee on 21st Century Competitiveness since 1995, based his campaign for the chairmanship on a pledge to address the "New Realities" of the global economy.

"The new realities that I discussed in my chairmanship bid are an economy that is worldwide, high tech, and highly competitive. The edge that America brings to the table is innovation and adaptability. If we lose that then we will lose not only our standard of living, but our position of global leadership," added McKeon.

Specifically, McKeon has said that he wants to improve the quality of American education, train the workforce to adapt to a high tech global economy, and make regulations that are more streamlined and less costly.

WITH NLC PROGRAM, CITIES SAVE MONEY THE OLD FASHIONED WAY

BY MARC SHAPIRO

It is not often that a city can take no risk in order to gain significant savings. A program sponsored by the National League of Cities — the U.S. Communities Government Purchasing Alliance — provides this opportunity for savings every day to its member cities and all cities and towns.

Established in 1996, U.S. Communities now offers 12 competitively solicited contracts, ranging from basic office supplies to emergency homeland security equipment.

These contracts have been solicited by large cities and counties on behalf of all local and state governments.

As a result, any city, county, school or other public agency with statutory authority to use cooperative purchasing agreements may piggyback on these contracts.

“NLC is pleased to be a national sponsor of U.S. Communities,” said Donald J. Borut, NLC executive director. “Working with and through our network of state municipal leagues, we are able to inform our members of the opportunities for both cost savings and administrative savings in typical and emergency government purchasing, and to bring the best government pricing to the smallest of local governments.”

Borut was elected vice chair of the U.S. Communities Board of Directors at its annual meeting early this month.

In 2005, more than 12,000 public agencies purchased goods and services valued at more than \$600 million through U.S. Communities.

According to program estimates, U.S. Communities contracts have saved cities, counties and other public agencies more than \$1 billion in purchasing costs since 1999.

The two most recent contracts further enhance and expand the products available through U.S. Communities.

A new contract for homeland security solutions was awarded to Hagemeyer North America last December.

The competitively solicited contract provides first responders and other public agencies across the country access to a broad range of security, safety, law enforcement and fire equipment without the need for additional solicitation. And last month, a contract was awarded to Home Depot to provide maintenance, repair and operations products.

Also last month, after reviewing proposals from several national and regional companies, U.S. Communities renewed the contract for office and school supplies with Office Depot. The new contract features significant pricing and program improvements, including an “Everyday Office Essential” catalogue of 4,500 items now discounted at 70 percent off list price (formerly 63 percent off). The core list for office supplies has also been expanded from 300 items to 500 items.

The office and school supply contract continues to offer best procurement practice solutions for participating cities and towns, including free next-day delivery, just-in-time purchasing, electronic and telephonic ordering, incentives for electronic ordering, incentives for volume purchasing and customer-friendly return policies.

“The U.S. Communities contracts we’ve used, especially the Office Depot contract, have provided both efficiency and cost savings,” said Jim McIntyre, buyer supervisor for the City and County of Denver. “I would recommend U.S. Communities contracts to any purchasing department looking to save time and money,” he added.

The U.S. Communities program is easy to use.

There is no fee to participate, no minimum spending and only a simple electronic registration is required.

Any city or town may register online for the

Continued on Page 9

LEGISLATIVE CONFERENCE COMMITTEE CONSIDERS INFRASTRUCTURE PROPOSALS

A bi-cameral conference committee held its first hearing on February 16 to consider infrastructure proposals and concepts proposed by the governor and legislative leaders.

Chaired by Sen. Kevin Murray (Los Angeles), the committee also includes Sens. Wesley Chesbro (Arcata) and Dennis Hollingsworth (Murrieta), and Assemblymembers John Laird (Santa Cruz), Judy Chu (Monterey Park) and Rick Keene (Chico).

The conference committee is beginning its deliberations, even as policy committees in both the Senate and Assembly are continuing to hold oversight hearings on aspects of the bond proposals that fall under their jurisdictions. Working in parallel with the conference committee, and under tight timeframes, the policy committees will contribute their findings and perspectives as deliberations proceed with the goal of placing one or more bond measures on the June 2006 ballot. (See also, "League Board of Directors Adopts Infrastructure Recommendations", p.1.)

Committee Members Stake Out Policy Considerations

Chairman Murray opened the hearing by offering all committee members an opportunity to outline the principles and concerns that will guide their reactions to the various proposals.

For Assemblymember John Laird the issues were that the governor's plan required bond repayment costs to fall too heavily on the state general fund, and that the size of the package would "crowd-out" the opportunity to fund future needs and priorities. He also expressed concern about the impact of the proposals on the environment, and questioned whether the proposal sufficiently considers the infrastructure needs of areas of the state experiencing rapid population growth.

Assemblymember Judy Chu said that she and other Assembly Democrats appreciate the governor's attention to education, transportation, water and flood control. She expressed concern,

however, with the need for funding for parks, and especially urban parks in growing areas such as the Central Valley, noting that funds from the last park bond are almost full spent. She also said that her caucus was interested in funding for mass transit, and not merely building highways. Other areas of concern: air quality; the need for new funding for affordable housing, and to reinforce the structural integrity of hospital facilities, particularly charitable institutions.

Assemblymember Rick Keene said that affordability was a key issue for his Republican caucus. He stressed that his members believe the state should not pass up an opportunity to eliminate the structural deficit in the general fund. His caucus has proposed earmarking a small percentage of the state general fund for infrastructure, building up a fund to address infrastructure needs on a pay-as-you-go approach. "We should set aside funds" for infrastructure, he said, rather than "create a future obligation for our kids."

Keene also said his caucus believes that before talking about specific appropriations, legislators should discuss and identify their core values, for example, funding public safety needs, such as levees and water storage, in addition to transportation, which he described as being at the heart of California. "Everyone's heart is in the right place," he said, "but what about the specifics?" Before deciding on a plan that "takes decisions out of hands of future legislatures," he urged that the committee focus on determining the core values, of what the Legislature wants to accomplish, and then what should be funded. "The (funding) mechanisms should be the last piece we decide," he said.

The Governor's Plan

The first hearing focused primarily on Gov. Schwarzenegger's Strategic Growth Plan. This proposal calls for \$68 billion in proposed bonds over a ten year period to fund education, transportation, water and flood control projects and libraries.

Continued on Page 9

MEMBERSHIP IN SENATE POLICY COMMITTEES ADJUSTED

Earlier this month the state Senate passed Senate Resolution 21, reducing the number of members on a number of Senate policy committees.

The affected committees are Agriculture; Business, Professions and Economic Development; Education; Elections; and Energy, Utilities, and Communications, which all lost one member; and the committees on Banking, Finance and Insurance and Governmental Organization each gained one member.

To read the text of SR 21, visit the Bill Search section of the League's website (www.cacities.org/billsearch.) The current membership listing is available on the Legislative Resources page of the League's website (www.cacities.org/legresources.)



INFRASTRUCTURE from page 1

The League's recommendations were developed by a special League Infrastructure Task Force appointed by League President Alex Padilla and chaired by League First Vice President Maria Alegria, Mayor of the city of Pinole. The board of directors adopted the principles and recommendations at its February 10-11 meeting in Universal City.

The recommendations respond to the specific infrastructure proposals put forward in Gov. Schwarzenegger's Strategic Growth Plan, as well as proposals and concepts contained in Senate Pro Tem Don Perata's SB 1024 and Assembly Speaker Nunez' AB 1783.

More importantly, however, the board's adopted principles will provide a framework that will guide the League's responses to specific proposals.

Visit www.cacities.org view a copy of the principles and recommendations. (See also "Legislative Conference Committee Considers Infrastructure Proposals", p.6.)

CDBG from page 1.....

On February 10, 2006, the Board of Directors for the League of California Cities adopted as one of its top federal priorities opposition to any proposal that would reduce further or eliminate the CDBG program.

The Bush budget proposal for 2007, released on February 6, would retain the CDBG program at the Department of Housing and Urban Development (HUD) - something that the League of California Cities and its members, along with cities throughout the nation, fought successfully to retain last year. But the \$1 billion proposed reduction is a blow to local governments throughout the nation, who use these program funds to tackle their most serious community development challenges. The program provides funding for public works and infrastructure, decent affordable housing, public services and economic development. Many of these activities are carried out at the local level by private companies, such as construction contractors, plumbers and electricians, as well as by non-profit community-based providers.

Every dollar of the CDBG program invested in communities is leveraged by three dollars in private funding, bringing much-needed investment, jobs, and the chance for a fresh start to blighted communities.

Sen. Dianne Feinstein strongly supports retaining the CDBG funding. On Feb. 17 she sent a letter to Chairman Christopher Bond and Ranking Member Patty Murray of the Senate Appropriations Subcommittee on Transportation, Treasury, Judiciary, HUD, and Related Agencies, urging them not to slash funding for this valuable program.

"CDBG funds are critical to the revitalization efforts of our nation's neediest cities and this cut would have a devastating impact on low-income families that rely the most on the services provided through this program," Senator Feinstein said. "These funds are crucial to closing the disparity between rich and poor in so many rural and urban communities in California and in the nation."

Continued on Page 10

LEG. COMMITTEE from page 6

Legislative Analyst Liz Hill and State Finance Director Michael Genest were the only witnesses. Hill provided an overview of the state's infrastructure investments over the past 60 years, as well as financing options (pay as you go, rent and leasing, bond financing), and the various options to finance bonds (general funds and selective taxes, user fees, or a dedicated income stream, such as that generated through the tobacco settlement).

There was considerable discussion about the governor's proposal to pass a constitutional amendment as part of his plan that would cap the state's bond obligation at six percent of the general fund. Responding to committee questions, Hill said that bond debt at the six percent level "is not a cause for concern at these funding levels," because "rating agencies look at the whole package, not just the level of debt." She also noted that the scheduling of the bonds authorization can also impact the budget.

Finance Director Genest described the governor's goals, as reflected in the plan. These include addressing the needs of a rapidly growing population by funding what the governor believes are infrastructure priorities: transportation, education, and water and flood control – the categories outlined in his plan. Another key goal was to fund these priorities by working with existing funding mechanisms, avoiding the need for new taxes. Speaking of the proposal to cap expenditures at six percent of general revenues, Genest said that "the governor didn't want to crowd money from the budget and didn't want to create more debt service." The six percent debt service cap therefore would define how much money to be put into bonds.

He acknowledged, however, that the five-year bond plan does not take possible emergencies (earthquakes, terrorist attacks) into account. "The bottom line is that the plan is affordable over the long haul, but in the immediate future we have to solve the structural deficit."

League Recommendations Available

City officials are urged to review the infrastructure recommendations adopted by the League board of directors last week, and to talk to their legislators about issues that concern cities. For details, visit the League's website at www.cacities.org/infrastructure.

NLC from page 5

program by visiting www.uscommunities.org and clicking on "Register to Participate."

Electronic registration provides a public agency with access to all contract documents and pricing, all suppliers, and substantial information on program savings and program participants. It also provides an electronic copy of the master intergovernmental cooperative purchasing agreement that serves as the legal document that authorizes a participating public agency's use of each lead public agency's contract available through U.S. Communities.

Details: For more information on the program, visit www.uscommunities.org or contact Marc Shapiro at NLC, (202) 626-3019 or e-mail: Shapiro@nlc.org.

(This article first appeared in Nation's Weekly, a publication of the National League of Cities (NLC). Reprinted with permission from NLC.)

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PROP. 42 from page 1.....

The event was organized by Californians to Improve Traffic Now, a coalition of taxpayers, construction, business, labor and local government organizations including the League of California Cities. The group must gather approximately one million signatures by early May to qualify an initiative for the November 2006 ballot that will close a loop-hole in Prop. 42 that allows the Legislature and the governor to shift Prop. 42 funds (the half-cent sales tax on gasoline) from state and local transportation projects to the general fund during times of state fiscal emergency.

League regional representatives are working with the coalition to help organize additional press conferences in the Bay Area, San Diego and Los Angeles.

Prop. 42 Loophole Thwarts Voters' Will

In two of the past three years, more than \$2.5 billion of Prop. 42 monies have been transferred to the state general fund, stalling or cancelling much-needed transportation improvement projects state-wide.

"Just three years ago, nearly 70 percent of California voters overwhelming passed Prop. 42 – it was a clear mandate," said Jim Earp, executive director, California Alliance for Jobs, and chair, Californians to Improve Traffic Now. "But the will of the voters is being denied ...our measure will prevent the Legislature and governor from using the existing sales taxes on gasoline for anything but state and local transportation and transit needs."

Sacramento Mayor Heather Fargo, a League of California Cities board member, commented that not only is her city struggling with transportation issues, but California as a whole, is one of the most traffic-congested areas in the United States.

"Our state has the worst roads in the nation and three of the country's five most congested urban areas," Fargo explained. "This initiative will finally provide some stability and certainty for the state funding we need to jump-start local transportation projects."

Sacramento County Supervisor Roger Dickinson said that, according to the Sacramento Area Council of Government's Master Plan for 2025, road maintenance costs for Sacramento County are backlogged by \$780 million. The plan estimates road maintenance needs over the next 20 years will cost approximately \$3 billion.

"Local governments in California depend on the funding generated from the existing sales taxes on gasoline to fix potholes, improve intersections and pave and improve streets and roads," Dickinson said. "But cities and counties have lost hundreds of millions of dollars due to the shifts of Proposition 42 monies, and it's left our local roads and streets at a breaking point."

Also speaking at the conference were John Bonilla, business manager, Operating Engineers Local Union #3, and Allan Zarembeg, president, California Chamber of Commerce. Zarembeg pointed out that transportation projects such as the Harbor Boulevard Interchange in West Sacramento provide key examples of how a steady source of revenue will benefit California.

"When completed, this project will help provide for the free flow of goods to and from the port, and will also create many good-paying local jobs," he said.

"Enough is enough," Earp added. "It's time to make good with the voters of California." (See "Ballot Measure Do's and Dont's for Public Officials", p.10.)



Sacramento Mayor Heather Fargo speaking at press conference to kick off signature gathering for Prop. 42 reform initiative. Also seen (left to right): Rocklin Councilmember Kathy Lund, CA Chamber of Commerce President Allan Zarembeg, John Bonilla, Operating Engineering Local Union #3 and Citrus Heights Mayor Jeannie Bruins. Standing behind Mayor Fargo are Rancho Cordova Mayor Ken Cooley and Lincoln Mayor Tom Cosgrove.

BALLOT MEASURE DO'S AND DON'TS FOR PUBLIC OFFICIALS

As the signature gathering campaign gears up to amend Proposition 42 (see "Prop. 42 "Fix" Initiative Campaign Kicks Off in Sacramento", p.1,) city officials are encouraged to review the League publication: *Working on A Ballot Measure Campaign: Some Rules for City Officials*. It can be found on the website for CITIPAC, the League's political action committee: www.citipac.org.

This is a quick read that is a "must" for all of us. Two very basic rules:

- Don't use public funds (no city facilities, equipment, materials and so on.)
- Campaign on your own time.

Confer with your city attorney if you have any questions.

CDBG from page 7

The League has posted information about the issue on our website Advocacy Center (www.cacities.org/advocacycenter), including a sample letter that can be sent online to members of Congress; a sample resolution that your city can adopt; a sample oped or letter to the editor that can be adapted with local details about CDBG projects in your city.

To access the materials, you must use a log-in and then select the "Federal Center" tab.

Legislative Bill Action

The following are summaries of just a few of the legislative bills that are currently being acted upon by the League of California Cities. For more information about these and other bills, please visit the League website to access information about legislation, policy issues and related developments. You can track information on bills (www.cacities.org/billsearch), locate legislators and legislative committees, send letters to legislators or the media through the online Advocacy Center (www.cacities.org/advocacycenter), research League policy positions, access useful related links, and much more.

AB 984 (Laird) Tamarisk Plant Control. **AB 984** would allow the Department of Water Resources and other state agencies to cooperate with the federal government, Colorado River basin states, and other entities in the preparation of a plan to control or eradicate tamarisk plants in the Colorado River watershed. Once funds are appropriated for implementation, **AB 984** would require the Department to collaborate with the Department of Food and Agriculture, the Department of Fish and Game, the Colorado River Board of California and affected California water agencies and other entities to implement the plan.

It is estimated that the tamarisk along the Colorado River consumes roughly 210,000 - 460,000 acre/feet per year. The League would

like to hear from cities that have an interest in this invasive species plan. **Staff:** Jennifer Lewis; **Status:** SenNR&Wa; **Position:** Review and Comment.

WANT TO SEND A LETTER IN SUPPORT OF A LEAGUE POSITION? HERE'S WHO TO CALL:

NATURAL RESOURCES AND WATER—(7)—Kuehl (chair), Margett (vice-chair), Aanestad, Kehoe, Lowenthal, Machado, and Migden. Chief Consultant: Bill Craven. Principal Consultants: Dennis O'Connor. Consultant: Marie Liu. Assistants: Patricia Hanson and Cathy Cruz. Phone: (916) 651-4116. Room 407.