



Shalice Reynoso, MMC
CCAC Legislative Director

News Clerks Should Know:

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Governor Releases 2009-10 Budget

On New Year's Eve Day, the Governor's Office released his 2009-10 Budget, which was not expected to be released until Friday January 9, 2009. The plan includes many concepts put forward in earlier budget proposals made by the governor or the legislature. League staff are still studying the proposal, but there do not appear to be any significant impacts on cities, including no raids or borrowing from property taxes (including redevelopment) or transportation sales tax revenues (Prop. 42/1A).

The Budget projects a deficit in the current year of \$14.8 billion, which, if unaddressed, will grow to almost \$41.6 billion by the end of the 2010 fiscal year.

Noting that he has declared a "fiscal emergency," and called Special Sessions of the Legislature November 6, December 1, and again on December 19, the Governor says it is imperative that solutions be enacted immediately, as opposed to waiting until the 2009-10 Budget is approved by the Legislature next summer.

The Governor's proposed Budget solutions include many of his earlier proposals as well as provisions put forth by the Democrats, December 19, during the Special Session. Expenditure reductions account for about 42% of the proposed \$41.8 billion in solutions, followed by new revenues of 34%, "Securitizing the Lottery" to generate \$5 billion, or approximately 12%, and another \$5 billion or 12% through borrowing. Almost \$4.7 billion of the borrowed funds would be through selling Reimbursement Warrants (commonly known as RAW's) in July of 2009.

Most of the reductions would be in the areas of education, health and human services, and the corrections and rehabilitation budget. Savings would also be generated by requiring state employees to take two days furlough per month, beginning February 1, 2009, and the elimination of 2 state holidays. The major revenue proposals include: A temporary 1.5 cent increase in the sales tax through December 2011, broadening the sales tax to appliance and furniture repair, vehicle repair, veterinary services, amusement and sporting events, and golf, instituting a nickel-per-drink tax, adopting a 9.9% oil severance tax, increasing vehicle registration fees by \$12, and shifting tribal revenues from transportation to the General Fund. Combined these revenue sources would generate about \$17.5 billion over the next 18 months.

For more information, visit www.cacities.org and click on the news story [Administration Posts Early Release of 2009-10 Budget Proposal](#) (of particular interest, scroll down to "Summary of Proposed Actions of Interest or Concern to Cities").



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News Clerks Should Know:

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I am passing along this e-mail from the County of Orange Registrar of Voters; this is a good heads-up for all of us:

Good Afternoon,

I hope everyone had a good New Year. I thought I would take a moment to bring you up to speed on the possibility of an election in 2009. The state continues its budget talks and many of their proposals would need voter approval if they get past the impasse they are currently facing. The Legislature has floated three possible dates for a special election: April 21, May 19, or June 2. April and May seem more likely due to the time they would need to deal with budget issues should the measures pass prior to the end of the fiscal year.

There are elections in Los Angeles on April 21 and May 19, which make them likely. This would also seem to indicate they would allow consolidations (although keep in mind they can write whatever they want in an election bill). The California Association of Counties has sent a letter to the Legislature asking for enough notice so that we can prepare for the election and we at the California Association of Clerks and Election Officials will be sending one towards the end of the week. Both letters ask the Legislature to consider conducting a special election by all-mail, but this is unlikely.

I will let you know if and when the election is called.

Neal Kelley
Registrar of Voters
County of Orange
714-567-5139
neal.kelley@rov.ocgov.com



Randi Johl, JD, CMC
2nd Vice President

News Clerks Should Know:

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The Fair Political Practices Commission (FPPC) regulations have changed! Specifically with respect to the “Gift” and “Ticket” related regulations, there are new reporting requirements.

Regulation 18944.2 – Form 801 (July 2008)

Certain gifts may be reported as a gift to the agency, rather than reportable as a gift to an individual public official. Regulation 18944.2 sets forth the circumstances which are:

- 1) The gift must provide a personal benefit to a public official,
- 2) The gift may be used only for official agency business,
- 3) The agency controls use of the gift,
- 4) The agency reports the gift on its website using Form 801.

Regulation 18944.1 – Form 802 (New)

If your agency has the opportunity to distribute tickets or passes that allow admission to facilities, events, or shows, then see Regulation 18944.1 which sets forth these new requirements:

- 1) The agency must complete and post a Form 802 on its website.
- 2) The agency must adopt a written policy regarding the distribution of such tickets and post this information on the website.

Tickets to non-profit events are now reportable as gifts and/or income with a few exceptions. Officials may no longer take two tickets to a non-profit event without disclosure requirements. Under some scenarios, an official may take a single ticket to a non-profit event, report the difference of the face value and donation value of the ticket as listed, and most likely fully pay for the second ticket.

It is time to read all the new FPPC regulations that will most definitely be applicable to your cities and share them with your City Attorneys and electeds! The regulations, specifically Regulations 18944.1 and 18944.3 can be found at www.fppc.ca.gov then click on FPPC regulations.



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News Clerks Should Know:

Released 01/28/09

[Please pass this along to your City Council Members, City Managers, and Labor Negotiators]

Proposed Revisions the Brown Act Regarding Closed Sessions for Labor Negotiations

At the Administrative Services policy committee last week, the California Newspapers Publishers Association (Thomas W. Newton, General Counsel) presented draft legislation. Attached is a copy of the proposed legislation. (This proposal is not yet authored and there is no bill number.)

The League has requested comments from cities on this proposal. Comments may be directed to Administrative Services league staff: Natasha Karl nkarl@cacities.org and Dwight Stenbakken dstenbakken@cacities.org.

Of particular interest is language which would require that the following be made available to the public before entering to closed session:

“All known matters within the scope of the negotiations.”

“Any written proposals communicated by the local agency to representatives of public employees and proposals received by the local agency from representatives of the public employees.”