



## **SACRAMENTO UPDATE**

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### **When will there be a budget?**

46 days into the new fiscal year and there appears to be no end in sight for a state budget. Earlier this week, the senate leader announced he and the governor had hammered out a deal and it was up to the governor to gain republican votes, but that “deal” soon went sidewise. Both houses have called rare Sunday evening sessions to vote on a budget, but most insiders view it more of a “drill” than a vote that will pass a budget bill that would be sent to the governor. The basic outline of a budget compromise that has been discussed is: a rainy day fund; a spending limit cap; some cuts in existing programs and a temporary increase in the state sales tax. Republican’s are holding fast to their “no tax” pledge and democrats appear reluctant to support a spending limit cap. On the good news front, it appears as of today, that a raid of Proposition 42 funds (road money) is off the table. But until a deal is completed, everything is at risk.

As budget negotiation goes on, the legislature is busily working on legislation. It is no secret that the democrats would like to adjourn the session on August 22 (instead of August 31) so they can attend the democratic convention in Denver. The senate leader recently said no to such a plan without the passage of the budget, but no such word from the assembly. Even without a budget completed by August 31 when the legislature must adjourn, the governor could call a special session to address the budget. In the meantime, the governor has said he will veto any bills that reach his desk prior to a budget being passed. In response, the legislature is holding all passed bills at their desk and will release them once a budget is passed. After August 18, any bill sent to the governor has 30 days for the governor to take action.

Several bills of note:

**SB 593 (Margett)** – Prohibits the Department of Transportation, until January 1, 2014, from withholding retention proceeds to its contractors when making progress payments for work performed on any transportation project. GSBE Supports. (Held at senate desk)

**AB 2288 (Toricco)** - Would prohibit any person from installing or modifying fire sprinklers, a fire sprinkler system or an engineered fixed automatic fire extinguishing system without a certificate of registration issued by the State Fire Marshal (SFM). GSBE opposed. Held in Senate Appropriations Committee.

**SB 1698 (Romero)** - Requires licensed contractors and subcontractors, in order to perform work on state public works projects after January 1, 2011, to obtain a public works certification from the Contractors' State License Board prior to performing public works projects. GSBE opposes. Assembly floor.

**SB 1362 (Margett)** - Authorizes civil penalties and disciplinary actions for failure to comply with existing law related to the certification of electricians. Assembly floor.

**AB 2177 (Bass)** - Requires the Department of Industrial Relations (DIR) to train qualified "Compliance Group Representatives" (CGR) and authorize those representatives to access state public works projects for the purpose of interviewing workers on those projects to ensure the proper payment of prevailing wages. Held in Senate Appropriations Committee.

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