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## Interview with Senator Ted Lieu, State Senator, 28<sup>th</sup> District

Friday, March 2, 2012, 11a.m. -12 noon

Senator Lieu's District Office – 2512 Artesia Blvd, Redondo Beach, CA 90278

### Attendees:

Jennifer Zivkovic, District Director

From the League of Women Voters: Joan Arias, LWV of the Beach Cities

Susan Grebe; LWV of the Beach Cities; Elizabeth Ralston, LWV of Los Angeles;

Marianne Ramos, LWV of Torrance Area; Lola Ungar, LWV of Torrance Area; and Maggie

Wilkinson, LWV of the Beach Cities.

The interview consisted of four questions:

- 3. California has both a problem with insufficient revenue for the programs we would like to support, and an ongoing problem with the actual process of passing a budget. What measures would you support to balance the budget? What measures would you support to change the budget process?**

Senator Lieu listed the reasons he believes we have a difficult time balancing the budget:

- The Initiative System – The Initiative System has locked up 70 percent of our revenue; it is very restrictive. Voters never get asked what can be cut in order to fund the specific initiatives that get proposed if they pass such as the mental health and pre-school initiatives. This locked funding hamstrings the money.
  - California's subsidies to smaller states – We are a large donor state to Washington but we receive 79 cents for each dollar we give to the Federal Government. So we are essentially subsidizing smaller states.
  - Taxes – We are dependent on an unreliable revenue stream: income taxes and corporate taxes. Proposition 13 restricted the property tax stream. In recessions, our income taxes go down. We had a \$26 billion revenue gap last year because the economy caused revenue losses. We closed the budget gap by our structural changes but we have a \$9 billion deficit this year. Without revenue, we need cuts.
- Senator Lieu supports Governor Brown's tax initiative proposing proportional tax increases on people making more than \$250K a year. The proposal also includes a sales tax increase by ½ percent. He doesn't like the sales tax because it's regressive but it's more stable. The tax on income is more volatile. This would fix the problem. We have to remember that it is very hard to get tax increases in California despite polling that shows public support for such increases.
  - There are several tax initiatives going around and if more than one qualifies for the ballot, they may confuse voters and all the initiatives will fail. Voters have

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shown that they won't approve when there are 2 or 3 tax-related initiatives. They will pick one and "go with it" and this could be a negative in November. A millionaire's tax is volatile; the governor's tax proposal is much wider.

- We need to focus on growing the economy and we are doing well in that regard. Standard and Poor's upgraded our rating to "positive" because of our progress. We need to look at the areas in which we do better than other states such as high-tech, biotech, aerospace, agriculture, ports and entertainment. All these depend on higher education. We succeed by emphasizing a "sector strategy" as Michigan did. We look at where we can provide jobs best and fund scholarships for those specific areas. Senator Lieu sponsored a law last year to focus on retraining for specific areas. Rather than taking people who lose their jobs and finding similar jobs for them (moving an unemployed clerk to another clerical job, for example), we should retrain them for new jobs that are available.
- Asked about Proposition 13 and commercial property, Senator Lieu responded that any change requires a vote of the people "but I would vote for splitting commercial vs. personal property."

## **2. Initiative and Referendum Process: Do you believe that the current initiative and referendum process in California is in need of reform? If yes, what reforms would you support?**

When asked about the Initiative and Referendum process, Senator Lieu responded "I would eliminate the system if I could. It is very hard because it requires a vote of the people but it has done more harm than good."

He elaborated:

- It locks up revenue in specific areas.
- Initiatives have unintended consequences because they are not really well vetted. It is very different from getting a law passed. The Legislative process has a long vetting and analysis period before a law is created.

One idea is to take the initiative proposed and "run it through the legislative process" and then put it on the ballot with the original proposal. Right now, anyone with enough money can propose and get an initiative on the ballot.

"I support the California Disclose Act (California Clean Money Campaign) but that requires a 2/3rds vote. It is very hard to get the public to read initiatives and understand them so many people vote based on 2-second ads on television."

## **3. What do you believe are the key local issues for you in 2012?**

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Lola Ungar discussed with Senator Lieu the Los Angeles County redistricting and her observations about their process. She asked about the possibility of a bill in the State for large counties to propose a commission like the California State Redistricting Commission. Senator Lieu commented that he would look at such a bill and would support that for cities as well. He noted that he had supported Senator Alan Lowenthal's proposal when he wanted to reform redistricting by statute. He commented that he felt the State Commission had done "a pretty good job" and that he felt comfortable with his new district, which is largely coastal and includes Palos Verdes. He pointed out that he wasn't happy that "they cut my home town in half" and that cities should be kept whole.

When asked about the elimination of redevelopment agencies, he voiced his support for cities "having the ability to do local investments and local projects" within local structures that are legal. He noted that most legislators support giving cities something. Right now it's taking everyone's time to dissolve the agencies, move funds around.

Marianne Ramos thanked Senator Lieu for his support of California Senate Bill 959 and Senator Lieu pointed out that he had testified at a Trustees meeting related to the California State Colleges' salary increases and they reversed course. Senator Lieu commented that the bill was put on hold to allow the Trustees to rework it so that consideration is given to fiscal conditions and tuition increases as well as salary increases. He commented that if necessary he would re-propose the bill in order to ensure that balance.

#### **4. What other major issues do you think the Legislature must deal with in 2012? What are your personal priorities?**

When asked about his personal priorities, Senator Lieu listed:

- The Environment – Climate Change - "I have a bill authorizing the Coastal Commission to fund projects for climate change and climate change adaptation."
- Health Care – "I had a bill last year preventing UV tanning in salons for people under 18." He noted that there is now proof that UV tanning actually causes cancer and that other states are looking at our bill.
- Medical billing – Senator Lieu talked about his bill related to disclosure of out of network services involved in medical billing from otherwise in-network procedures such as a radiologist who is out-of-network involved in a procedure at an in-network facility. At this time, such situations are not disclosed.
- Pensions for government employees – Sen. Lieu pointed to Senate Bill 400's rolling back of pension increases and commented that state pensions are "more or less OK" because of the way that CALPERS operates but he supports "a bunch of reforms to get rid of pension 'spiking'" and other mechanisms for reducing abuse. The Governor has

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introduced a 12-point plan and the Legislature will introduce measures as well (“the question is how different is it from the Governor's”) including raising the retirement age (with a difference between public safety-related jobs and non-public-safety related jobs) and a hybrid plan such as a 401K. He feels sure that there will be reforms, almost all related to future employees.

When asked about polarization in Sacramento he noted that, although it was better than the situation in Washington, it has grown more partisan because of term limits. Senator Lieu feels that term limits reduce the incentives to work together. He pointed to the June term-limit initiative but was not optimistic about it passing. He also commented that the polarization in news sources contributes to the problem overall because people only hear one side of any situation. He commented that he tries to listen to a range of reports so that he gains an understanding of other views.

When Maggie Wilkinson asked about Assembly Bill 32, a landmark California law proposing measures to reduce greenhouse gases, Senator Lieu responded that “green buildings are one of my passions” and pointed to “greening buildings” as “low-hanging fruit” because buildings are enormous users of energy and you can do many things to buildings that don't require individual actions from the building residents.

On that note, we thanked Senator Lieu for his open discussion and the time he spent with us.

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## **The Value of Tap Water, airing Tues, April 10th at 7:30 on KCET**

Huell Howser examines some of the factors driving the cost of water, including energy, treatment processes, and the need to expand and replace plant and equipment for treating and delivering water. In his visits to two local water districts - The West Basin Municipal Water District (the wholesaler in our area) and Las Virgenes Municipal Water District (serving in the Santa Monica Mountains area), Howser notes that, even with rising costs, tap water is an exceptional value that compares favorably with other every day household services. Customers of public water agencies get more than just a product for their money. They are getting a reliable service that includes ongoing maintenance, sophisticated water quality testing and treatment, highly trained personnel, adequate flows for fire protection and robust water supplies and infrastructure to support the economy. Simply put, they are getting one of the best deals around.