



for a stay in *Legislature v. Eu*, No. S019660, temporarily blocking a provision of Proposition 140 requiring the legislature to reduce its operating budget 38% by July 1. (See CRLR Vol. 11, No. 3 (Summer 1991) pp. 49-50 for background information.) Lawmakers argued that if the stay were not granted, they would be forced to shut down LAO and the Office of the Auditor General—a claim that was hotly disputed by the proponents of Proposition 140. Although the court's decision blocks implementation of the entire budget provision, legislative leaders generally agreed that the stay will be applied only to proposed cuts affecting LAO and OAG.

On September 12, the Supreme Court heard oral argument in the underlying matter, which concerns the constitutionality of Proposition 140. During the 90-minute session, attorneys for the legislature argued that the measure constitutes a revision (rather than a mere amendment) of the state constitution, which cannot be accomplished by initiative. In defense of Proposition 140, Deputy Attorney General Manuel Medeiros argued that because the measure did not affect the legislature's traditional powers, no constitutional rights are violated. A ruling from the court is expected by the end of the year.

In *Claypool v. Wilson*, filed on August 1, the Public Employees Coalition is petitioning the Third District Court of Appeal in Sacramento for a stay of legislation—AB 702 (Frizzelle)—that uses \$1.6 billion in Public Employees' Retirement System (PERS) pension reserves to help balance the budget. The suit names PERS as a "friendly" respondent. PERS declined to file suit seeking a stay of AB 702, but stated that any briefs it files will be in support of the employee coalition.

In late September, the Wilson administration filed *Tirapelle v. Davis*, No. 368220 (Sacramento County Superior Court), a suit against state Controller Gray Davis to enforce a provision in the 1991-92 budget cutting the salaries of 27,000 state employees who are managers, supervisors, and political appointees by 5%. On September 23, Davis announced that he would refuse to cut the salaries on grounds the action taken by the Department of Personnel Administration (DPA) was illegal. Governor Wilson and DPA Director David Tirapelle contend that the cuts will save \$35 million—or 750 state jobs—over the course of the year. The court was expected to rule on the administration's motion for preliminary injunction on October 9.

ASSEMBLY OFFICE OF RESEARCH

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Established in 1966, the Assembly Office of Research (AOR) brings together legislators, scholars, research experts and interested parties from within and outside the legislature to conduct extensive studies regarding problems facing the state.

Under the director of the Assembly's bipartisan Committee on Policy Research, AOR investigates current state issues and publishes reports which include long-term policy recommendations. Such investigative projects often result in legislative action, usually in the form of bills.

AOR also processes research requests from Assemblymembers. Results of these short-term research projects are confidential unless the requesting legislators authorize their release.

MAJOR PROJECTS:

California 2000: Biological Ghettos (July 1991) is the sixth volume in the *California 2000* series, which focuses on public policy challenges facing the state as it moves into the 21st century. (See CRLR Vol. 10, No. 1 (Winter 1990) pp. 47-48 for summaries of other AOR *California 2000* reports.) The report, which addresses major issues in land conservation, examines how economic and social pressures, current organizational structures, and legal issues have resulted in the formation of "biological ghettos," defined in the report as isolated parcels of land where wildlife species are forced to exist in a struggle to survive.

The report notes that instead of growing "upward" to conserve land, California's population grows "outward" and consumes land. In the process, scenic landscapes, wildlife diversity, and quality of life deteriorate. The report estimates that 75-90% of some habitats—such as old-growth forests, wetlands, riparian woodlands, and coastal dunes—have already disappeared since California became a state. As a result, at least 73 species of native mammals, birds, plants, amphibians, and fish are known to have been eliminated from the state; hundreds of wildlife species are currently on the brink of extinction.

First, the report examines how economic and social pressures have contributed to the creation of biological ghettos by fragmenting forests, imperiling parks, shrinking wildlife refuges, and depleting other public lands. For

example, extensive timber cutting and the purchase of private lands within state forests have led to fragmentation. These fragmented forests divide wildlife habitats into small parcels which are not large enough to house wildlife which migrate or require large areas to survive.

In addition, the report states that increasing numbers of visitors and expanding residential, commercial, and agricultural development near park boundaries have placed California's parks in peril, while wildlife habitats on public lands face threats from revenue-generating activities such as oil and gas production, livestock grazing, and mining. Most of the revenue generated from these public lands is not earmarked for replacement or improvement of the state's scenic landscapes and wildlife habitats.

Second, the report examines how current organizational structures have failed to protect critical habitats due to scattered decisionmaking, conflicting missions, limited resources, and dislocated data. Presently, decisionmaking for the protection and expansion of public lands is scattered among various state agencies, each operating with sometimes conflicting missions. For example, the Department of Parks and Recreation is both a natural resource protector and a recreation provider; the State Lands Commission is both a public lands protector and a natural resource extractor; the Department of Fish and Game is both a wildlife protector and a hunting and fishing promoter; and the Department of Forestry is both a forest protector and a timber producer. In addition, databases regarding critical wildlife habitats are scattered among various state agencies, resulting in incompatible and inaccessible information which may be outdated or incomplete.

Third, the report describes the impact of legal issues on land conservation. After examining the California Environmental Quality Act, the Forest Practice Act, the California Endangered Species Act, the Land Conservation Act, and the Wildlife Conservation Law, the report concludes that loopholes, lack of uniform interpretation and application, insufficient data disclosure, project delays, and a lack of public participation render these state laws inadequate to protect public lands and critical wildlife habitats.

Finally, the report makes five policy recommendations to protect California's remaining scenic landscapes and critical wildlife habitats:

-create a land conservation database clearinghouse to integrate the state's



scattered databases and effectively determine which lands the state should acquire, protect, and restore;

- create a Land Conservation Coordinating Council (LCCC) within the Resources Agency to provide a comprehensive view of the state's critical land conservation needs;

- use regional agencies to adopt, with LCCC approval, comprehensive regional land use management plans which protect unique collections of forests, parks, wetlands, riparian woodlands, and other critical wildlife habitats;

- rename the Department of Fish and Game as the Department of Wildlife Conservation, and redefine its mission so that it encourages a broad-based critical habitat conservation approach aimed at preventing species from becoming endangered; and

- employ land consumption and resource user fees to fund land conservation efforts and balance the toll which development is taking on California's natural resources.

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Established and directed by the Senate Committee on Rules, the Senate Office of Research (SOR) serves as the bipartisan, strategic research and planning unit for the Senate. SOR produces major policy reports, issue briefs, background information on legislation and, occasionally, sponsors symposia and conferences.

Any Senator or Senate committee may request SOR's research, briefing, and consulting services. Resulting reports are not always released to the public.

MAJOR PROJECTS:

Prosperity, Equity, and Environmental Quality: Meeting the Challenge of California's Growth (July 1991) contains the Senate Urban Growth Policy Project's recommendations regarding comprehensive reforms to manage growth in California. The Project, created in 1988 by SCR 39 (Presley), was assigned by the Senate Rules Committee to SOR. Previous reports prepared as part of the Project analyzed, among other things, economic and demographic trends underlying rapid growth and growth management and planning programs in other states.

According to the report, California added more than 790,000 residents in 1990, the most ever in one year; this trend of rapid growth is expected to

continue. Problems resulting from this unprecedented population growth include traffic congestion, pollution, shortages of housing and jobs, crowded facilities, and declining availability of services. The report attributes many of these problems to the state's failure to manage California's growth and set clear policies for conservation and development.

According to SOR, California's current growth management policies have three serious weaknesses: (1) a land use pattern that allows development to overburden public facilities and services; (2) conflicting economic, social, and environmental policies governing land use decisions; and (3) a public financing system which promotes destructive competition and undermines sound planning decisions.

To effect change, SOR recognized the need for California to reform its policy and fiscal framework to assure that better land use planning decisions are made. The report suggests that successful growth management reform would include certainty in policy and fiscal decisions, to minimize conflict and provide clear goals which may be linked to specific conditions and fiscal resources; a comprehensive management approach to guide decisionmakers toward more uniform policy objectives; and consistency between planning and financing decisions so that projects and investments complement, rather than contradict, one another.

Finally, SOR offered the following general recommendations for establishing new growth management policies, procedures, fiscal mechanisms, and institutions:

- the state should enact clear and definite state, regional, and local policies on development, conservation, and social equity to guide growth and minimize uncertainty;

- provide state, regional, and local agencies with sufficient authority, responsibility, and accountability to manage growth;

- adopt comprehensive plans to develop balanced and comprehensive land use plans;

- revise planning and development procedures to provide consistency and minimize conflict; and

- resolve fiscal issues concerning land use by making development more fiscally neutral and providing adequate fiscal resources to carry out plans.

Toward A More Effective Housing Policy (August 1991), prepared by the Senate Advisory Commission on Cost Control in State Government in conjunction with SOR, provides an analy-

sis of California's housing policy. The Commission examined the state's housing policy, programs, and statutes in order to develop recommendations on how the state could use existing state resources to provide more affordable housing to Californians with very low to above moderate income.

Initially, the report discusses findings and recommendations relating to the state's planning deficiencies, stating that California's housing plan does not provide substantive policy direction as intended by state law. Important issues not addressed by the plan include the potential for residential development in central urban sites to make more efficient use of existing infrastructure; the potential for high residential densities near transit corridors to make more efficient use of transit systems; the need for retirement housing; and the need for multi-family housing. The report recommends that the Department of Housing and Community Development (HCD) develop a bold strategy for addressing California's housing needs, including quantitative goals to meet state requirements for reducing the number of very low to moderate-income households paying more than 25% of income for housing.

The report also notes that the state does not enforce statutes which require local governments to meet their share of housing needs for low- and moderate-income households. The report recommends that the state withhold discretionary state development funds from local governments which do not meet the affordable housing goals.

Next, the report states that California does not evaluate, on a comparative basis, the effectiveness and efficiency of all state housing programs. In response, the Commission recommends that the state direct the Office of the Legislative Analyst to evaluate the cost-effectiveness of the housing programs administered by HCD. Also, the legislature should develop evaluative criteria for these programs, in cooperation with both the Legislative Analyst and a broad range of housing interests; the criteria should include the number of affordable housing units produced, the length of time that units will remain affordable, the length of time required for project approval and financing, and the household income level to be served.

Regarding under-used resources, the Commission notes that the state has not informed employers of the cost-effectiveness of employer-assisted housing programs. According to the report, about 100 businesses nationwide provide housing benefits to their employees;