



February 19, 2007 Meeting Report

by
David DeVoss



Keith Richman

You Vote For Bond After Bond and What Do You Get? Another Day Older and Deeper in Debt.

Had the San Fernando Valley's cityhood campaign succeeded back in 2002, Dr. Keith Richman would have become Mayor. Fortunately, the Valley's loss was the California Assembly's gain, since Richman returned to Sacramento where he worked until last year to reform workman compensation and improve state infrastructure. But as his six years in the Assembly came to a close what alarmed Richman the most was the mounting debt and unfunded liabilities the state was accruing for retiree pensions and health care.

"In the late 1990s," said Richman, "the legislature approved higher benefits for state employees and said they could be applied retroactively. Today, we see people retire at age 50 with more than 100% of their salary. In 2000 the state budgeted \$160 million for retiree pensions. This year it will spend \$3 billion.

"Orange County has \$4 billion in unfunded liabilities. The OC fiscal situation is worse today than when it declared bankruptcy. Bakersfield now spends 18% of its budget on pensions. Just pensions, not health care costs. In 1995, Contra Costa spent 5% of its budget on pensions. Now 16% of its entire budget goes for pensions."

Health care costs for retirees are even more daunting, says Richman. "The LAUSD's own study estimates that the district owes \$10 billion in retiree health care costs. In order to pay off that \$10 billion it will cost every LAUSD student \$2,000 per year for the next 30 years. That's 20% of the entire operating budget to cover retiree health care.

"On the state level. California annually pays \$3 billion for pensions and \$6 billion for retiree health care. That's \$9 billion – equal to the amount we spend each year on higher education. California has a total of \$250 to \$300 billion in unfunded liabilities to pass on to its children." This comes at a time when the state requires \$150 billion in infrastructure improvements.

Now freed from elective office, Richman has established the California Foundation for Fiscal Responsibility to devise solutions to the looming pension and health care crisis. "I have no confidence the legislature will address these issues because it's controlled by public employee unions," says Richman. "The only way it will happen is through the initiative process."

Tom Saenz

LAUSD: The Island of Lost Boys (and Girls)

Last year, Mayor Antonio Villaraigosa went to Sacramento seeking legislation that would allow him greater say in managing the Los Angeles Unified School District. The result was AB 1381, a law that was to have taken effect in January but now is tied up in the court. **Tom Saenz**, Villaraigosa's Yale-educated legal counsel, who also serves on the Los Angeles County Board of Education, is working to insure that 1381's well-intentioned reforms eventually become law.

Nobody disputes that LAUSD is a mess. The question is whether AB 1381 is the answer. Saenz admits that 1381 is "a compromise measure," but insists it is a positive step toward making the district's school administrators more accountable and less resistant to change.

Perhaps it is. But as described by Saenz the district's proposed governance structure seems like something only Rube Goldberg could love. Yes, an elected school board remains, as does a superintendent. But under AB 1381, the superintendent would be a real CEO, says Saenz, "who can institute reforms, dictate contracts and set an agenda." This "real CEO," however, would have to answer to a Council of Mayors dominated, yet not completely controlled by, Villaraigosa. Politicians could review the district's budget, its contract negotiations and the decisions it might make over facilities sites. Indeed, it would be the Council of Mayors, not the school board that has ultimate authority to appoint the superintendent.

"Teachers and administrators are very well organized," notes Saenz, but there is no organized parental voice that covers the entire district. Parents who are not organized need to be organized, too. This legislation requires the school board to consult with the community." Presumably, all this consulting will occur while the superintendent and the Council of Mayors make the real decisions.

Almost anything would be an improvement over today's LAUSD. Mayor-controlled school districts seem to work in New York and Chicago. So why not here? Because the Legislative Analyst in Sacramento says AB 1381 is unconstitutional. In 1946, California's teachers successfully lobbied for an initiative that prevents municipalities from running school districts. The goal at that time was to keep politics and education separate. Opponents of 1381 insist a subsequent constitutional amendment would be necessary to reform LAUSD in the manner the mayor proposes.

The easiest way to improve public education, of course, would be to break up LAUSD into smaller districts, but that would be difficult. The major impediment of breaking up district in the past was the shortage of schools and the need for massive bussing. New school construction has eliminated the bussing issue. "The major impediment today is the multibillion obligation to pay for (LAUSD) retiree health care," says Saenz. "That is huge. How do you divide it up?"

Riposte, ex post facto

Keith Richman, who had the advantage of hearing Tom Saenz' presentation before speaking to Valley VOTE, explained, following Saenz' departure, that he had tried while in the Assembly to divide LA's 720,000-student school district into smaller districts with no more than 50,000 students, but that his proposal was rebuffed by legislators afraid of confronting the powerful teachers' union. Richman says he and other legislators offered to establish an interim commission that would have allowed Mayor Villaraigosa to control the schools temporarily. "Our only condition was that there would have to be a vote at the end of five years so that the public could decide whether to continue the mayor's reform or break up the district.

"The mayor left our meeting, went to negotiate with the teacher's union and came out with compromise," Richman remembers.

So what does Richman, now out of office and serving as a senior management executive and director of Lakeside Health Care Inc. think of the AB 1381 compromise legislation? "It's unconstitutional," he says. "It sets up an ambiguous management structure with no accountability. If we want to bring accountability to LAUSD, it has to be broken up."

Up, Up and Away

Regionalization is becoming more than a catch phrase, reports Valley VOTE Executive Committee member and air transport specialist **Denny Schneider**. "On February 5, ExpressJet announced 29 daily flights from Ontario Airport to 14 new non-stop destinations," says Schneider. "On the same day, United Airlines was awarded a small city US Department of Transportation grant plus other incentives from Los Angeles World Airports (LAWA) to reinstate service from Palmdale Airport to San Francisco starting June 7."

Simultaneously, a series of reorganization meetings of the Southern California Regional Airport Authority has begun to

restore planning for the future. Several proposals are being evaluated to expand County government participation from Santa Barbara to the San Diego as well as local governments operating airports. The power of eminent domain will be specifically excluded so that all are encouraged to participate. Despite NIMBY discussions of the past Board this organization will serve as a platform for concrete discussions about how to meet the air commerce demands of our region.

LAWA is designing a new noise hardware and software monitoring system that will be implemented at VNY, LAX, and ONT. Individuals, using the LAWA website, will be able to view individual radar flight tracks as well as to analyze cumulative impacts of multiple flights. The new noise system will become available later this year.

On a note closer to home, Schneider says the Part 161 Study, a multi year effort to identify the sources of noise at VNY and to collect information that will justify policy changes on an economic basis, is moving forward. Says Schneider "If approved by the FAA, and I caution that few have even gotten far enough to ask for approval, there will be time of operations and noise restrictions imposed at Van Nuys Airport."

Riding the Rails

That's what most of us would like to do. The problem, says **Bart Reed** executive director of The Transit Coalition, is that though tracks are in place trains run too infrequently. "We have eight train stations in the San Fernando Valley but they are not well used," Reed says. "There are 12 roundtrips between Chatsworth and Union Station each day plus four Amtraks. The problem is the last train from downtown leaves at 6:30 p.m." Reed would like to see trains leaving every 30 minutes from Chatsworth north to Ventura and all the way south to Laguna Niguel in Orange County. "Track improvements and extra crews can be provided at a relatively low cost," he says.

Are you tired of wasting hours in traffic? Then Reed suggests you write to demand better train service from county supervisors Zev Yaroslavsky and Michael Antonovich at the Hall of Administration downtown and Metro Board members David Flemming and Richard Katz at One Gateway Plaza.

Bait and Switch?

The term limit extension foisted on the public by the deceptively worded Measure R in last November's election will continue to shroud city politics at least until this coming April 11. That's the date when **David Hernandez** will go to court to challenge the ballot measure. The delay is caused by a crowded court docket, but the postponement is beneficial because **Judicial Watch** from Washington, DC has agreed to cover all court costs.

And in Other News

As an owner of rental property, Valley VOTE treasurer **Vic Viereck** is concerned about the city's Rent Registration and Systematic Code Enforcement Program. He has informed the city council that the Housing Authority of Los Angeles should be investigated and reorganized so that it can perform in a competent, efficient, business-like manner that makes apartment owners feel like they are wanted and needed.

Valley VOTE Mission Statement

Valley VOTE, a diverse coalition of San Fernando Valley residents, business people, educators, community activists and organizations is committed to exploring and implementing programs that empower the people of the San Fernando Valley and the City of Los Angeles, including opportunities to improve local governance, education and public participation on policy matters.

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