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## **California Policy Options**

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### **Author**

Kayden, Xandra

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# **POLITICAL POLICY OPTIONS**

**Xandra Kayden**

**Senior Fellow UCLA School of Public Policy and Social Research**

American politics changed with the September 11, 2001 attack on the World Trade Center and the Pentagon. How much that will affect the state of California remains to be seen, but clearly priorities began shifting as we entered an unknowable state of war. Even before, however, the heady days of state budget surpluses and economic sure-sailing were facing a fading future because of the energy crisis that gripped the state for most of the preceding year. One major utility – Pacific Gas and Electric – was in bankruptcy, and another – Southern California Edison – was facing an uncertain future by early 2001. So, instead of arguing over which transportation project was best, or how much more to spend on education, or what to supplement in health care – the governor and legislature have had to face a serious process of compromise and lowered expectations. How they handle it will determine much in the coming year, including the 2002 elections.

On the political policy front, redistricting is the biggest issue, followed by the new rules in campaign finance (it would be a little too optimistic to use the word “reform” in connection with the initiative that passed last year on the subject). Electricity deregulation should be less of an issue after the corrective measures and market shifts of 2001. There is a potpourri of emerging issues. Water will “resurface”; as well as privacy, which is gaining more and more traction with voters. Other issues include worker’s compensation (always associated with some measure of scandal), technology, health care, the end of the five-year qualification for welfare assistance that was part of the welfare reform instituted by Congress in 1996, and the never ending cry for giving local communities more control over their property tax (something lost when Proposition 13 passed in 1978).

What issues actually come to the forefront will depend on what happens to the state and the country’s economic standing on the one hand, and on the other – but clearly not unrelated -- what implications the war on terrorism will have on the state. Will California be a target for a terrorist attack? Will military mobilization support the revitalization of our defense industry? How will increased security policies affect a large immigrant population, to say nothing of traditional values of civil liberty? Will changed public attitudes affect public and/or private spending?

## **THE POLITICS OF POLICY**

### **Redistricting**

There is no more political responsibility that state legislators have than drawing the lines of representation. Redistricting is required by federal and state constitutions following the decennial census for the U.S. House of Representatives and the California Assembly and Senate. There is also no policy task so fraught with consequences for failure. In an ideal world, the process would be undertaken in an open and timely manner, giving different interests an opportunity to express their views and to make their cases. It would strive to meet such goals as:

- near equal populations within districts
- geographic continuity
- protection from dilution of the voting strength of a racial or linguistic minority,
- respect for boundaries of cities and counties
- the preservation and protection of “communities of interest”

The 2000 redistricting plan designed by the California state legislature, signed into law by the governor – like most of its predecessors – does not come near the ideal. Most of all, it is an “incumbent protection act” – preserving the districts of both Republicans and Democrats. It does do one thing that rather surprised the national Democratic Party: it extended that incumbent protection to the House of Representatives, not just the state legislature where the Democrats hold comfortable majorities in both the Assembly and the Senate. There are 20 Republican seats currently held in the California House delegation. The Democrats will likely pick up one with the addition of one other seat stemming from the census. But the Party in Washington had expected California to redistrict in such a way as to pick up another six seats. In a number of states that are controlled by the Republican Party, they are redistricting the old fashioned way in order to do just that – carving out an additional one or two Republican seats in order to hold onto the Republicans very slim margin in the U.S. House.

It is, therefore, interesting to note that all the Republicans in the Assembly and Senate voted for the bill, but not all the Democrats did. The “losers” in the 2000 redistricting plan include:

- Women. Several women assembly members were put into districts that will make it very difficult for them to move up to the state senate when their terms expire because the senate districts do not contain their assembly seats. The last redistricting “nested” two assembly seats into one senate seat so that each member of the assembly had an even chance of contesting the next rung on the electoral ladder. Since the Senate and the Assembly do their own redistricting – unless it is ordered redone by the courts, as has happened before – the districts were drawn with the incumbents’ immediate needs in mind. According to several participants in the process, there were preferences given to those in the Assembly the Senate wanted moved up, and difficulties set before those the Senate did not want moved up.
- Latinos. Despite the creation of new seat in Congress in a heavily Latino community, there have been strong objections to the way some seats were moved about. In fact, The Mexican American Legal Defense Fund (MALDEF) has filed suit in the case of the San Fernando Valley where congressional incumbents Howard Berman (the brother of Michael Berman who drew the new district lines under contract to the legislature) and Brad Sherman might have been affected by a major shift of the Latino populations in their districts. Both districts would still remain ostensibly Democratic, but the chances of Berman’s being challenged by Latino any time soon were much diminished.
- Asian/Pacific Islanders. Now comprising almost 15 percent of the state’s population, Asian Pacific Islanders had hoped to see an increase beyond the 4 districts they now

hold. But even holding on has been a fight, especially in the case of a seat they did win in the San Gabriel Valley. Two Latino legislators have vowed to return the seat to Latino representation even though MALDEF has supported the Asian position.

One disturbing trend in the aftermath of redistricting is the competition among nonwhite minorities for representation. Through much of the 1980s and 1990s, ethnic consciousness was high. Immigration was enormous, and anti-immigrant tensions were exacerbated by Propositions 187 and 209 (against illegal immigration and affirmative action) helped to mobilize new political involvement. Of the almost two million voters added to the polls from 1990 to 2000, over a million were Latinos. In the course of the decade, many minority groups learned to work together. Until the recent downturn in the economy, California's future looked bright, and the expected economic competition between groups did not materialize. Doubtless the economy will recover, but ethnic politics is now taking a different turn that may move beyond open competition for jobs and electoral seats.

For all the drama, however, the probability is that conflict between constituencies is actually not *the* most important factor in redistricting. Self interest – particularly of the elected officials who are drawing the lines that will affect them -- is where the process really begins. The evident lack of interest shown by the legislators toward Congress suggests the limits of their vision. Only when they are satisfied about their careers and their friends and enemies does the process move to the constituent interest groups and then, finally, to the communities themselves.

### **Term Limits**

California voters forced term limits in the state legislature in 1990, under Proposition 140. The proposition limits members of the assembly to three two-year terms and members of the senate to two four-year terms. Term limits have certainly opened up the process, especially to politicians from the local level, and given Californians “amateur” rather than “professional” politicians. But term limits continue to have a negative impact on the development of public policy for the state, and occasionally unexpected consequences in day-to-day politics.

Term limits make it difficult to develop long-term policy on complex issues that can take decades to really bring to fruition. The best example of a failed process is the energy crisis. Electric deregulation is so complicated an issue that when the legislature passed it originally, it was left primarily to one legislator – State Senator Steve Peace from San Diego – to develop administrative policy with the industry. No one else came even close to possessing sufficient knowledge on the subject. When blackouts and brownouts and extraordinary increases in costs hit the state last year, the electricity issue required a very intense learning process by everyone else, and brought almost every other legislative agenda to a halt. A similar problem may occur with water – a perennial California issue – because some decisions need to be made in the near future on this equally complicated subject.

One unexpected consequence of term limits this past year was the failure of termed out legislators to succeed to office at the local level as they tried to sustain their political careers. In Los Angeles, *no* former legislator has been elected to the City Council in several election cycles.

It was assumed that name recognition would be a major advantage – even if former legislators could not avail themselves of campaign funds left over from legislative races. But

that turned out not to be the case. Explanations can be given in each individual case, but the cumulative effect is rather impressive, suggesting general voter contentment with the idea that they do not want the same people in office year after year.

Most serious observers of American government dislike the idea of term limits, believing that elections are a sufficient safeguard to enable voters to “throw the rascals out” when they get out of hand. In truth, the theory fails a bit. More than 95 percent of legislators are re-elected year after year at both the state and federal levels, even though there is a gradual turnover of officials as some retire and others seek higher office. Political reformers have advocated two different solutions to the problem of non-competitive elections: term limits and campaign finance reform. The combination, however, which we are now facing with the passage of Proposition 34 last year, may not be working out as expected. It will be watched closely as the 2002 campaigns take shape in the March primary and November general elections for Congress and state offices. In all likelihood, a new approach – full public financing – will appear on the ballot at some point in the future.

The concern about term limits, and the deep-felt reluctance of almost everyone who embarks on a political career to see them end, may be eased somewhat by an initiative that could qualify for the March 2002 ballot. It would permit voters within a legislative district to submit petition signatures enabling their incumbent state legislator to run for re-election for an additional term (two years in the Assembly, four years in the Senate). The option would be allowed only once for a legislator, and would have to be filed in his or her final term of office. Should the initiative qualify and pass, a second initiative would impose some qualifications on term limit relief concerning who may circulate and sign petitions, restrictions on contributions for or against that process, and financial disclosure and penalties for violations of petition procedures.

Good government groups such as the California League of Women Voters support such proposals, but it will be interesting to see how voter attitudes about government and politicians play out in the spring. The most interesting conflict for voters about term limits was raised by New York Mayor Rudolph Giuliani, who was forced to leave office in January 2002, despite his enormous popularity and critical role in the aftermath of the September 2001 attacks. The Mayor eventually reconciled himself to the inevitability of leaving office without a challenge, but the issue was given great publicity. Polls suggested that – if Giuliani could have run – he would have been re-elected. That example – and the growing recognition that government has an important role to play in our security as a nation -- may lessen voter hostility to politicians. But the New York mayor’s reluctance to leave office backfired as voters came to realize just how unwilling he was to give up being in the center of power. Giuliani’s dilemma reflected the personal conflict every power holder faces when he or she must give up that identity and find some other. His struggle was poignant because it was so public and because he was so clearly climbing to a new height of leadership.

## THE POLITICS

The major impact of term limits – the one intended – is on the politics and increased turnover in office. Starting at the state level, there appears to be a rather weak candidate pool coming out of the legislature. In the words of one longtime observer, “there is no legislative bench from which good statewide candidates can be drawn.” Chairmanships just do not last long enough to give incumbents a serious hold in the public’s mind on their contribution to solving policy problems. Even those who do rise above the pack, such as Speaker Robert Herzberg, face an uncertain future. Herzberg might choose to run for controller – which will be an open seat – or he might hope that secession succeeds in Los Angeles, leaving him an opportunity to contest office in a new city in the San Fernando Valley. He could run for secretary of state – the position being vacated by Republican candidate for governor Bill Jones, but the popular former incumbent March Fong Eu is expected to enter that race and is a likely unbeatable contender. She was secretary of state for many years before term limits were adopted and has wide name recognition.

Hertzberg is being squeezed out of his speakership early by Herb Wesson, his likely successor, just as he squeezed out his predecessor Antonio Villaraigosa. Wesson would like to take office as of January 2002; Hertzberg would prefer to stay until after the March primary. Senate leadership is less vulnerable to such pushing and pulling because incumbent John Burton will not be termed out in 2004, and will have served as leader for eight years.

The biggest story of the year will be Governor Gray Davis’ fight to win a second and final term in office. If he wins, he would be a contender for the presidential nomination in 2004 or 2008. Davis was in trouble through much of 2001. Public opinion polls in the fall put him behind Richard Riordan, the former mayor of Los Angeles, who was way ahead among Republican voters for the primary (46 percent compared to 19 percent for Secretary of State Bill Jones and 5 percent for businessman William Simon, Jr.).

Riordan’s candidacy was promoted initially by the Bush Administration, which is hoping to gain at least something of a foothold in the state, given the low expectation of any shift in either state legislature or the congressional delegation. As the popular mayor of Los Angeles, Riordan has one other endearing quality to candidate kingmakers these days: he has been willing to spend millions of his own money to win elections. Simon also has considerable wealth he is willing to spend on his first race for public office. But Californians have shown a certain resistance to rich candidates, fulfilling at least one basic tenet of campaign finance reform: if the voters have enough information (no matter how much money is spent at the ceiling), they will make up their own minds. Davis, after all, won the Democratic nomination the first time in 1998 against two very wealthy candidates. They managed to give money such a bad name that the voters also turned down a wealthy candidate in the Republican primary.

Should Riordan win the primary – thought to be his biggest obstacle because of his past support of Democratic candidates and positions on such issue as abortion, (which he favors) – he would be a strong contender to defeat Davis. Riordan has appeal to both Democrats and independents as a personable, moderate Republican. As mayor of Los Angeles, however, he did manage to alienate many Southern California Republicans outside Los Angeles with his support of the conversion of El Toro to a major airport in Orange County. There is also concern about his age – he will be 72 by the time he takes office if he succeeds – not a sure thing for a re-election bid should he manage to win a first term.

On the other hand, Gray Davis, who has amassed a large war chest and is a masterful fundraiser, has never lost a race. Davis would prove to be the toughest opponent Riordan would have faced in his two prior election campaigns. The fact that Davis was behind a year out should not be taken as a sure measure of how the state will vote. Governor Pete Wilson was 15 points behind Kathleen Brown at the same point in his reelection campaign. Davis' approval ratings were fairly high in his first three years, before the electricity crisis. Neither Davis nor Riordan has been known to eschew negative campaigning and we can expect a tough campaign on both sides.

There will be considerable debate about how Davis handled the energy crisis: his hesitation to get involved early on; the nature of the deals made to purchase energy in long-term contracts; and his championship of Southern California Edison – a championship not appreciated particularly by Northern Californians who saw Pacific Gas and Electric go bankrupt without any obvious loss of power to them. Riordan also has something of a record on statewide energy that could also be used against him.

It may be Americans are having a change of heart about government, recognizing the role it actually does play, and needs to play in their lives. The attack of September 11, 2001 and the prospect of war has had a dramatic impact. We are likely to be in some form of need for war readiness. The private sector is likely to be mobilized, but the main arena will be government. It is hard to know what this new kind of war will mean for our old institutions and its leaders.

## **THE ISSUES**

### **Initiatives**

As of this writing, there are three initiatives qualified for the March 5, 2002 ballot, eight in circulation for petition signatures, and another four pending evaluation by the Attorney General. Most of those in process of qualification will appear on the November ballot, which will have a higher voter turn-out.

Those qualified for the primary ballot as of the end of September include:

- An act to require the distribution of all sales and use taxes for transportation be used only for transportation related purposes, rather than siphoned off into unrelated issues

- An act to require the licensing of auto repair dealers and shops and regulating certain medical services; and
- An act guaranteeing the right to have votes counted.

There could also be ballot measures related to electricity.

Some important bond measures could be put before California voters in 2002, including one that would substantially increase the money going to school construction, an earlier bond being largely spent. Past bond measures provided funds on a first-come/first serve basis, which turned out to benefit areas creating new developments and seriously to disadvantage large cities. Any new measures will be focused on population need.

Other initiatives in circulation that could make it to the ballot in 2002 include one having to do with welfare benefits for children (a registry, eligibility, residency conditions, and services for childless adults); a proposal that seeks to lower natural gas prices by permitting cities, counties and other public agencies to buy and sell natural gas under certain circumstances; a twenty-five cent surtax on alcoholic beverages per container or serving to be used for the financial support of sex crime victims, law enforcement and child welfare training; and the labeling of genetically engineered material on all foods sold or distributed in or from California. By California standards, these are not a lot of measures to put before the voter. But all are complex and some are apt to be controversial should they succeed in gaining the required number of signatures and actually make it to the ballot.

### **Developing Issues**

The following issues are likely to become more important during the coming year, depending, of course, on how America's war against terrorism plays out. There will continue to be fallout from the 2000-2001 energy crisis, with some cities and towns around the state exploring the option of developing municipally-owned utilities. San Francisco is taking the lead, with a series of ballot initiatives that also place emphasis on greater development and use of alternative fuel sources. The overall problem is that – unless San Francisco also assumes ownership of energy production (traditional and non-traditional) – it will not entirely escape the vagaries of fluctuating costs. Other issues that may come to the policy front include water, the budget, privacy, technology and healthcare.

### **Water**

Water is always an issue in a state where 80 percent of the population lives in a semi-desert and 80 percent of the water falls elsewhere. It is compounded on the other policy question that dogged the state for at least the last half of the twentieth century: growth. There are limits to how many people can be sustained in California at a satisfactory living standard. Whether or not we are anywhere near those limits will be a complex and continuing debate.

Perhaps one of the most significant changes taking place in the eternal water controversies in California is the intrusion of climate change into policy planning. The climate usually moves on a geologic timetable. One doesn't expect to have to adapt behavior; it is something to plan for the future. Most of the battles have been over the conveyance of water: where it came from and where it would go; how much to take; and how to distribute it between

agricultural needs and those of an urban population. According to the consultants to the Metropolitan Water District (MWD) in Southern California, if only half the prediction is accurate and there is a half meter instead of a full meter rise in the ocean over the next hundred years, there will be salt water all the way to Sacramento. Considerably nearer in time is the higher temperature in the North over the last three years. What fell as snow pack – and now falls as rain -- creates a problem for both North and South: the former needing to get rid of it quickly; the latter not able to access it when it needs it. But whether it is warm or cold in the North, there remains an expectation that the state is on the verge of another drought.

According to the MWD, its water policy today focuses on quality, reliability and fairness. The biggest issues used to be over how much water to draw from what was then called the Peripheral Canal in Northern California (now referred to as the second ditch, or the Cross Delta Canal). The conflict (including fighting in the North between agricultural and urban, and between agricultural versus environmental interests) became so intense that it finally led to a new agreement. The Cal/Fed framework was reached a few years ago under then Secretary of the Interior Bruce Babbitt.

In the 1960s and 1970s, Southern California agreed to pay an average of \$200 to \$300 million a year to take two million acre feet of water from the North. That arrangement presumed the development of the Bay-Delta, which never quite materialized. Instead – especially after the defeat of the Peripheral Canal in 1982 – the MWD took an average of 700,000 acre feet a year, drawing more heavily on the Colorado River. But under agreements reached with neighboring states and the Federal government, the draw from the river must decline to 20 percent by 2016, unless special permission is granted by the Secretary of the Interior. And that permission will only be granted on demonstrated efforts to live within the region's means. One solution is storage: storing what is possible in the wet years; and working out other solutions when it is dry.

Storage issues are somewhat irrelevant in undeveloped areas, but as people begin to fill in open spaces, it becomes less and less practical to create large reservoirs. Even if there were no environmental concerns, just buying the land becomes more and more expensive. One alternative is underground. That issue engaged Senator Dianne Feinstein and several members of the House last year when the MWD contracted with Cadiz, Inc. to sell water pumped from beneath 27,000 acres of land owned by the firm in the Mohave Desert. There are questions about how much water can be withdrawn without damaging the environment, and even a study suggesting it would have consequences in earthquakes (later challenged by others, including the Department of Water and Power). Under the proposal, the MWD would also pay Cadiz to store surplus water from the Colorado River for later use in dry years. The opposition by environmental groups is directed toward the Department of Interior's Bureau of Land Management, which must give final approval if Cadiz and the MWD can develop a reasonably safe monitoring program. This issue will probably see a lot of debate in the coming months, particularly if we are entering a new cycle of drought years.

Another developing approach to meeting the 2016 deadline would divert agricultural water to urban areas by letting seven percent of farmland lie fallow each year. In a serious drought farmers would agree to let 29 percent of their land lay fallow so their water could be diverted to population uses in Southern California. The carrot in this plan is that the MWD

would pay – in this case, farmers in the Palo Verde Irrigation District – an annual fee in a 35-year agreement. Given the uncertain nature of agriculture, this sure income would enable farmers to “take it to the bank” as one MWD official put it for loans on farm machinery or any other need they had.

Called “land fallowing,” the proposal is not very different from federal farm programs, and would require that no land be fallowed for more than 3 consecutive years so that the property would be maintained. There is also some thought given to the possibility that using underground water would result in a natural filtering process, a particularly valuable contribution considering that the Colorado River water is the dirtiest in the Northern Hemisphere because of its salt content. Every acre foot treated produces a ton of salt.

The land fallowing program is another viable approach to tapping underground water. But given the political history of water in California, no innovation is ever met without considerable suspicion by all sides. In this case, farmer reluctance has been raised by fears that a few people would get rich at the expense of the many. A suit was filed in 2001 by a group of groundwater pumpers, for instance, who own ground water rights in the Central Basin (from the 10 Freeway to the Orange County border) to guarantee their rights to the storage capacity of their ground water. At current market rates, it is worth \$1.5 billion. To some, this issue is the equivalent of a major land grab.

From the perspective of some water experts, perhaps the best solution in the long run will be changing the definition of what we mean by assuring quality water. For all the real conflict the state faces between using its water for agriculture or population purposes, only 5 percent of the water is used in people’s home, and only 3 percent is actually consumed. The alternative approach would be to mitigate the cost of treatment by rethinking where we treat water. Filters could be put in homes instead of large treatment plants. As one water official noted, “We’ve lost the battle already” when it comes to drinking water because two-thirds of the public no longer drink tap water. They spend anywhere from 50 cents to a dollar for water, the same water that costs less than an eighth of a penny from the tap. With current technology -- and expected alternatives coming from current research – it would be cheaper to install filters where homes and businesses are hooked up to the meters. Meter readers could change them as appropriate. Accepting this solution would require a major psychological shift within the community and, even though it is feasible, is will not come easily to those who have devoted their professional lives to another approach.

The battle within the water industry raises interesting questions about how California will solve its water problems with the expected population growth – whatever that growth turns out to be in the next fifty years. Right now, the MWD says it has 110 percent of the water it needs for the next 10 years. More could be done on conservation with incentives such as those already applied in low-flush toilets. There would be, for instance, a significant saving in using vertical washers and dryers, assuming they were made to suit the larger capacity of horizontal stand-alone models.

State Senator Sheila Kuehl introduced legislation in 2001 that would require developers of over 500 residential dwelling units in a subdivision demonstrate the availability of water

supplies for those homes. It may turn out that water becomes the next battleground in the anti-growth/pro-growth political division that has marked California politics for decades.

### **The Budget**

There is no doubt the war against terrorism will affect the state's economy, although parts of it may be benefited, even if this war does not include mass production of military weapons. Uncertainty about the future affects government as well as individual spending decisions. Will we need a large budget reserve in case of an attack? How much more should we be allocating for emergency preparedness, infrastructure support, training, policing functions, etc.? When facing a national crisis such as this, only government can really address these issues, but not without sacrificing other priorities. While most of the resources in the war effort will be allocated at the federal level, there is no question that the State of California will have some commitments to make, some resources to allocate, and a good deal of responsibility to take should an attack strike here. But even before the war began, revenues were down in California below anticipated levels.

A perennial issue that was not addressed during the fat years of the late 1990s is the control of local tax funds. Ever since Proposition 13 passed in 1978, shifting control of tax money from the local to the state level, local governments have been clamoring for greater control over their funds. They are not likely to obtain it soon.

### **Privacy**

Invasive technology was an issue even before September 11, 2001, and resulting proposals for increased surveillance of Americans to combat terrorism. There were 16 bills on privacy introduced last year, of which 5 made it through to the governor's desk, even fewer to pass muster there. Among the topics are telemarketing, the selling of lists, and the capacity of computer technology to keep records on Internet transactions.

There are issues about who collects information and how they pass it on to others. A story one lobbyist told was of a gift given to him 12 years ago for a golf physical. A heart arrhythmia he was born with was identified, but having lived with it all his life, he declined to pursue medical attention for it. Since then, he has been unable to buy life insurance because the golf clinic sold the information to the insurance exchange with the comment that the condition was "untreated and the patient refused treatment." The more we rely on technology for collecting personal data, the greater the need to assure the accuracy, relevance, and control of access to that information by others.

### **Technology**

The impact of technology on society extends beyond privacy. Cable franchises, many of which have invested millions of dollars in their infrastructure, periodically come up for renewal. Newer technologies threaten to supplant them. The approach by the Federal government so far has been to wait it out until the players and the technology settles down. Unfortunately, local governments need to make decisions now, and there are billions of dollars at stake for communities as well as for the technology industry.

One related issue already emerging is the need to upgrade the state's voting machines. Secretary of State Bill Jones has declared punch card machines illegal for the state. It will cost some counties a great deal of money – as much as \$100 million in Los Angeles County, according to Conny McCormack, the registrar of voters. In the broader sense, there is a growing concern about a digital divide and the implications that will have for our democracy. Opportunities abound to increase civic participation through the use of the Internet, but so do opportunities to distort and disrupt.

### **Health care**

Health care—particularly health insurance—remains a constant concern. HMO premiums have risen considerably. According to a study by UCLA's Center for Health Policy Research, the Los Angeles region has the highest percentage of the uninsured in the state, and the state itself is well above the national average in uninsured individuals. Forty-four percent of the non-elderly in Assembly District 46 (an area in central Los Angeles that has been the first destination for many immigrant communities) lack health coverage.<sup>1</sup> Part of the cause is poverty – but given its ethnic distribution, some of it may also be due to the nature of immigration mobility.

It is not hard to understand that immigrants are less likely to be covered by health insurance in a country that provides most of its insurance through employers. Most newcomers find employment among their friends and relatives, or in circumstances not likely to provide insurance such as gardening or domestic service. The cost to the state in caring for the uninsured is enormous. Of a \$16 billion Los Angeles County budget for 2001-02, 32 percent is allocated for public assistance, and 25 percent for health care.<sup>2</sup>

Somewhat related to health is reform of the state's worker's compensation system. This system provides income and medical support to employees injured on the job. The upcoming race for insurance commissioner may focus public interest on such reform.

### **The Unknown**

If the United States proceeds to war – a kind of war with which we are familiar that includes troop call-ups, increased defense spending, and so on – it will affect the economy and the politics of California. Unlike the Vietnam War, the gateway to countries sponsoring terrorism is not off the coast of California. But some of our Cold War defense and aerospace industry is still here, as well as emerging technology. There will be incursions into our civil liberties. And there is very likely to be an impact on immigration. California is home to a significant portion of all those who have come to America since we re-opened our borders in 1965.

Things may take a decidedly different turn if, after almost two centuries, the mainland of the United States becomes the subject of more terrorist attacks. If so, California is a likely target (Los Angeles International Airport was the target of the aborted plan during the Millennium celebrations, just as the World Trade Center was a prior target). There will be a great deal of attention paid to homeland security: emergency preparedness; improved fire and policing operations; and forays into new arenas for most communities such as defense against biological and chemical warfare. We can expect a lessening of partisan bickering – at least for a while – and an increase of mobilization. And, in time, an increase in peace activism.

Politically, we will worry about ethnic relations in the state. Advances that were being made in addressing racial profiling by the police, particularly, will be retarded by events. There will need to be a great deal of care in assuring that the Muslim community is not tarred by the acts of terrorists. While all of our political leaders have stressed the need for sensitivity, it will take watching.

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<sup>1</sup> Uninsured Californians in Assembly and Senate Districts, 2000, UCLA Center for Public Health Policy Research.

<sup>2</sup> A Tale of Two Cities: Promise & Peril in Los Angeles, United Way, 1999.