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To: Orange County State Legislative Delegation

From: Reed Royalty, President, Orange County Taxpayers Association (OCTax)

Date: March 15, 2011

State Budget Negotiation

OCTax understands that Senate President Pro Tem Darrell Steinberg and Assembly Speaker John A. Perez have called for budget votes at 1:00 p.m. Wednesday, March 16.

Presumably Democrats will be asked to offer concessions such as pension reform, and Republicans will be asked to agree to tax increases, in order to reach a compromise.

Sounds fair in theory, but it would not be fair in practice.

- Tax increases would go into effect fully, immediately, and for five years.
- Pension reform (and other programmatic concessions) would be delayed for years by judicial fiat, lawsuits, stakeholder resistance and bureaucratic inertia. Very likely, most such reforms never would be realized at all.

Please accept no agreement until significant reforms are locked irrevocably into place and are in effect.

Sincerely,

To: Honorable Senators Correa, Harman, Huff, Walters and Wyland
Honorable Assemblymembers Hagman, Harkey, Mansoor, Mendoza, Miller, Norby, Silva, Solorio and Wagner