

Republicans of River City

Chartered by the California Congress of Republicans

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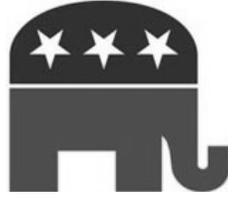
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JOE SHUMATE WILL ADDRESS THE MEMBERS OF REPUBLICANS OF RIVER CITY:

By Fred Hildebrand

Key advisor to Governor Pete Wilson, Joe Shumate, will be our guest speaker at our next General Meeting on July 18th. He is a well known consultant and familiar to members of River City. Joe is probably best known for his strategic abilities and keen analysis. He will comment on our current political scene and take questions from the audience. His visit will make for a very interesting evening.

As always, the meeting will be preceded by as Social Hour at 6:00 P.M. The General Meeting will commence promptly at 7:00 P.M. Again, we will convene in the Ose Room at KVIE, Channel 6. Do not



miss this opportunity to hear from one of the best political minds in California.

Joe Shumate is one of California's most successful political consultants. He is President of Joe Shumate & Associates. He has directed numerous successful statewide candidate and initiative campaigns. He has been a key player in the election of two governors as well as other Republican statewide officeholders. He, along with two other Americans, directed Russian President Boris Yelstin's reelection campaign in 1996 and was the subject of Time Magazine's cover story for that effort. Shumate has directed national independent expenditure campaigns and worked in many other states. In 1991 he directed Governor's Wilson redistricting effort. In 1992 and 1993 he was a Deputy chief of Staff to Governor Wilson. He left that post to help set up Governor Wilson's reelection campaign. In that campaign Governor Wilson overcame a 24 point deficit to win by a double digit margin. He is recognized as a pioneer in applying quantitative and mathematical modeling methods to political campaigns.

IMPORTANT ANNOUNCEMENT 5

By Robert Evans

In February, I wrote: "the Sacramento County Republican Central Committee ... chairperson spends ... NO time on fundraising."

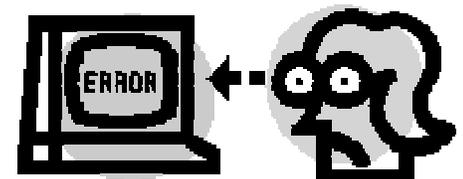
Since writing those lines, I understand our chairperson has embarked on a fund-raising campaign.

I wish this much needed campaign well and toward that end, I pledge to give a check for \$250 if all of the other members of the Sacramento County Republican Central Committee likewise each give \$250 to this fund.

The money is needed to carry on the work of electing Republicans to local office.



In our June newsletter, we published this picture of Governor Schwarzenegger and Carl Burton. We misidentified Cambria King (standing to the right of Carl) as Cassandra King. We regret this error.



VICTORY '06 BLOCK PARTY

by Carl Burton,
Sacramento County Victory '06 Chairman

This month we are having a Pre-Birthday Party (Block Party) for Governor Arnold Schwarzenegger at the next meeting of Republicans of River City.

You will hear first hand from members of Sacramento County Republican Victory '06 Team.

Be sure and invited your friends and relatives so they hear how they can help to move California forward.

Think about hosting your own block party for the Governor on July 27 (his birthday).

A Block Parties can be housed almost anywhere - at your house, in your backyard, at your apartment, in the park, around your cul-de-sac, in your community center, or any place where you can bring people together to support the Governor's re-election!

Remember Republicans of River City, a charter member of California Congress of Republicans, was the first state wide organization to endorse Governor Schwarzenegger in 2003.

To sign up to host a Birthday Party for Arnold, go to the web site <http://www.joinarnold.com>.

To help our Republican Team win election this fall visit

<http://www.sacvictory06.com>

Join the Action today!



Senator Dave Cox

THE BUDGET

by Senator Dave Cox

Governor Arnold Schwarzenegger signed the State Budget into law on June 30, 2006. This puts the budget in place prior to the beginning of the fiscal year, a feat which has not been achieved since the year 2000. Many people consider an on-time budget an accomplishment. It is important to be on time, but it is more important to get it right.

While there were many positive aspects of this year's budget, in the end it was not a budget that I could support, because it spends \$11 billion more than last year and does not go far enough to reduce the ongoing deficit that we currently have. In my time in the Legislature, I have voted for some budgets and against some of them. This one did not meet my overall test for fiscal soundness.

California's economy is strong, and because of that the Legislature had the opportunity to get our fiscal house in order by devoting one-time revenues toward paying down our debt. While some debt is in fact reduced, this budget still adds an additional \$11 billion in new spending, and ignores the looming structural deficit that we must address.

There were some positive elements in this budget, and for those the legislative leadership and the Governor should be commended. Some of the good

things about this budget are:

- No tax increases.
- Roughly \$2.9 billion is used for debt payment, including:
 - \$1.4 billion for Proposition 42 loans. This is transportation funding generated from the sales tax on gasoline.
 - \$472 million for economic recovery bonds passed by the voters in 2004.
 - A reserve in excess of \$2 billion to address any emergencies that may arise during the year, such as natural and man-made disasters.
- Education is fully funded, including \$350 million in equalization funding, so that rural and suburban communities will come closer to receiving their fair share of education funding.
- Restoration of critical public safety funding, including:
 - \$19 million for the COPS (Citizens' Option for Public Safety) program, which provides grants to frontline law enforcement agencies such as county sheriffs, police departments and district attorneys.
 - \$35 million for Local Detention Facility Funds, which provides much-needed local jail funding to relieve the pressure on overcrowded local jails.
 - \$8 million for Vertical Prosecution Block Grants which are used by local district attorneys to ensure consistency and proficiency in cases by allowing district attorneys to assign prosecutors to certain types of cases and crimes and follow cases through the judicial process.
 - \$19 million for the Juvenile Justice Crime Prevention Act which is used to help to reduce more than 200,000 youths that are arrested annually by providing guidance and mentorship.
 - Elimination of \$22 million for new health benefits for illegal aliens under the Healthy Families Program. The proposal would have

Continued on Page 3, Col 1

allowed comprehensive health insurance for all illegal immigrants who make less than \$60,000 – based on a formula that considers eligibility at 300% of the Federal poverty level, which is at a cost of roughly \$500 million per-year.

California must continue to resist the continued efforts to incentivize illegal immigration.

Language to implement the funding formula for the management, maintenance, and capital improvements of California’s fish hatcheries, the Heritage and Wild Trout Program, and related enforcement activities under AB 7 (Cogdill), which was passed last year.

As a member of the Senate Budget Committee, I worked with my Republican colleagues to offer proposals that would have reduced spending. In fact, we made recommendations for nearly \$2 billion in spending reductions that would have significantly reduced our structural deficit and made sure that California does not spend more than it brings in.

Those recommendations were rejected.

In the final analysis, the Legislature had the chance to get it right and it did not. This budget spends more than it brings in and increases the size of government, and we cannot sustain that growth. This may be an on-time budget, but that does not mean it’s the best budget we could have produced.



Assemblyman Roger Niello

“FLOOD CONTROL” MEASURES MISS THE MARK

By Assemblyman Roger Niello

Generally, a serious discussion of flood control in Sacramento never happens in the middle of the summer. The sun shines bright and the only time most of us think of the two rivers that run through our region is when we’re enjoying them for the great recreational opportunities that they provide.

Normally, I would argue that this lack of dialogue is a bad thing. Sacramento can’t afford to talk about flood control only when flooding is imminent. But in the State Capitol, on at least one debate, it may be time for a pause.

The aftermath of Hurricane Katrina and the devastation of New Orleans appropriately placed the national spotlight on this region. No matter the time of year, or the height of our rivers, the fact remains that Sacramento has the lowest level of flood protection of any major metropolitan area in the United States, including New Orleans. Governor Schwarzenegger and the State Legislature have taken some very positive steps this year to address Sacramento’s flood risk. Emergency declarations by the Governor and Legislative appropriations have expedited repair work on many critical levee sites. If everything goes right, the

work on these critical sites should be completed before the rain begins this fall. Additionally, the legislature, with my support, placed a \$4 billion bond measure on the November ballot that, if passed, will provide the needed funds to improve flood control throughout the state.

Several of my colleagues in the Legislature, however, have taken a different approach in trying to “solve” our flood control problems, and I have received ample criticism from local media editorials in recent months for my refusal to support these measures.

The problem is that these bills have wrongly focused on future development, rather than the protection of the life and property that already exists.

For example, AB 1899 would enact new, stringent, planning requirements on local governments that could have the effect of placing the state, rather than local governments, in charge of local land use decisions. The likely effect of this legislation is to drastically eliminate the ability of local governments to provide an adequate supply of housing for its residents.

At the core, housing prices are a function of supply and demand. Basic economics says that when the supply is limited, the price will go up. I have written in this column in the past about the effect that years of government regulations have had on the price of housing and the fact that many of these regulations have limited development and driven up housing prices. In many areas of our state, it is simply impossible for young people to enter the housing market. AB 1899 would only exacerbate this and make housing even less affordable.

Another measure, AB 3050,

Continued on Page 4, Col 1



would also limit the supply of housing by requiring local governments with land-use authority to share in the liability for damages caused by floods due to failure of levees, regardless of whether or not the local authority has the responsibility to operate or maintain those levees. Because of the fear of liability for levee failures that would be completely beyond their control, local governments would likely halt new development, further driving up the cost of housing.

The fact of the matter is that natural disaster is a way of life in California and a tradeoff for living in such a beautiful and unique place. Almost anywhere you live in this state, you can be subject to flood, fire, earthquake, or other natural disaster. If the state takes over land-use planning and starts making planning decisions based on where and when natural disasters might occur, we most likely would never build another structure anywhere.

Limiting future development will do nothing to protect existing development from flooding. Sacramento's solution to flood control lies in strengthening our levees and completing the modifications to Folsom Dam. Longer term, while controversial, Auburn Dam needs to be considered. Absent that, those at risk will never achieve protection significantly above the 200-year level, thus actually perpetuating our status as the metro area with the lowest level of flood protection in the country.

Providing needed funding to expedite emergency levee repairs and asking the voters to approve additional money for future repairs have been positive steps. Rushing to pass new laws that could have harmful long-term effects on

SOME FACTS CONCERNING THE 2006-07 BUDGET

The Governor's budget, passed by the legislature, reflects California's values by making historic investments in paying down debt and in education. The budget is a victory for Californians that moves our state forward.

- **Nearly \$5 billion will go toward debt repayment and building a rainy-day fund.** The Governor established a rainy-day fund of \$2.1 billion and put \$2.8 billion toward paying down various debt.
- **The Governor's budget fully funds education.** Overall school funding increases by 10 percent, to \$55.1 billion, satisfies the requirements of Proposition 98.
- **The budget cuts the structural deficit by almost 80 percent.** The budget deficit sits at \$3.5 billion, a reduction of \$13 billion compared to where it was projected when Governor Schwarzenegger took office.
- **The budget is a bipartisan victory for all Californians.** For the first time in six years, the budget will be passed before the start of the coming fiscal year, which means no risk to services for Californians and no delay in state payments to California businesses.
- **The financially responsible budget is a result of the Governor's fiscal policies and a rebounding economy.** Nearly \$5 billion in unexpected tax revenues poured in for this coming fiscal year.

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Carl will discuss ad rates and the terms and conditions of advertising in our newsletter with you. We look forward to helping you reach new customers with your ad.

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SOME PICTURES FROM THE PAST MONTH

First we have Republicans of River City member (and



Registration Chairman) William Chan with California First Lady Maria Shriver.

At our June meeting we gave away the television set that we featured at

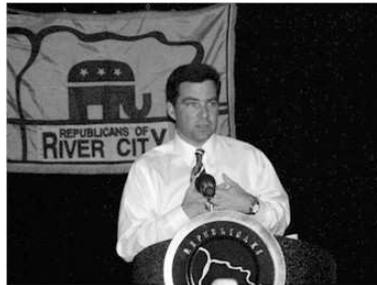


our Sacramento County Fair booth. Here you see the winner, Kyle Eins with Carl Burton (and the TV).



Here is one of our favorite members, Cambria King, who is leaving us to go to school in San Diego. Cambria, we will miss you.

Our speaker at the June meeting was Jeff Randle, who filled us in on the upcoming Governor's race.



And as you can see, the assembled members were interested in what he had to say.



Finally here is Jeff Randle, Carl Burton and member Mark Smith.



ON THIS DATE IN JULY:

July 1, 1991 - President George H. W. Bush appoints Clarence Thomas to the U. S. Supreme Court;. Previously Thomas served on the U. S. Court of Appeals and as Chairman of the U. S. Equal Employment Opportunity Commission.

July 2, 1962 - U. S. Representative Justin Morrill (R-VT) wins passage of the Land Grant Act, establishing colleges open to African Americans, including such students as George Washington Carver.

July 6, 1854 - The first state Republican Party officially organized in Jackson, Michigan, to oppose Democrats' pro-slavery policies.

July 7, 1981 - President Ronald Reagan appoints the first woman to the U. S. Supreme Court, former Arizona Supreme Court Justice Sandra Day O'Connor. As a Republican legislator in Arizona, O'Connor was the first woman to serve as Majority Leader in any state.

July 12, 1974 - Republican National Chairman George H. W. Bush establishes the Republican National Hispanic Assembly.

July 17, 1862 - Over unanimous Democrat opposition, the Republican Congress passes the Confiscation Act which states that slaves of the Confederacy "shall be forever free."

July 30, 1866 - Democrat controlled City of New Orleans orders police to storm racially integrated Republican meeting. The raid kills 40 and wounds more than 150.

GOVERNOR'S CORNER



Arnold Schwarzenegger

GOV. SCHWARZENEGGER MARKS BEGINNING OF REPAIRS TO CRITICAL EROSION LEVEE SITES

July 11, 2006

Gov. Schwarzenegger visited the critical erosion site near Knights Landing on the Sacramento River and highlighted the progress being made to fix the 29 critical erosion sites on California's levees before the next flood season.

"I came to the swollen river last winter, I promised that when water levels came down, we'd be back to replace the sand bags and rebuild the levees so people would be safe," said Gov. Schwarzenegger. "I am extremely happy to see work begin to repair our most vulnerable levees. When I learned in February that critical erosion sites were not getting fixed, I declared a State of Emergency to ensure that lives and property would be protected. Today, we have action and work has begun to start placing the rock to shore up these eroded river banks."

The tour comes just two weeks after the state received more than 50 necessary environmental federal permits and regulatory approvals to repair 29 critical levee erosion

sites. Due to the Governor's leadership, the federal permitting process has been streamlined and obtained in time to fix the critical levee sites before the next flood season. Ordinarily, federal permits and approvals require a year or more to acquire.

The site, along the banks of the Sacramento River in Yolo County, protects mainly agricultural land. Located at river mile 85.6, the erosion site will be repaired using riprap, a permanent cover of rocks used to stabilize stream banks.

Since Gov. Schwarzenegger declared a state of emergency on Feb. 24, the Department of Water Resources has evaluated approximately 50 levee erosion sites primarily along the Sacramento River Flood System, met frequently with state and federal resources agencies to address all environmental permitting processes, began design of repairs for the 29 critical erosion sites and evaluated rock supplies for construction this year. While the repair of the critical sites is important, California needs to do more to improve the aging and deteriorating levee infrastructure to protect from catastrophic floods.

To start addressing these longer-term needs, the Governor signed a bill immediately appropriating \$500 million for levee repair and improvement. Earlier in the year, Congress appropriated an additional \$30.4 million for levee repairs in the Sacramento area. The Governor remains committed to working with Congress to continue fighting for money for levee maintenance.

As part of the bipartisan Strategic Growth plan, the November ballot includes a \$4.1 billion bond for levee repair and flood control.

Highlights of the bond include: Evaluation, Repair, and Replacement of Central Valley

Levees and Flood Control Infrastructure: \$3 billion

Will fund urgent repairs and essential improvements of levees and other flood control facilities in the Central Valley and Sacramento-San Joaquin Delta.

Funds will also leverage federal and local dollars to fund flood prevention projects and improve disaster preparedness.

Bond funds will be used for programs such as:

- Evaluation and repair of the state/federal flood control system, addressing ongoing erosion, seepage and stability distress.
- Modifications and improvements to increase flood protection for urban areas, such as Folsom Dam modifications, American River Common features, south Sacramento streams, and other projects.
- Ongoing local assistance for Delta Levee Subventions and special flood control projects to reduce the risk of Delta levee failure.

Flood Control Subventions: \$500 million

Will help pay the state's share of flood control projects outside the Central Valley. Currently, the state owes approximately \$160 million to projects that are already underway or have been completed. Bond funding, combined with other funding mechanisms, would cover anticipated subvention payments for the next 10 years.

Flood Protection Corridor, Bypasses and Mapping: \$290 million

Funds will be used for:

- Creation of new levees in coordination with the construction and preservation of setback levees, flood corridors and bypasses.
- Completion of flood hazard and alluvial fan floodplain mapping

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necessary for proper flood infrastructure investments.

Storm Water Flood Management: \$300 million

Will provide grants to local entities to cost share storm water runoff projects, consistent with an integrated regional water management plan.

Only projects outside the State Plan of Flood Control are eligible for these funds.

Evaluation, Repair, and Levee Maintenance; \$3 billion

Flood Control Subventions; \$500 million

Flood Protection Corridor, Bypasses and Mapping; \$290 million

Stormwater Flood Management; \$300 million

Total; \$4.09 billion

In May, the state and federal government entered into a Memorandum of Understanding where the federal agencies agreed to complete all federal permitting by June 21, 2006 in order to ensure critical repairs are completed before the next flood season. The federal agencies met the critical path timelines agreed to in the MOU so that the state received all permits and approvals to start critical levee repairs. Without this agreement, levee repairs would have taken two or three years to complete.

The President's Corner



Carl Burton, President of RRC

REASONS TO SUPPORT THE GOVERNOR

by Carl Burton

Among the many reasons to support the Governor include his promise to bring jobs back to California. His common-sense economic policies have re-energized the California job market. He has worked hard to promote and protect California and its' resources.

Gov. Schwarzenegger said, "Nothing is more important than education because how we prepare our children today will shape the California of tomorrow." He has invested more money in education than any other governor in California history.

His concern for the environment reminds me of President Theodore Roosevelt. Gov. Schwarzenegger has said, "California, growth and protecting our natural beauty go hand in hand. It goes together. A healthy

Would you like to contribute to the Republicans of River City newsletter? If so, let us know about it!

Send and email to us at editor@sacrrc.com



environment leads to a healthy economy and a more productive workforce, and a better quality of life for everyone."

The Governor has worked to bring good government to California by streamlining state government so it is more efficient and bringing down the state debt.

Making California safe for all of us has been one of Schwarzenegger priorities, safe from crime, disasters and terrorists.

These are the reasons why I'm asking you to volunteer your time and energy to reelect Governor Schwarzenegger and our Republican team. Visit <http://www.sacvictory06.com>

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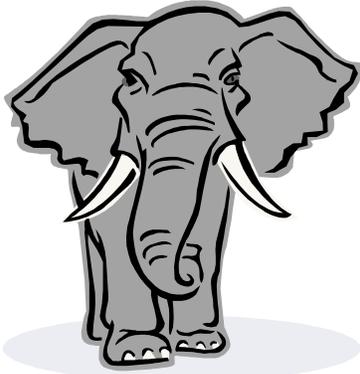
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The social hour starts at 6:00 PM and the general meeting starts at 7:00 PM.



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