The California Legislature failed the people of California when it adjourned without addressing two of the most critical issues facing our state—health care reform and water.

It seems as though Gov. Arnold Schwarzenegger is the only person who is determined to get something done. But that’s indicative of his commitment to action since the day he was elected, starting with workers’ compensation reform to last week’s call for special sessions on health care and water.

The Chamber Board of Directors formally endorsed the governor’s proposal for meaningful health care reform on Thursday. We recognize that new revenue is necessary to expand coverage and that the business community must continue to play a key role in contributing to the pool. This includes supporting the governor’s plan to levy a 4 percent payroll fee on businesses with 10 or more employees who do not already contribute that much to health insurance.

Gov. Schwarzenegger's proposal is closely aligned with our health care reform statement of principles issued in May. The 4 percent of payroll fee is a fair amount and much more equitable than having the entire financial burden placed on the back of employers. Anything more would be unsustainable and economically punitive to many companies. Unlike the alternative proposal, AB 8, we applaud the governor’s emphasis on shared responsibility, universal coverage and reducing skyrocketing costs.

Water is the other major issue. More than two years after Hurricane Katrina, the California Legislature continues to tempt disaster by failing to make significant improvements on our flood control infrastructure or fully implementing the State Water Project. Action is needed now to protect the state’s water supplies from the real and present threat of levee failures, sea level rise, earthquake damage, environmental damage and preventable federal court restrictions on state water plan operations.

The broken water supply infrastructure in the Sacramento-San Joaquin Delta is the most important obstacle to maintaining a reliable, high-quality and environmentally sustainable water supply for two-thirds of California’s population. A new conveyance facility for the Delta is essential for the environment, the economy and, indeed, our very survival. The Chamber urges the Legislature to support a plan that would allow water districts to pay for this improvement.

The promise of the State Water Project, as envisioned by former Gov. Pat Brown, is synonymous with the California dream. Politics stood in the way of addressing these issues during the regular session. Now it’s overtime for the California Legislature to make tough decisions—and compromises—to preserve the California dream for everyone in our state. It’s time for the Legislature to get to work.

And that’s the Business Perspective.

Gary L. Toebben
President & CEO
Los Angeles Area Chamber of Commerce

The Business Perspective is a weekly opinion piece by Gary Toebben, President & CEO of the Los Angeles Area Chamber of Commerce, produced with the input of Senior Policy Advisor Rusty Hammer.