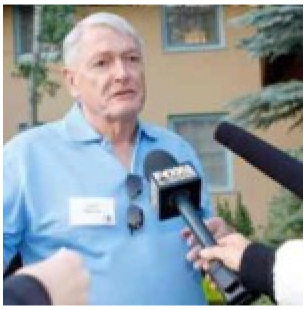
Liberty Media buys 27.3% stake in Charter Cable

By Matthew Rocco, Fox Business

Liberty Media Corp., headed by Chairman John Malone, agreed on Tuesday to buy 27.3 percent of cable operator Charter Communications, which provides service in the Lake Tahoe Basin, in a $2.62 billion deal.

Liberty will purchase the stake from Apollo Management, Oaktree Capital Management and Crestview Partners. The deal includes about 26.9 million shares and 1.1 million warrants for $95.50 a share, a 2.6 percent discount as of Monday's closing price.



Shares of Charter Communications slipped 27 cents to $97.77 a share in pre-market trading Tuesday.

The deal is expected to close in the first half of the second quarter.

"We are excited to make this investment in Charter, the fourth largest cable provider in the U.S.," Greg Maffei, Liberty's chief executive, said in a statement. "Tom Rutledge and his team have done an impressive job of turning around Charter's operations and improving its financial position. We look forward to working with Charter's management team and fellow board members in the future."

The acquisition of a stake in Charter, the eighth biggest pay-

TV operator with 4.2 subscribers, would be Malone’s first big investment in a U.S. cable operator since he sold Tele-Communications Inc. to AT&T for $48 billion in 1999.

“We are pleased with Charter’s market position and growth opportunities and believe that the company’s investments in its high-capacity digital network which provides digital HD and on demand television, high-speed data and voice, will benefit its customers and shareholders alike,” Malone said.

Charter scored a deal of its own last month, agreeing to buy Cablevision Systems’ western cable systems, Optimum West, for about $1.6 billion in cash.

Charter also said its fourth-quarter loss narrowed on stronger revenue.

California community colleges spend millions on duplicative administrators

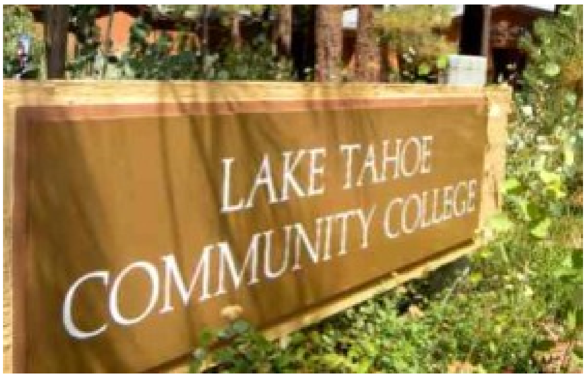
By Erica Perez and Agustin Armendariz, California Watch

The state’s 72 community college districts spend tens of millions of dollars on administrative positions that could be consolidated or shared by districts a short drive away, a California Watch analysis has found.

In the wake of huge budget shortfalls, California’s vast community college system has reduced its core academic functions – slashing millions of dollars by eliminating nearly a quarter of class sections, cutting services and laying off employees. At the start of the fall 2012 semester, more than

470,000 students had been wait-listed for classes at community colleges statewide. But millions of dollars still are spent on duplicative administrative costs.

More than half of the state’s community college districts are within 20 miles of another district. And the vast majority of those districts have a single college. If these districts shared administrators, they potentially could shave millions off their expenses.



Lake Tahoe Community College is looking at ways to consolidate resources. Photo/LTN file

Take the Riverside, Mt. San Jacinto and Desert community college districts, all in Riverside County. Together, they operate five colleges with three chancellor’s offices, three human resources departments, three finance offices, three facilities departments and three academic affairs offices, not to mention three boards of trustees.

The cost of employing the 15 executives who lead these departments, plus one or two support staff for each, totals nearly $6 million. The cost of running the three boards, including elections, legal support, stipends, benefits, support staff and travel expenses, equals nearly $1.7 million, records show.

The three districts employed more than 130 executives in total in 2010.

If the three districts could consolidate and whittle their bureaucracies down to one chancellor, one board and one head of each big administrative office, the savings would total $4.9 million — money that could, for example, pay for 960 additional class sections.

Riverside Community College District Chancellor Gregory Gray believes the savings could be even bigger.

“In this one district alone, you could easily save $5, $6, $7 million,” he said. “Multiply that up and down the state and you get a big number.”

Asked whether the system should consider merging some districts to save money, Gray didn’t hesitate. “Without a doubt and unquestionably, the answer to that is we should do that,” he said.

You could look at those facts, take note of the state’s revenue challenges and wonder why lawmakers aren’t already ordering cuts, mergers and cost savings.

But first you’d need a lesson on the way things operate in Sacramento.

“It is extremely difficult for a local chancellor like myself to try and initiate this type of discussion unless it’s really starting from the top,” said Gray, noting that no one in the state Capitol is championing consolidation.

For many of the community college districts, the potential savings may never be realized because the system of local districts is so deeply entrenched. In fact, obscure statutes in the California Education Code make it all but impossible to save money through merging districts — at least in the short run.

Students have borne the brunt of cuts to the system. They have been slapped with fees that have risen 130 percent in the past five years and have been unable to get into the classes they need. But the status quo has been protected.

The state's community college system isn't the only place in California's $92 billion budget where excess can be found. California Watch chose to zero in on the college system because of its sheer size and because it touches so many lives. About 2.4 million students attend community college classes.

California's community college system is the largest in the nation and the backbone of higher education in the state, serving the vast majority of the state's college students at the lowest price with the greatest number of locations. The system is especially essential now, as President Obama has pushed for greater resources for community colleges to shore up the country's workforce through job training and education.

California Watch reporters examined parts of the state community college system's bureaucracy to identify spending patterns and understand why reforms may prove elusive.

The 72 districts keep payroll and other data in different formats, which makes comparison difficult. So California Watch drilled down on 16 districts, taking into consideration the availability of detailed payroll data, geographic proximity and district size.

The group of 16 districts had duplicative executives or managers in 21 positions, not including chancellors and presidents. A total of 253 individuals cost the districts $30 million in salaries and at least $7.9 million in benefits in 2011.

Small districts consider collaboration

Many of the state's small districts are in precarious financial straits because budget cuts are making it increasingly difficult to support the administrative costs of running a district.

When statewide budget cuts hit, community colleges get lower enrollment targets – meaning fewer classes and student services.

But districts can scale down instructional and support services more easily than they can adjust the cost of administrative services such as payroll, accounting, information technology and institutional research, said Yuba Community College District Chancellor Doug Houston. That means courses and educational services end up on the chopping block first.

“We’re making the cuts by reducing our core academic functions, and we’re kind of chipping away at the margins of being more efficient with those noncore functions,” Houston said.

The legal and political obstacles involved in merging districts have stopped districts from getting past the most preliminary discussions about consolidating.

Houston stops short of advocating that small districts should merge to save money. He’s concerned that moving a district administration farther away would take something away from those communities.

But he has been working with a group of mostly small rural college districts to explore ways to share some of these administrative services, such as payroll services or server farms.

The group includes the Mendocino-Lake, Siskiyou Joint, Shasta-Tehama-Trinity Joint, Lassen, Feather River, Lake Tahoe, Monterey Peninsula, Butte-Glenn and Yuba districts in Northern California, plus the Copper Mountain, Barstow and Palo Verde college districts in the south.

“My fear is that for these smaller colleges that they’re already on the precipice, and that another round of cuts will put them in extreme jeopardy,” Houston said.

The group does not yet have an estimate of the potential savings districts could achieve. At Houston’s former district, the 5,000-student Lassen Community College District in Susanville, he estimated administrative costs made up 21 percent of the budget. He figures at least a quarter of that could be shaved through collaboration.

Houston and Kindred Murillo, president of the Lake Tahoe Community College District, are talking about sharing one or more senior administrators in the future, even though the two district offices are 145 miles apart.

The districts’ immediate financial woes are only the short-term context for the push toward collaboration, however.

“The bigger context is that the paying public, quite legitimately, is skeptical as to how efficient we have been in public services and is demanding greater efficiency,” Houston said. “And I think legitimately so.”

A broader analysis of the system revealed:

The state Education Code prevents districts from laying off any administrators for the first two years after merging, making it more difficult for districts to save money by consolidating.

The public appears open to change. California Watch commissioned a Field Poll that found an overwhelming majority favors consolidating community college administrative functions to save money.

As the ranks of elected community college trustees have swollen, their power and profile have diminished. The state pays for 442 community college district trustees, including an average annual cost of $5 million for elections. But the authority of these elected board members weakened significantly 35 years ago when voters approved Proposition 13, which transferred control over revenues from the boards of trustees to the state.

The Field Poll conducted in the fall for California Watch found that the majority of respondents had little or no knowledge about district board elections.

Unlike the centrally managed systems for the California State University and University of California, community colleges sprouted up largely as extensions of high school districts. That helps explain why they're organized into 72 locally governed bodies dotting the California terrain – each with its own bureaucracy.

In 2010, community colleges reported spending at least $1.7 billion on top-level administration, including pay for district executives and the cost of the 72 separate governing boards, according to a California Watch analysis of U.S. Department of Education data. The total cost of the system that year topped $10 billion.

But the 72 districts don't all report administrative spending to the federal government in the same way. That makes it difficult to compare how much each district spends on bureaucracy or to compare the community college system to other higher education systems.

The Riverside Community College District, for example, included $3.5 million in state money it spent on enterprises such as parking and student activities. The Long Beach Community College District did not include that category of expenses.

The chairman of the Assembly Higher Education Committee, Das Williams, D-Santa Barbara, said the state should consider district consolidation.

"There's no question that there (are) more individual districts than is efficient and, in many cases, the efficiencies that can be gained would mean more classes for students," Williams said. "And that's really the tragedy of the system, is the lack of funding and the lack of reform."

However, while lawmakers can encourage a statewide examination into the costs and benefits of district unification — through studies and hearings — Williams said local leaders ultimately need to sign on to make such a move successful.

Creating a new district

To see how much cost a district structure can add, consider how much California paid when it built one from scratch.

The seeds of Copper Mountain College in the High Desert took root in 1967, when the Desert Community College District in Palm Desert began offering college classes at local schools in the Morongo Basin.

Community leaders in the area began to envision having their own full-fledged college. In 1970, the district bought land on the side of Copper Mountain in Joshua Tree with the idea of eventually building a campus there. And in 1977, voters elected the first Morongo Basin resident to the district board of trustees. Virnita McDonald advocated for a college at Copper Mountain.

A new foundation, the Friends of Copper Mountain College, began raising money for a building campaign. Its success led to the opening of the Copper Mountain campus in 1984.

Still, college leaders wanted independence from the Palm Desert district. They argued that their campus wasn't getting its fair share of resources. They believed the district should have built the Copper Mountain campus sooner.

"We felt that we were significantly different from the Palm

Desert community," said Owen Gillick, who has been involved with Copper Mountain College since 1975 and recently retired from the district's board of trustees. "We felt that even having one of five trustees residing here did not give … us the control over our destiny that we felt we deserved to have."

Frustrated by what it saw as a lack of action by district leaders, the Friends of Copper Mountain College met with Republican state Sen. Jim Brulte in 1998, hoping for a political solution.

Brulte agreed to tackle the issue. A bill he introduced authorized a new, separately funded district – without needing the approval of voters in Palm Desert.

David Wolf, then the executive director of the Accrediting Commission for Community and Junior Colleges, said in an interview that he was uncomfortable with the creation of a district of that size in that location because of obvious fiscal limitations.

Thomas Nussbaum, chancellor of the community college system at the time, also said he had concerns – not only about the extra cost, but also about the circumvention of the standard process for forming a district.

But the involvement of a powerful legislator made the move inevitable, they said.

Brulte "had already made up his mind on the subject and probably had the ability to pass whatever legislation he wanted to pass," Nussbaum said.

In 1999, the bill became law. Almost overnight, the region went from having one college and one district to two colleges and two districts.

With the new designation came new trappings. The district created two new jobs that mirrored positions at Palm Desert's College of the Desert: a chief human resources officer and a chief business officer. Copper Mountain also hired a director of fiscal services, promoted the provost to CEO and promoted a professor to a position as chief instructional officer. A new local board was elected. State budgets provided $3 million in the first two years to foot the bill for the transition.

From 1998, before the secession, to 2002, four years after the split, the cost of top-level administration for College of the Desert and Copper Mountain College doubled, growing at twice the rate of the system as a whole. Copper Mountain currently has nine administrators and faculty who make more than $100,000 per year.

Both districts are among California's smallest. The Desert Community College District enrolls roughly 13,000 students. Copper Mountain, the spinoff, is the second-tiniest district in the state, with 3,000 students enrolled last year.

Tiny districts are, by nature, inefficient. In fact, their fixed costs are so high that the state funding formula adds on extra money for them. As a result, per-student funding at Copper Mountain in 2010 was about $8,200 – more than 40 percent higher than the state average of $5,700.

"They've got to have a board, they've got to have a basic campus, they've got to have a basic administration, they've got to have a basic faculty even if their class size is very small," Wolf said. "So why would you create something like this … when there's 55 miles away a great big campus that provides everything?"

Gillick did not dispute that forming a new small district entailed significant costs. But he said consolidating Copper Mountain with a neighboring district would be an "unsuccessful implant."

"These small things (districts) are costly, but they have a value that can’t be measured in bucks,” he said.

Brulte, now the California Republican Party chairman, said there was no requirement in the law that the new district add more administrators. The move had a positive impact in the area, he said.

“At the end of the day, additional resources went to Copper Mountain, and it eliminated a tremendous source of conflict within the Morongo Basin,” he said. “The people of the Morongo Basin got to have control of the college district in their community.”

Overlapping roles

When you look at a map of California’s community college districts, the dots tend to cluster. More than half of the districts are within 20 miles of at least one other community college district.

Each district comes with a cadre of highly compensated executives who do the same thing as their counterpart with the same title at a district 10 or 15 miles away. In theory, geographically close districts could share a vice president of human resources or a chief business officer.

It’s unclear how much could be cut, but the community college system spends at least 17 cents of every dollar on top-level administrative costs.

California Watch analyzed payroll data for 16 districts. Combined, the districts – a mix of small and larger ones – had 18 directors of public relations, 21 directors of campus facilities and 12 institutional research chiefs. Not including the district superintendents or college presidents, the districts had some level of overlap in 21 executive or management positions.

Meanwhile, colleges have dealt with budget cuts by cutting classes. Before last year's passage of Proposition 30, which temporarily increases income and sales taxes to fund education, funding for community colleges had decreased by $809 million, or 12 percent, since 2008-09.

In that time period, the number of students served sunk by nearly half a million.

In an August 2012 survey conducted by the California Community Colleges Chancellor's Office, 66 of 78 colleges that responded reported having waitlists for fall classes. On average, there were 7,157 students wait-listed per college.

Berkeley City College student Clay Smith, 22, witnessed the effects of reduced class offerings firsthand. Last semester was the most hectic he'd ever seen.

"There were at least 10 kids standing in every class," Smith said. "There's people on the floor and in the hall. … I made sure to get to class 20 minutes early so I knew I had a seat."

Smith needs one more business class to meet the requirements to transfer to a UC school. But he never thought it would take him three years to get here.

"I had no clue," Smith said. "I didn't think it was going to take this long of a journey."

Obstacles to consolidation

The state Education Code makes it all but impossible for districts to achieve cost savings right away by merging operations.

Take the Napa Valley, Solano and Contra Costa community college districts, which together oversee five colleges. The district offices are within 15 to 25 miles of each other.

Combined, they serve about 81,000 students – fewer than at City College of San Francisco.

When you look at them together, Napa Valley, Solano and Contra Costa had three chief business officers, five directors of campus facilities, three athletic directors and three public relations chiefs in 2011. They also had two directors of information technology, chief financial aid officers and vice presidents of student success.

There were 12 key executive or administrative positions that clearly overlapped across all three districts and two other positions duplicated in 2 out of 3 districts.

Salaries and benefits for these 43 people totaled roughly $6.4 million. The districts employed more than 150 executives in total in 2010.

Some district officials questioned whether a district spanning three counties would reduce colleges' ability to respond to local business needs.

Timothy Leong, spokesman for the Contra Costa Community College District, said that while his district sees jobs in the energy sector, Napa may see more in the agricultural or wine industries.

"Community colleges in those respective areas work closely with the businesses in order to meet those educational needs for their future workforce," Leong said. "The question becomes, by proposed consolidation … will you be able to still meet the business needs and training needs for your students in the same way?"

Yulian Ligioso, vice president of finance and administration for Solano Community College, said a merger would entail many additional costs. For example, the districts would have to standardize their curriculums.

"While on the surface, I think it's certainly not something you cannot do, there are many obstacles you'd have to address in trying to merge the institutions," Ligioso said.

The districts have not discussed merging, but even if they did, they wouldn’t be able to immediately reduce duplicative positions. California’s Education Code prohibits districts from laying off nonacademic employees for two years following a merger.

That protection originates from a 1961 bill sponsored by the California School Employees Association, which ensured a year of job security for nonacademic employees after a merger. The union sponsored another bill in 1970 that pushed the protection to two years.

Even before a merger could be approved, a litany of other financial, legal and political hurdles would stand in the way.

Several groups must sign off on the deal, including the community college system’s Board of Governors, a committee of K-12 school officials in every affected county and the merging districts’ boards of trustees — who which would be voting on whether to eliminate their own positions.

Voters in every affected county would have to approve the merger at the polls, too.

The colleges, meanwhile, would have to get approval from the Accrediting Commission for Community and Junior Colleges. They would have to show that they could maintain the same quality of instruction and student support. The process entails legal review and a fee of $20,000.

The new district also would have to sort out multiple collective bargaining agreements, each with its own salary schedule.

Bill McGinnis, a trustee at the Butte-Glenn Community College District in Oroville, took a deeper look at these laws and regulations in 2011.

“It’s a very complicated process and a very costly process,” McGinnis said. “There’s no cost savings for at least two years. In order to make it work, you’d definitely need to have changes in the law.”

That’s not to say districts that currently operate multiple colleges are more efficient than single-college districts.

California Watch looked at three years of administrator-to-student ratios for each district. While the ratios varied, no clear pattern emerged that would explain why some districts had lots of administrators per student and others had very few. Districts with multiple colleges, for example, were no more likely than single-college districts to have a low administrator-to-student ratio.

Many community college officials point to this fact when they caution against merging districts. They often cite the state’s largest district, the nine-college, 230,000-student Los Angeles Community College District, as a highly bureaucratic organization they do not want to emulate.

“Mergers would be rather complicated legally, and we would have to be convinced that such mergers would bring about savings,” said Jack Scott, former chancellor of the California Community Colleges. “Unfortunately, there’s not evidence that (multicollege districts) operate more efficiently than some of the surrounding districts that are one-college districts.”

STPUD changes elections to

even years

South Tahoe Public Utility District’s board unanimously agreed to change its elections to even years. This means the current board members will all have one year added to their term.

The district chose to do this because Lake Tahoe Unified School District and Lake Tahoe Community College voted to alter the years they have elections. The three share the cost of the election. Had South Tahoe PUD stayed with the odd year elections, it could have cost upward of $60,000. Now that expense will be split between the three jurisdictions as was the case during odd year elections.

The El Dorado County Board of Supervisors must still vote on the change to make it a reality.

STPUD also looked at having geographically designated trustee areas as the two education entities are doing. No public utility in the state elects their board geographically. LTUSD and LTCC are going that route to comply with the California Voting Rights Act.

The board agreed to leave how people are elected to the STPUD board unchanged.

— Lake Tahoe News staff report

Stateline man indicted in

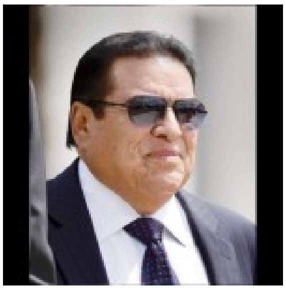
CalPERS bribery case

By Dale Kasler, Sacramento Bee

Federal prosecutors filed criminal charges today in the CalPERS bribery case, naming the big pension fund's former chief executive and a Nevada businessman.

Brian Stretch, a spokesman for the U.S. attorney in San Francisco, said former CalPERS Chief Executive Fred Buenrostro and former board member Alfred Villalobos were named in a criminal case late this morning.

Stretch said the two men were charged with conspiracy to commit fraud, conspiracy to obstruct justice and making false statements to federal agents.



Alfred Villalobos

Villalobos, who lives in Stateline, earned about $50 million as a "placement agent" obtaining CalPERS investments on behalf of various private equity firms.

State officials already named the two men in a 2010 civil lawsuit, charging that Buenrostro took bribes from Villalobos to steer business toward Villalobos' clients. The two men denied any wrongdoing.

The criminal charges come more than three years after the *Bee* first disclosed that Villalobos hosted Buenrostro's wedding at his Lake Tahoe mansion and took Buenrostro on a paid trip around the world. Also on that trip was former CalPERS board member Charles Valdes, who hasn't been charged with any wrongdoing.

The bribery case was probably the biggest scandal in CalPERS history, prompting a massive "special review" commissioned by the pension fund.

"We've been through our embarrassing times," CalPERS board president Rob Feckner said after the indictments were announced. "This is a good day"

The review, led by Washington, D.C., securities lawyer Philip Khinda, concluded in March 2011 that Villalobos and Buenrostro's activities had probably cost CalPERS tens of millions of dollars in inflated management fees.

Khinda said some of CalPERS' investment partners surely inflated their fees to make up for the millions they were secretly paying in commissions to Villalobos.

Stretch said Villalobos, 69, and Buenrostro, 64, were released on bond after an initial appearance March 18 in U.S. District Court in San Francisco.

The indictment says the two men concocted phony letters to induce one of Villalobos' big clients, Apollo Global Management of New York, to pay Villalobos a $14 million commission in 2007.

The letters claimed that CalPERS was are of the fees Villalobos was earning – a disclosure demanded by Apollo.

Supreme Court to hear Sierra Nevada forest case

By Michael Doyle, Miami Herald

WASHINGTON – A long-running Sierra Nevada forest planning dispute will now be settled by the Supreme Court in what could shape up as a crucial public lands case.

On Monday, the court agreed to referee the dispute pitting environmentalists with the Portland-based Pacific Rivers Council against the U.S. Forest Service over decision-making that dates back to the second Bush administration. While the specific case involves 11 Sierra Nevada forests, the eventual outcome could shape everything from who gets to file lawsuits to the scope of future environmental studies.

"Definitely, throughout the West, this could have huge impacts on the moving of projects forward," Dustin Van Liew, executive director of the conservative Public Lands Council in Washington, D.C., said in an interview Monday.

One key question confronting the court will be whether environmentalists have the "standing" to sue against a general forest plan, as opposed to a specific project proposal, by virtue of their making recreational use of the national forests. To gain standing in federal court, individuals must show they've been injured or face imminent injury.

The court case involves the Eldorado National Forest. Photo/LTN file

A second major question is how extensively detailed the Forest Service must be when preparing overarching management plans, such as the one governing the 11 Sierra Nevada forests.

“The only role for a court is to insure that the agency has taken a ‘hard look’ at the environmental consequences of its proposed action,” Pacific Rivers Council’s attorneys said in a legal brief, adding that “agencies cannot take a ‘hard look’ unless they have reasonably identified the consequences of their actions.”

Underscoring the case’s potential significance, the Public Lands Council and the affiliated National Cattlemen’s Beef Association secured Supreme Court permission Monday to file a brief opposing the environmental group. Many more briefs, from both sides, are sure to come.

The court’s decision to hear the Sierra Nevada case, sometime during the 2013 term that starts in October, means that at least four of the court’s nine justices agreed to reconsider a 9th Circuit Court of Appeals decision from last year in which environmentalists prevailed.

In that 2-1 appellate court decision, the 9th Circuit panel concluded the Forest Service in 2004 failed to adequately study the effect of dramatically revised forest plans on Sierra Nevada fish populations.

“The Forest Service provided no analysis despite the fact that the 2004 (plan) allows much more logging, burning, road construction and grazing,” Judge William A. Fletcher wrote for the appellate panel.

The planning, and required federal environmental impact statements, cover nearly 11.5 million acres of Forest Service land stretching from Southern California to the California-Oregon border. Taken together, the Sequoia, Inyo, Sierra, Stanislaus, Humboldt-Toiyabe, Eldorado, Tahoe, Plumas, Lassen and Modoc national forests, and the Lake Tahoe Basin Management Unit, encompass more than 5 percent of all land managed by the Forest Service nationwide.

“My first Sierra Nevada backpacking trip was to the Mineral King area in 2000, during which time I also fished,” Pacific Rivers Council Chairman Bob Anderson, a South Lake Tahoe resident, said in a court declaration used to establish injury and standing. “I plan to continue these activities as long as the management of Sierra Nevada national forests does not prevent me from doing so.”

When presidents have changed, so have the Sierra Nevada forest plans.

The Clinton administration issued one Sierra Nevada plan in January 2001, about a week before President Bill Clinton left office. The George W. Bush administration then scrapped that plan, and issued another in 2004.

The 2004 Bush plan called for harvesting 4.9 billion more board-feet of timber than under the 2001 Clinton plan. The Bush plan also called for constructing 90 more miles of new roads, reconstruction of 855 more miles of existing roads and a loosening of restrictions on grazing. Bush’s supporters in the timber and cattle industries, among others, supported the changes, while environmentalists warned of the dangers.

Local governments pay big to influence Sacramento

By Anthony York, Los Angeles Times

SACRAMENTO – Although many of California's cities and counties have been struggling financially, putting off road repairs, cutting back library hours and reducing police patrols, there is one way in which they have not held back: hiring Sacramento lobbyists.

Local governments' spending on advocacy in the Capitol has surged in recent years, topping $96 million during the two-year legislative session that ended last fall – an increase of nearly 50 percent from a decade ago.

The sum dwarfs the lobbying bills of the state's largest labor unions, big oil companies and other energy interests combined, according to the California secretary of state's office. No sector spends nearly as much trying to influence government in California as government.

One reason is more than two decades of term limits. Turnover in the Capitol and in some local offices has weakened relationships between state and local officials. Many lobbyists work in Sacramento for decades, are more knowledgeable about policy details and intricate funding formulas than sitting lawmakers, and have long-standing relationships with Capitol staffers.

Another is the state budget crises of the last decade, which have taken an ever larger bite out of allocations to local governments, putting municipal and state leaders at loggerheads.

With tens of millions of local dollars going to capital insiders “at a time when cities and counties are cutting back essential services, it’s worth asking whether this spending is the best use of taxpayer money,” said Phillip Ung, a spokesman for the watchdog group California Common Cause.

Local officials say the lobbying expenses are a small price to pay to protect their share of exponentially larger state dollars. The right advocate can steer some state funds in one direction or another, and these days, a lobbyist’s blessing for a policy proposal can carry more weight in the Capitol than a legislator’s endorsement.

Lobbyists may be retained as a defensive measure against decisions made in the Capitol that could adversely affect local communities. They may be asked to help secure state contracts or bond money, or to arrange meetings with leaders of the Legislature and other top government officials.

Orange County officials credited their Sacramento lobbyists, Platinum Advisors, for arranging a meeting last summer with Assembly Speaker John Pérez, D-Los Angeles, that led to last-minute legislation restoring $48 million to the county budget.

The city and county of Los Angeles both have full-time staffs dedicated to monitoring the Capitol, but they seek additional help from several Sacramento-based firms. The two entities paid external lobbyists a combined $5.3 million over the last two years, according to spending reports filed with the state.

The city of Los Angeles paid the Sacramento firm of Shaw/Yoder/Antwih more than $251,000 in 2011 and 2012 combined – part of the more than $3.3 million spent on outside lobbying during those two years. The firm helped secure millions of state bond dollars for city projects and helped defeat legislation that could have required the city to spend as much as $2 billion to repair damaged sidewalks, said Juan Rodriguez, director of state relations for the city.

Other big spenders include the counties of Alameda, San Bernardino and Orange, which each devote more than $1 million annually on outside advocates. But some of the big money comes from small cities.

Anthony Gonsalves, the son of a former assemblyman, runs a lobbying firm with his two sons that specializes in representing cities with populations of 50,000 to 100,000 and budgets to match.

The firm's three Sacramento lobbyists did nearly $5 million in business during the last two-year session of the Legislature, according to records that lobbyists must file with the state. Most of that business came from the 60 municipalities on its roster.

The cities paid the firm as much as $8,000 per month, often to lobby on legislation that Gonsalves was being paid to address by other clients as well, according to his firm's state filings. Such fees can be hefty for a small municipality, but the cost of not having such a lobbyist can be much higher, said Alan Kapanicas, city manager of Beaumont in Riverside County, which Gonsalves represents.

Like much municipal funding, most of the city's budget passes through Sacramento, Kapanicas said, and lawmakers have cut those funds deeply over the last decade. The elimination of redevelopment agencies, for example, deducted billions of dollars from city budgets. The governor and Legislature also transferred responsibility for many low-level criminals from prisons to local jails, straining county budgets.

"The state is always coming up with new ways to take money away from us," he said. "We need to have some protection" in Sacramento against those efforts.

The city, with slightly more than 16,000 residents and an annual budget of $28.7 million, paid Gonsalves more than $73,000 over the last two years to "be our eyes and ears in

Sacramento," Kapanicas said.

Gonsalves said he offers connections that local officials need in the Capitol and may not be able to make through the legislators from their area. "We are a conduit," he said. "We have the relationships."

Many contracts are approved with little or no public scrutiny. Some are arranged by city managers and approved pro forma by council members, without public discussion. Some have come under criticism.

A January report from City Controller Wendy Greuel found that the Los Angeles Department of Water and Power approved four no-bid contracts totaling $480,000 to Sacramento advocacy firms. None of the contracts had been advertised publicly or required regular updates from the lobbyists on their work.

In Malibu, officials raised concerns about potential conflicts of interest in the way their work was being handled by a firm called California Strategies, which the city has paid $150,000 a year since 2004 for state government advocacy. The firm simultaneously represented U2 guitarist David Evans, better known as the Edge, in his 2009 quest to build five homes on the bluffs overlooking the Malibu coastline — an effort some members of the City Council opposed.

"It made me uneasy, because the lobbying firm [was] representing something the city may not be happy with," said Jefferson Wagner, who sat on the City Council from 2008 until mid-2012. Wagner was opposed to the development and told the city's advocate, California Strategies' Ted Harris, that the firm's work on the project "made it awkward for me."

Jason Kinney, a spokesman for the firm, said its partners determined there was no conflict in accepting Evans as a client because the necessary permits were dispensed by the California Coastal Commission, not the Malibu City Council. The Coastal Commission ultimately rejected the project.

Sometimes there are personal ties between local governments and their lobbyists. The Yucaipa Valley Water District paid more than $110,000 to Platinum Advisors during the last two-year legislative session. One of the firm's lobbyists, Brett Granlund, is the brother of district board member Bruce Granlund and ex-husband of another member, Lonni Granlund.

Joseph Zoba, general manager of the Yucaipa Valley Water District, said the Granlunds recused themselves from the vote on hiring a lobbyist.

"Brett is a former city councilman and assemblyman from Yucaipa. He has a great working knowledge of Yucaipa," Zoba said. "Most people don't even know where we are on the map. Having someone like Brett really helps out."

Study: Cutbacks impact quality of news

By David Bauder, AP

NEW YORK — Years of newsroom cutbacks have had a demonstrable impact on the quality of digital, newspaper and television news and in how consumers view that work, a study released Monday found.

Nearly one-third of consumers surveyed by the Pew Research Center's Project for Excellence in Journalism said they have abandoned a news outlet because it no longer gave them what they had counted on, either with fewer or less complete stories.

Pew's annual State of the News Media report delivered what has become a common litany of grim business statistics. Television news viewership is down. Newsroom employment at newspapers is down 30 percent since a peak in 2000 and has gone below 40,000 people for the first time since 1978. *Newsweek* shut its print edition and *Time* magazine is cutting staff.

“These cutbacks are real,” said Amy Mitchell, the project’s acting director. “And based on the data that we’ve collected, they are having an effect.”

Government coverage on local television news has been cut in half since 2005, the study said. Sports, weather and traffic now account for 40 percent of the content on these broadcasts; yet that’s just the sort of information readily available elsewhere. That’s a recipe for future erosion, Mitchell said.

Forty-two percent of adults under age 30 counted themselves as regular local news viewers in 2006; last year that was down to 28 percent, the study found.

Cable news is increasingly cable talk, although it’s difficult to conclude whether that is because of financial considerations or the sense among executives of what viewers want. Over the last five years, CNN has sharply cut back on produced story packages and live event coverage, the study found.

During the presidential campaign, reporters increasingly acted as megaphones instead of investigators, Pew said. More stories are simply reporting verbatim what candidates or partisans were saying, rather than using those statements as a starting-off point to explore an issue.

There are many more places that people can go for news or information now. The question is whether consumers are leaving prominent news organizations because they are not getting what they want, or whether these outlets can no longer afford to give them more because consumers are leaving, said David Westin, former ABC News president.

“Increasingly, it’s not just a question of what people want,” said Westin, who presided over an era of cutbacks at ABC News. “It’s what people are willing to pay for.”

More organizations are experimenting with charging for digital content, which Mitchell called a positive sign. The Pew report said 450 of the nation’s 1,380 daily newspapers have started or announced plans for some kind of paid subscription model. Partly as a result, newspaper circulation stayed steady in 2012 after years of decline. Revenue continued to go down, though.

With newsroom cutbacks, some news organizations supplement their reporting through work funded through other sources, like ProPublica and the Kaiser Family Foundation’s service for reporting health news. When he was at ABC, Westin said the network accepted a grant from the Gates Foundation for reporting on subjects like the water supply in Africa it otherwise would not have been able to afford.

Pew’s survey of 2,000 consumers taken earlier this year revealed that a majority of people had little or no awareness that the news industry has financial problems. The people aware of the problems are the ones more likely to abandon a news outlet because they weren’t getting what they wanted.

Of the people who left a news outlet, 61 percent said that the stories were less complete than they had been, Pew said.

“We are at a point where we have to get back to quality and think about what we are giving people,” Mitchell said.

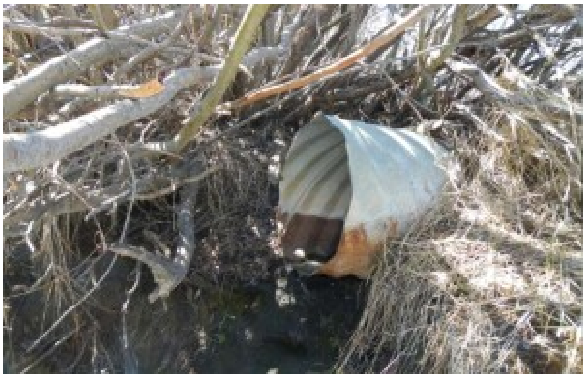
League brings awareness to Tahoe storm pipes

By Kathryn Reed

A whole lot of brown gunk is coming out of storm pipes that flow into Lake Tahoe. While that isn't news, greater awareness is being brought to the issue.

The League to Save Lake Tahoe has identified 50 pipes in the basin carrying runoff water, but believes there are more. One of the problems is there is not just one agency responsible for knowing where the pipes are, what is coming through them and where that water originated from.

Most of the identified pipes go into the lake, with a couple taking water to the Upper Truckee River.



The Venice Drive pipe on the edge of the Upper Truckee River is dry March 17, but that is likely to change when the storm rolls through the basin this week. Photo/Kathryn Reed

It is hard to identify pipes in Nevada because of the different rules when it comes to public-private property at the water’s edge.

In October, the League implemented a pilot program where nine volunteers adopted a pipe. Their job is to get samples of water during storm events, take pictures and write notes of what they see. To date, 250 water samples have been collected.

“We wanted to create a program where the community could do something and get dirty. Something so they could take the issue into their own hands,” explained Darcie Goodman Collins, executive director of the League. “The key message is get involved.”

A couple dozen people attended a meeting last week at Lake Tahoe Community College to learn more about the Pipe Keepers and to hear what the results were of the initial data collection.

“We just want to know if the pipe is a problem and if it’s being taken care of,” explained Nicole Gergans of the League.

Turbidity, or the cloudiness of water, is measured in NTUs, which stands for nephelometric turbidity unit. For Lake Tahoe, the NTU in shallow water is supposed to be no more than 1 NTU or up to 3 NTU near a drain, according to the League.

Here are the average measurements as of mid-March since the program started for this rain-snow season:

• Kaspian Point Pipe – 181 NTU

• Lardin Avenue Pipe – 170 NTU (On Jan. 21, the water was too turbid to measure, which means it was more than 1,000 NTU, the League reported.)

• Meeks Bay Pipe – 21.6 NTU

• Venice Drive Pipe – 181 NTU

• Sunnyside Pipe – 59 NTU

• Upper Truckee River-Highway 50 Pipe – 500 NTU

• Fremont Avenue Pipe – 63.4 NTU.

Besides the League giving out info, Lahontan Regional Water Quality Control Board, Tahoe Regional Planning Agency, Tahoe Resource Conservation District and the Environmental Protection Agency had folks in the room as members of the audience.

Bob Larsen with Lahontan spoke a bit to the group; in large part about how fine sediment is clouding the lake.

“Go upstream of the pipe. That’s where a lot of solutions lie,” Larsen said.

Kristi Boosman with TRPA said collaboration is good and so is identifying all of the pipes.

The League is looking for more people to be part of the Pipe Keepers. For more information, call (530) 541.5388 or email Emily@keeptahoeblue.org.

Wild horse advocates granted concession

By CBS-San Francisco

Nevada has signed a cooperative agreement with wild horse protection advocates allowing longtime critics of mustang roundups to have the first chance at purchasing state-captured animals that otherwise might end up at the slaughterhouse.

The agreement between Nevada's Department of Agriculture and California-based Return to Freedom Inc. doesn't affect the roundup of federally protected horses on mostly U.S. Bureau of Land Management lands in Nevada and much of the West. But it means that in at least three Northern Nevada counties, the mustang's allies won't have to outbid slaughterhouse buyers at state-sponsored auctions, as they were forced to do this year when dozens of horses were offered for sale.

Instead, the group that serves as the parent organization for the national American Wild Horse Preservation Campaign will have two business days to pay $100 per horse for those the state gathers due to threats they pose on state roads and highways in the Virginia Range southeast of Reno, the municipality of Carson City and surrounding Washoe, Storey and Lyon counties.

Members of the national coalition who have been pressing for such an agreement say it's a significant development — the only one of its kind in the country.

"We are extremely proud of this important step toward preventing Nevada's iconic wild horses from falling into the clutches of kill-buyers at auction," said Kevin O'Neill, a senior legislative director for the American Society for the Prevention of Cruelty to Animals.

Neda DeMayo, president and founder of the nonprofit Return to Freedom that provides refuge to 400 wild horses at a refuge in Lompoc is hopeful the agreement will lead to long-term changes that include more emphasis on trying to keep the animals running wild on the range through alternative management.

"A host of solutions — including birth control, fencing and diversionary feeding and watering — are available to mitigate public safety concerns," she said.

Deputy Nevada Attorney General Dennis Belcourt signed the agreement on behalf of the Agriculture Department on Tuesday.

The deal forbids purchasers of the horses from returning them to the Virginia Range. Department spokesman Ed Foster said the arrangement places responsibility for care of the animals in the hands of advocacy groups.

“They are going to be interacting with the local horse groups and start facilitating that for us. We think it is a very productive step to have horse people working with other horse people,” he said.

With financial backing from the national groups, local advocates spent about $10,000 to buy 41 state-owned horses at an auction in Fallon in January.

“This is a real opportunity to build on this first step and implement a win-win program that will benefit Nevada taxpayers, northern Nevada residents who enjoy the wild horses of the Virginia Range, and the horses themselves,” said Shannon Windle, a leader of the Hidden Valley Wild Horse Protection Fund in Reno who wrote a check for more than $7,000 for 29 of those horses earlier this year.

The stray horses in the foothills between Reno and Virginia City aren’t federally protected because the BLM determined long ago there were no wild herds on federal land in that area when Congress passed the Free-Roaming Wild Horse and Bureau Act in 1971. Instead, these “feral” or “estray” horses are considered property of the state.

Nevada officials believe about 2,500 of the animals are on private and state lands near Virginia City. More than three dozen have been hit since summer on three rural highways in Lyon and Storey counties around Silver Springs and Virginia City.

“We don’t do roundups,” Foster said. “The only time we pick up horses is when there is a public safety issue."

Last year, the state removed about 60 horses from the range. This year, more than 100 have been collected, Foster said.

He said consecutive dry winters have forced them out of the upper elevations due to lack of water, and the state agency doesn't have the resources for longer-term management plans.

"We don't have staff, we don't have time," he said. "We've got 70 divisions and in our horse program, we've got one dude working it with a trailer and a truck, and we can barely put gas in the truck."

Kings Beach utility work to impact roads

The Kings Beach Commercial Core Improvement Project utility relocation work along Highway 28 through Kings Beach is scheduled to resume this week and continue throughout the spring.

Listed below are dates and corresponding locations slated for this work:

March 19-22: Expect work to be conducted by the Log Cabin Caffe, eastbound Highway 28.

March 22-27: Expect work to be conducted by The Front Porch at the intersection of Fox Street and Highway 28, westbound Highway 28.

April 1-3: Expect work to be conducted by the Tahoe Forest Hospice Thrift Store at the intersection of Coon Street at

Highway 28, westbound Highway 28.

April 8-12: Expect work between Coon and Bear streets.

Additional work areas will be added.

A minimum of one traffic lane will be open in each direction at all times while the utility relocation work takes place.

In addition to the Kings Beach CCIP utility relocation work, Southwest Gas will also be performing relocations in the vicinity. Most of the work conducted by Southwest Gas will be in the Kings Beach neighborhood “grid” area.

Click on the link below to view the utility exhibit which shows where relocations will be taking place.