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March 23, 2007

Summit on Placement of Sex Offenders: The Conversation Begins**Governor Schwarzenegger Addresses More Than 350 State and Local Leaders at Sacramento Summit**

By Steve Keil, Interim Executive Director

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Local and state officials showed up in force on March 19 for the "California Summit for Safe Communities: Investigating Collaborative Solutions for Housing High Risk Sex Offenders and Sexually Violent Predators," an event jointly sponsored by the Governor's Office, the state Department of Corrections and Rehabilitation, and the state Health and Human Services Agency.

Other supporting partners included CSAC, the League of California Cities, and the California Coalition against Sexual Assault. Governor Schwarzenegger addressed summit participants during the luncheon session, underscoring the importance of this issue and thanking attendees for sharing the responsibility for tackling this challenging issue. Tulare County Supervisor and CSAC Immediate Past President Connie Conway also spoke before the summit and clearly articulated counties' commitment to demonstrating leadership on this issue.

As counties will recall, the summit was organized to delve into a thorny issue regarding high risk sex offenders (HRSO) and sexually violent predators (SVP) – sex offender populations examined by two task forces last year appointed by Governor Schwarzenegger and co-chaired by Assembly Member Todd Sptizer and then-Assembly Member Rudy Bermudez.

Although the serious and comprehensive study undertaken by the HRSO and HRSO/SVP task forces resulted in dozens of key findings and specific recommendations, a general consensus emerged that the housing and placement issues required special attention and a broad commitment from a range of invested parties.

The March 19 summit sought to educate participants regarding HRSOs and SVPs, responsibilities and jurisdictions for each population, as well as current notification and placement requirements, practices, and procedures. The second half of the day was dedicated to eliciting audience response and participation, with regional roundtable discussions centering around three key issues: (1) notification and release protocols; (2) residential facilities; and (3) local and state collaboration.

The clear message coming out of the summit is one of commitment among all parties – a commitment that state, county, and city leaders as well as victims' advocates would continue to focus on solutions, collaboration, and building the necessary networks locally, regionally, and across state and local jurisdictions to ensure safe communities for our citizens. As difficult a challenge as this might represent, all invested parties agree that communities are safer if a clear plan and process is in place for identifying appropriate housing options for the sex offender population.

Among county representatives in attendance were county supervisors, county administrators/executives, sheriffs, probation chiefs, district attorneys, public defenders, county counsel, mental health directors, and public guardians/administrators. The breadth of this representation illustrates the various ways in which county government systems interact with the sex offender placement issue, as much as it reflects counties' broad engagement in the collaborative process to partner for solutions, meaningful action, and shared decision-making.

Many county officials expressed an interest in replicating the roundtable discussions that took place at the summit back in their own communities. Assembly Member Spitzer urged local officials to work and plan together to address sex offender housing needs.

Much work remains ahead to put a plan of action in place. In the short-term, summit organizers will collect and respond to the many questions elicited from summit participants. In addition, CSAC and the League of California Cities have committed to working on next steps, including developing a template – a concept Assembly Member Spitzer has been advocating – for communication and collaboration among local leaders on this issue.

We will keep counties updated as progress is made, as we take seriously the imperative that active county engagement on this issue is crucial to a successful outcome and to finding appropriate solutions.

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Governor Schwarzenegger Slated to Speak at Legislative Conference

CSAC is honored to announce that Governor Arnold Schwarzenegger will speak at the 2007 CSAC Legislative Conference, being held next Wednesday and Thursday, March 28 – 29, at the Sheraton Grand Hotel in Sacramento. The luncheon program featuring the Governor will be held from 12:30 – 2:30 p.m. on Wednesday, March 28.

Conference registration is required to attend the luncheon program. Registration will be available on-site, at the Sheraton Grand Hotel, on Wednesday beginning at 8:00 a.m.

In addition to the Governor, the Legislative Conference will provide up-to-date information on the health care reform and corrections reform proposals being considered, as well as information about budget issues that could significantly impact California counties and their residents. The conference general session will feature keynote presentations from Lieutenant Governor John Garamendi (invited); Secretary Kim Belshe, California Health and Human Services Agency; Secretary James E. Tilton, California Department of Corrections and Rehabilitation; and Elizabeth Hill, Legislative Analyst for the State of California.

For more information on the conference, including a complete program agenda, visit www.csac.counties.org.

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Mark Your Calendar

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Ask CSAC's Legislative Advocates

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Administration of Justice

Fine and Forfeiture MOEs
AB 227 (Beall) – Co-sponsor

As detailed in previous Bulletins, AB 227, by Assembly Member Jim Beall, would make permanent adjustments to counties' fine and forfeiture maintenance of effort (MOE) obligations, based on reductions resulting from two previous legislative measures. This measure is set for hearing in the Assembly Judiciary Committee on March 27. We encourage all counties to join in supporting this effort.

Counties will recall that AB 139 (Chapter 74, Statutes of 2005) codified a negotiated resolution regarding undesignated court-related fees and, among other items, established a process for determining a county buyout of civil assessment revenue. Pursuant to AB 145 (Chapter 75, Statutes of 2005), the Uniform Civil Fees (UCF) and Standard Fee Schedule Act of 2005, counties received a buyout of the county portion of certain fees designated by AB 233, the Trial Court Funding Act of 1997. AB 227 would simply codify each county's fine and forfeiture MOE obligation, adjusted for any reductions resulting from the collective application of AB 139 and AB 145.

This measure reflects agreements arrived at between local courts and counties regarding appropriate buyout levels and will offer counties greater clarity and certainty when processing quarterly MOE payments.

Public Interest Attorney Loan Repayment Program
AB 171 (Beall) – Sponsor

AB 171, by Assembly Member Jim Beall, seeks to expand eligibility in the Public Interest Attorney Loan Repayment Program (LRP) to include county counsel. The LRP set forth in Education Code Section 69740 was created statutorily in 2001 (AB 935, Hertzberg). As specified in current law, four qualifying legal careers are specifically authorized to participate in the LRP: attorneys who work in a local legal services organization, prosecuting attorney's office, child support agency office, or criminal public defender's office. AB 171, as introduced, seeks to expand eligibility to another vital public interest law discipline: county counsels. In addition to serving the important governmental function as the chief legal advisor to a county on civil matters, county counsel also deliver critical, direct services to members of the public. CSAC is pleased to be sponsoring this measure on behalf of the County Counsels Association of California.

Recent amendments substantially recast provisions of the LRP and rename the program the Assumption Program of Loans for Law in the Public Interest (APLLPI, pronounced "apple pie"). The changes were made at the request of the California Student Aid Commission, which is responsible for administering this and other loan repayment programs.

We urge other counties to join in support of this measure, which is set for hearing in the Assembly Higher Education Committee on March 27.

Social Security Numbers
SB 644 (Correa) – Watch

SB 644, by Senator Lou Correa, is sponsored by Orange County. This measure would require certain court documents, abstracts, and other forms to contain only the last four digits of a person's Social Security number rather than the number in its entirety, as is required under current law. The measure would affect child support orders, liens related to delinquent property taxes, and other court decrees ordering payment. Further, SB 644 would require amendment by April 1, 2008 of the Judicial Council abstract of judgment form to conform to changes in requirements contemplated in SB 644, and would also require the conformity of the new requirements by local child support agencies.

We ask that counties please consider the provisions of SB 644 and contact CSAC with any comments. The measure is set for hearing in the Senate Judiciary Committee on March 27.

AB 1168 (Jones) – Request for Comment

AB 1168, by Assembly Member Dave Jones, would require local public agencies and universities to truncate Social Security

numbers from any public documents before those documents are released if more than four digits in the Social Security number are displayed. Furthermore, the bill authorizes the Attorney General or any other affected person to bring a civil action to enforce this provision.

Currently, CSAC is in dialogue with Assembly Member Jones and other public agencies that would be affected by this measure to identify the practical and operation impacts of AB 1168 as introduced.

The bill has been referred to the both the Assembly Judiciary and Higher Education Committees. It is currently awaiting hearing in the Assembly Judiciary Committee. Counties are encouraged to review the provisions of AB 1168 and contact CSAC with questions or concerns.

Drug Asset Forfeiture Laws **AB 496 (Villines) – Support**

AB 496, by Assembly Member Mike Villines, would redistribute to state and local governments the percentage of funds seized pursuant to drug asset forfeiture laws. Currently, 24% of these funds are deposited into the General Fund to provide funding for the Conflict Resolution and School Violence Reduction Program, which was established in 1994 and sunset in 1998. AB 496 redistributes the 24% General Fund allocation by increasing the local/state law enforcement allocation by 13% (from 65% to 78%), increasing prosecutors' allocation by 5% (from 10% to 15%), and adds a new allocation of 6% to the Victim-Witness Assistance Fund.

AB 496 is set for hearing on March 27 in the Assembly Public Safety Committee. CSAC will be joining in support on this measure, and asks other counties to do so as well.

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Agriculture and Natural Resources

For more information, contact Karen Keene at 916/327-7500, ext. 511, or kkeene@counties.org or Cara Martinson at 915/327-7500, ext. 504, or cmartinson@counties.org.

Office of Homeland Security **AB 38 (Nava) – Request Comment**

AB 38, by Assembly Member Pedro Nava, would consolidate the Governor's Office of Emergency Services and the Governor's Office of Homeland Security into one, cabinet-level Department of Emergency Services and Homeland Security. The structural change is intended to streamline disaster response preparedness and establish specific requirements and duties of the state Office of Homeland Security, which currently do not exist under California code. The new Department of Emergency Services and Homeland Security would incorporate the duties of emergency preparedness, response and homeland security into one entity. AB 38 has been assigned to the Committee on Government Organization.

Tsunami Preparedness **AB 319 (Nava) – Request Comments**

AB 319, by Assembly Member Pedro Nava, would create the Tsunami Hazard Mitigation and Preparedness Act of 2007. The act would create a steering committee within the Office of Emergency Services to coordinate statewide efforts to plan, communicate, and respond in the event of a tsunami. AB 319 would require coastal communities to participate in a Tsunami Steering Committee, and require communities to develop tsunami evacuation routes and maps. AB 319 has been assigned to the Committee on Government Organization.

Flood Control – Levees **AB 156 (Laird) – Request Comments**

AB 156, by Assembly Member John Laird, is a combination of last session's AB 1665 (Laird) and AB 2500 (Laird). Both measures failed passage. This bill would provide detailed direction to the Department of Water Resources (DWR) and the State Reclamation Board (SRB) for the purpose of flood control activities. AB 156 would allow for the following:

- Authorize DWR to provide employees and others with meals and other necessary support during emergency flood fight activities.
- Require DWR to annually prepare a schedule for mapping areas at risk of flooding in the Sacramento and San Joaquin River drainages.
- Authorize DWR or SRB to establish a mitigation bank system for levee work at the state and local level.
- Require DWR to prepare a status report on project levees, including evidence of levee deficiencies and recommendations for action.
- Require DWR to determine which properties are protected by project levees, include this information in its mapping, and notify landowners if their property is protected by project levees, advising them of their risks.
- Require DWR and each agency that operates and maintains project levees to prepare a report on the status of its levee, to be included in state levee plans.
- Require that local agencies receiving state funds for the upgrade of a levee be required to create a levee safety plan.
- Establish state and local levee maintenance areas.

AB 156 will be heard in the Water, Parks and Wildlife Committee on April 10.

Local Flood Plans

AB 5 (Wolk) – Request Comments

AB 5, as introduced by Assembly Member Lois Wolk, would authorize local agencies (not defined) to adopt a local plan of flood protection with specified contents. Under AB 5, priority for state funds would be given to locals with a plan for flood protection. The bill would also establish the Central Valley Flood Protection Act and specifies that local governments in the Central Valley would be prohibited from approving new developments within high-risk flood prone areas, unless unspecified conditions are met to ensure appropriate levels of flood protection. AB 5 will be heard in the Water, Parks and Wildlife Committee on April 10.

Levee Maintenance

AB 26 (Nakanishi) – Support

AB 26, as introduced by Assembly Member Alan Nakanishi, is similar to last year's AB 1877 (Nakanishi). AB 26 would establish a process by which maintenance projects on levees and other flood control facilities in the Sacramento-San Joaquin Delta would be exempt from the requirement to obtain a streambed alteration permit from the Department of Fish and Game. AB 26 will be heard in the Water, Parks and Wildlife Committee on April 10.

Water Supply and Climate Change

AB 224 (Wolk) – Request Comments

AB 224, by Assembly Member Lois Wolk, would incorporate projections of climate change into existing water planning efforts. AB 224 would require the Department of Water Resources to include climate change as a factor in the State Water Plan. This bill would also require state and regional boards to incorporate climate change considerations into urban water management and basin water quality plans. AB 224 will be heard in the Water, Parks and Wildlife Committee on April 10.

Water Management Plans

AB 1376 (Berryhill) - Support

AB 1376, by Assembly Member Tom Berryhill, would require urban water suppliers preparing Water Management Plans to seek city and county planning department input at least 60 days before a public hearing, ensuring communication between the two entities. This bill has yet to be assigned to a committee.

State and Local Fleets – Alternative Fuels

AB 236 (Lieu) –Request Comments

AB 236, by Assembly Member Ted Lieu, would require state and local government fleets to maximize their use of alternative fuel vehicles, establishing the requirement that the state fleet reduce its fuel consumption 20% by the year 2020. AB 236

would require each department that has flex fuel vehicles in its fleet to use alternative fuels to the maximum extent possible. Additionally, this bill would require the Department of General Services and other state agencies that maintain or purchase vehicles in the state fleet to develop and implement plans to improve the use of alternative fuel vehicles, and to document the number of alternative fuel vehicles in operation and report this information annually to the Legislature and the Governor. AB 236 will be heard in the Committee on Business and Professions on March 27.

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Economic Development

For more information, contact Steve Keil at 916/327-7500, ext. 521, or skeil@counties.org, or Farrah McDaid Ting at 916/327-7500, ext. 559, or fmcdaid@counties.org.

Policy Committee Meeting Time Change Due to Governor's Appearance

The CSAC Economic Development Policy Committee will be meeting at 2:30 p.m. on Wednesday, March 28, rather than at the previously published time of 2 p.m. This delay is because Governor Schwarzenegger has accepted CSAC's invitation to speak at the Legislative Conference luncheon, which immediately precedes the policy committee meeting.

The policy committee will be meeting in the Tofanelli Room of the Sheraton Grand Hotel in Sacramento. Speakers at the policy committee meeting include Ned McKinley from the Governor's Office of Planning and Research; Toni Symonds, chief consultant for the Assembly Jobs, Economic Development and the Economy Committee; and Paula Connors from the California Association for Local Economic Development. Conference registration will be available on-site at the Sheraton Grand Hotel in Sacramento during the conference, March 28 and 29.

AB 89 (Garcia) – Watch

AB 89, as introduced by Assembly Member Bonnie Garcia, directs the secretary of the Business, Transportation, and Housing (BTH) Agency to prepare a study regarding infrastructure development along the border between California and Mexico. The bill states that the border region is growing rapidly and that California should prepare a plan for economic development in the area. The study would be due to the Legislature by January 1, 2010.

CSAC has placed a watch on this bill because it directs BTH to examine possible alternative financing mechanisms for creating infrastructure near the border, yet does not specify what this means. AB 89 has been set for hearing in the Assembly Jobs, Economic Development, and the Economy Committee on April 17.

AB 610 (Price) – Watch

AB 610 as introduced by Assembly Member Curren Price, would increase the Small Business Expansion Fund's amount of guarantee liability outstanding at any one time from four times the amount of funds on deposit to five times the amount of funds on deposit. AB 610 has not yet been assigned to a committee. AB 610 has been set for hearing in the Assembly Jobs, Economic Development, and the Economy Committee on April 17.

AB 816 (Carter) – Watch

AB 816, as introduced by Assembly Member Wilmer Amina Carter, would require the Business, Transportation, and Housing Agency to administer a program providing one-time competitive grants to microenterprise development and appropriates \$5 million dollars from the state General Fund to that end. The bill defines microenterprise as a business having fewer than five employees (including the owner); is part or full time; and generally lacks access to conventional loans, equity, or other banking services. Examples of microenterprise businesses given in the bill include child development service providers, landscaping services, building maintenance, specialty food products, and home-based businesses. Grants would start at \$50,000 over two years and max out at \$100,000 for each year. AB 816 is identical to SB 446 (Yee and Runner) and has been set for hearing in the Assembly Jobs, Economic Development, and the Economy Committee on April 17.

SB 103 (Cedillo) – Watch

SB 103, as amended on March 7 by Senator Gil Cedillo, would require local agencies to disclose the details of proposed economic development subsidies of \$25,000 or more to the public prior to approval, and to review, hold hearings, and report on subsidies that have been approved.

SB 103 was passed by the Senate Local Government Committee on March 7 and now moves on to the Senate Appropriations Committee. A hearing before that committee has yet to be scheduled.

This bill is the same as the amended version of Senator Cedillo's SB 1268 from the 2005-06 legislative session, and would take effect on January 1, 2008. The senator believes that taxpayers should be included in the process when any local agency engages in economic development activities. Currently, SB 103 applies to "economic development subsidies" of at least \$25,000 or more in the form of bonds, grants, loans, loan guarantees, enterprise zone or empowerment zone incentives, tax-increment financing, fee waivers, land price subsidies, matching funds, tax abatements, tax exemptions, and tax credits.

SB 103 would place a large burden on local agencies – defined in the bill as counties, cities, and redevelopment agencies – since it requires extensive public notification, hearings, and ongoing reporting. Cost estimates for compliance with the bill range from \$2.5 million (Senate Appropriations Committee 2006) on up, and SB 103 has been flagged as a state-mandated local program. While cities and counties are eligible for mandate reimbursement, redevelopment agencies are not.

CSAC is seeking input from counties on the possible impacts of SB 103. Please contact Farrah McDaid Ting at 916/327-7500, ext. 559, or fmcdaid@counties.org with your comments.

SB 115 (Florez) – Watch

SB 115, as amended on March 13 by Senator Dean Florez, would appropriate \$2 million for the General Fund for Economic Uncertainties to be deposited in the Employment Training Fund to be used exclusively for grants to workers who are unemployed because of the freezing weather conditions that occurred in January 2007. SB 115, after being amended in the Senate Labor and Industrial Relations Committee from \$10 million to \$2 million on March 13, has been re-referred to the Senate Appropriations Committee and set for hearing on March 19.

SB 302 (Ducheny) – Pending

SB 302, as introduced by Senator Denise Ducheny, would provide further guidance to Workforce Investment Boards (WIBs) regarding the development of strategic workforce plans. The bill also would allow WIBs to use funds to create customized training conducted with the commitment by an employer to employ an individual upon completion of such training. Lastly, the bill makes small technical changes to the mission of WIBs, including requiring them to include in a description of how the board will provide services to the business community an explanation of recruitment and staffing services, training, and development, information and resources, and outplacement and business retention services. SB 302 is set for hearing in the Senate Labor and Industrial Relations Committee on March 28.

SB 360 (Negrete McLeod) – Pending

SB 360, as introduced by Senator Gloria Negrete McLeod, would repeal existing law that authorizes a local government to pay capital investment incentive amounts over a period of up to 15 consecutive fiscal years to a proponent of a qualified manufacturing facility or another governing body. SB 360 has been set for hearing on April 18 before the Senate Local Government Committee.

SB 446 (Yee and Runner) – Watch

SB 446, as introduced by Senators Leland Yee and George Runner, would require the Business, Transportation, and Housing Agency to administer a program providing one-time competitive grants to microenterprise development and appropriates \$5 million dollars from the state General Fund to that end. The bill defines microenterprise as a business having fewer than five employees (including the owner); is part or full time; and generally lacks access to conventional loans, equity, or other banking services. Examples of microenterprise businesses given in the bill include child development service providers,

landscaping services, building maintenance, specialty food products, and home-based businesses. Grants would start at \$50,000 over two years and max out at \$100,000 for each year. SB 446 is identical to AB 816 (Carter) and has been set for hearing on March 26 before the Senate Business, Professions, and Economic Development Committee.

SB 556 (Wiggins) – Watch

SB 556, as introduced by Senator Patricia Wiggins, would require the State Controller to transfer \$3 million for the General Fund to the State Enterprise Loan Fund to be used solely to make new loans to eligible small businesses in the state. SB 556 has been assigned to the Senate Banking, Finance, and Insurance Committee and set for hearing on April 18.

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Elections

For more information, contact Karen Keene at 916/327-7500 ext. 511, or kkeene@counties.org, or Farrah McDaid-Ting at 916/327-7500 ext. 559, or fmcdaid@counties.org.

AB 44 (Mendoza) – Watch

AB 44, as amended on February 9 by Assembly Member Tony Mendoza, would require that the ballot that is sent to absentee voters be accompanied by a ballot pamphlet that contains the candidates' statements for all local, legislative, and statewide elective offices, unless the voter has already been provided with a ballot pamphlet with this information. The bill would also require counties to provide a check-off box on all voter registration forms allowing the registrant to become a permanent absentee voter. AB 44 is scheduled to be heard by the Assembly Elections and Redistricting Committee on March 27.

AB 119 (Price) – Support

AB 119, as introduced by Assembly Member Curren Price, would require the state to reimburse counties for the cost of any special vacancy election called by the Governor. These types of elections, which are called to fill a vacant State Senate, State Assembly, or Congressional seat, occur erratically and are virtually impossible to budget for or anticipate. The bill is also retroactive to January 1, 2007, and has been designated an urgency bill, which means it would go into effect immediately after it is signed by the Governor. AB 119 has been scheduled for a hearing before the Assembly Elections and Redistricting Committee on March 27.

AB 288 (Price) – Watch

AB 288, as introduced by Assembly Member Curren Price, would create the Voter Intimidation Restitution Fund, which would be funded by fines assessed for the violation of existing voter intimidation laws. The monies in the fund would then be available to the Secretary of State to be used in voter education campaigns addressing the specific crime committed by violators of voter intimidation laws. AB 288 has been referred to the Assembly Elections and Redistricting Committee and is scheduled to be heard on March 27.

AB 332 (DeVore) – Watch

AB 332, as introduced by Assembly Member Chuck DeVore, would specify that the 30-day time period in which an elections official has to determine the sufficiency of signatures for a recall must exclude weekends and holidays. AB 332 has been referred to the Assembly Elections and Redistricting Committee and is scheduled to be heard on May 1.

AB 355 (Price) – Pending

AB 355, as introduced by Assembly Member Curren Price, would authorize every voter who qualifies to vote in the state, but then moves to a different location within the state, to register or reregister on election day at any polling place or be allowed to cast a provisional ballot. The bill would also require county elections officials to compile a list of such voters and examine it for accuracy within 30 days of the election. AB 355 has been assigned to the Assembly Elections and Redistricting Committee and is scheduled to be heard on April 17.

AB 452 (Arambula) – Watch

AB 452, as introduced by Assembly Member Juan Arambula, would require the Secretary of State to adopt regulations to notify reregistered voters of any change in party affiliation, and to provide an administrative remedy for voters whose party affiliations have been changed without their knowledge. The bill is still in bare-bones form, but will be heard by the Assembly Elections and Redistricting Committee on March 27.

AB 603 (Price) – Watch

AB 603, as introduced by Assembly Member Curren Price, is substantially similar to SB 524 (Corbett), in that it would extend two programs that allow certain persons to vote confidentially until 2013. The Address Confidentiality for Victims of Domestic Violence, Sexual Assault, and Stalking program and the Address Confidentiality for Reproductive Health Care Services Providers, Employees, Volunteers, and Patients program both are slated to sunset in 2008. The bill has been assigned to the Assembly Elections and Redistricting Committee and is set for hearing on March 27.

AB 852 (Krekorian) – Pending

AB 852, as introduced by Assembly Member Paul Krekorian, would require voting system operations, specifications, and software to be made available to the public by 2012. The bill has been assigned to the Assembly Elections and Redistricting Committee and is scheduled to be heard on April 17.

AB 917 (Salas) – Watch

AB 917, as introduced by Assembly Member Mary Salas, is a varied bill that sets out new requirements for how designated headings for office should appear on touch screen voting machines, requires voting officials to stock paper ballots at each precinct in the case of an electronic voting machine failure and requires them to deliver paper ballots to any polling place that experiences a shortage of such ballots within two hours, and requires the Secretary of State to accelerate the parallel monitoring election program. Lastly, the bill removes the restriction that prevented the state from using General Fund moneys for direct recording electronic voting systems. AB 917 will be heard by the Assembly Elections and Redistricting Committee on April 17.

AB 943 (Calderon) – Watch

AB 943, as introduced by Assembly Member Charles Calderon, would require the legislature to hold public hearings on every initiative or referendum 30 days prior to such being placed on the ballot, and increases the threshold of valid signatures to place a constitutional amendment on the ballot from 8 percent to 10 percent. AB 943 has been assigned to the Assembly Elections and Redistricting Committee and has been set for a hearing on April 17.

AB 1090 (Spitzer) – Watch

AB 1090, as introduced by Assembly Member Todd Spitzer, would further specify the formatting and descriptions allowed as a ballot designation for each candidate. For instance, AB 1090 would allow a candidate to include their current profession under their name on the ballot, the word incumbent, and no more than three words describing the current or principal professions, vocations, or occupations of the candidate. The bill would prohibit candidate designations that include the name of a political party or any activity prohibited by law. Lastly, the bill would require elections officials to maintain a copy

of the ballot designation form for each candidate. AB 1090 has been assigned to the Assembly Elections and Redistricting Committee and will be heard on April 17.

AB 1167 (Nava) – Pending

AB 1267, as introduced by Assembly Member Pedro Nava, would direct elections officials to notify the Secretary of State if an absentee ballot design would require more than one first-class stamp, and authorizes the Secretary of State to create the Absentee Voter Postage Fund to cover any postage-due costs associated with the specified ballot. AB 1167 has been assigned to the Assembly Elections and Redistricting Committee and will be heard on April 17.

AB 1287 (Jeffries) – Watch

AB 1287, as introduced by Assembly Member Kevin Jeffries, would allow elections officials, in the event of a declared emergency or disaster, notify the public of satellite locations sufficient for the casting of absentee ballots only 48 hours prior to the election, rather than the usual 14 days. AB 1287 has been assigned to the Assembly Elections and Redistricting Committee and will be heard on May 1.

AB 1294 (Mullin, et al.) – Pending

AB 1294, as introduced by Assembly Member Gene Mullin, would allow a city, county, or district to conduct a local election using a ranked voting system, in which voters rank the candidates for office in order of preference. The bill further specifies the ranked voting method to be employed for both a single-candidate and multiple-candidate election. AB 1294 has been assigned to the Assembly Elections and Redistricting Committee and will be heard on April 17.

AB 1654 (Huffman, et al.) – Support

AB 1654, as introduced by Assembly Member Jared Huffman, would allow, upon a vote by the Board of Supervisors of a county, any local, special, or consolidated election to be conducted wholly by mail. There are conditions in the bill, however, for the conduct of vote-by-mail elections, including requiring a county to notify the Secretary of State of its intent to conduct an all-mailed ballot election at least 88 days prior to the date of the election and requiring the county to provide “an appropriate number” of traditional polling places on the day of the election. The county would also have to ensure that all ballot materials had sufficient postage, create convenient drop-off locations, and mount a comprehensive voter education campaign. Lastly, AB 1654 would not apply to specified counties that are subject to certain pre-clearance requirements of the federal Voting Rights Act.

CSAC’s platform endorses the all-mail ballot concept as a cost-effective and broad method of ensuring – and, in some cases, even boosting -- voter turnout and participation. The bill, which is tagged as an urgency statute, has not yet been assigned to a committee. CSAC encourages counties to submit a letter of support to the office of Assembly Member Huffman (State Capitol, Room 4139, Sacramento, CA 95814).

SB 448 (Margett) – Watch

SB 448, as introduced by Senator Bob Margett, would prohibit registered sex offenders from working in any capacity at polling places, and prohibit the location of polling places in any residence inhabited by a registered sex offender. SB 448 has been assigned to the Senate Elections, Reapportionment, and Constitutional Amendments Committee and has been set for hearing on April 18.

SB 513 (Calderon, et al.) – Watch

SB 513, as introduced by Senator Ron Calderon, would eliminate the use of punch card voting systems in California by deleting any mention of such systems from the Elections Code. The bill is being sponsored by the Senate Elections, Reapportionment, and Constitutional Amendments Committee, and has been set for hearing on April 18.

SB 524 (Corbett) – Watch

SB 524, as introduced by Senator Ellen Corbett, is substantially similar to AB 603 (Price), in that it would extend two programs that allow certain persons to vote confidentially until 2013. The Address Confidentiality for Victims of Domestic Violence, Sexual Assault, and Stalking program and the Address Confidentiality for Reproductive Health Care Services Providers, Employees, Volunteers, and Patients program both are slated to sunset in 2008. SB 524 has been assigned to the Senate Elections, Reapportionment, and Constitutional Amendments Committee and has been set for hearing on April 18. However, AB 603 has been set for hearing before the Assembly Elections and Redistricting Committee on March 27.

SB 768 (Corbett) – Pending

SB 768, as introduced by Senator Ellen Corbett, would make it a misdemeanor for any person to use information obtained from an affidavit of registration or a voter registration card prior to its receipt by the appropriate elections official. SB 768 has been assigned to two committees: the Senate Elections, Reapportionment, and Constitutional Amendments Committee and the Senate Judiciary Committee. The bill has been set for hearing on April 18 before the Senate Elections, Reapportionment, and Constitutional Amendments Committee.

SB 813 (Wiggins) – Support

SB 813, as introduced by Senator Patricia Wiggins, would clarify the election code as it relates to the death of a candidate in both primary and runoff elections, and the potential cancellation of such elections. The bill, which seeks to remedy a situation that occurred in Mendocino County in 2006, specifies that existing statutes governing the death of a candidate also apply to primary elections, whereas the same situation, if it occurs in a runoff election, is governed by a separate section (Section 15402) of the election code. SB 813 has been assigned to the Senate Elections, Reapportionment and Constitutional Amendments Committee, but has not yet been scheduled to be heard.

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Health and Human Services

For more information, contact Kelly Brooks at 916/327-7500 ext. 531, or kbrooks@counties.org or Qiana Charles at 916/327-7500, ext. 564, or qcharles@counties.org.

California Blue Ribbon Commission on Children in Foster Care

On March 22, the California Blue Ribbon Commission on Children in Foster Care held a hearing that discussed the role of the courts in foster care. The commission received testimony from youth, parents, caregivers, and the courts on challenges within the foster system and recommendations on how to improve outcomes within the child welfare system.

Established by Chief Justice Ronald M. George in 2006, the 43-member commission is charged with developing recommendations and an implementation plan covering three main areas, which include efforts to improve court performance and accountability, collaboration among agencies that work with families and children and ways to obtain adequate resources, and flexibility in funding.

Please recall that there are nearly 80,000 children in the state's foster care system, many of who are placed in temporary homes with relatives, foster parents, or group homes.

The commission meets quarterly and will present its recommendations to the Judicial Council in the spring of 2008. For more information about the commission, please visit www.courtinfo.ca.gov/jc/tflists/bluerib.htm.

All Low Income Newborns to Receive Equal Access to Medicaid

On March 20, the Centers for Medicaid and Medicare Services (CMS) announced a new rule for low-income newborns. The announcement clarifies that all children born to a mother (regardless of the mother's citizenship) receiving Medicaid will automatically be eligible for Medicaid for one full year, if certain conditions are met.

Current law states that newborn eligibility for Medicaid is "deemed" as long as the mother remains Medicaid eligible, and the child is a member of the mother's household. Under this "deemed" status, states do not make a new eligibility determination for the infant at the time of birth; rather, eligibility is continued under the mother's status for the first year. After one year, the child's own eligibility must be established pursuant to previously announced criteria.

Certain non-citizens, who ordinarily cannot be eligible for Medicaid, can be eligible for emergency Medicaid services, including the labor and delivery of a child. Statements made by CMS in a July 2006 interim final rule stated that in these circumstances, this "deeming" process would not extend to those infants born to mothers receiving such emergency Medicaid services.

CMS will modify this policy in an interim final rule that will be issued shortly. Any newborn whose mother files an application and is determined eligible for emergency Medicaid for the delivery could be deemed eligible for their first year of life. Documentation of eligibility would be required at re-determination in the same manner as for all deemed newborns.

Health **AB 398 (Feuer) – Support**

AB 398, by Assembly Member Mike Feuer, would create the Nursing Home Information Accessibility Act of 2007. Specifically, this measure requires the state Department of Health Services to establish and maintain a consumer information service system to provide updated and accurate information to the public and consumers regarding long-term *healthcare* facilities in their communities by June 30, 2008. The act specifically states that a profile for each facility should include information regarding staffing ratios, number of complaints, and the quality of care. Current law requires the department to implement a consumer information service system regarding long-term health care facilities while requiring each skilled nursing facility and intermediate care facility to post specified information about the facility to the state Long-Term Care Ombudsman.

Currently, more than 110,000 Californians reside in long-term care facilities. Counties believe that AB 398 provides a framework for ensuring that families and consumers have access to clear and useful information in planning their long-term care needs. AB 398 will be heard in Assembly Health on March 27.

AB 399 (Feuer) – Support

AB 399, also by Assembly Member Feuer, would require the state Department of Health Care Services, within 40 days, to complete an investigation received by a complainant and would require the department's written determination that results from the inspection or investigation provide specific findings concerning each alleged violation without disclosing the names of individual residents.

Counties believe that AB 399 will help improve the timing and quality of nursing home complaint investigations. AB 399 will be heard in Assembly Health on March 27.

AB 1226 (Hayashi) – Support

AB 1226, by Assembly Member Mary Hayashi, would exempt physicians who change location within the same county – that are currently enrolled and in good standing in the Medi-Cal program – from submitting a complete application package for program enrollment. Instead, the bill provides that physicians will only be required to submit a change of location form.

AB 1226 would ease some of the burdensome requirements on the providers who treat Medi-Cal patients. Counties believe this would help with retaining Medi-Cal providers. A 2002 study by the Medi-Cal Policy Institute indicates that nearly half of the primary care physicians (45%) and specialists (43%) do not treat patients enrolled in Medi-Cal. Fewer providers translate into longer patient wait times to see those willing to take Medi-Cal patients. In some counties, the county is the major Medi-Cal provider because few private physicians will treat Medi-Cal recipients.

As the local health authority, counties are vitally concerned about health outcomes. Health access is an important part of health outcomes. The Medi-Cal program must retain providers in order to ensure access. While guaranteeing the ability to protect against Medi-Cal fraud is important, health access is critical.

Human Services

AB 340 (Hancock) – Support

AB 340, by Assembly Member Loni Hancock, would establish a five-county pilot project to implement a more family friendly process for approving relatives, adoptive parents, and foster parents to care for foster children. Counties believe that the current approval system creates additional burdens and confusion for caregivers and can also lead to delays in the adoption and guardianship processes. AB 340 seeks to remedy this problem by eliminating duplication for criminal background checks, home inspections and interviews; enhances child safety by adding an assessment of risk factors to the approval process; and promotes accountability and oversight to protect foster children by clearly defining both state and county roles and responsibilities. Finally, AB 340 helps foster children find permanent homes more quickly.

The measure will be heard in Assembly Human Services on March 27.

AB 672 (Beall) – Support

AB 672, by Assembly Member Jim Beall, would require the California Child Welfare Council, an advisory body that is responsible for improving the collaboration and processes of the multiple agencies and courts that serve children and youth in the child welfare and foster care systems, to develop a statewide strategy to significantly reduce the disproportionate representation of children of color in all components of the child welfare and foster care systems.

California counties are supportive of efforts to address the disproportionate representation of children of color in the child welfare system. The proportion of African-American children in foster care in California is 18%, over twice the occurrence of African-American children in the general child population of California, which is 7.2%. This disproportion is a national phenomenon, not exclusive to California. Counties are supportive of efforts to implement policies, programs, and practices that significantly reduce the number of children of color who are disproportionately served by the child welfare system. To the extent that this disproportion may affect outcomes of children served by the child welfare system, this issue deserves the attention that can be provided by the council.

AB 672 will be heard in Assembly Human Services on March 27.

AB 836 (Bass) – Support

Specifically, AB 836, by Assembly Member Bass, will require the California State Controller to include a notice on all payroll warrants for In Home Supportive Service Providers (IHSS), from January 1 to April 15 of each year, that they may qualify for the federal earned income tax credit. In order to qualify for the tax credit, income levels must be below \$32,001 for adults with one child or \$12,120 with no children. The average IHSS provider earnings place them well within the qualifying threshold.

Currently, there are more than 300,000 IHSS providers in the state, many of whom are unaware that they qualify for the earned income tax credit (EITC). Counties support efforts that focus on strategies that address prevention of poverty and welfare dependency. The EITC supports the "work-first" principles of welfare reform. By reducing the tax burden on families, the EITC strengthens their self-sufficiency and provides them with more disposable income.

A study by the Council of Economic Advisers found that families receiving a refund planned to use at least part of their refund to pay off a debt, repair or buy a car, pay for education, or save for future expenses. Efforts to expand the pool of eligible households to apply for the tax credit will assist in efforts to help families become and remain self-sufficient.

AB 836 will be heard in Assembly Human Services on March 27.

SB (782) Cogdill – Oppose

SB 782, by Senator Cogdill, would freeze state participation in provider wage and benefit increases at the level of wages and benefits approved for each county on or before the effective date of the bill.

Counties have followed state law – which is clear that the state shares in the costs of wages and benefits – and implemented public authorities, collectively bargained, and signed contracts. This proposal penalizes counties for following the law in good faith. The IHSS collective bargaining mandate and the state participation in wages are explicitly linked. Both elements were part of the negotiations in 1999 that produced collective bargaining, which was strongly supported on a bipartisan basis. CSAC submits that these two issues cannot be separated.

To the extent that counties have multi-year contracts in place with wage and/or benefit increases staged over time, the proposal to freeze the state's participation in wages could increase costs to counties. Please recall that counties have a 17.5% share of the IHSS program. To the extent that a contract includes a wage and/or benefit increase after the implementation date of SB 782, counties would be forced to either fund the increased costs with local funds or to re-open the contract, if the contract has such a provision.

The IHSS program is cost-effective; it produces savings in other parts of the long-term care continuum, especially in nursing homes and the system for the developmentally disabled. The cost savings primarily come from avoidance of institutionalization, which is far more expensive. The State Legislative Analyst estimates that the annual spending on each IHSS recipient is \$9,924, whereas disabled nursing home patients cost about \$60,000 annually. Counties have a share of cost in IHSS; however, counties do not have a share of cost for higher levels of care within the long-term care continuum.

CSAC strongly opposes any proposal to shift the state's fiscal responsibilities to counties and undo, as SB 782 would do. SB 782 will be heard in Senate Labor and Industrial Relations on March 28.

March 23, 2007

Housing, Land Use and Transportation

For more information, contact DeAnn Baker at 916/327-7500, ext. 509, or dbaker@counties.org or Kiana Buss at 916/327-7500, ext. 566, or kbuss@counties.org.

Housing **SB 303 (Ducheny) – Concerns**

SB 303, by Senator Denise Moreno Ducheny, is similar to SB 1800 of last year, which was heard before the Senate Transportation and Housing Committee, but was never taken up for a vote. Homebuilder interests sponsor the measure. While this version is an improvement over SB 1800 in that a new housing opportunity plan is not proposed, many of the other concerns raised by CSAC remain in the bill. The primary purpose of the bill is to extend the current planning period for housing needs from 5-years to 10-years and to provide greater certainty for home development.

The concept of having a 20-year General Plan and a 10-year Housing Element cycle is not bad. However, as discussed below, the execution of these concepts as drafted in the bill is problematic. The author and sponsors have extended a willingness to negotiate in good faith and a proposal presented by the American Planning Association at a recent meeting may be a promising alternative. However, the bill as in print raises the following issues from our perspective:

- In addition to putting housing elements on a 10-year cycle, including a 10-year regional housing needs assessment (RHNA), the bill would still mandate an update of the housing element every 5 years, including a requirement to zone for the *next 10 years* worth of housing need. If the housing element goes on a 10-year cycle, then the 5-year action ought to be, at most, review and update, *as needed*, not a rolling 10-year housing element that gets redone every 5 years.
- The bill would mandate every element of the General Plan to be updated at least every 10 years. This is not appropriate across the state, particularly for many counties with large land areas that face a significant investment in time and cost for General Plan updates.
- One of the most problematic aspects is that the bill would require that all of the zoning actions needed to meet the entire 10-year RHNA be completed at the time that the Housing Element is adopted. This would be simply impossible in some jurisdictions, especially those with infrastructure constraints. This would also constrain a jurisdiction's ability to phase and manage growth, because it would require the entire 10 years worth of zoning to be available at the beginning of the planning period, and would mandate that the local jurisdiction approve virtually any housing project on any of those sites. The ability to do a zoning "program" is expressly eliminated by this bill, and that must be retained.
- The bill would require the Housing Element to identify policies and incentives to promote infill, which is fine, but it *requires* those incentives to include fee waivers, among other things.

- The bill would eliminate the ability of local jurisdictions to demonstrate that something less than the minimum densities in 65583.2(c) would provide affordability in their community. This provision was added after extensive negotiations in 2004 and has never been given an opportunity to work. It is essential.
- The bill would require that an environmental impact report (EIR) be prepared for the Housing Element. Given the zoning actions that are mandated, this is probably a foregone conclusion anyway, but the state should not be mandating the type of California Environmental Quality Act (CEQA) document.
- The findings that the local jurisdiction would be required to make with respect to the suitability of each site are very excessive and would be extremely costly; exceeding what is typically done in a General Plan level analysis and way beyond what would typically be done for a zoning action.
- If you do not meet the provisions of the bill and get sued, a court must order you to comply in 120 days or less, and affordable housing projects become a by-right use.
- Lastly, the bill would require a four-fifths vote of a local elected body to deny approval of a housing project that is consistent with the plan. A four-fifths vote would also be required to reduce the density or change the designation and zoning applicable to the site.

The author has expressed a sincere commitment to CSAC and other opponents to continue to work on the bill. SB 303 is scheduled to be heard before the Senate Transportation and Housing Committee on March 27.

SB 2 (Cedillo) – Pending

SB 2, by Senator Gil Cedillo, is very similar to SB 1322 of last year, which was vetoed by the Governor. This bill would require cities and counties to identify specific sites with by-right zoning to accommodate the community's need for homeless shelters, requires cities and counties to identify zones where special needs facilities and transitional housing are permitted either by right or with a conditional use permit, and prohibits a city or county from disapproving applications for shelters and special needs facilities unless specified findings are made.

The bill would define "special needs facility" to include those community care facilities, residential care facilities, and residential care facilities for the elderly, as defined in current law, that are licensed and serve seven or more persons.

SB 2 would allow communities to meet the site identification requirement for homeless shelters through a regional agreement adopted and implemented by all the participating jurisdictions that accommodates the combined shelter need. This approach has the added benefit of encouraging neighboring communities to work collectively on the issue of homelessness.

As mentioned above, the Governor vetoed SB 1322, which was identical in substance to SB 2. The veto message for SB 1322 stated the following:

“Though the intentions of this bill are laudable, the specifics of the measure would place overly burdensome mandates on cities and counties. Specifically, this measure would preclude a local government from considering the overall needs and concerns of its community by limiting its authority to condition or deny certain projects as would otherwise be allowed by law. Such mandated, or by right, zoning not only presumes that all California cities and counties have a need for these facilities, but also usurps local government discretion and denies the impacted population groups the right to have their voice heard. Further, this measure would facilitate an unnecessary increase in litigation brought against cities and counties that would only result in a depletion of local government resources, rather than helping improve the availability of such facilities.”

SB 2 is scheduled to be heard before the Senate Transportation and Housing Committee on March 27.

**Transportation
AB 23 (Ma) – Pending**

AB 23, by Assembly Member Fiona Ma, would require the Department of Transportation to place and maintain an audible indicator that indicates when a pedestrian may safely cross the highway and an official control signal that emits a count down pedestrian display at a marked pedestrian crosswalk, if that crosswalk crosses a state highway and is within 2,000 feet of a school building or the grounds of that school building or a senior center, as defined.

This measure is scheduled to be heard before the Assembly Transportation Committee on March 26.

AB 57 (Soto) – Pending

AB 57, by Assembly Member Nell Soto, is scheduled to be heard before the Assembly Transportation Committee on, March 26.

Existing federal law contains appropriations for a number of programs related to projects for the improvement of highway safety and the reduction of traffic congestion, including projects for bicycles and pedestrian safety and traffic calming measures in high-hazard locations. Further, existing law also requires, until January 1, 2008, the Department of Transportation, in consultation with the Department of the California Highway Patrol, to establish and administer a "Safe Routes to School" construction program pursuant to authority granted under specified federal law and to use federal transportation funds for construction of bicycle and pedestrian safety and traffic calming projects.

AB 57 would delete the January 1, 2008, repeal date for these provisions, thereby extending the provisions indefinitely, and would make related changes.

AB 412 (Smyth) – Watch

AB 412, by Assembly Member Cameron Smyth, is scheduled to be heard April 9 before the Assembly Transportation Committee.

Proposition 1B, approved by the voters at the November 2006 general election, enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, which authorizes the issuance of \$19.925 billion of general obligation bonds for various transportation programs.

This bill would require the California Transportation Commission, in order to ensure the timely use of bond funds, to specify project delivery deadlines for each program category for which the commission has the authority under the bond act to allocate funds.

AB 534 (Smyth) – Pending

AB 534, by Assembly Member Cameron Smyth, is also scheduled to be heard before the Assembly Transportation Committee on April 9.

Existing law specifies the amounts apportioned monthly from the state fuel tax otherwise referred to as the Highway Users Tax Account (HUTA) to cities and counties and the amounts transferred monthly to the Bicycle Transportation Account in the State Transportation Fund. Existing law requires the sum of \$416,667 to be transferred monthly to the Bicycle Transportation Account from the HUTA. Existing law continuously appropriates the money in the Bicycle Transportation Account.

AB 534 would instead require a monthly transfer of \$1 million to the Bicycle Transportation Account from the HUTA, until the later of January 31, 2012, or the date on which all moneys in Proposition 1B have been expended, and would thereafter reduce the monthly transfer to \$416,667.

SB 204 (Dutton) – Pending

SB 204, by Senator Robert Dutton, is scheduled to be heard before the Senate Transportation and Housing Committee on March 27. This measure would terminate the transfer of "spillover" revenues to the Public Transportation Account (PTA) of revenue not protected by Article 19, and instead requires that the revenue remain in the State Highway Account to be expended for state highway purposes.

Existing law requires that revenue deposited in the State Highway Account that is not protected by Article 19 of the California Constitution shall be transferred by the State Controller to the Public Transit Account (PTA). The revenues that are transferred to the PTA are derived from the sale of documents, the sale of excess property, rental income, miscellaneous fees from minor transactions, and other similar transactions.

Revenue and Taxation

For more information, contact Jean Hurst at 916/327-7500, ext. 515, or jhurst@counties.org, or Geoffrey Neill at 916/327-7500, ext. 567, or gneill@counties.org.

Property Tax Administration AB 83 (Lieber) – Support In Concept

Assembly Member Sally Lieber's AB 83 would establish the State-County Property Assessment and Revenue for Education Funding Program (PARE). The PARE program is the successor to the very successful State-County Property Tax Administration Grant Program, which provided grants to counties for purposes of administering the property tax system.

CSAC had concerns with initial language in the bill and, after discussions with county assessors and other stakeholders, were able to reach agreement on a number of issues. The March 15 amendments reflect those conversations and clarify that the Board of Supervisors holds the final budgetary authority for expenditure of PARE funds and that county departments, other than the assessor, that participate in property tax administration may receive grant funds under an approved expenditure plan. Only those activities that are directly related to property tax administration are subject to the Maintenance of Effort (MOE) requirements in the bill.

CSAC continues to have concerns about the component of the MOE that requires counties to maintain a number of staff. However, we are generally supportive of the measure's intent and are committed to continue working with the assessors on a final resolution.

AB 83 is scheduled to be heard in Assembly Local Government Committee on March 28.

Local Finance SB 277 (Cogdill)– Support

SB 277, by Senator Dave Cogdill, passed through the Senate Local Government Committee Wednesday on a 5-0 vote. The bill would appropriate \$200,000 for allocation to the three counties that contain no incorporated cities and therefore receive less vehicle license fee revenue than they otherwise would. The author recognizes that these counties – Alpine, Mariposa, and Trinity – provide a range of municipal services to their communities, just as the fifty-five counties with cities do. In years past, these counties received similar, though slightly lower, allocations in the state budget, but these payments ceased two years ago.

The bill now moves to the Senate Appropriations Committee.

Board of Equalization Considers Sales and Use Tax Allocation Change

On Thursday, Board of Equalization (BOE) staff led interested parties meetings on two proposed rule changes, one of which could result in the largest sales tax redistribution local agencies have ever experienced, both retroactively and prospectively.

This major change would reclassify certain purchases as being subject to the local sales tax instead of the local use tax, though, confusingly, they would still be classified as subject to the state use tax. The purchases in questions are those where the retailer's in-state location participates in the sale but the product is shipped here from outside of California. Under the reclassification, more sales tax revenue would flow to the jurisdiction where the negotiated sale takes place, instead of being allocated through the county pool. The BOE's staff recommendation is for no change, since they say that there is no evidence to back up the historical claims of the proponents. Both changes were proposed by MuniServices LLC on behalf of some of its clients. The second proposal is more technical, and BOE staff is neutral on the matter.

CSAC is opposed to the major change, and will represent counties before the Board. Individual counties are encouraged to write the BOE with their concerns. The full Board is currently scheduled to decide on these proposals at their Business Taxes Committee meeting on May 31. For a more complete discussion of these two proposals, visit www.boe.ca.gov and search for the Second Discussion Paper on proposed changes to the Regulations 1802 and 1803.

Washington, D.C., Report

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There was a flurry of legislative activity in Congress the week of March 19 as lawmakers debated a number of high-profile issues, including the fate of a massive fiscal year 2007 emergency supplemental appropriations bill. Senate Democrats also continued debate on the upper chamber's fiscal year 2008 budget resolution (S Con Res 21), with final votes on the budget package expected today.

At press time, the Senate adopted an amendment to next year's budget blueprint calling for an increase in tobacco taxes to pay for a major expansion of the State Children's Health Insurance Program (SCHIP). Under the amendment, which was approved on a 59-40 vote, tobacco taxes could be raised by up to 61 cents a pack to pay for a \$35 billion increase in SCHIP. The amendment does not require the tobacco tax to be used to offset the new spending, but lists it as a specific option.

In other news, key Democrats in both chambers of Congress continued the week of March 19 their discussions regarding options for reviewing the Justice Department's highly publicized firing of eight U.S. attorneys. For its part, the House Judiciary Committee's Commercial and Administrative Law Subcommittee has authorized subpoenas for top White House and Justice Department aides in connection with the terminations, including White House political advisor Karl Rove and Attorney General Alberto Gonzales. The Senate Judiciary Committee also recently voted to authorize subpoenas for three White House aides, including Rove.

With regard to the emergency supplemental spending bill, the Senate Appropriations Committee approved on March 22 its \$121.7 billion bill to pay for military operations in Iraq and hurricane relief along the Gulf Coast. As expected, the legislation includes a highly controversial provision that would require the withdrawal of U.S. troops from Iraq starting 120 days after the bill's enactment. Although the measure was approved in committee by voice vote, Republican members of the panel have vowed to remove the Iraq provisions once the bill reaches the floor of the Senate beginning the week of March 26.

While a majority of the funding in the Senate measure would go to pay for the Iraq war and ongoing disaster recovery efforts, the legislation also includes millions of dollars in spending for a variety of domestic programs. Among other things, and in a major victory for forest counties, the bill provides \$425 million in fiscal year 2007 emergency dollars for the Secure Rural Schools and Community Self-Determination Act.

Across Capitol Hill, the full House approved at press time its version of the fiscal year 2007 emergency supplemental spending bill on a 218-212 vote. Like the Senate measure, the House legislation provides for a timeframe for the withdrawal of U.S. troops from Iraq, and includes millions of dollars in domestic discretionary spending. Among the domestic spending is \$400 million for the forest county payments program.

For its part, the White House has indicated that President Bush would veto the House and Senate supplemental spending legislation because of the U.S. troop withdrawal language and the inclusion of what the president considers to be "excessive and extraneous non-emergency spending." Notably, White House Press Secretary Tony Snow on March 19 listed several domestic spending items that the administration believes should not be included in the supplemental, including the forest county funding.

The administration's steadfast opposition to the current versions of the emergency spending legislation sets up a potential major showdown between Congress and the White House. If the president ends up rejecting the final bill, Congress will need to reconfigure the legislation since Democrats, who favor the troop withdrawal provisions, do not have enough votes to override a presidential veto.

In other related news, a group of key Democratic senators – which includes Senators Dianne Feinstein (D-CA) and Barbara Boxer (D-CA) – announced earlier this week that they had reached an agreement in principle on a long-term reauthorization of the Forest County Payments program. The five-year agreement is expected to be offered as an amendment to the emergency supplemental appropriations bill once the legislation reaches the floor of the Senate.

Under the proposal, for which there is currently no legislative language, the Forest County Payments program would be reauthorized for five years using a new distribution formula. The new formula would direct federal funds to counties based on both 2006 forest receipt levels and the percentage of national forests in each state and county, with the calculation adjusted based upon a county's relative per capita income level. The intent of the new formula is to direct federal dollars to those counties that are the most in need.

Under an earlier version of the proposal, California – along with Oregon and Washington – would have seen a substantial

decrease in its 2007 Forest County Payment funding allocation. However, California's senators were able to ensure that the state will be held harmless in the current year, which is reflected in the fact that the Senate bill does include \$425 million for the program in 2007.

It should be noted that beginning in 2008, counties in California, Oregon, and Washington would see a gradual ramping down in their forest county payments (10 percent in 2008-2010). In 2011, all states would be transitioned to the new funding formula and provided with 90 percent of their 2010 forest county payment funding.

Although California, Oregon, and Washington would see a gradual decline in their forest county payments, the new payment formula is being strongly supported by senators from these three states. For years, members of Congress from other states have complained that the program's funding formula skewed a vast majority of dollars to California, Oregon, and Washington. The newly proposed formula is being heralded by its supporters as a major political victory and an equitable compromise for all states and counties.

In addition to the multi-year Forest County Payment program reauthorization, and in another major victory for counties, the Senate Democratic deal also provides for full funding of the Payments-in-lieu-of-Taxes (PILT) program. Under the agreement, PILT would receive a total of \$1.9 billion over five years, with the additional PILT funding helping to offset the overall decline in the Forest County Payment program's authorization level, as well as the effect of the new formula.

In transportation news, last week the California Department of Transportation (Caltrans) notified the public of its intent to seek approval to take over federal environmental review authority for road projects. Once Caltrans' application receives approval, the State of California and the Federal Highway Administration will enter into a memorandum of understanding or other agreement that will allow Caltrans to begin implementation of the pilot demonstration program.

It should be noted that inclusion of the environmental streamlining program was a major priority for CSAC during the last surface transportation reauthorization cycle. In cooperation with the State of California and the League of California Cities, CSAC worked with Representative Gary Miller (R-CA) and Senator Barbara Boxer (D-CA) to secure the pilot program.

On the justice front, last week Representative Linda Sanchez (D-CA) reintroduced her legislation from the 109th Congress that would modify the State Criminal Alien Assistance Program's (SCAAP) reimbursement criteria to allow counties to be reimbursed for the costs of incarcerating both convicted and accused aliens. The bipartisan bill (HR 1512) would greatly benefit counties since counties often house pre-trial criminal aliens.

Finally, with regard to developments in the area of health care, CSAC earlier this week provided comments to the federal Centers for Medicare and Medicaid Services (CMS) urging the agency to withdraw their proposed regulation that would fundamentally alter the ability of states and counties to raise funds to match federal Medicaid dollars. Through a variety of administrative mechanisms, the CMS proposal would shift \$5 billion to state and county governments over the next five years beginning September 1, 2007.

In response to the proposed rule, the Senate Appropriations Committee adopted an amendment to the fiscal year 2007 emergency supplemental measure to delay the rule by two years. The amendment was offered by Senator Dick Durbin (D-IL), and strongly supported by Senator Feinstein who serves on the Appropriations Committee.