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May 09, 2008

California Counties Brace for Release of May Revision

By Paul McIntosh, Executive Director

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The countdown has begun – In less than a week, the Governor will release his 2008-09 revised budget. With the state in fiscal crisis and county budgets stretched thin, the Governor's May Revision promises to be the event of the week.

Not only does the Governor's revised budget lay the groundwork for the difficult budget deliberations ahead, it also will reveal the magnitude of the multi-billion dollar deficit and its potential impact on counties. In fact, California counties around the state have been holding their own budget hearings – and the news has not been bright. Reductions are already being made to critical programs and services at the local level, given decreasing tax revenues and an increasing demand in services. These challenges are magnified by the "boom and bust" nature of the state budget. In a sense, counties are facing the "perfect storm."

But even before the storm started brewing, counties were struggling to deliver programs that have been chronically underfunded by the state. For example, the gap between funding and the cost of administering certain health and human services on behalf of the state has risen to nearly \$1 billion annually. Counties have been picking up the tab. Funding challenges exist in other program areas such as transportation, infrastructure, and public safety.

We are realistic and recognize that counties will not be spared as the state makes tough choices in order to produce a balanced budget. But we must be engaged in meaningful, productive dialogue with the Administration and Legislature regarding the priority of services and the consequences of any cuts. If the state is going to reduce funding, it must also examine service responsibility. . If cuts are to be made, we need to ensure that everyone understands the implications of those reductions – what it will mean in real terms to the people and counties who rely on those services.

Every resident of California is a county resident. For better, for worse, for richer, for poorer, counties and the state are partners. And never has it been more important for this partnership to be collaborative and productive than during the development of the next state budget. By working together, we can try to minimize the impacts of short-term budget solutions. By working together, we can set the tone for the development of long-term fiscal reform that seeks to give all levels of government more certainty and stability. We are committed to making this happen. We all know that in crisis there is opportunity. We are facing a significant crisis. Counties need to ensure we do not let this opportunity slip by us.

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Calendar of EventsDon't miss these important [upcoming events](#).

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AdministrationofJustice

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2008-09Budget SubcommitteeHearingUpdate

BudgetsubcommitteehearingsintheAssemblyandSenateBudgetandFiscalSubcommitteesaddressedissuesofsignificanceinthejusticeareathisweek. OnMay7, theAssemblyBudgetandFiscalReviewSubcommitteeNo.4heardanumberofissuesrelatingtotheDepartmentofCorrectionsandRehabilitation(CDCR)budget,primarilyregardingtheimplementationofAB900andtherehabilitativeprogrammingunderdevelopmentfortheprisonsystemandwithinthepannedreentryfacilities.

OnMay8, theSenateBudgetSubcommitteeNo.4mettohearavarietyofstateadministrationissues. Inanunexpectedmove, thesubcommitteetookupanumberofopenpublicsafetyissuesandvotedtoeliminatefundingforalllocalpublicsafetysubventionprogramsincludingthesmall/ruralsheriffsgrant, JuvenileJusticeCrimePreventionGrants(JJCPA), Citizens'OptionsforPublicSafety(COPS), JuvenileProbationandCampsFunding, MentallyIllOffenderCrimeReductionGrants, andLocalDetentionFacilityRevenues("replacement"bookingfeerevenue)—resourcetotaling\$485millioninproposed2008-09fundingascontainedintheGovernor'sJanuaryspendingplan. Itisfullyexpectedthatthesebudgetitemswillbeleftunresolvedintheshort-termandhandledinthebroadercontextoftheoverallbudgetsolutioninthecomingmonths. Certainly, thesedrasticreductionsdemonstratethegravityofthestate'sfiscalconditionandthedifficultbudgetdiscussionsahead.

ParoleRealignment LAOffersAdditionalOptions

CountieswillrecallthatinitsanalysisoftheGovernor'sproposed2008-09budget, theLegislativeAnalyst'sOffice(LAO)offeredasanalternativetotwooftheGovernor'ssuggestedcorrectionspolicies—summaryparoleandearlyreleaseofinmates—arealignmentof71,000 lower-leveloffenderstocountiesforsupervisionandtreatment. SignificantoppositionhasemergedabouttheinitialfinancingmechanismfortheLAO'srealignmentproposal, aswellasanumberofconcernsregardingprogrammaticfeasibility. CSACHasdetailedits [initial observations](#) about the LAO's first proposal to subcommittees in both houses.

Earlier this week, the LAO presented a [letter](#) to Legislature outlining a number of additional options — both programmatic and fiscal — for parole realignment. Those options are summarized below.

Suggested Programmatic Revisions:

1. Further refine population:

- Eliminate illegal immigrants (about 10% of original population estimate), reducing realigned population by 7,100
- Eliminate offender population with prior serious or violent crime in history (about 21% of original population estimate), reducing realigned population by 13,000

> *Adjusted realigned population estimate: 50,700*

2. Offer two options for revocation process:

- Local administrative revocation board with estimated costs of \$280/offender
- Court-based revocation process with estimated costs of \$750/offender; \$270 attributable to court system (state costs), and \$480 for county-related costs (prosecution and defense attorneys)

3. Provide funding for substance abuse treatment:

- Recognizing that the initial proposal did not account for state's current spending on substance abuse treatment, the LAO suggests increasing the per-offender funding by an average of \$850

> *Combined impact of revocation process costs and increase for substance abuse treatment: increases per-offender funding from initial per-offender cost of \$6,770 to either \$7,900 (Option 1: administrative revocation process) or \$8,100 (Option 2: court-centered revocation process)*

4. Amend size and structure of incentive fund:

- Depending on how the revocation process is structured, the overall size of the program and level of funding made available will affect the incentive fund.

> *Potential state savings in 2008-09 under new population/funding scenarios: \$386 million (vs. \$483 million under original proposal)*

Suggested Revisions to Financing Mechanism:

1. Amend the proposed financing mechanism:

- Eliminate the diversion of the cities' share of Proposition 172 funds
- Increase the diversion of the administrative revenue presently allocated to the DMV (from \$130 million in the initial proposal to \$363 million in the revised proposal); the LAO notes that vehicle registration fees would likely need to be increased to offset this loss by \$9 per vehicle
- Divert the cities' share of VLF revenue collected and allocated to cities for general purposes (approximately \$149 million)
- Create a new Parole Realignment Subaccount in the Local Revenue Fund (where health and human services program realignment funds are deposited)

2. Create an "optional" element to give cities and counties authority over waste and water enterprise district property taxes

- In lieu of diverting a portion of enterprise special district property taxes to support the parole realignment, the LAO instead suggests amending state law to prohibit water and waste districts from receiving property taxes under the base 1% to support their enterprise functions
- Cities and counties would be given the authority, flexibility, and responsibility to determine how these revenues are allocated to meet local needs
- One of three options would need to be exercised within six months through a public hearing process, with the legislative body taking action to redirect property taxes previously directed to enterprise waste and water special districts as follows:
 - Option #1: Property taxes could be allocated back to cities and/or the county for general purposes; this option would (1) allow cities to offset their VLF revenue reduction and/or (2) give counties additional resources to supplement parole realignment or other program resources;
 - Option #2: Property taxes could be directed to the county to allow it to contract with enterprise special districts to provide services (essentially a pass-through of funds the districts presently receive through property taxes)
 - Option #3: Property taxes could be allocated back to the taxpayers, via a commensurate property tax rate reduction

> *Option #3 would serve as the default in the event the cities and county within a jurisdiction could not reach agreement as to the distribution of enterprise special district property taxes.*

- Require local ratification of reallocation of property taxes
 - County supervisors would be expected to enact an ordinance specifying the option it selected regarding the reallocation of property taxes

- The ordinance would become effective only upon the approval of city councils of cities representing at least one-half of the cities in the county and at least one-half of the population living in the unincorporated area
- Local determinations regarding reallocation of property taxes would remain effective for four years and then be subject to revision

The CSAC Task Force on Parole Realignment continues to meet and discuss the parole realignment proposal and other correctional reform concepts. It is anticipated that the task force will present a formal response and recommended action to the CSAC Administration of Justice Policy Committee and, subsequently, to the CSAC Board of Directors at their respective meetings during the May 21 and 22 Legislative Conference in Sacramento.

Corrections Standards Authority (CSA) Board Announces AB 900 Jail Construction Conditional Awards

On May 8, the CSA Board met for its regularly scheduled board meeting. The much-anticipated release of the conditional awards for AB 900 jail construction funding was the key item before the board. After a review of the Executive Steering Committee (ESC) evaluation and ranking process as well as a lengthy discussion of the intent of AB 900, the board approved and released the [County Facilities Construction AB 900 Conditional Award List](#). (The page found at this link also gives access to two power point presentations done by CSA staff during the board meeting regarding the Request for Proposal (RFP) evaluation process.)

Jail construction funds were conditionally awarded to 12 counties — eight selected from the medium/large county set-aside and four from the small county set-aside. Awards will be finalized only after completion of further due diligence regarding the siting of a proposed reentry facility identified in the Request for Proposal (RFP), including, where necessary, supporting documentation from other involved municipalities. Counties will have 90 days to ensure that they have all necessary agreements, including a siting agreement, signed and that CDCR has determined that the site proposed by the county is a “buildable” site. The CSA board will finalize the awards list at its September 2008 board meeting.

Court Facility Financing SB 1407 (Perata) – Request for Comment As Amended on April 28, 2008

SB 1407, by Senate President pro Tempore Don Perata, would authorize the issuance of up to \$5 billion in lease revenue bonds for purposes of financing planning, design, construction, rehabilitation, renovation, replacement, leasing, or acquisition of state trial court facilities. The measure also would authorize a variety of increases to penalties and fees as revenue sources for the bonds; the proceeds from these increases and surcharges would be deposited into a new account within the State Court Facilities Construction Fund (SCFCF), the Immediate and Critical Needs Account. These increases and surcharges include the following:

- **Adding Surcharge on all Infractions, Misdemeanors, and Felonies:** Penal Code Section 1465.8 currently imposes a \$20 court security fee on every conviction for a criminal offense, including traffic (but not parking violations). SB 1407 would add a \$40 surcharge for courthouse construction on all criminal convictions.
- **Increase First Paper Civil Filing Fees:** SB 1407 would increase civil filing fees by \$35.
- **Institute Parking Ticket Surcharge:** An additional \$2 surcharge on parking tickets.
- **Increase Penalty Assessment for Criminal Violations:** Currently, courts may impose an increased penalty of up to \$5 for each \$10 of a fine assessed for all criminal violations, for deposit into the SCFCF. Only 13 of the 58 courts presently do so; SB 11407 would require the full \$5 be charged.
- **Institute Fee for Attending Traffic Violator School:** A new \$40 surcharge would be applied to an existing court assistance program fee for those referred to Traffic Violator School.

CSAC has previously supported bond efforts to finance the state’s court facility construction and renovation needs. We are interested in hearing county feedback on this measure, especially as it relates to the proposed additional and increased penalties and surcharges. We would note that an inadvertent drafting error in Government Code Section 70374 (d) in the April 28 version of the measure will be corrected to maintain current law that designates 25 percent of a county’s deposits into the SCFCF are retained for implementation of trial court projects in that county.

SB 1407 passed out of the Senate Public Safety Committee on May 6 on a 4-1 vote; it is scheduled for hearing in the Senate Judiciary Committee on May 13. County feedback on this measure is sought as soon as is practical.

Junk Dealers and Recyclers: Nonferrous Material SB 691 (Calderon) – Request for Comment

As Amended on April 24, 2008

SB 691, by Senator Charles Calderon, seeks to address the escalating rise in metal theft throughout the state by delaying the payout to metal theft thieves and making them easier to catch.

Specifically, SB 691 contains the following components:

- Requires additional identification for sellers and a disclosure of where materials came from;
- Requires thumbprints from sellers;
- Requires a photograph of materials being sold;
- Increases fines for recyclers caught violating provisions of this bill;
- Imposes the risk of license suspension or revocation for recyclers caught violating provisions of this bill; and
- Puts restrictions on cash transactions.

SB 691 would not prevent a local government from adopting ordinances or resolutions that are consistent with this measure regarding junk dealers or recyclers. However, local governments would be prohibited from adopting reporting, identification, or payment requirements regulating transactions by junk dealers or recyclers. The author's office points out that the penalties in SB 691 exceed those that could be sought at the local level through an ordinance.

CSAC staff is requesting that counties review this measure for possible impacts at the county level, particularly on the local preemption issue for those counties that presently have a local ordinance in place or are planning to enact such an ordinance. Feedback on this measure is sought as soon as possible. SB 691 is in the Assembly Rules Committee awaiting referral.

***AB 844 (Berryhill) – Request for Comment
As Amended on April 30, 2008***

AB 844, by Assembly Member Tom Berryhill, also seeks to address the issue of metal theft. This measure would require recyclers to adhere to the following restrictions regarding scrap metal transactions:

- Payment by check with a three-day hold.
- Presentation of government-issued photo ID required.
- Photo of materials required.
- Local ordinances are protected.
- Current penalties are left intact.

Under the provisions of AB 844, transactions under \$10 would be exempted from the above-specified restrictions. AB 844 is scheduled for hearing on June 9 in the Senate Business, Professions and Economic Development Committee.

Vehicle Registration Fees

AB 860 (Salas) – Support

As Amended on February 28, 2008

AB 860, by Assembly Member Mary Salas, would extend the sunset date for counties to impose additional vehicle registration fees on commercial vehicles to fund local programs related to vehicle theft or abatement programs from January 1, 2010 to January 1, 2018.

This bill maintains existing reporting requirements on counties when submitting yearend reports to the State Controller detailing an account of funds received and expended as it relates to salaries, expenses, equipment purchased etc.

AB 860 is sponsored by the California State Sheriffs Association. It is scheduled for hearing in the Senate Transportation and Housing Committee on May 13.

Electronic Filing

AB 2607 (Davis) – Support

AS Amended on April 16, 2008

AB 2607, by Assembly Member Mike Davis, would establish a pilot project to permit electronic filing of Statements of Economic Interest (Form 700) that are required of certain public officials and candidates for public office.

The bill has been amended for the three-year program to be tested in two counties rather than three and would sunset on January 1, 2012. Participating counties would be required to report to the Legislature regarding the value and effectiveness of the program. CSAC is supportive of this measure as it seeks to streamline a process that presently relies on paper filings and manual review and handling. We believe the pilot program authorized by AB 2607 would help filers, filing officers, and the participating counties to identify efficiencies achieved through electronic filing. It is hoped that the electronic filing process would offer a secure and more accurate means of meeting filing requirements.

AB 2607 passed out of the Assembly Appropriations Committee on May 7 on unanimous vote.

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AgricultureandNaturalResources

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Energy

SB 1473 (Calderon) – Request for Comment As Amended on April 21, 2008

SB 1473, by Senator Ron Calderon, would require cities and counties to collect a fee when issuing building permits. Specifically, this bill would require each city, county, or city and county to collect a fee from any applicant for a building permit, assessed at the rate of \$4 per \$100,000 in valuation, as determined by the local building official, with 10% retained for related administrative costs. The bill would require the city, county, or city and county to transmit the remainder to the commission for deposit in the Building Standards Administration Special Revolving Fund, which the bill would establish in the State Treasury.

The bill would require that all funds received by the commission be used for the expenditure in carrying out the development, adoption, publication, updating, and educational efforts associated with green building standards. This bill is set for hearing in the Senate Appropriations Committee on May 12.

Fire Safety

AB 2447 (Jones) – Oppose As Amended on May 6, 2008

AB 2447, by Assembly Member Dave Jones, would require county boards of supervisors to deny the approval of a tentative map or parcel map if the proposed map is located in a state responsibility area (SRA) or a very high fire hazard severity zone (VHFHSZ) unless specified findings (based upon substantial evidence) are made regarding the design and location of each parcel and the sufficiency of fire protection and suppression services. Besides requiring certification of fire protection, the bill also requires a finding that a subdivision design also includes adequate ingress and egress and two access ways into and out of the subdivision. AB 2447 will very likely be taken up on the Assembly Floor towards the end of next week. Affected counties should contact members of their delegation as soon as possible to urge opposition to this measure.

SB 1617 (Kehoe) – Oppose As Amended on April 24, 2008

SB 1617, by Senator Christine Kehoe, was heard in the Senate Appropriations Committee on May 5, and moved to the suspense file due to costs associated with the measure. This bill would impose an unspecified SRA fee on properties located within SRAs. CSAC, along with the Regional Council of Rural Counties (RCRC), believes the legislation raises a number of equity, administrative, and logistical issues that make it a flawed alternative to address the budgetary concerns of CAL FIRE. A sample letter of opposition can be found on the CSAC Web site at:
<http://www.csac.counties.org/images/users/1/SAMPLE%20OPPOSE%20LETTER%20FOR%20SENATE%20BILL%201617.pdf>.

CSAC anticipates additional amendments from the author to reduce associated costs, which may allow the bill to move off the suspense file.

SB 1764 (Kehoe) – Oppose As Amended on April 29, 2008

SB 1764, by Senator Christine Kehoe, was heard in the Senate Appropriations Committee on May 5 and moved to the suspense file. This bill would require that on, or after January 1, 2010, a local agency must obtain an annual certification by the State Fire Marshal (SFM) in order to be eligible to receive a percentage for a state share of eligible disaster related costs in excess of 75%.

***SB 1500 (Kehoe) – Oppose Unless Amended
As Amended on April 9, 2008***

SB 1500, by Senator Kehoe, was heard in the Senate Appropriations Committee on May 5 and moved to the suspense file. SB 1500 provides that a county shall not approve a discretionary permit or other discretionary entitlement or a ministerial permit that would result in the construction of a residential dwelling unit located in a SRA unless certain requirements are met. This bill would also require a county that considers a proposed project in a SRA to notify the state Board of Forestry and Fire (Board) when the application is complete.

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Employee Relations

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Retirement Benefits

***AB 376 (Nava) – Request for Comment
As Amended on January 14, 2008***

AB 376, by Assembly Member Pedro Nava, would allow local contracting agencies of the California Public Employees Retirement System to reclassify specified airport law enforcement officers as local safety members. Doing so would enable them to receive enhanced retirement benefits and would increase employer contributions for local agencies that choose to provide the safety officer designation to their airport patrol officers.

AB 376 is currently awaiting a hearing date in the Senate Public Safety Committee.

Workers' Compensation

***SB 1338 (Migden) – Oppose
As Amended on April 30, 2008***

SB 1338, by Senator Carole Migden, would delete language in the Labor Code which provides that physician predesignation rights for workers' compensation claimants are in effect only until December 31, 2009.

This bill would also delete the requirement for an evaluation of the predesignation program to be conducted by the Department of Workers' Compensation.

SB 1338 is set for a hearing in the Senate Appropriations Committee on May 12.

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Government Finance and Operations

Local Government

SB 1137 (Perata) – Support As Amended on May 6, 2008

SB 1137, by Senator Don Perata, would, among other things, permit government entities to impose civil fines on vacant residential property owners who purchase the homes at foreclosure sales and who refuse to keep them properly maintained. The bill provides substantial protections for foreclosed property owners to both remedy the nuisance or hazard and contest the subsequent fine at a public hearing.

With the twin problems of the number of foreclosures in the state reaching previously unknown levels and housing values dropping quickly, many communities are in distress. The issue of property values is exacerbated in some neighborhoods when foreclosed homes are not maintained, and squatters or excessive overgrowth pulls values down even more. This measure would allow the people, through their local governments, to require these properties be maintained in a safe and nuisance-free way. The drop in property values also has a direct fiscal impact on local governments and schools that derive their most stable revenues from the property tax.

Other provisions in SB 1137 would have the effect of reducing the number of foreclosures in California by requiring foreclosing entities to send property owners certain notifications about their opportunities to avoid having their homes taken.

SB 1137 is set for hearing May 15 before the Assembly Banking and Finance Committee.

Taxes

AB 2459 (Davis) – Request for Comment As Amended on April 23, 2008

AB 2459, by Assembly Member Mike Davis, would authorize any board of supervisors to implement a **Senior Citizen Tax Work-Off Program**. Under such a program, any taxpayer of 62 years or older could “trade their time and skills for government service needed in any county” for all or a portion of the current-year property tax they would otherwise owe on their principle residence. AB 2459 was recently amended to assert that the state shall not reimburse any county for losses that occur as a result of a county choosing to implement this program.

AB 2459 is scheduled for a hearing in the Assembly Appropriations Committee on May 14.

AB 1957 (Eng) – Support As Amended on March 25, 2008

AB 1957, by Assembly Member Mike Eng, would make it clear that Californians who owe use tax must pay that tax.

Each Californian that owes a tax and does not pay it increases the relative tax burden on the Californians that scrupulously follow the law. Given that the use tax gap is counted in the billions of dollars and that use taxes support important government services and facilities at the state and local level, CSAC supports AB 1957. The bill was passed on second reading by the Assembly on May 8 and is slated for a third reading on May 12.

AB 2597 (Leno) – Support As Amended on March 10, 2008

AB 2597, by Assembly Member Mark Leno, would reimburse Los Angeles County for the extra cost of administering two special elections called by the Governor and held during 2007, as required by last year’s AB 119 (Ch. 487, Statutes of 2007). It is important that these claims be paid promptly since county elections offices are holding three separate, scheduled elections this year. Speedy reimbursement from the state will help counties meet their constitutional and statutory election-related obligations without unnecessarily impacting other county programs.

AB 2597 is slated for a third reading in the Senate on May 12, and if passed, will then go to the Governor.

HealthandHumanServices

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State Budget Update

Senate Budget and Fiscal Review Subcommittee No. 3 met on May 5 to discuss a number of issues, including Food Stamps administration. The Governor's January budget proposes to cut food stamps by \$35.4 million (\$20.5 million federal funds).

Counties are concerned that it would exacerbate the difficulties we are currently experiencing due to the historical practice of underfunding the administration of Food Stamps. State funding for the Food Stamp program has not increased since 2001-02, creating a funding deficit of \$160 million (\$66 million GF) annually. To date, counties have struggled to operate this critical program, not only because of the \$160 million annual funding shortfall, but also as a result of recent quarterly reporting requirements, a lack of outreach funding, difficulties in retaining staff, and rising caseloads. The Administration's proposed cut will result in the loss of at least \$35.4 million (\$20.5 million federal funds) in 2008-09, which translates to the loss of an estimated 290 Food Stamp eligibility workers statewide.

Counties believe the proposed cut will result in delayed eligibility for applicants, increased errors due to inadequate staffing, the loss of federal funds, and possible federal penalties due to rising error rates. Counties would have to pay 90% of any penalties the federal government levies against California due to Food Stamp performance, and given the historical lack of state administrative funding for the program, we believe that counties must be indemnified against any future federal penalties associated with this program.

Furthermore, the Governor's proposed budget assumes counties will increase our existing backfill of the program from \$24 million to \$33.6 million. It is extremely unlikely counties will be able to do this given the number of proposed cuts and the state's practice of underfunding a range of critical county health and human services programs. Coupled with the loss of federal funds and possible penalties, counties will be placed in the impossible position of shifting ever more scarce General Fund dollars into the program, or face tough choices regarding the delivery of Food Stamp services in their communities.

The Subcommittee held this issue open pending the May Revise, which is anticipated to be released May 14.

Coalition Sues State Over Medi-Cal Provider Rate Cuts

A coalition of health care providers filed suit in Los Angeles Superior Court on May 5 to halt the \$1.3 billion in Medi-Cal provider rate cuts that were approved in the Special Legislative Session in February.

The state estimates it can save \$558 million in the General Fund by cutting Medi-Cal provider reimbursement rates by 10%. The cuts were slated to go into effect on July 1, and the lawsuit, filed on behalf of the California Medical Association, California Hospital Association, California Association of Public Hospitals and Health Systems, California Dental Association, California Association for Adult Day Services and California Pharmacists Association, seeks an immediate injunction.

The state's Medi-Cal and Denti-Cal programs serve approximately 6.5 million low-income residents, despite some of the nation's lowest provider reimbursement rates. Proponents of the lawsuit said that the provider rate cuts will affect hospitals, skilled nursing facilities, pharmacies, and adult day health care centers, among other health services.

Legislation

Health

AB 2124 (Beall) – Support As Amended on April 23, 2008

AB 2124, by Assembly Member Jim Beall, would allow counties to draw down federal funding for providing alcohol and drug screening and brief intervention services to Medi-Cal beneficiaries.

Currently, the counties that provide substance and alcohol screening and brief intervention services to Medi-Cal beneficiaries must bear the full cost of such services. A new federal rule change allows California to receive federal revenue to perform Screening and Brief Intervention (SBI) services, making them more affordable. AB 2124 would allow counties to take

advantage of this rule change and draw down federal match for local funds. The measure also creates a matching fund in the State Treasury to allow counties to access those federal matching funds.

CSAC supports AB 2124. The bill was placed on the Assembly Appropriations Committee's Suspense File on May 7.

AB 2375 (Hernandez) – Support
As Amended on April 10, 2008

AB 2375, by Assembly Member Ed Hernandez, would establish a health care workforce master plan for the state.

AB 2375 would direct the Office of Statewide Health Planning and Development to work with the California Workforce Investment Board to establish a health care workforce task force, comprised of specified members, to assist in the development of a health care workforce master plan for the state.

The bill was placed on the Assembly Appropriations Committee's Suspense File on May 7.

Child Welfare Services
SB 1457 (Steinberg) – Support
As Amended on April 21, 2008

SB 1457, by Senator Darrell Steinberg, would create the California ScholarShare Advancement Vehicle for Education (CalSAVE) Scholarship Program to award scholarships to needy students.

SB 1457 would expand the number of funders, whether they are individuals, corporations, or not-for-profit organizations, who can contribute to California's ScholarShare 529 college saving plans for vulnerable youth, which include foster youth. Current statute does not allow ScholarShare to accept contributions from businesses or companies that would like to establish accounts for students and youth unless a specific individual beneficiary is named for each account. SB 1457 would change the statute to allow businesses and companies to donate or contribute money to fund future scholarship accounts.

SB 1457 is good public policy because it would expand the educational opportunities for underrepresented students by funding college scholarships. CSAC supports the bill, which is on the Senate Floor.

AB 2070 (Bass) – Support
As Amended on April 21, 2008

AB 2070, by Assembly Member Karen Bass, would allow parents who are incarcerated or otherwise institutionalized to receive family reunification services to the greatest extent possible.

AB 2070 requires that the best interests of the child continue to be the core consideration by the court, while recognizing that parents who are in prison should have their specific situations taken into account when the child welfare system is considering whether they can be reunited with their children safely and within a timely manner.

AB 2070 would also extend reunification time frames up to a maximum of 24 months, on a case-by-case basis and according to standards set forth by the most recent version of the bill. However, the extension would not be automatic, and a judge would have to apply the strict criteria in the bill to extend the reunification period another 6 months. Counties believe that the bill would help reunify more children who are placed in long-term foster care by allowing the court to provide a second period of family reunification services if it is in the best interest of the child.

AB 2070 provides a useful option for child welfare agencies in their mission to ensure the health and safety of every child and family. CSAC supports the bill, which was placed on the Suspense File by the Assembly Appropriations Committee on May 7.

Medi-Cal
AB 2527 (Berg) – Support
As Amended on April 7, 2008

AB 2527, by Assembly Member Patty Berg, would make technical changes in statute to clarify provisions that govern local public agency participation in the Medi-Cal Targeted Case Management (TCM) and Medi-Cal Administrative Activities (MAA) billing options.

In many counties, the Children and Families Commissions use tax revenues to pay for activities to help link beneficiaries to

appropriate Medi-Cal services. The TCM and MAA options permit the Commissions, in conjunction with the county, to claim federal reimbursement for a portion of the cost of these activities – funds that are then reinvested in our communities to expand and improve services for low-income families. These services are coordinated with those provided by local public health departments and expand our ability to reach at-risk populations.

CSAC, the County Health Executives Association of California (CHEAC) and the First 5 Association of California support the bill so that local Children and Families Commissions may continue to participate in this valuable reimbursement program and not lose federal funds that currently benefit our communities.

AB 2527 was unanimously passed by the Assembly Appropriations Committee on April 30 and is on the Assembly Third Reading File.

Human Services

SB 1136 (Alquist) – Support As Amended on April 14, 2008

SB 1136, by Senator Elaine Alquist, would provide that it is an unfair or deceptive trade practice for any person to charge or receive an unreasonable fee for aiding another person in the procurement of public social services.

The bill, sponsored by Santa Clara County and amended this week, was originally drafted in response to concerns about the opportunity for fraud and financial abuse associated with this cottage industry. Much of the concern arises over confusion about the Medi-Cal program. Senior citizens, fearful of entering nursing homes or outliving their assets, are being misled into paying for unnecessary planning services or unsuitable financial abuse. Preying on these confusions and fears are individuals calling themselves "Medi-Cal advocates," who advise seniors to "pre-qualify" for Medi-Cal and charge fees to assist in the application process.

SB 1136 will assist in protecting seniors and other vulnerable adults from this practice by making third parties who charge unreasonable fees liable for court costs and damages.

For these reasons, CSAC supports the bill. SB 1136 was passed off of the Senate floor and sent to the Assembly on May 8.

AB 1983 (Evans) – Support As Amended on March 25, 2008

AB 1983, by Assembly Member Noreen Evans, would create a mechanism to investigate and substantiate reports of abuse by regional centers and community care facilities.

AB 1983 would require the state Department of Developmental Services to create and maintain a database of abuse complaints, and to allow providers and other stakeholders to access the information. The bill also requires providers to consult the database before hiring staff, and would prohibit them from hiring anyone who is included in the database as a result of documented abuse.

For these reasons, CSAC has adopted a support position on the bill. The Assembly Appropriations Committee placed AB 1983 on the Suspense File on May 7.

CalWORKs

AB 2368 (Fuentes) – Support As Introduced on February 21, 2008

AB 2368, by Assembly Member Felipe Fuentes, would exclude the value of a licensed motor vehicle from consideration when determining or redetermining CalWORKs eligibility.

AB 2368 would help a certain set of applicants and recipients who own or obtain a car, thereby making it easier for them to travel to and from work and other job-related activities required by the CalWORKs program. Furthermore, AB 2368 will help county eligibility workers and applicants avoid a valuation process that is often cumbersome and confusing. The amount of documentation and research required to ascertain the fair market value of a motor vehicle could be better spent in assessing the job skills and workforce readiness of applicants, thereby accelerating their progress toward job retention and self sufficiency.

For these reasons, CSAC supports AB 2368. The bill was approved by the Assembly Appropriations Committee on May 7 and

May09,2008

Housing, Land Use and Transportation

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Land Use

AB 2870 (DeSaulnier) – Request for Comment As Amended on April 10, 2008

AB 2870, by Assembly Member Mark DeSaulnier, would create the California Blueprint Implementation Council. Specifically, the council would act in an advisory capacity for state regional agencies and for local agencies and would also perform the following functions:

- Work with regional agencies, such as municipal planning organizations (MPO) or councils of governments (COG), to facilitate the implementation of regional blueprint projects, including providing grants and other support for local government planning agencies to assist in implementing the blueprints;
- Develop recommendations to facilitate the coordination between regional blueprint plans and state growth and infrastructure funding plans;
- Receive reports, including, but not limited to, a copy of the five-year infrastructure plan;
- Report to the Legislature on the manner in which state agencies are implementing the requirements of the Statewide Environmental Goals and Policy Report; and
- Report to the Legislature on regional performance measures evaluating the progress of each region of the state in improving results for its residents in employment, environmental protection, education, housing, mobility, and other criteria as determined by the council, and provide the Legislature with updates to the report periodically.

The measure would also authorize an MPO or a COG to impose a \$1 surcharge on a motor vehicle registered to an owner with an address in its jurisdiction if the MPO or COG adopts a resolution authorizing the surcharge to be solely used to develop and implement a regional blueprint plan to identify land use strategies to reduce the use of motor vehicles in its jurisdiction and thereby reduce emissions into the environment from motor vehicles.

AB 2870 is set for hearing May 14 before the Assembly Appropriations Committee.

SB 1165 (Kuehl) – Oppose As Amended on May 6, 2008

SB 1165, by Senator Sheila Kuehl, under the California Environmental Quality Act (CEQA), would require a lead agency to consider and retain written communications made to it and its consultants on a project and/or its potential environmental impacts. The bill would also require a lead agency to make available to members of the public, upon request, administrative drafts of its environmental impact report (EIR), negative declaration, or mitigated negative declarations that are circulated among the project applicant and any public agencies once made available for public comment.

SB 1165 would also require, except for under specified circumstances, a lead agency or a responsible agency to prepare a subsequent or a supplemental EIR for a project if the certification of the prior EIR for the project is more than 5 years old. The bill would prohibit a lead agency from relying on an EIR that was certified more than 5 years ago and would require the document to be treated as an uncertified, draft environmental document that must be recirculated for public review and comment and recertified by the lead agency before the agency may take an action in reliance on the analysis and conclusion of the prior environmental document.

CSAC is opposed to this measure. While it is designed to increase public participation, SB 1165 would make it unnecessarily difficult for cities and counties to implement, and will impose arbitrary requirements that will eliminate many existing tools designed to speed up the CEQA process.

SB 1165 is set for hearing May 12 before the Senate Appropriations Committee.

Transportation

AB 2295 (Arambula) – Support

As Introduced on February 21, 2008

AB 2295, by Assembly Member Juan Arambula, would clarify existing law regarding the eligibility of certain local road projects for funding through the State Transportation Improvement Program (STIP). Specifically, the bill amends the Streets and Highways Code, Section 164 to include "local road rehabilitation" among the list of eligible types of projects.

Current law lists several types of projects eligible for STIP funding, including "local roads." The California Transportation Commission (CTC), which is responsible for allocating STIP resources, has interpreted the statute to include rehabilitation projects, and has included these projects in their published guidelines. AB 2295 would ensure that these vital projects remain eligible in years to come, but subject to regional discretion pursuant to current law.

Counties and cities own and maintain 82% of California's maintained miles. Preservation of the city street and county road system is vital to the safety of the traveling public, whether by vehicle or transit, the movement of goods throughout the state, and the economic well being of many communities. While not a significant portion of the STIP, regional transportation agencies and local jurisdictions must retain the opportunity to seek funding for critical rehabilitation projects from the STIP to help meet their ongoing needs.

AB 2295 is set for hearing May 13 before the Senate Transportation and Housing Committee.

**AB 2596 (Jones) – Concerns
As Amended on April 22, 2008**

AB 2596, by Assembly Member Dave Jones, would require the Air Resources Board (ARB) to quantify a baseline level of greenhouse gas (GHG) emissions generated by land use and transportation activities in 2009 for every city and county with a population of at least 50,000. The ARB would also be required to develop and make available to cities and counties a model that cities and counties may use to quantify the projected level of greenhouse gas emissions for the period from January 1, 2011, through January 1, 2020, that will be generated from land use and transportation activities for each city and county.

While CSAC supports the goals contained within this measure, we have concerns with focusing any GHG emissions reduction strategy at the local agency level, rather than at the regional level. CSAC believes that meaningful reductions in GHG emissions are achieved by focusing on regional targets, which, in turn, can be implemented in a public process by local officials. Specifically, we believe that the goal of reducing GHGs in the transportation/land use context must occur at the regional level through long-range regional growth and transportation plans. Each region can then develop and apply appropriate modeling and analysis that will provide insights regarding which smart growth strategies, combined with other factors (i.e. energy consumption, climate, transportation choices, etc.) are most effective in different types of locations and settings to accomplish GHG reductions.

AB 2596 comes during a time in which multiple legislative and administrative proposals/actions to deal with climate change are being implemented and thus may be premature given that the ARB is still grappling with how to determine regional targets with respect to land use and transportation. It is our understanding that even the Land Use Subgroup of the Climate Action Team (LUSCAT) came to the conclusion that developing city and county targets would be a difficult if not impossible task.

AB 2596 is set for hearing May 14 before the Assembly Appropriations Committee.

**Public Works Administration
AB 983 (Ma) – Oppose
As Amended on April 9, 2008**

AB 983, by Assembly Member Fiona Ma, would require local public agencies, before entering into a contract for a project, to provide full, complete, and accurate plans and specifications and estimates of cost.

CSAC believes that this bill puts unrealistic expectations on local public agencies and has the potential to greatly increase costs incurred by the local public agency and the public through design delays and litigation on projects. Requiring "full, complete and accurate" estimates of cost raises concern, because "estimates" implies an uncertainty about the actual and definitive value. Cost estimates are typically based on historical data and are used as a reference point only, not a definitive number. Additionally, in emergencies or otherwise urgent projects, contractors need to operate quickly based on plans and specifications that may not be fully complete because of time constraints.

Case law in public construction law still holds that a bidder must prove an intentional misrepresentation or active concealment of the plans and specifications by the public entity in order for the contractor to recover against the public entity. This bill eliminates this standard, which limits the liabilities of public agencies regarding the reliability and accuracy

of plans. AB 983 limits design professional liability in such instances and transfers this liability to the local public agency bidding the job. This raises the question: Why should the local public agency rely on the design professional for their professional expertise without recourse to the design professional when the plans and specifications prepared by the design professional are wrong?

This would essentially absolve a contractor from any responsibility for reviewing plans before submitting a bid on a public works project and expose local agencies and thus the public, to additional and unreasonable liability.

AB 983 is set for hearing May 13 before the Senate Judiciary Committee

May09,2008

IndianGaming

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AB 2353 (Garcia) – Request for Comment As Amended on May 1, 2008

AB 2353, by Assembly Member Bonnie Garcia, would appropriate \$30 million from the Indian Gaming Special Distribution Fund (SDF) to provide grants to local government agencies impacted by tribal casinos.

AB 2353 was placed on the Assembly Appropriations Suspense File.

SB 1200 (Ducheny) – Request for Comment As Amended on April 29, 2008

SB 1200, by Senator Denise Ducheny, would establish within the Business, Transportation, and Housing (BT&H) Agency the Native American Business Grant and Revolving Loan Program. The bill would appropriate \$20 million from the SDF for the purposes of funding on a matching basis nongaming business projects for persons who are members of a nongaming Indian tribe. This bill would create the nine-member Native American Business Finance Council, appointed by the Governor, to review applications for program funding.

SB 1200 was placed on the Senate Appropriations Committee Suspense File.

SB 1201 (Battin) – Request for Comment As Amended on April 30, 2008

SB 1201, by Senator Jim Battin, would provide that the aggregate limit of gaming device licenses available for issuance under the 1999 Tribal-State Gaming Compacts shall be 122,000, and would further provide that certain gaming device licenses available for issuance under subsequent compact amendments shall not be counted in determining whether that aggregate limit has been reached.

This measure is intended to settle the very controversial issue regarding the aggregate number of slots that the 61 tribes under the 1999 Compact can collectively operate. That compact did authorize up to 2,000 slots per tribe, but established an aggregate cap that was not sufficient for every tribe to achieve their maximum amount. Thus, distributing gaming licenses was done via a type of lottery. As such, significant inequities have occurred from tribe to tribe with respect to their allotted slot amount. Senator Battin wants to ensure that every tribal government with a 1999 Compact can obtain gaming licenses, if desired, up to the maximum of 2,000 gaming machines authorized in the compact.

It is important to point out that the tribal governments operating under the 1999 Compact are not required to reach judicially enforceable local agreements to mitigate off-reservation impacts—a critical CSAC objective required in all Governor Schwarzenegger Compacts negotiated to date. While, we understand that a number of tribes under the 1999 Compact have negotiated local agreements in good faith to the satisfaction of the county, other counties have not been so fortunate.

Should SB 1201 be successful, numerous tribes would have the ability to pursue increased slot machines without the obligation to re-negotiate a new compact with Governor Schwarzenegger, and thus would not trigger the critical CSAC objective of requiring a judicially enforceable local agreement to mitigate off-reservation impacts.

SB 1201 is set for hearing May 12 before the Senate Appropriations Committee.

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