



News & Advocacy

The Perfect Storm Arrives

Call to Action--California Counties: 38 Million Served, Billion \$ at Risk

Administration of Justice

Agriculture and Natural Resources

Employee Relations

Government Finance and Operations

Health and Human Services

Housing, Land Use and Transportation

Calendar of Events

Ask Our Advocates

Legislative Tracking

PDF Version

May 15, 2009

The Perfect Storm Arrives

Amid Plummeting Revenues, Skyrocketing Caseloads, and Painful Cuts to Local Services and County Employees, Suspension of Proposition 1A (2004) is Officially on the Table

By Paul McIntosh, Executive Director

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This week, Governor Arnold Schwarzenegger released his plan for revision of the 2009-10 State Budget. The plan includes proposals to eliminate a \$15.4 billion deficit in the current budget and contingency plan proposals to eliminate a \$21.3 billion deficit if the May special election ballot measures fail. CSAC's summary of the May Revision proposals is available on our [Web site](#).

California counties don't need to be reminded that the economic downturn is having a dramatic impact on the state's finances. To be sure, every county in the state is facing plunging revenues and escalating caseloads, requiring tough choices to balance budgets. Considering all of this, the proposal to suspend Proposition 1A (2004) creates a perfect storm at the local level.

On top of the already egregious proposal to suspend Proposition 1A (2004), counties will also have to grapple with proposals to further shift costs to counties for withering safety net services and overwhelmed public safety programs. The timing just couldn't be worse.

To combat these devastating proposals, CSAC's budget action plan is gearing up. Details are in the article below. Together, we will fight for California counties and the people we collectively serve.

May 15, 2009

Call to Action--California Counties: 38 Million Served, Billion \$ at Risk

As mentioned yesterday in the May Revision analysis summary, CSAC has put together an action plan to address the significant and severe proposals contained in the Governor's May Revision and how we will collaboratively fight these proposals.

In order to send a strong message about our fight to protect local revenues and services, we have developed a slogan for this campaign that will be incorporated in material during the budget process - "California Counties: 38 Million Served, Billion\$ at Risk."

Several documents have been developed to assist you in getting the word out about the raid on local revenue and its impacts to local services and the people we serve.

These documents include (click on links to access):

- [Action Plan](#) – this outlines our strategy and efforts in the coming weeks and how you can help.
- [Why Suspending Prop 1A is a Bad Idea](#) – a clear, concise document that shows the fallacies of a Prop 1A suspension.
- [Fact Sheet on 1A](#) – explains how Proposition 1A works and how a suspension would be enacted.
- [CSAC Officers Letter to Governor](#) – sent May 6 voicing opposition to the borrowing plan.
- [Joint Letter from CSAC, League of California Cities and California Special Districts Association](#) – sent May 13 to the Governor voicing opposition to the borrowing plan.

We will continue to send out information, materials, and other resources to help with your advocacy efforts. Also, please share your creative ideas with us. We're always open to hearing from counties about what would be helpful or compelling in your community.

Should you have questions about the action plan, please contact Jim Wiltshire, CSAC Deputy Director, at 916/327-7500, ext. 545, or jwiltshire@counties.org, or Sarah Jimenez, CSAC Communications Coordinator, at 916/327-7500, ext. 516, or sjimenez@counties.org.

For more information and details on Proposition 1A, contact Jean Kinney Hurst, Legislative Representative, at 916/327-7500, ext. 515, or jhurst@counties.org.

May15,2009

Administration of Justice

For more information, please contact Elizabeth Howard at 916/650-8131 or ehoward@counties.org or Rosemary Lamb at 916/650-8116 or rlamb@counties.org.

Budget Subcommittee Hearings Judicial Branch and Correctional Issues Heard

On May 13, the Assembly Budget Subcommittee No. 4 on State Administration heard a number of judicial branch and state corrections issues. A summary of the key topics of interest to counties is provided below.

There was a lengthy discussion on the issue of court security, including overall efforts to address staffing standards and other means to contain costs in this area, as well as the Legislative Analyst's Office (LAO) proposal to contract out the provision of court security services. On the latter point, the subcommittee members took a very apprehensive view of either privatizing court security services (given unity of command, liability, and safety concerns) or contracting with another public safety agency (given the likelihood that little to no savings would be gained). Although no action was taken, the subcommittee also discussed the Governor's proposal to increase the court security fee by \$7 (from \$20 to \$27), which is expected to generate \$28.5 million annually. However, with the current shortfall in court security somewhere in the \$54 to \$68 million range, even this increase would not address the magnitude of the funding gap. CSAC spoke in support of the fee increase as an element of the overall solution to the problem. All parties agreed to continue working on the issue of court security, and it was made very clear that the court security funding issue necessarily had to include consideration of the court closure proposal, given significant impacts on court security.

Further, the subcommittee heard extensive discussion and took extensive testimony on the Administrative Office of the Courts' proposal to close courts one day a month to address its significant budget shortfall. The judicial branch is exploring this cost-saving measure (see page 18 of the subcommittee [agenda](#)) in a way that provides for order and predictability for all court users and minimizes public disruptions. The courts would be closed to the public on the same day per month —

likely a day mid-week that is not contiguous with any other court closure (i.e., a holiday or weekend) so as to not overburden the jail system — and it would be left to the local bargaining process for each court to determine whether it furloughed its employees for that day. Several of the groups providing testimony asked the subcommittee to consider other alternatives — such as recapturing revenue realized through SB 1407 (Perata, 2008) fee increases to the extent that the funds were not encumbered for shovel-ready projects; investigating other fund balances within the judicial branch; and considering a reprioritization of resources from other projects. Subcommittee members took no action on the proposal, acknowledging that the court closure proposal was worthy of consideration but appeared to have extensive complications that warranted further discussion.

CSAC is soliciting input from counties on the impacts of the court closure proposal. We understand and are especially sensitive to jail impacts (due to the lost day for arraignments), implications for court security contracts, and other interactions between court-connected county functions. Please provide CSAC with feedback on this matter at your first convenience.

Finally, both the Assembly and Senate budget subcommittees discussed and took action this week to move the Youthful Offender Block Grant (YOBG) funding — provided pursuant to the provisions of SB 81 (2007), which transferred to counties the responsibility to rehabilitate and supervise all youthful offenders, except those adjudicated for the most serious of crimes (defined as those enumerated in Welfare and Institutions Code 707(b)) — from a lump-sum annual allocation to quarterly allocations. CSAC and the probation chiefs presented our concerns with the proposal, given that when the state's cash situation seizes up, county probation departments will have a service expectation with no ability to carry out the needed programs.

Attorney's Fees in Anti-SLAPP Actions
SB 786 (Yee) – Oppose
As Amended on May 6, 2009

As reported in a previous Bulletin, SB 786, by Senator Leland Yee, was amended to address the awarding of attorney's fees in anti-SLAPP (Strategic Litigation against Public Participation) actions. Specifically, the measure would prohibit a prevailing defendant from being awarded attorney's fees in any anti-SLAPP claim in which the underlying litigation arose from an action under the Brown Act, Public Records Act (PRA), or Bagley Keene Act. CSAC is opposed to this measure, as amended.

SB 786 stems from a recent unpublished appellate court [ruling](#) in *Californians Aware* (CalAware, a non-profit advocacy group supporting open government and public access) v. *Orange Unified School District*. In this matter, the school district successfully used the anti-SLAPP law (Code of Civil Procedure Section 425.16) in litigation involving a school board member who made comments in open session about a personnel matter; these comments were later edited out of a DVD circulated by the district and aired on a public access cable channel. In finding for the district in the anti-SLAPP claim, the court imposed an \$86,000 judgment against the former president of CalAware.

While the outcome of this case may be personally regrettable to the losing party, counties believe that the school district appropriately and, based on the court's ruling, rightfully used a tool in protecting its own rights in the arena of public discussion. We view the measure as overly restrictive and inequitable; CSAC is opposing this measure to preserve the ability of public entities — when they prevail in these types of anti-SLAPP motions — to receive attorney's fees.

The measure was further amended in committee to clarify that public entities would still be entitled to attorney's fees when the underlying cause was deemed frivolous — which is the same standard that exists under the Brown Act, PRA, or Bagley Keene Act. Despite opposition by CSAC and a number of other public agencies, the measure passed out of the Senate Judiciary Committee on May 12 unanimously.

Public Records Act
SB 359 (Romero) – Support
As Amended on May 5, 2009

SB 359, by Senator Gloria Romero, seeks to update the index of disclosure exemptions contained in the Public Records Act (PRA).

The PRA was amended in 1998 by SB 143 (Kopp) to incorporate an extensive index organized alphabetically of the various code sections a public agency can rely on to justify the nondisclosure of a public record. This index has proven to be a valuable resource for local governments. There has been no organized, comprehensive effort to update the PRA exemption index since it was established in statute more than a decade ago. SB 359 seeks to bring the index up-to-date, consistent with legislative changes that have made certain records confidential in the intervening 11 years.

The measure passed out of the Senate Judiciary Committee on May 12 on a 5-0 vote.

**AB 1245 (Monning) – Support
As Amended on April 2, 2009**

AB 1245, by Assembly Member Bill Monning, seeks to establish a procedure to ensure that documents rightfully owned by local or state agencies are returned to that local or state agency. Counties will recall that former Assembly Member Laird carried similar legislation last year that CSAC supported – AB 2595. This measure ultimately was vetoed by the Governor, who cited that the state’s historic delay in passing a budget prevented him from signing bills other than those of the highest priority.

AB 1245 was heard in the Assembly Appropriations Committee on May 13 and passed out of committee on the consent calendar.

**Emergency Air Medical Transportation
AB 1153 (Beall) – Request for Review
As Amended on May 5, 2009**

AB 1153, by Assembly Member Jim Beall, would impose a new \$3 penalty on vehicle code violations and direct the revenue to support air ambulance services. As discussed in a previous Bulletin, CSAC is primarily concerned about ensuring that the timing and mechanics of the penalty imposition do not affect current revenue distribution. As counties may recall, CSAC sought an amendment in 2008 legislation to Penal Code 1203.1d, which specifies the priority distribution of revenue when installment payments are made on court-ordered debt. That provision directs any revenue derived from a new penalty enacted on or after January 1, 2009 effectively into a fifth distribution “bucket,” after the first four buckets of revenues are filled.

CSAC has been working with the sponsors to address concerns about unintended interactions with current revenue distribution. As soon as amendments are available that seek to address this issue are in print, we would ask counties to review the measure and provide feedback.

AB 1153 was heard in the Assembly Appropriations Committee on May 13 and was referred to the committee’s suspense file. All measures placed on suspense file will be considered by the committee later this month.

**Historical Records
AB 827 (Yamada) – Request for Comment
As Amended on May 6, 2009**

AB 827, by Mariko Yamada, would allow county boards of supervisors to adopt and impose a fee to fund the costs of archiving historical county records. Specifically, it would allow a county to charge \$3 for the first page and \$1 for all subsequent pages for the archiving of historical county records. The types of records include those pertaining to real property, local agency meetings and actions, roads and other public works projects.

CSAC staff would like counties to review this measure and provide feedback to Rosemary Lamb at rlamb@counties.org as soon as is practical.

AB 827 passed out of the Assembly Local Government Committee on May 13 on a 5-2 vote.

**Probation Performance Incentives
SB 678 (Leno and Benoit) – Support in Concept/Request for Comment
As Amended on April 16, 2009**

SB 678, by Senators Mark Leno and John Benoit, would enact the California Community Corrections Performance Incentive Act. The key objective of the measure is to create performance incentives for local governments to develop community corrections strategies that reduce prison commitments. With increased supervision, monitoring, and intermediate sanctions, probation departments would be better positioned to decrease criminal activity and manage this population locally. Based on a jurisdiction’s success — measured in the reduction of felony probationers who are sent to prison — the state would share its savings derived from the lowered prison population.

CSAC staff strongly encourages counties to examine the provisions of SB 678 and contact Rosemary Lamb (

rlamb@counties.org) with comments or questions. We anticipate that the specific mechanics of the measure — such as how the savings will be calculated and redistributed to counties — will be further revised. We are eager to hear county input on the construct of the performance incentive approach. CSAC will continue to update counties on this measure as it moves through the legislative process.

SB 678 was heard in the Senate Appropriations Committee on May 11 and passed out of committee on a 9-0 vote. It now awaits a floor vote in the Senate.

Civil Fees

AB 680 (Hall) – Support

As Introduced on February 26, 2009

AB 680, by Assembly Member Isadore Hall, seeks to revise and increase various civil fees collected by county sheriff's departments for services rendered. Sponsored by the Los Angeles County Sheriff's Department, AB 680 is supported by a range of county public safety entities and CSAC.

AB 680 was heard in the Assembly Judiciary Committee on May 12 and passed out of committee on an 8-2 vote. The measure was amended in that committee to delay the operative date of the various fee increases until 2011, with the exception of a \$2 increase authorized under Government Code Section 26746 (section 8 of the bill). Further amendments also were taken to clarify certain procedures relating to collecting funds from judgment debtors.

Inmate Medical Expenses

AB 1487 (Hill) – Support

As Amended on April 2, 2009

AB 1487, by Assembly Member Gerald Hill, seeks to authorize a county sheriff's department to increase the fee charged to an inmate for a medical visit from \$3 to \$6. The measure was amended in April to direct any additional revenue collected over the existing \$3 charge into the Inmate Welfare Fund.

AB 1487 is sponsored by the California State Sheriffs' Association. It was heard in the Assembly Public Safety Committee on May 12 and passed out of committee on a 6-1 vote.

Vehicle Theft

AB 286 (Salas) – Support

As Introduced on February 13, 2009

AB 286, by Assembly Member Mary Salas, is a reintroduction of her AB 860 from last year, which sought to extend the sunset date on county authority to impose additional fees on vehicle registration to fund local programs relating to vehicle theft crimes. AB 860 was vetoed by the Governor in his blanket veto message stating that the measure did not meet a priority threshold for the year, given the limited amount of time available to him to review legislation in the context of protracted budget negotiations.

AB 286 is again sponsored by the California State Sheriffs' Association, and CSAC is in support. It was last heard in the Assembly Appropriations Committee on May 13 and sent to the committee's suspense file. All measures placed on suspense file will be considered by the committee later this month.

911 Surcharge

AB 912 (Torres) – Support

As Amended on April 27, 2009

AB 912, by Assembly Member Norma J. Torres, that would amend the distribution formula for funds in the State Emergency Telephone Number Account.

This measure seeks to ensure that Public Safety Answering Points, which field 911 calls, remain capable of meeting the 10-second answering guideline as recommended by the National Emergency Number Association by allowing a maximum 25% of funds collected under the Act – if approved by the Department of General Services - to pay Primary Public Safety

Answering Points call centers. The funds will only be distributed to those Primary Public Safety Answering Point call centers that accept 911 calls originated from wireless phones, which account for the significant increase in 911 calls over the last several years. Section 41136 (b) (1) of the Revenue and Taxation Code as amended by AB 912 will stipulate that the funds received by Primary Public Safety Answering Point call centers shall be utilized for costs associated with receiving and routing wireless enhanced 911 calls, including a one-time payment for costs necessary to recruit and train additional personnel necessary to handle the increased volume of wireless 911 calls.

AB 912 is sponsored by the California State Sheriffs Association and was heard in the Assembly Appropriations Committee on May 13. The measure was referred to the to the committee's suspense file. All measures placed on suspense file will be considered by the committee later this month.

Arraignment Courts
AB 1338 (Anderson) – Oppose
As Amended on April 28, 2009

AB 1338, by Assembly Member Joel Anderson, would establish an arraignment court program. Despite recent amendments that address one core concern of counties, CSAC remains opposed to this measure.

The bill would authorize — but not require — the establishment of an arraignment program. To exercise this authority, the bill contemplates having the presiding judge (or his or her designee), the district attorney, and the public defender arrive at mutual terms in writing to operate the program. What the construct does not take into account are other operational and fiscal impacts to the county. Chief among those are (1) the impact to the county if the court facility is housed in a shared-use building and (2) the costs associated with providing court security and, if necessary, defendant transportation — both functions provided by the county sheriff.

The measure was heard in the Assembly Appropriations Committee on May 13; it was referred to the committee's suspense file. All measures placed on suspense file will be considered by the committee later this month.

Implementation of AB 900's Prison Population Construction and Rehabilitation Initiatives: Legislative Analyst's Office (LAO) Releases Status Report

On May 14, the LAO released a report outlining the progress made by the California Department of Corrections and Rehabilitation (CDCR) in implementing AB 900 (Solorio –Chapter 7, Statutes of 2007). The report provides an assessment on infill bed construction, construction of reentry facilities, health facilities, award of county jail construction funding and other infrastructures objectives outlined within AB 900. To view the complete report, please [click here](#).

May15,2009

AgricultureandNaturalResources

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

Solid Waste
SB 497 (Correa) – Support
As Amended on May 4, 2009

SB 497, by Senator Lou Correa, would work to encourage recycling efforts in schools. This bill, which is substantially similar to last year's SB 1321, would require a school district, to the extent that it does not incur costs, to establish a beverage container recycling program at each of its school campuses and public offices. It would also authorize school districts to enter into an agreement or partnership with a private sector or nonprofit entity to obtain all or part of the supplies and information necessary for participation in a recycling program. This bill will be heard in the Senate Appropriations Committee on May 18.

Energy

AB 222 (Adams) – Support
As Amended on May 5, 2009

AB 222, by Assembly Member Anthony Adams, would enable and expedite the production of advanced, non-food derived biofuels, green power and other bio-based products from biomass. This measure would also authorize a local jurisdiction to include solid waste diverted to a biorefinery in meeting a requirement to divert solid waste above the state's 50% recycling goal if the local jurisdiction makes a specified certification. CSAC supports this bill because we believe it would help to initiate the development of an integrated biomass policy that would help to guide regulation and investment. Support for biomass will expand the beneficial use of California's waste streams and in so doing, stimulate economic investment and provide high-level, green-collar manufacturing jobs. This bill is set for hearing in the Assembly Appropriations Committee on May 20.

Fish and Game
AB 804 (Hall) – Support
As Amended on May 4, 2009

AB 804, by Assembly Member Isadore Hall, would provide protection from litigation for operators of water delivery and storage facilities in California. Specifically, this bill would provide that an operator of water delivery and storage facilities, who has prepared and implemented a plan to control and eradicate dreissenid mussels in accordance with the existing provisions of law, would not be subject to any civil or criminal liability for the introduction of dreissenid mussel species as a result of operations of those facilities. CSAC agrees that water system operators and their employees should not be subject to unwarranted civil or criminal penalties if they are observing current legal requirements. This bill is set for hearing in the Assembly Appropriations Committee on May 20.

Water
AB 1520 (Evans) – Support
As Amended on May 5, 2009

AB 1520, by Assembly Member Noreen Evans, would establish a Statewide Watershed Program as a voluntary and non-regulatory program with the goal of providing assistance and funds to local community-based efforts in the conservation, protection, and restoration of the state's watersheds. CSAC supports this bill because it supports a watershed-based approach to important issues such as water quality, water supply, flood control, and habitat preservation. This type of approach looks across jurisdictional boundaries and recognizes the physical reality of how our natural systems and natural infrastructure actually function. This bill has been set for hearing in the Assembly Appropriations Committee on May 20.

SCA 18 (Liu) – Support
As Introduced on March 10, 2009

SCA 18, by Senator Carol Liu, would provide cities and counties the opportunity to create an additional resource to fund stormwater and urban runoff management programs mandated by the Clean Water Act. SCA 18, which is substantially similar to last year's SCA 12, if passed by the Legislature, and approved by the voters, would authorize cities and counties to adopt fees and charges for storm water and urban runoff management programs without having to meet the two-thirds voter approval requirement for property related fees. This same type of exception to Proposition 218 is currently provided for refuse collection, sewer, and water services. This bill is set for hearing in the Senate Local Government Committee on May 20.

Federal Economic Stimulus Update
Energy Efficiency and Conservation Block Grant Program

The California Energy Commission (CEC) is accepting comments and suggestions on the development of its guidelines for the state-administered Energy Efficiency and Conservation Block Grant Program (EECBG). This program contains approximately \$30 million for local governments that are not directly eligible for the U.S. Department of Energy EECBG funds. The program provides grants to local governments with the purpose of aiding them in the reduction of fossil fuel emissions and energy efficiency and conservation projects. For more information, visit the CEC website at: <http://www.energy.ca.gov/recovery/blockgrant.html>.

Comments can be emailed to the CEC at: EECBG@energy.state.ca.us

CSAC Legislative Conference May 27-28, 2009
Agriculture & Natural Resources Policy Committee

The Agriculture and Natural Resources Policy Committee will meet on Wednesday, May 27 at the CSAC Legislative Conference in Sacramento. We have an exciting and full agenda with presentations from the three legislative committee consultants from the Senate Natural Resources Committee, Senate Local Government Committee and the Assembly Water, Parks and Wildlife Committee on topics ranging from water and the delta to Williamson Act reform. The Committee will also hear from the Secretary of California Food and Agriculture and the Assistant State Fire Marshall. The Committee will meet at 2:30pm on the third floor of the Sacramento Convention Center in room 215. Hope to see you there!

May15,2009

Employee Relations

For more information, contact Eraina Ortega at 916/327-7500, ext. 521 or eortega@counties.org, or Faith L. Conley at 916/327-7500, ext. 522 or fconley@counties.org.

California State Auditor Releases High Risk Update Report on Other Post-Employment Benefits

In May 2007, the Bureau of State Audits (BSA) reported that Other Post-Employment Benefits (OPEBs) (benefits, usually medical and dental, in addition to a pension), was a high-risk area for California due to increasing costs to provide the benefits to state retirees. Currently, California utilizes a pay-as-you-go system to pay yearly premiums for retiree health insurance rather than setting aside funding to provide for the future disbursement of OPEBs (prefunding).

The BSA noted that OPEB costs could be greatly reduced by prefunding, and that should the OPEB liability grow beyond California's other liabilities on its financial statements, the state's credit rating could be negatively affected, making the State's budget problems worse by increasing borrowing costs when it issues bonds. The BSA was unable to determine how California will manage the risks associated with a large and steadily increasing OPEB liability.

The full report can be found [here](#).

Public Safety

AB 955 (De Leon) – Oppose ***As Amended on April 28, 2009***

AB 955, by Assembly Member Kevin De Leon, would specify that disciplinary action need not be imposed upon peace officers within the one-year time limit placed upon the investigation and imposition of penalty by the Public Safety Officers Procedural Bill of Rights (POBOR).

government Code 3304(d) specifies if within one year, an investigation into any act or allegation of misconduct by a peace officer has not been completed, punitive action cannot be taken. If it is determined that disciplinary action will be taken, the investigation must first be completed and the peace officer notified of the proposed disciplinary action within that one-year statute of limitations.

In *Mays v. City of Los Angeles* (2006), the Supreme Court was asked to determine if this one-year statute of limitations was satisfied by simply notifying the peace officer of the proposed disciplinary action. The Supreme Court held that the public agency need only inform the subject officer that it has completed the investigation and is looking to impose some form of disciplinary action for misconduct within the one-year statute of limitations.

AB 955 seeks to abrogate the Supreme Court's 2006 decision by requiring that the officer being investigated for misconduct be notified by a letter of intent specifying the proposed disciplinary action within the one-year time limit.

AB 955 is currently awaiting a vote on the Assembly Floor.

Employment

AB 1394 (Bass) – Support
As Introduced on February 27, 2009

AB 1394, by Speaker Karen Bass, will authorize the California Workforce Investment Board's Green Collar Jobs Council (Council) to accept any revenues, grants, or services from state and federal entities to use for workforce training.

AB 3018 (Núñez/Bass, Statutes of 2008) created the Council within the California Workforce Investment Board. The council conducts planning, research, and funding to meet California's growing need for a greener workforce.

CSAC supports taking action and building partnerships at the state and local levels to maximize funding from the federal American Recovery and Reinvestment Act of 2009 (ARRA) in order to provide additional training and jobs for California's workforce. AB 1394 will require the council to partner with state and local agencies to award grant money and green workforce training funds received by the state under ARRA.

AB 1394 will be heard on May 20 in the Assembly Appropriations Committee.

Workers' Compensation
SB 773 (Florez) – Oppose
As Amended on April 28, 2009

SB 773, by Senator Dean Florez, will increase permanent partial disability benefits for injuries occurring after January 1, 2010, significantly increasing workers' compensation costs for public employers.

In the four years preceding the 2004 workers' compensation reforms put in place by SB 899 (Poochigian, Statutes of 2004), counties experienced a 66% increase in their workers' compensation costs. Increased costs to public sector employers has a real impact on the citizens we serve; every dollar we spend on workers' compensation is a dollar taken away from public safety, school and other services provided by California counties.

CSAC believes that legislation to alter the formulas established in SB 899 should be based on the actual experience of employers and employees under the current system consistent with the analysis completed by the Division of Workers' Compensation.

May15,2009

Government Finance and Operations

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

AB 1388 (Hernandez) – Support
As Amended on May 11, 2009

AB 1388, by Assembly Member Ed Hernandez, would expand permission for using a negotiated sale method to sell general obligation bonds above or below par value to counties and other local agencies. Currently, schools and community colleges already have this authority to pursue this alternative to the competitive bid process. Extending permission to other types of local agencies will allow them to realize the benefit of being able to tailor their sale to the market conditions and get the best possible value.

The Assembly passed AB 1388 on a 75-0 vote on May 14; it now moves to the Senate.

Local Fees
SB 676 (Wolk) – Support
As Amended on April 13, 2009

CSAC supports SB 676, by Senator Lois Wolk, a measure that would update several instances of county fee authority.

SB 676 provides important updates to numerous local fee provisions in state statute, some of which have not been updated since the 1980s. As a result, in many instances, counties are subsidizing fee-supported activities to the detriment of the county general fund, which is the primary funding source for local public safety programs and for local matching requirements for state- and federally-mandated health and human services programs that counties provide on the state's behalf.

CSAC urges counties to review SB 676 and communicate support to your legislative delegation; the bill is currently pending on the Senate Floor.

Audits

AB 831 (Monning) – Oppose Unless Amended As Amended on April 21, 2009

AB 831, by Assembly Member Bill Monning, would prohibit the officers and any employee or former officers or employees of any state or local agency or publicly created entity that has been subject to or that has assisted in the Bureau of State Audits with an audit or investigation or that has received a draft copy of any report or other draft document from the bureau for comment or review from releasing to the public, among other things, any papers, correspondence, or any substantive information pertaining to any audit not yet completed.

AB 831 was scheduled to be heard in the Assembly Business and Professions Committee on May 5, but was put over to work out issues. On May 12, the bill's hearing was canceled at the author's request.

Clarifying "VLF" for Local Ordinances

SB 636 (Ashburn) – Support As Amended on April 30, 2009

SB 636, by Senator Roy Ashburn, would clarify that revenue from the recent Vehicle License Fee (VLF) increases is not derived from the 0.65% VLF rate that Nevada County's ordinance requires be spent in specific ways. Senator Ashburn amended the bill to specify Nevada County, and expressed a willingness to list any other counties that request inclusion due to their own local ordinance.

The Senate passed SB 636 on a vote of 38-0; it now moves to the Assembly.

Property Tax Base-Year Value Transfers

SCA 11 (Dutton) – Oppose Unless Amended As Introduced on February 24, 2009

SB 274 (Dutton) – Oppose Unless Amended As Amended on April 30, 2009

SCA 11 and SB 274, both by Senator Bob Dutton, would allow seniors and Californians with severe disabilities to transfer the base-year value of their home to another, new home even if the new property was of a higher value. Currently, this population is permitted to transfer the base-year value of their home to another one only if it is of equal or lesser value. The change would only be implemented if both the Legislature and voters were to approve it.

The Senate Revenue and Taxation Committee will consider SCA 11 and SB 274 at its hearing May 13.

Local Sales and Use Tax

SB 27 (Hancock) – Support As Amended on February 23, 2009

SB 27, introduced by Senator Loni Hancock, would prohibit local agencies from entering into agreements that give retailers rebates or transfers of Bradley-Burns sales tax revenues in order to lure the retailer's sales tax-generating activities away

from other jurisdictions where the retailer maintains a presence.

This bill addresses a practice that undermines communities' ability to provide local programs and services across the state. In the cases this bill would prohibit, jurisdictions that continue to bear the burden of providing public services to a retailer are deprived of the tax revenue that the retailer generates, and therefore undermine those agencies' ability to provide for the service and facility needs of their residents, both residential and commercial.

The Assembly Local Government Committee passed SB 27 at their hearing May 13 on a 6-0 vote; the bill has not yet received a "no" vote.

Disaster Relief

***AB 15 (Fuentes) – Support
As Amended on April 13, 2009***

***AB 50 (Nava) – Support
As Amended on April 13, 2009***

***AB 79 (Duvall) – Support
As Amended on April 13, 2009***

These three bills would reimburse the Counties of Los Angeles and Ventura (AB 15), Santa Barbara (AB 50), and Orange, Riverside, and San Bernardino (AB 79) for property tax losses related to the wildfires last fall. They would also include those wildfires in the provisions of the Natural Disasters Assistance Act. The bills further provide that dwellings that qualified for the homeowner's property tax exemption may not be denied the exemptions solely due to it being damaged, destroyed, or uninhabitable by those wildfires. Lastly, they would allow the carryover to the previous year of losses due to these wildfires, for purposes of the personal income tax and corporate tax.

This type of disaster assistance is critical to the recovery in these areas, because it allows owners of homes and businesses damaged by these natural disasters to be eligible to apply for property tax relief. However, as a result, counties will experience the consequences of that relief with a resultant loss of property tax revenue. These three bills would provide that the state reimburse these specific local losses for the time period stated above.

The Assembly Revenue and Taxation Committee will consider AB 15, AB 50, and AB 79 at its hearing on May 18.

Aircraft Assessment

***AB 311 (Ma) – Support
As Amended on May 4, 2009***

AB 311, by Assembly Member Fiona Ma, would extend by four years the sunset date for an aircraft assessment method that has been used since 2005-06. Under the method, a special subcommittee of county assessors appoints a lead assessor for each commercial air carrier who then has primary responsibility for determining the value of that fleet and transmitting the information to other assessors. This bill is sponsored by the California Assessors' Association.

The Assembly Appropriations Committee will consider AB 311 at its meeting on May 20.

Taxpayer Penalties for Withholding Information

***AB 347 (Block) – Support
As Amended on May 4, 2009***

AB 347, by Assembly Member Marty Block, would allow the Board of Equalization to impose a penalty of 25% on taxpayers who, through willful neglect, fail to furnish information related to their tax liability when it is requested by the board in writing.

The Assembly Revenue and Taxation Committee placed AB 347 on its suspense file when they met on April 27. The committee plans to take the bill up on May 18.

HealthandHumanServices

For more information, contact Kelly Brooks at 916/327-7500, ext. 531 or kbrooks@counties.org, Faith Conley (for Health policy) at 916/327-7500, ext. 522 or fconley@counties.org, or Geoffrey Neill (for Human Services policy) at 916/327-7500, ext. 567 or gneill@counties.org

Governor Signs AB 23 to Provide Laid-Off Employees with Access to Health Care

On May 13, Governor Schwarzenegger signed AB 23, by Assembly Member Dave Jones, which would require that Californians who have lost their jobs while employed by a small business be notified that they are eligible for health care premium assistance under the American Recovery and Reinvestment Act of 2009 (ARRA).

COBRA is a federal program which allows people to continue their employer's group health benefits in the case that they involuntarily leave employment. Currently, these individuals are required to pay the entire cost of the health insurance premium to do so. California's version of this program is Cal-COBRA and applies to employers with two to 19 employees.

The ARRA provides premium assistance for COBRA benefits for individuals laid off from employment between September 1, 2008 – December 31, 2009. The federal subsidy would provide for 65% of the health care premium costs.

Mental Health

AB 244 (Beall) – Support As Amended on May 5, 2009

AB 244 would require Knox-Keene licensed health plans to expand mental health coverage to include the diagnosis and treatment of any mental health condition or disorder as defined in the Diagnostic and Statistical Manual IV (DSM-IV) (or subsequent editions), including substance abuse conditions. AB 244 builds upon the original California mental health parity legislation, AB 88 (Thomson, Chapter 534, Statutes of 1999), which requires health plans to provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses of a person of any age, and serious emotional disturbances of children, under the same terms and conditions applied to other medical conditions.

Since the enactment of AB 88, numerous studies have shown that mental illness is not only treatable, but also that appropriate and timely treatment of mental health conditions and disorders reduces costly hospitalizations, incarcerations, homelessness and, most importantly, human suffering. There is a growing body of evidence that suggests that mental health parity outweighs the societal costs and risks associated with untreated illness.

In addition, a large percentage of mental health clients also have co-occurring substance abuse disorders, and we know that treating one condition without treating the other is not cost-effective. We also know that individuals with mental health disorders who do not receive appropriate and necessary treatment are more likely to self-medicate with drugs and/or alcohol. AB 244 would help ensure that private health plans treat individuals with mental health, substance abuse or co-occurring disorders in a comprehensive and meaningful way.

AB 244 will be heard on May 20 in the Assembly Appropriations Committee.

Public Health

AB 861 (Ruskin) – Support As Amended on May 5, 2009

AB 861, by Assembly Member Ira Ruskin, would require the state Department of Public Health to develop and implement, in consultation with local health representatives, a model consolidated and streamlined administration and contracting process with local health jurisdictions for the department's Center for Infectious Diseases and Center for Family Health.

Historically, the state and federal public health programs administered by counties target specific problems or populations and come with their own categorical funding streams, which force local health departments to navigate a labyrinth of contracts and administrative requirements. Each public health program has its own contract, reports, training and staffing, with little consistency in program or administrative requirements.

CSAC has long advocated for a simplified process for contracting between the Department of Public Health and local health departments in order to reduce burdensome administrative requirements and encourage a more unified approach to

delivering public health services at the local level.

The streamlined contracting process in AB 861 would be an important step toward simplifying and standardizing the contracting process for categorical public health programs and would result in more effective utilization of local health department resources.

AB 861 will be heard on May 20 in the Assembly Appropriations Committee.

**Statewide 2-1-1
SB 712 (Padilla) – Support
As Amended on May 5, 2009**

SB 712, by Senator Alex Padilla, would help ensure California is eligible for its fair share of millions in federal dollars available to help fund the build-out of our state's 2-1-1 system.

This year, the federal government is expected to pass legislation which will make millions of dollars in federal funding available to help fund statewide 2-1-1 services and infrastructure. California must designate an organization to serve as a lead entity responsible for overseeing the 2-1-1 California network in order to be eligible for the funding. Currently, California's Health and Human Service Agency does not have the ability to do this. The amendments to SB 712 would put protocols in place so that the agency could use specified criteria to designate an organization as a lead entity. This would ensure that California is ready and able to receive 2-1-1 funds and be the first step in building out a statewide 2-1-1 system.

The Senate Appropriations Committee will consider SB 712 at their hearing next May 18.

**Foster Care
AB 12 (Beall/Bass) – Support
As Amended on April 29, 2009**

AB 12, Assembly Member Jim Beall and Speaker Karen Bass, would extend foster care to youth through age 21. This measure will allow California to draw down newly available federal funds.

Youth would have the option to continue receiving services and supports. Studies have shown that extending these services enormously increase the youth's chances of succeeding in school, staying out of prison, and avoiding homelessness.

The bill has 42 Assembly co-authors, some from each side of the proverbial aisle.

The Assembly Appropriations Committee will consider AB 12 at its hearing May 20.

**CalWORKs Asset Test
AB 1058 (Beall) – Support
As Amended on April 23, 2009**

AB 1058, by Assembly Member Jim Beall, would make two key changes to CalWORKs program eligibility rules, allowing applicants and recipients to own reliable cars and build a small amount of savings. These changes will promote work participation and self-sufficiency, respectively. The current allowed vehicular value has not changed since the program's inception and dates to a 1977 Food Stamp rule. These changes will make it more likely that a CalWORKs recipient is able to find work and that once they are self-sufficient and out of the program one minor catastrophe (health, for instance) doesn't put them right back into the program.

The Assembly Appropriations Committee will consider AB 1058 at its hearing May 20.

May15,2009

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

Housing

AB 566 (Nava) – Support As Amended on April 27, 2009

AB 566, by Assembly Member Pedro Nava, would require a survey of residents of a mobilehome park for proposed conversion to demonstrate support of a majority of the residents of the mobilehome park.

AB 566 was passed out of the Assembly Appropriations Committee on May 13 by a vote of 9 to 6. The measure now awaits action on the Assembly Floor.

AB 1422 (Bass) – Support As Introduced on February 27, 2009

AB 1422, by Speaker Karen Bass, would help low- and moderate-income persons and families affected by the subprime mortgage crisis. Specifically, it would allow, until January 1, 2013, redevelopment agencies (RDAs) to use funds from their low- and moderate-income housing funds to (1) purchase, assume, or refinance, or assist lenders or nonprofit or for-profit developers in purchasing, assuming, or refinancing, subprime or nontraditional mortgages on homes owned by persons meeting a specified income level within its jurisdiction, or make loans to those homeowners and (2) purchase, or assist lenders or nonprofit or for-profit developers in purchasing, homes within its jurisdiction that have been foreclosed and are vacant and sell those homes, without regard to income.

AB 1422 passed out of the Assembly Housing and Community Development Committee on May 13 by a vote of 4 to 1. The measure now awaits action on the Assembly Floor.

Land Use

AB 494 (Caballero) – Oppose Unless Amended As Amended on April 23, 2009

AB 494, by Assembly Member Anna Caballero, as amended April 23, would make the following significant change to the location criteria for farmworker housing subdivisions on Williamson Act lands:

Section 51230.2 (a) (5) The Parcel to be sold or leased is (A) within a city or (B) in an unincorporated territory or sphere of influence that is contiguous to one or more parcels that are already zoned residential, commercial or industrial and developed with existing residential, commercial, or industrial uses, or the parcel has access to existing drinking water and sanitary sewer service.

This change would override the existing contiguity requirement and allow the subdivision as long as the parcel merely has "access" to existing drinking water or sanitary sewer services. Our organizations oppose this critical change in existing law. The existing statute is intended to allow relatively large 5-acre farmworker housing projects on agricultural preserve lands that are adjacent to existing urban uses. We support this existing approach as a way to increase opportunities for needed farmworker housing without inducing unplanned growth in rural areas.

In new Section 65852.12, AB 494 would provide an even broader exemption for subdivisions and land use approvals for farmworker housing on agricultural and open space lands. We have the same concerns here as mentioned above with regard to the Williamson Act section.

However, this new section raises additional concerns because it contains none of the location criteria found under section 51230.2(a) (5) or buffering requirements of Section 51230.2(b). This bill appears to force cities and counties to allow creation of five-acre parcels and development of farmworker housing of at least 15 units per acre on any land where the zoning allows agricultural use. This could apply very broadly since many cities and most counties allow agriculture as a permitted use in most zones, not just an agricultural zone. Also, the bill seems to run counter to the policies of Government Code Section 65561 et seq dealing with open space lands, which speaks to unnecessary conversion of such land to urban uses and non-contiguous development patterns. Even though farmworker housing is a critical need in our state, local governments should not be mandated to approve subdivisions and urban-density land uses on open space lands simply because that land may have an agricultural use at the time (i.e., "currently in agricultural use").

Finally, this bill may also not accomplish additional farmworker housing. Parcel size is only one criterion in considering a subdivision approval. Agencies still have to find that the subdivision is consistent with the ENTIRE General Plan (not just

density and parcel size), that services are available and that the land is suitable for the proposed use. Those remain major hurdles.

CSAC does not necessarily oppose changes to the law that would facilitate creation of parcels for farmworker housing, but the density is too high, and the bill would allow development not contiguous to existing urban areas. For these reasons, we oppose this measure.

AB 494 passed out of the Assembly Appropriations Committee on May 13 by a vote of 12 to 3. The measure now awaits action on the Assembly floor.

***AB 1084 (Adams) – Request for Comment
As Amended on April 28, 2009***

AB 1084, by Assembly Member Anthony Adams, as amended would provide a time frame for notice relating to an increase or change in fee levied under the Mitigation Fee Act and would establish procedures for requesting an audit of those fees.

AB 1084 passed out of the Assembly Appropriations Committee on May 13 by a unanimous vote. The measure now awaits action on the Assembly Floor.

***Public Works Administration
AB 815 (Ma) – Request for Comment
As Amended on May 6, 2009***

AB 815, by Assembly Member Fiona Ma, would provide that it is the intent of the Legislature to consider the issues raised in *Los Angeles Unified School District v. Great American Ins. Co.* (2008)163 Cal. App. 4th 944, review granted, 193 P.3d 280; 84 Cal. Rptr. 3d 35 (2008) as needed once they are ripe for consideration after the California Supreme Court has rendered a decision interpreting the parties' rights and obligations under existing law.

AB 815 was passed out of the Assembly Local Government Committee on May 13 by a vote of 6-0. The measure now awaits action on the Assembly Floor.

***AB 1409 (John Perez) – Oppose
As Amended on April 29, 2009***

AB 1409, by Assembly Member John Perez, would revise Public Contract Code Section 20395 (c) so that a county could use day labor or force account only after putting a project out to bid and then adopting a board resolution stating that no bids were received or that all bids received exceed the cost of having the project done by day labor or force account.

While most counties already put larger construction projects out to bid, they depend on the flexibility currently provided under law to perform work on the local highway system. The measure is very problematic for the following reasons.

Counties use their own work force for projects for a variety of reasons. First, many projects are too small to economically prepare plans, specifications, advertise, award, and inspect. This process can add anywhere from 15-35% to the overall cost of a project, and anywhere from two months to a year in additional time because of the required steps to complete the bid process. These extra costs and delays are not economical or prudent, and are presently avoided by using county forces to do work on minor projects.

Second, some projects need to be performed immediately due to local emergencies such as landslides, declared disasters, floods, and fires. However, bidding a project would add months onto the process, severely limiting emergency response capabilities. As such, there is increased exposure and risk to the traveling public, as well as an increased liability for counties that are unable to respond to matters of public health and safety.

AB 1409 is especially problematic for rural counties in California. Many of the smaller projects performed by day labor or force account do not attract contractors. CSAC strongly disagrees with the argument that there are more contractors today in rural areas that result in the need to do work by contract. Rural areas do not have a large enough contractor presence to have a truly competitive environment, which is necessary to drive down project costs.

It is a well known and widely agreed upon fact that transportation needs far exceed revenues available. Given the State budget situation and sagging economy, we should be encouraging more efficient and effective uses for valuable transportation funds, not adding costly requirements that will result in fewer transportation projects at higher costs, more lay-offs, increased backlogs and deferred maintenance, and ultimately a less safe transportation network for the

constituents we all serve.

CSAC believes that adoption of this bill would result in additional costs to the taxpayers and is in essence anti-economic stimulus. Accordingly, we are opposed to AB 1409.

AB 1409 was passed out of the Assembly Transportation Committee on May 11 by a unanimous vote. The measure now awaits action on the Assembly Floor.

CSAC urges individual counties to also oppose this measure.

Transportation

AB 766 (Krekorian) – Request for Comment As Introduced on February 26, 2009

AB 766, by Assembly Member Paul Krekorian, would allow a local authority to retain a prima facie speed limit on any street, other than a state highway, if the local authority makes a finding, after a public hearing, that a higher speed limit is not the most appropriate for the orderly movement of traffic upon the street and does not promote a safe environment for the neighborhood or pedestrians.

AB 766 was set for hearing before the Assembly Transportation Committee on May 11; however, the hearing has been postponed.

AB 922 (Miller) – Request for Comment As Introduced on February 26, 2009

AB 922, by Assembly Member Jeff Miller, would exempt from the imposition of tax, on and after July 1, 2009, to June 30, 2014, biomass-based diesel fuel produced in this state with California feedstock, and would require the State Energy Resources Conservation and Development Commission, in cooperation with the State Board of Equalization, to provide specified oversight of the tax incentive program.

AB 922 on the Assembly Revenue and Taxation Committee suspense file. The committee will take up the suspense file on May 18.

SB 518 (Lowenthal) – Oppose As Amended May 6, 2009

SB 518, by Senator Alan Lowenthal, would generally prohibit the use of state funds to subsidize parking after January 1, 2011, requires cities and counties to adopt and implement 20 points worth of parking reforms from a points-based menu of alternatives by January 1, 2012, and provides cities and counties with specified rewards for meeting or exceeding 20 points worth of reforms.

CSAC opposes SB 518 because it counters the deal that local agencies and professional planners agreed to when we supported SB 375. Under SB 375, local governments accepted a regional transportation related target to reduce emissions from cars and light trucks. But one of the core tenets of these negotiations was that local governments, working regionally, would retain the discretion to determine how those targets were met.

SB 518, though certainly introduced with worthy goals, runs counter to this deal. It tells local agencies how they must reduce carbon emissions by mandating that each local agency adopt new parking policies. It may very well be that local parking policies will be part of the mix that meets a regional target. However, as we agreed in SB 375, local agencies must be afforded the opportunity to address this issue under the framework of SB 375.

We are not suggesting that parking policies should not be encouraged in some form. Studies suggest that parking policies, along with other transportation demand measures, may be more effective at reducing carbon emissions from vehicles than increasing housing density. In the context of SB 375, however, it would be more appropriate for the Legislature to address this problem through other methods, such as studies, grants, or other forms of capacity building that respects local discretion.

Finally, the fact that SB 518 creates another mandate in this economy is troubling. Like the state government, local agencies will have a difficult time balancing budgets over the next three years. Additionally, due to layoffs, jurisdictions have very limited and in some cases no planning staff to implement major existing programs, let alone major new programs such as included in SB 518. This problem is particularly acute within local planning departments, which are funded by fees on very depressed new development. Unfortunately, the timing could not be worse. As such, CSAC opposes this measure.

SB 518 is set for hearing before the Senate Appropriations Committee on May 18.

SB 716 (Wolk) – Oppose
As Amended on April 30, 2009

SB 716, by Senator Lois Wolk, would, in those counties where Transportation Development Act (TDA) funds may be allocated to local streets and roads, authorize use of those funds for farmworker vanpool purposes upon a finding by the transportation planning agency that there are no unmet transit needs or no unmet transit needs that are reasonable to meet.

The main purpose of TDA funding is to support transit services across the state. The law also provides that a county with a population of 500,000 or less can use TDA funds for local street and road purposes should all the transit needs in the county be met.

The TDA program, created in 1971, is the only permanent, statewide source of revenue for transit in California. Given recent state budget actions, which all but eliminate state transit assistance through 2013, SB 716 would allow for competition of scarce transit funding at a time when it is most needed. Some counties have reported that their transit systems currently rely 100% on TDA funding. Furthermore, combined with the economic downturn and recent legislative mandates to reduce greenhouse gases, government should be providing more funding to transit not diluting it. The measure now awaits action on the Senate floor.

Counties also benefit from TDA funds in instances where all transit needs have been met. Local streets and roads provide the transit right-of-way, therefore the maintenance and preservation of the local system is integral to a functioning and efficient transit system. As the Senate Transportation and Housing Committee analysis notes, in 2007, \$1.4 billion was generated for TDA purposes, 11% of which was used for local streets and roads. Diversion of funds away from the secondary purpose of TDA funding will have deleterious effects on transit systems as well. For these reasons, CSAC is opposed to SB 716.

SB 716 was passed out of the Senate Transportation and Housing Committee on May 12 by a vote of 6 to 3.

May15,2009

CalendarofEvents

See CSAC [calendar](#) for coming events.

May15,2009

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May15,2009

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May15,2009

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