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June 12, 2009

**Crushing Blow to Local Jobs and California's Economy**

By Paul McIntosh, Executive Director  
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The Budget Conference Committee took action yesterday to raid local transportation revenues with devastating consequences for job loss and economic recovery in the state. The action would "take" \$986 million of the local share of the gas tax from the Highway User Tax Account (HUTA) to pay for general fund bond debt service in Fiscal Year 2009-10. The Conference Committee also took action to redirect \$745 million of the local share in Fiscal Year 2010-11. To be clear – this action does not include paying back these monies to cities and counties. Further, there is a shared concern with the cities that this will result in a permanent loss of this local portion of the gas tax.

In addition, the Department of Finance has proposed to suspend the first two quarters of the local portion of Proposition 42 in Fiscal Year 2009-10, equivalent to another \$288 million. Thus, the total loss to transportation at the local level would be more than \$2 billion with half of that a reduction to counties.

CSAC surveyed the 58 California counties and found that a loss of this magnitude would result in thousands of lay-offs in public works departments across the state – 3,930 and counting. This would not only have a ripple effect through other county departments, but also would spread to the private sector, including the construction industry and road material providers.

At times of economic downturn, public investment in infrastructure can provide a significant spark to the economy as recognized by Congress and the Obama Administration in passing the recent American Recovery and Reinvestment Act. This proposal runs completely contrary to the federal efforts – negating the benefits at the local level.

It is estimated that this loss of infrastructure investment would eliminate \$10 to \$14 billion in economic activity. Transportation dollars feed the local, state and country's economic engine. This is not the time to strip away transportation dollars.

The Budget Conference Committee held hearings all week and managed to get through the entire agenda. While they took action on numerous reductions, there are many large items – including Proposition 1A – where no action was taken and remain open for further discussions to occur next week. The Conference Committee rejected very few of the Governor's proposals, but did act to reject the elimination of Cal Grants, the elimination of CalWORKs, and the reduction to child welfare services funding. Please see today's Budget Action Bulletin for detailed information.

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# Officers Meet with Governor, Urge Administration to Engage Counties in Budget Process

CSAC President Gary Wyatt of Imperial County, First Vice President Tony Oliveira of Kings County, and Second Vice President John Tavaglione of Riverside County spent time with Governor Schwarzenegger on Wednesday, June 10, urging his Administration and the Legislature to find state budget solutions that minimize the impact to the residents. They emphasized that counties need to be a part of the solution, not part of the problem.

It was pointed out that many of the current budget proposals to address the state's \$24.3 billion deficit would devastate counties' ability to provide vital services for residents. It's estimated that more than \$8 billion is at stake for counties with the current proposals on the table – a combination of cuts, borrowing, cost shifts and deferrals.

"Counties understand that we are partners with the state in the delivery of critical statewide services, and we want to work together to find a balanced approach to this unprecedented budget crisis," said Imperial County Supervisor and CSAC President Gary Wyatt in a press release. "We know difficult decisions need to be made and there are no easy answers. But counties cannot bear the brunt of cuts, cost shifts, borrowing and deferrals and still be expected to adequately provide services, especially as we grapple with our own significant deficits."

Among the key points addressed with the Governor:

- Counties recognize reductions in state programs may be necessary, but such reductions should be temporary since they would result in a shift of financial responsibility to counties that will cause an increase in demand for county services.
- Counties oppose the borrowing of Proposition 1A of 2004, which voters overwhelmingly supported to protect local government revenues.
- The \$1 billion annual loss to counties and cities of the local share of the gas tax, or Highway Users Tax Account (HUTA), will result in significant, statewide economic impacts and impair the safety needs of the transportation system. It's estimated that more than 3,900 jobs would be lost across county public works departments, with a ripple effect throughout the public and private sectors. The loss of gas tax revenues would further delay economic recovery.
- Counties are concerned about the potential transfer of new or additional program responsibilities to counties without a new, dedicated, statewide revenue source to accomplish the task. In addition, such a complicated transaction and realignment between levels of government would require adequate time for the mechanical and technical work necessary to assure programs work. This process cannot be accomplished overnight or in a matter of a few weeks.

While in Sacramento this week, CSAC officers also met with members of the Budget Conference Committee and other members of the Legislature.

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## Administration of Justice

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

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### 2009-10 Budget Revisions

#### Budget Conference Committee: First Pass Through Public Safety Items

The Budget Conference Committee continues to meet to develop a comprehensive proposal to address the \$24 billion+ deficit in the 2009-10 budget as enacted in February 2009. Very briefly, in taking its first pass through the [public safety agenda](#), the Budget Conference Committee did all of the following:

- Left open all the broad correction reforms issues, including the wobbler proposals and all other prison population reduction alternatives;
- Left open the Legislative Analyst's Office's proposal to redirect approximately one-half (\$250 million) of the resources dedicated from the Vehicle License Fee (VLF) public safety increment approved in February to the state General Fund;
- Left open the trial court security item, which includes a proposed fee increase to help cover a significant shortfall in court security funding);
- Adopted a fee-for-service schedule to charge state and local agencies that make use of the Department of Justice's (DOJ) forensic lab services;

- Adopted a 10 percent unallocated reduction to the judicial branch – for a state savings of \$169 million – without approving any specific approach to absorbing the reductions (i.e., the conferees expressly took no action on the proposed one-day-per-month court closure option being advanced by the Administrative Office of the Courts);
- approved a \$20 million reduction to the DOJ’s Bureau of Narcotics Enforcement, which help coordinate and support local drug task forces.

Please check CSAC’s 2009-10 [budget resources](#) page for a more expansive discussion in the *Budget Action Bulletin* about the full range of budget items of interest to counties.

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**Restrictive Covenants**  
***AB 985 (De La Torre) – Request for Comment***  
***As Amended on June 9, 2009***

AB 985, by Assembly Member Hector De La Torre, has been significantly amended to address the issue of unlawful restrictions — based on race, color, religion, family status, and national origin, among others — contained in a property’s covenants, conditions and restrictions (CC&Rs). As counties may recall, Assembly Member De La Torre pursued a measure last year (AB 2204) that would have required a comprehensive review and modification of CC&Rs on properties built prior to a specified date, which contemplated significant new duties for the assessor, recorder, and county counsel. Counties raised opposition based strictly on fiscal grounds; the bill ultimately was held in the Senate Appropriations Committee.

AB 985 takes a different approach to eliminating discriminatory language from CC&Rs. As amended on June 9, the measure would expand the current process by which the property owner can request a modification to restrictive covenants by giving a title or escrow company, real estate broker or agent, or any other person the ability to make such a request. The measure would also impose notification requirements on the recorder when modification requests are made and subsequent action is taken.

AB 985 also creates a mechanism similar to that which was created pursuant to AB 1168 (Jones, 2007), relative to redaction of Social Security numbers. Under the provisions of AB 985, the county recorder would be required to create a “public” record (i.e., modified to redact the discriminatory CC&R language) and an untouched, “official” record. Only the public record would be disclosed to the public; the official record would only be released pursuant to a subpoena or court order. Finally, AB 985 would give county boards of supervisors the authority — but not the requirement — to impose an as-yet-unspecified fee for the recording of the first page of every instrument and paper for purposes of supporting the activities associated with creation of a public and official version of the record.

We urge counties to examine the provisions of AB 985 as soon as is practical and identify workload and cost impacts. The measure is set for hearing in the Senate Judiciary Committee on June 16.

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**Probation Performance Incentives**  
***SB 678 (Leno and Benoit) – Support***  
***As Amended on June 4, 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 June 4 amendments to SB 678 and contact Rosemary Lamb ( [rlamb@counties.org](mailto:rlamb@counties.org)) with comments or questions. The amendments recast the mechanics by state savings would be calculated and shared between the state and counties. We are eager to hear county input on the construct of the performance incentive approach, including the recent amendments. CSAC will continue to update counties on this measure as it moves through the legislative process.

The Chief Probation Officers of California are the sponsors of SB 678. The measure is scheduled to be heard next in the Assembly Public Safety Committee on June 16.

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**Authority to Regulate Businesses and Professions**  
***SB 762 (Aanestad) – Request for Comment***

***As Amended on May 5, 2009***

SB 762, by Senator Sam Aanestad, would prohibit local entities from regulating healing arts professionals who are licensed through the Department of Consumer Affairs. Counties may recall that similar legislation, AB 2427 (Eng), was pursued last year.

This measure stems from litigation involving a declawing ordinance in the City of West Hollywood. CSAC initially opposed Assembly Member Eng's measure last year, citing concerns regarding the broad preemption outlined in the measure. Subsequent amendments that narrowed the application of the bill largely mitigated county concerns. However, AB 2427 was vetoed by the Governor given the delayed enactment of the state budget and his need to address only legislative matters of the highest priority.

SB 762 would restrict a local government's ability to prohibit a healing arts licensee from engaging in acts or procedures that fall within the profession's recognized scope of practice. The measure would further clarify that the provisions of SB 762 is prospective and would not affect ordinances that were effect prior to January 1, 2010.

Amendments on May 5 appear to largely protect counties' broad local police protection powers, in that they make clear that SB 762 would not prohibit a county from adopting or enforcing a local ordinance governing zoning, business licensing, or reasonable health and safety requirements. CSAC encourages counties to examine these amendments; please direct comments to Rosemary Lamb at [rlamb@counties.org](mailto:rlamb@counties.org) as soon as is practical.

SB 762 is scheduled for hearing in the Assembly Business and Professions Committee on June 16.

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**Conflict of Interest**

***AB 906 (Hill and Smyth) - Watch  
As Amended on June 8, 2009***

AB 906, by Assembly Members Jerry Hill and Cameron Smyth, seeks to clarify a governmental agency's ability to enter into an Energy Efficiency Partnership Program with an Investor Owned Utility with the assurance that the contract would not be subject to a violation of Government Code Section 1090.

Specifically, AB 906 would clarify the conflict of interest law to allow members of a governmental body to approve energy efficiency contracts with investor-owned utilities in the event a board member has an employment/financial relationship with that investor-owned utility. CSAC encourages counties to examine this measure and provide feedback as soon as is practical to Rosemary Lamb at [rlamb@counties.org](mailto:rlamb@counties.org).

AB 906 is sponsored by the City of Simi Valley. It is scheduled to be heard in the Senate Local Government Committee on June 17.

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**Public Records**

***AB 1245 (Monning) - Support  
As Amended on April 13, 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 is scheduled for a hearing in the Senate Judiciary Committee on June 23.

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**Inmate Medical Expenses**

***AB 1487 (Hill) - Support  
As Amended on April 2, 2009***

AB 1487, by Assembly Member Jerry 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 is awaiting hearing in the Senate Public Safety Committee.

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### **Vehicle Abatement**

#### ***AB 14 (Fuentes) – Support As Amended on June 3, 2009***

AB 14, by Assembly Member Felipe Fuentes, is a reintroduction his AB 1751 of last year, which would have provided local law enforcement an additional tool in fighting prostitution. AB 14 extends the scope of AB 1751 by adding illegal dumping to the list of crimes.

Specifically, AB 14 authorizes a city or county to adopt an ordinance allowing local law enforcement the right to impound a vehicle found to be involved in the commission of certain crimes to include prostitution and illegal dumping of commercial quantities of waste. The measure would allow law enforcement to impound a vehicle for no more than 30 days if the vehicle was used in the commission of these crimes.

CSAC is jointly supporting AB 14 with the League of California Cities. AB 14 was heard in the Senate Public Safety Committee on June 9 and passed out of committee on a 7-0 vote. It is now on the Senate Third Reading File.

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### **Metal Theft**

#### ***AB 237 (Carter) – Support As Amended on April 23, 2009***

AB 237, by Assembly Member Wilmer Amina Carter, seeks to provide local law enforcement with an additional tool in fighting metal theft. This measure amends the Vehicle Code section that specifies which entities have authority to stop and search vehicles transporting products and what specific products could trigger such a stop. AB 237 would add metal products to the list of products that grant law enforcement stop and search authority and would extend this authority to local law enforcement, including county sheriffs. Currently, only the California Highway Patrol is granted this authority.

AB 237 is sponsored by the California State Sheriffs' Association. It passed the Senate Transportation and Housing Committee on June 9.

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## **AgricultureandNaturalResources**

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

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### **Water**

#### ***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 stormwater 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 Elections, Reapportionment and Constitutional Amendments Committee on June 16, 2009. CSAC encourages counties to send in their support letters for SCA 18. Additionally, if your county is supporting this bill, please send a copy of your letter to CSAC staff.

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### **Solid Waste**

#### ***SB 486 (Simitian) – Support As Amended on April 2, 2009***

SB 486, by Senator Joe Simitian, would require manufacturers of at-home self-injected medical sharps to submit a take back plan to the California Integrated Waste Management Board (CIWMB). CSAC supports this bill because it would provide coordination between the manufacturers and CIWMB and provide a safe and economical method for pharmaceutical sharps disposal. This bill is set for hearing on June 16 in the Assembly Environmental Safety and Toxic Materials Committee.

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## EmployeeRelations

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

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### ***SB 752 (Wiggins) – Request for Comment As Amended on May 28, 2009***

SB 752, by Senator Pat Wiggins, would require that before counties contracting with the Public Employees Retirement System (PERS) issue a pension obligation bond, a trial court located within such a county and the county must jointly approve and submit to the PERS board of administration the following:

- \* A list of active, inactive and retired members who are considered court employees.
- \* A list of lump sum payments made previously by the court or county to the retirement system from January 1, 2001 until the date of issuance of the pension obligation bond.

The PERS board of administration would then use the information to compute the assets and liabilities jointly for the court and county and forward this computation to the court and county based on the latest actuarial valuation. The court and county must then enter into an agreement which includes:

- The information they provided to the PERS board.
- Terms of dates of payment and the amounts which the court must remit to the county after the issuance of the pension obligation bond.

Prior to the May 28 amendments, SB 752 applied only to Solano County, and would have exempted them from the requirement in California's Public Employees Retirement Law which states that a county contracting with PERS for retirement benefits must participate in PERS with trial courts in that county under a joint contract. Subsequently, the assets and liabilities of the trial court and the county would be separated and placed in a risk pool created in accordance with existing PERS Law, with the separation of assets calculated retroactively from June 30, 2002.

SB 752 is awaiting assignment to an Assembly policy committee.

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### ***AB 586 (Huber) – Watch/Request for Comment As Amended on May 7, 2009***

AB 586, by Assembly Member Alyson Huber, would provide that presumptions currently applicable to most fire and peace officer employees of the state and local government (cancer, hernia, pneumonia, heart problems, tuberculosis, blood-borne infectious diseases, meningitis and MRSA), will apply to any peace officer defined by California Penal Code Sections 830.1 through 830.38. This would include the following employees not currently covered by these presumptions:

- Welfare fraud investigators
- Child support investigators
- Coroners and deputy coroners
- Arson investigators

AB 586 is currently awaiting assignment to a Senate policy committee.

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# Government Finance and Operations

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

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## Local Taxes

### **SCA 12 (Kehoe) – Support**

#### **As Introduced on February 25, 2009**

SCA 12, by Senator Christine Kehoe, would reduce the voting threshold for property taxes, special taxes, or general obligation bonds that would pay for local public safety services or related facilities or equipment from two-thirds to 55%.

The Senate Elections, Reapportionment and Constitutional Amendments Committee passed SCA 12 at their meeting on June 11.

### **ACA 9 (Huffman) – Support**

#### **As Amended on April 27, 2009**

ACA 9, by Assembly Member Jared Huffman, would put a measure before California voters that would reduce the voter approval requirement for local taxes and bonds to 55%.

Currently, counties have neither the financial resources to operate state programs and also meet local needs, nor the ability to predict service levels beyond each legislative session. In order to meet each community's unique needs, counties must be given greater fiscal independence from the state and federal budget processes, including the authority to offer the voters the option of approving revenues at a level sufficient to provide the degree of local services the community desires.

The Assembly Revenue and Taxation Committee will consider ACA 9 at its meeting on June 15.

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## Health and Human Services

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

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## State Department Reorganization

The Budget Conference Committee referred a number of proposed state department consolidations and reorganizations to policy committees for discussion. Senate Human Services and Health Committees met this week to discuss a number of proposals.

Senate Human Services discussed the functions of the Departments of Social Services (DSS), Community Services and Development (DCSD), Rehabilitation (DOR), and Developmental Services (DDS). The committee reviewed a specific proposal to eliminate the DCSD and redistribute certain programs to DSS and to a new Department of Energy. The Committee also had a discussion of potential realignment in the context of DSS. Ultimately, the committee did not take action.

Senate Health Committee discussed two proposals. The first proposal is to consolidate the Department of Alcohol and Drug Programs (DADP) and the Department of Mental Health (DMH). The committee rejected the proposal and indicated interest in further studying merging DADP with the state Department of Public Health.

Secondly, the Health Committee discussed merging the Emergency Medical Services Agency (EMSA) into the Department of Public Health. The committee also rejected this proposal and expressed interest in merging EMSA with the Emergency Management Agency.

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## **Health**

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

AB 861, by Assembly Member Ira Ruskin, would require the California Department of Public Health (CDPH) to implement a consolidated and streamlined administration and contracting process with counties for programs within the Department's Center for Infectious Disease and Center for Family Health. 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.

The measure is set for hearing in Senate Health Committee on June 17.

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## **Human Services**

### ***AB 1393 (Skinner) – Support As Amended on April 23, 2009***

AB 1393, by Assembly Member Nancy Skinner, would help ensure stable housing for current and former foster youth at public institutions of higher learning. Specifically, AB 1393 requests the California Community Colleges and the University of California, and requires the California State University, to give priority for campus housing to current and former foster youth.

This bill will benefit California's foster youth in their efforts to attend college and to succeed once they enter. AB 1393 will eliminate one of the barriers foster youth encounter in their efforts to continue their education and to become productive adults. The provision of housing is a vital component to success for all college students, for foster youth it could be the difference in their future. Counties know first-hand about the shortage in viable housing and struggle to meet the needs of homeless youth, many of whom have emancipated from the foster care system.

The Senate Education Committee will consider AB 1393 at their meeting next Tuesday, June 16.

### ***AB 167 (Adams) – Support As Amended on June 3, 2009***

AB 167, by Assembly Member Anthony Adams, would make it easier for foster youth to obtain high school diplomas in the event of a transfer from one school district to another.

AB 167 allows foster youth in grades 11 and 12 who have transferred to a new school district to earn a diploma based on state graduation requirements. Many school districts adopt additional local requirements for high school graduation, and while these local requirements are surely worthy, they might also prevent a foster youth who has been making good progress toward a diploma in another district from achieving a timely graduation.

The Senate Education Committee passed AB 167 at their meeting last week, and the bill now moves to the Senate Appropriations Committee.

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## **Housing, Land Use and Transportation**

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

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## **Transportation**

### ***AB 561 (Carter) – Support As Introduced on February 25, 2009***

AB 561, by Assembly Member Wilmer Amina Carter, would expand the definition of "highway worker" to include a contractor while under contract with the California Department of Transportation or a city or county employee who performs maintenance, repair, or construction of highways or local streets and road infrastructure for the purpose of enhanced penalties for assault or battery upon a "highway worker."

County employees – local street and road maintenance and rehabilitation crews – put their lives on the line in order to provide an important service which all Californians rely on in everyday life. Their job puts them in harm's way of traffic and motorists who have been known to take anger out on road crew workers through physical violence. As such, the state should extend the current assault and battery criminal protections provided to state highway workers to local street and road workers as well.

AB 561 passed out of the Senate Public Safety Committee on June 9 by a unanimous vote. It now goes before the Senate Appropriations Committee.

***SB 481 (Cox) – Support  
As Amended on May 14, 2009***

SB 481, by Senator Dave Cox, would correct a conflict between state and federal law over the authority of public airports to manage wildlife that can be hazardous to the traveling public and to the flight's crew. This bill resolves this conflict by making it explicit that public airports have the same authority under state law to manage wildlife as they do under federal law according to the terms of a federally-issued permit (known as a federal fish and wildlife depredation permit).

SB 481 is scheduled for a hearing before the Assembly Water, Parks, and Wildlife Committee on June 16.

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## **CalendarofEvents**

Check out CSAC's upcoming [events](#).

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