



Agenda

LEGISLATION COMMITTEE

March 4, 2009

10:30 A.M.

651 Pine Street, Room 101, Martinez

Supervisor Susan A. Bonilla, District IV, Chair
Supervisor Mary N. Piepho, District III, Vice Chair

Agenda Items:

Items may be taken out of order based on the business of the day and preference of the Committee

1. **Introductions**
2. **Accept public comment on any item under the jurisdiction of the Committee and not on this agenda.** (*Speakers may be limited to three minutes.*)
3. **Review Record of Action:** December 15, 2008 and February 2, 2009
4. **Review State Budget Update and Economic Stimulus Information** - Presenters: Cathy Christian and Lara DeLaney
5. **Consider Advocacy Services Contract Amendment for Indian Gaming** – Presenter: Lara DeLaney
6. **Review Grant Opportunity Information** – Presenter: Lara DeLaney
7. **Receive Update on Status of 2009 State and Federal Legislation**
8. **Adjourn to the next regular meeting scheduled for Monday, April 6, 10:30 AM in Room 101**

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✉ Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Legislation Committee less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, 11th floor, during normal business hours.

✉ Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.

For Additional Information Contact:

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Glossary of Acronyms, Abbreviations, and other Terms (in alphabetical order):

Contra Costa County has a policy of making limited use of acronyms, abbreviations, and industry-specific language in its Board of Supervisors meetings and written materials. Following is a list of commonly used language that may appear in oral presentations and written materials associated with Board meetings:

AB	Assembly Bill	HIPAA	Health Insurance Portability and Accountability Act
ABAG	Association of Bay Area Governments	HIV	Human Immunodeficiency Syndrome
ACA	Assembly Constitutional Amendment	HOV	High Occupancy Vehicle
ADA	Americans with Disabilities Act of 1990	HR	Human Resources
AFSCME	American Federation of State County and Municipal Employees	HUD	United States Department of Housing and Urban Development
AICP	American Institute of Certified Planners	Inc.	Incorporated
AIDS	Acquired Immunodeficiency Syndrome	IOC	Internal Operations Committee
ALUC	Airport Land Use Commission	ISO	Industrial Safety Ordinance
AOD	Alcohol and Other Drugs	JPA	Joint (exercise of) Powers Authority or Agreement
BAAQMD	Bay Area Air Quality Management District	Lamorinda	Lafayette-Moraga-Orinda Area
BART	Bay Area Rapid Transit District	LAFCo	Local Agency Formation Commission
BCDC	Bay Conservation & Development Commission	LLC	Limited Liability Company
BGO	Better Government Ordinance	LLP	Limited Liability Partnership
BOS	Board of Supervisors	Local 1	Public Employees Union Local 1
CALTRANS	California Department of Transportation	LVN	Licensed Vocational Nurse
CalWIN	California Works Information Network	MAC	Municipal Advisory Council
CalWORKS	California Work Opportunity and Responsibility to Kids	MBE	Minority Business Enterprise
CAER	Community Awareness Emergency Response	M.D.	Medical Doctor
CAO	County Administrative Officer or Office	M.F.T.	Marriage and Family Therapist
CCHP	Contra Costa Health Plan	MIS	Management Information System
CCTA	Contra Costa Transportation Authority	MOE	Maintenance of Effort
CDBG	Community Development Block Grant	MOU	Memorandum of Understanding
CEQA	California Environmental Quality Act	MTC	Metropolitan Transportation Commission
CIO	Chief Information Officer	NACo	National Association of Counties
COLA	Cost of living adjustment	OB-GYN	Obstetrics and Gynecology
ConFire	Contra Costa Consolidated Fire District	O.D.	Doctor of Optometry
CPA	Certified Public Accountant	OES-EOC	Office of Emergency Services-Emergency Operations Center
CPI	Consumer Price Index	OSHA	Occupational Safety and Health Administration
CSA	County Service Area	Psy.D.	Doctor of Psychology
CSAC	California State Association of Counties	RDA	Redevelopment Agency
CTC	California Transportation Commission	RFI	Request For Information
dba	doing business as	RFP	Request For Proposal
EBMUD	East Bay Municipal Utility District	RFQ	Request For Qualifications
EIR	Environmental Impact Report	RN	Registered Nurse
EIS	Environmental Impact Statement	SB	Senate Bill
EMCC	Emergency Medical Care Committee	SBE	Small Business Enterprise
EMS	Emergency Medical Services	SWAT	Southwest Area Transportation Committee
EPSDT	State Early Periodic Screening, Diagnosis and treatment Program (Mental Health)	TRANSPAC	Transportation Partnership & Cooperation (Central)
et al.	et ali (and others)	TRANSPLAN	Transportation Planning Committee (East County)
FAA	Federal Aviation Administration	TRE or TTE	Trustee
FEMA	Federal Emergency Management Agency	TWIC	Transportation, Water and Infrastructure Committee
F&HS	Family and Human Services Committee	UCC	Urban Counties Caucus
First 5	First Five Children and Families Commission (Proposition 10)	VA	Department of Veterans Affairs
FTE	Full Time Equivalent	vs.	versus (against)
FY	Fiscal Year	WAN	Wide Area Network
GHAD	Geologic Hazard Abatement District	WBE	Women Business Enterprise
GIS	Geographic Information System	WCCTAC	West Contra Costa Transportation Advisory Committee
HCD	(State Dept of) Housing & Community Development		
HHS	Department of Health and Human Services		

Schedule of Upcoming BOS Meetings

March 24, 2009
 April 7, 2009
 April 21, 2009

Legislation Committee
Supervisor Mary N. Piepho, Chair
Supervisor Susan A. Bonilla

Record of Actions

December 15, 2008

1:00 p.m.

Room 108, 651 Pine Street, Martinez

1. Introductions

The meeting was called to order by Chair Mary Piepho. Supervisor Susan Bonilla was in attendance. Staff and the public introduced themselves.

2. Public Comment

None.

3. Record of Action of November 17, 2008 Meeting

Not provided.

4. State Budget Update and Economic Stimulus Proposals

The staff report about the State Budget and the Economic Stimulus Proposals was prepared by Lara DeLaney, who was not in attendance at the meeting. (The meeting was staffed by Senior Deputy Julie Enea from the CAO's office.)

Supervisor Bonilla asked about when the State was going to deal with the Other Post Employment Benefits (OPEB) issue. She wanted to know whether the \$40 B projected deficit included any provision for the State's liability for their OPEB costs--or is there a huge deficit looming and the issue of OPEB remains unresolved? Staff was requested to report back. The Committee is concerned about the impact to the State's credit rating and the liability's impact on counties in the future.

Supervisor Bonilla later in the meeting indicated that there should be some follow-up with CSAC on the issue of the social services cuts proposed in the State budget. Staff should find out what the Supervisors can do to make some kind of difference on the issue.

5. Status of Indian Gaming Projects

Sara Hoffman presented the report. Supervisor Gioia was brought into the meeting. Ms. Hoffman presented an overview of the County's engagement in the review and

approval process of the two proposed casinos in the Richmond area. Throughout the process, the County remains concerned about there being a thorough analysis and identification of impacts and consequences of any casino project. We are expecting an opinion in the near future on the Scotts Valley band project (the legal opinion about whether the land is eligible to be put into trust, as well as an issuance of the Record of Decision). Ms. Hoffman indicated that we are as well positioned as we could be in terms of the thoroughness of the County's response to all documents, in order to protect and advance our interests with respect to both projects. However, she cautioned that we have not done an in-depth analysis of service costs if additional County services are ultimately required.

The Legislation Committee requested that staff provide information about what the costs have been to the County for participating in the process. The Committee also requested a report to the full Board in January, with bullet points and/or a schematic about next steps in the process. The Committee also indicated they wanted to see the development of in-house knowledge and coordination of these efforts in the CAO's office.

6. Next Steps

A standing meeting time will need to be determined for 2009. Referrals would include the State Budget and the County's advocacy efforts on the Legislative Platform.

Legislation Committee
Supervisor Susan A. Bonilla, Chair
Supervisor Mary N. Piepho, Vice Chair

Record of Actions

February 2, 2009

10:30 a.m.

Room 108, 651 Pine Street, Martinez

1. Introductions

The meeting was called to order by Chair Bonilla. Supervisor Piepho was in attendance. Staff and the public introduced themselves.

2. Public Comment

None.

3. Record of Action of November 17, 2008 Meeting

Approved.

4. State Budget Update and Economic Stimulus Proposals

The report was provided by Lara DeLaney, CAO staff, and Cathy Christian, state advocate. The Legislation Committee inquired about the opportunity for input on the State budget, which was expected imminently. Ms. Christian indicated that the budget would be for an 18 month period of time, and that when it was announced, it was anticipated that a vote would be held directly after the Big 5 had reached agreement. Therefore, there would be little opportunity for input prior to its passage. However, CSAC was encouraging counties to collaborate on media events/ public meetings to discuss impacts of potential reductions. Ms. Christian indicated that counties were also assessing the impacts of proposed deferrals. Supervisor Bonilla suggested that the impacts be assessed in terms of constituents affected. If counties have no input on the budget agreement, we should determine what kinds of regulations or restrictions we want removed on State funds provided us.

With regard to the economic stimulus bill in Congress, Paul Schlesinger (via conference call) suggested that we might fare better with the CDBG (Community Development Block Grant) program when it goes to Conference Committee if Congressman Miller supports a high level of support. Mr. Schlesinger also briefly discussed the preparations for the lobbying trip in February and what meetings could be expected.

5. Advocacy Services for Indian Gaming

Ms. DeLaney provided the report, summarizing the County's contracts for advocacy services related to our review of the two proposed Indian casinos in Contra Costa County. Supervisor Bonilla wanted to know whether our congressional staff was providing support to the County on these issues. Ms. Christian responded that congressional staff support would only be feasible for the San Pablo Casino because that process relied upon an act of Congress. Supervisor Piepho said the Committee was interested in getting "the biggest bang for the buck" in our County services and contract services. We need to ensure that contracts are approved in an open, transparent manner, and that they are cost-effective. The Committee inquired about the roles of our federal and state advocates in the Indian casino review process.

The Committee recommended the extension of the contracts with Nielsen Merksamer and Stephen Beckham, with no increases in contract amounts.

6. Advocacy Services for State and Federal Legislation and Appropriations

Ms. DeLaney provided the report, summarizing the County's contracts for state and federal advocacy services. Mr. Schlesinger and Ms. Christian provided additional information about the services provided by their firms and their accomplishments over the years. Supervisor Bonilla requested information about any firms the Redevelopment Agency may be using for advocacy services. Supervisor Bonilla also inquired about grant identification and grant pursuit services offered by the firms. She wanted to know whether the lobbyists were assisting with grant and bond opportunities such as the Proposition 1C Transit Oriented Development funds. It would be helpful to know what projects or programs we are submitting for grant funds and what assistance may be needed.

Supervisor Piepho indicated that the Board wanted to ensure that these contracts were being secured under Board policies related to going out to bid every three years, for the purpose of granting opportunities for firms to compete, being transparent about the process, and ensuring the cost-effectiveness of the services.

The Committee recommended a short-term extension of the contract with California Strategies for state transportation advocacy. However, they recommended that the Department Head, Julie Bueren, review the contracting policy before renewing the contract and determine if the needs align with our current fiscal crisis. The Committee would discuss with the CAO the matter of issuing a Request for Proposals and would provide direction at a later meeting.

7. Discuss Legislation Committee Work Plan and Schedule

A Work Plan was not provided by staff; however, the Committee indicated that they would be working on similar subjects as those in 2008: primarily the State budget and our advocacy efforts, as well as legislation tracking and monitoring. A schedule of meetings was included in the packet. Staff would work to find an alternate date for the September meeting, which falls on a holiday.

**OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY**

TO: Legislation Committee
Supervisor Susan A. Bonilla, Chair
Supervisor Mary N. Piepho, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator 

DATE: February 26, 2009

SUBJECT: **Agenda Item #4: State Budget Update and Economic Stimulus Information**

RECOMMENDATION

RECEIVE the report and discuss impacts to Contra Costa County.

STATE BUDGET UPDATE

Governor Signs Budget

On February 20, the Governor signed the budget package, with \$600 million in line-item vetoes. None of these seem to impact county budgets and are as follows:

- Reduced several constitutional officers' budgets by 10 percent including the Lieutenant Governor, Attorney General, the State Controller, the Insurance Commissioner, the Board of Equalization, the Secretary of State, and the Education Secretary. The veto message stated that these reductions reflect "the state employee compensation reductions for furloughs, overtime reform, and elimination of two state holidays. I am reducing these funds to ensure equity among all executive branch agencies relative to employee compensation levels."
- Reduced the Department of Corrections budget by \$400 million to "reflect savings I expect to be achieved as a result of various reforms and actions implemented by the Secretary."
- Reduced the Department of Transportation budget by \$275 million to reflect the final agreement to eliminate the proposed 12-cent excise tax increase.

How to Solve the Budget Gap (Dollars in Millions)

Budget Gap as of Governor's Budget

-\$41,559

	2008-09	2009-10	Total	
Expenditure Solutions	\$6,725	\$8,129	14,854	36%
Revenue Increases	1,534	10,980	12,514	30%
Federal Stimulus Funds	2,730	5,150	7,880	19%
Borrowing	268	5,135	5,404	13%
Vetoed		957	957	2%
Increase from Target Reserve of \$2 billion		-49	-49	0%
Total	\$11,257	\$30,303	\$41,559	100%

Revenues:

- Increases the Sales Tax by 1 cent until July 1, 2011. **If the spending cap does not pass, the increase would be in place for another year.**
- Increases the Vehicle License Fee (VLF) from 0.65 percent to 1.15 percent through 2013-14 (2011-12 if spending cap fails). A portion of these funds would be used to fund local law enforcement programs.
- Increases the personal income tax with a surcharge of 0.25%. **If the state receives at least \$10 billion in federal stimulus funds, the increase drops to 0.125%.**

Spending Cap (ACA 1)

This would require that each year the Controller must deposit three-percent of General Fund revenues into the rainy day fund entitled the Budget Stabilization Fund. Spending is limited to the trend of revenues over the previous 10 year which is determined by the Department of Finance. Revenues that come in over the 10-year trend would go to the rainy day fund and the fund would be considered full when it equals 12.5 percent of revenues.

When the BSF or rainy day fund is full, revenues above the 10-year trend are to be used for one-time purposes as follows:

- First use of these funds would be for outstanding obligations for local government payments (Prop 1A), transportation funding (Prop 42), and bond indebtedness.
- Any remaining funds could be used for one-time expenditures, unfunded liabilities, including pension liabilities, or returned to taxpayers on a one-time basis.

Budget Cuts

Administration of Justice

- Decreases local government public safety financing funding by \$89 million.
- Provides a new funding source for various local law enforcement and public safety programs previously supported by the General Fund (VLF increase) which includes: Small and Rural Sheriff subventions, Citizen Options for Public Safety, Juvenile Justice Crime Prevention, Juvenile Probation, Juvenile Camps and Ranches, Booking fees and other programs administered by the California Emergency Management Agency.
- Unallocated reduction to the CDCR of \$400 million (Governor line-item veto).
- Requires counties that established supplemental benefits for judges and that were paying the benefits as of July 1, 2008 to continue to provide the benefits to judges. Counties may opt out if notice is provided but this cannot be applied to the current judges for the length of their term.
- Provides that expenditures incurred by the CDCR for pre-planning activities related to AB 900 projects can be reimbursed from the proceeds of lease-revenue bond authorized by AB 900.
- Makes changes to the scope of projects under AB 900 to ensure a clean bond opinion.

Health and Human Services – Proposition 10

- Redirects up to \$340 million but not less than \$275 million of Proposition 10 funds from the state commission accounts on a one-time basis that are not encumbered by July 1, 2009 to support state health and human services programs for children up to five years of age. This transfer requires voter approval.
- Redirects \$268 million of Proposition 10 funds annually for five years to support children's programs for state services. Of the redirected funds \$54 million would come from the state commission and \$214 million would come from local commission funds. This transfer requires voter approval.
- Provides that the funds provided from Proposition 10 would fund early intervention and prevention services for infants and toddlers with developmental disabilities, child welfare services, adoption assistance, foster care, Kin-GAP, and direct health care services.
- Requires that the audits and reports of each county commission be transmitted to its respective board of supervisors, county auditor, and to the state commission.

Health and Human Services – Proposition 63

- Redirects Proposition 63 funds to support Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for state savings of \$226 million in 2009-10. This shift would also require voter approval.

Health and Human Services – Mental Health Services Act

Makes several changes to the Mental Health Services Act:

- Requires the Commission to place a county expenditure plan on a meeting agenda for consideration no later than 60 days after receipt.
- Requires that DMH approve, deny, or request information on a county expenditure plan or update no later than 60 days upon receipt.
- Requires DMH to only evaluate those programs in a county expenditure plan or update that have not previously been approved or that have previously identified problems which have been conveyed to the county.
- *Health and Human Services - General*
- Suspends SSI/SSP and CalWORKs COLA for 2009-10.
- Suspends Medi-Cal July 2009 County Administration COLA.
- Suspends funding for CalWORKs Pay-for-Performance Incentive Program.

Transportation

- Reduces current year funding for transit by \$150 million and eliminates transit funding through 2013.
- No suspension of Proposition 42.
- Redirects \$100 million in tribal revenues to the General Fund in 2008-09 and 2009-10.

Borrowing

- Borrowing \$5 billion from the state lottery (to be approved by the voters)
- \$400 million in loans and transfers from various special funds.

Deferrals

The adopted budget does include some deferrals which affect counties:

- Defers county Social Service payments for July and August to September 2009. This language exempts SSI/SSP and IHSS payments from the deferral and exempts counties under 40,000 in population.

- Defers fuel excise tax allocation for local streets and roads scheduled for February, March and April to be paid in May (applies to 2009 only). This language exempts counties under 40,000 in population.

Economic Stimulus

- Provides unlimited authority to use public-private partnerships for state transportation projects through 2017.
- Use of design-build in 10 state transportation projects, 5 local projects, 10 redevelopment projects, and 5 other state buildings.
- Exempts eight major highway projects from CEQA.
- CEQA exemption for the sale of surplus state property.
- Directs CARB to amend current off-road diesel regulations.
- Creates an ad hoc critical infrastructure permit review panel to expedite and streamline the environmental permitting process for specified transportation projects.
- Provides for a 90 day prohibition on foreclosures unless the lender has agreed to modification provisions.
- Allows multi-state businesses to apportion income to California using only their percentage of sales in California to be effective in 2011.
- Provides a tax credit of 20 percent for film and TV series that are produced in California.
- Provides a small business hiring tax credit of \$3,000 per full-time equivalent employee which will be available 2009 and 2010.
- Allows rental car companies to pass through to consumers the higher cost of the VLF increase.

Government Reform

- SCA 4 would place the open primary proposal on the ballot in 2010. This measure would provide that the top two vote getters would be placed on the general election.
- SCA 8 would provide that the Legislature may not receive a pay increase if there is an operating deficit. To be placed on the May 19, 2009 special election ballot.

Trigger Cuts

On February 20, there was a conference call with the Health and Human Services Agency Secretary Kim Belshe and Mike Genest regarding the trigger cuts and there was some confusion on the call regarding when the trigger cuts would be effective. The budget package includes cuts that are enacted and would be turned off if the State receives \$10 billion from the federal government in the economic stimulus package. UCC Staff has confirmed that these cuts would not become effective until July 1, 2009. However, these cuts would be

pre-empted if a public hearing is held by April 1, 2009 in which a decision is made on whether the State has received enough funding.

The cuts include:

- Eliminating certain optional benefits in Medi-Cal which include adult dental, optometry, acupuncture, chiropractic, podiatric, and psychology services.
- Reducing reimbursement rates for public hospitals by 10%.
- 4% grant reduction in CalWORKS.
- Reducing SSI/SSP grants by 2.3%.

The Health and Human Services Secretary has indicated that their preliminary analysis is that the dollars received from the federal government will not be enough to prevent elimination of optional benefits nor the 10% public hospital cuts. However, she acknowledged that it is a complicated analysis and they do not have sufficient information to this point. No matter what, the benefits will be available until July 1 and the 10% cut would not occur till then. Ultimately, the Department of Finance and the Treasurer are expected to decide the matter by April 1.

Note: Preliminary indications from the Department of Finance and the Legislative Analyst's Office have indicated that California has received approximately \$7.5 billion and may not receive the required \$10 billion. However, this may not include the FMAP funds California is expected to receive and most experts believe California will receive the \$10 billion needed to suspend these cuts.

Adopting a budget solution is not the end of the issue, though, it is the beginning. A record-breaking recession continues to grip California, the nation and the world. Revenues for the state continue to be flat, and we can expect some adjustments to be necessary later this year. The special election on May 19 will determine whether or not major portions of this package work for California's voters. The budget package delays the traditional May Revise until June 8, and we can expect some issues to arise then.

Special Election

Part of the Budget package was the special election called on May 19, 2009 for voters to approve six issues (ABx3 19). In signing the bill related to the special election, the Governor included a signing message which stated, "However, calling a special election does not come without costs to California counties. As such, I am signing this measure with the understanding that the Legislature will reimburse counties for the costs of the election as soon as possible."

This bill places the following on the ballot for the May 19th election:

Proposition 1A – Spending Cap/Rainy Day Fund
Proposition 1B – Proposition 98
Proposition 1C – Lottery modernization
Proposition 1D – Proposition 10 modification
Proposition 1E – Proposition 63 (Mental Health Services Act) modification
Proposition 1F – Legislative Pay

Controller Lawsuit and Delay of Payments

Sacramento and San Diego counties filed a lawsuit Friday, Feb. 13 against State Controller John Chiang to release appropriated funds for social services that serve the state's most vulnerable families.

The lawsuit - filed in Sacramento Superior Court - seeks to have the Controller pay the \$270 million he is withholding over the next month from counties due to the state's cash crisis. The delay includes a payment of \$89 million to counties scheduled to go out Feb. 13 that was not made.

County officials said they cannot continue to operate state-mandated programs, including CalWORKS, mental health, adoption and foster care assistance, and alcohol and drug programs, without adequate funding. Counties across the state have made significant cuts, layoffs and furloughs to balance their budgets and simply cannot meet the unprecedented demand for safety net services without the appropriated funds.

In addition to Sacramento and San Diego counties, 33 counties including Contra Costa County have been authorized by their respective Boards of Supervisors to join the lawsuit.

Please see Attachment A, CSAC's "Questions on Budget Resolution from Media," for more information about the State budget issues affecting counties.

FEDERAL ECONOMIC STIMULUS

On February 17, 2009 President Barack Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. The stated purpose of the ARRA is:

- (1) To preserve and create jobs and promote economic recovery.*
- (2) To assist those most impacted by the recession.*
- (3) To provide investments needed to increase economic efficiency by spurring technological advances in science and health.*
- (4) To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.*

(5) To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

The ARRA funds investments in many programs, including health care, energy, infrastructure, education, and public safety. The conference report on HR 1 provides a total of \$463 billion in spending for transportation and infrastructure upgrades and construction, health care programs, education assistance, housing assistance and energy efficiency upgrades, and provides \$326 billion in personal and business tax breaks and tax provisions affecting payments to states—for a total of \$789 billion in spending and tax cuts.

Unprecedented accountability and transparency requirements are also included in the ARRA. To meet these requirements, the government has set up a website (Recovery.gov) that will list each recipient of funds and project details.

The stimulus measure touches virtually every sector of the economy, ranging from \$87 billion in state Medicaid funding to tax incentives for small businesses. Included in the compromise version of the bill is a \$53.6 billion state stabilization fund, with education programs slated to capture the lion's share of the fund.

Listed below are spending levels and details for a number of programs that are funded under HR 1. The information was extracted from the final Conference Report as posted on the House Appropriations Committee's website.

Transportation & Infrastructure

- \$27.5 billion for highway and bridge construction. The Conference Report requires States to obligate at least half of highway and bridge funding within 120 days.
- \$1.5 billion for competitive grants for state and local governments for transportation investments.
- \$8.4 billion for transit-related activities, as well as \$8 billion for investment in high-speed rail.
- \$1.1 billion for airport improvement grants.

Health and Human Services

- \$87 billion over two years for increased federal Medicaid match (California is slated to receive roughly \$11 billion under the final funding formula).
- \$100 million to delay pending Medicaid regulations through June 30, 2009.
- \$1 billion in child support incentive restoration funding through September 30, 2010.
- \$3.95 billion for job training programs (adult job training, dislocated worker, youth services).

- \$20 billion for the Supplemental Nutrition Assistance Program (formerly known as Food Stamps).
- \$5 billion for states in need of Temporary Assistance for Needy Families (TANF) contingency funding.
- \$2 billion for the Child Care Development Block Grant.
- \$1 billion for the Community Services Block Grant.

Energy Efficiency Funding

- \$6.3 billion to help state and local governments make energy efficient investments, including \$3.2 billion for the Energy Efficiency and Conservation Block Grant (EECBG).
- \$5 billion for the Home Weatherization Program to help low-income families reduce their energy costs.
- \$300 million for state and local efficient trucks and buses (Diesel Emissions Reduction Act (DERA) grants).
- The Conference Report authorizes \$1.6 billion for clean renewable energy bonds to finance facilities that generate electricity from various sources. One-third of funds are directed to state and local governments.
- The Conference Report authorizes an additional \$2.4 billion of qualified energy conservation bonds to finance state, local, and tribal government programs designed to reduce greenhouse gas emissions. It also clarifies that energy conservation bonds may be issued to make loans and grants for capital expenditures to implement green community programs.

Funding for State and Local Law Enforcement

- \$2 billion in Byrne Justice Assistance Grant (JAG) funding.
- \$1 billion for the COPS hiring grant program (federal government to pay 75 percent of officer salary for first three years).
- \$225 million for Violence Against Women Prevention and Prosecution Programs.
- \$125 million for assistance to law enforcement in rural areas to prevent and combat drug-related crime.
- \$40 million in competitive grants to provide assistance and equipment to local law enforcement along the Southern border and in High-Intensity Drug Trafficking Areas (\$10 million of which goes to ATF's Project Gunrunner).

Housing and Community Development

- \$1 billion for the Community Development Block Grant (CDBG) program.
- \$4 billion for the Public Housing Capital Fund.
- \$2.25 billion for the HOME Investment Partnerships Program to help local communities build and rehabilitate low-income housing.

- \$2 billion for the Neighborhood Stabilization Program to help communities purchase and rehabilitate foreclosed, vacant properties.
- \$1.5 billion for the Emergency Shelter Grant program to provide short-term rental assistance, housing relocation, and stabilization services during the economic crisis.

Clean Water, Flood Control, Environmental Restoration

- \$19 billion in funding for clean water, flood control, and environmental restoration investments, including:
 - Roughly \$4.6 billion for the Corps of Engineers for environmental restoration, flood protection, hydropower, and navigation infrastructure.
 - \$4 billion for Clean Water State Revolving Fund for loans or grants to help communities upgrade wastewater treatment systems.
 - \$2 billion for the Drinking Water State Revolving Fund for loans or grants for drinking water infrastructure.
 - \$1.38 billion for Rural Water and Waste Disposal to support grants to help communities fund drinking water and wastewater treatment systems.

Wildland Fire Management

- \$500 million for the U.S. Forest Service for hazardous fuels reduction, forest health protection, and rehabilitation and hazard mitigation activities (funding split equally between activities on Federal lands and State/private lands).
- \$15 million for hazardous fuels reduction activities through the Bureau of Land Management.

Tax-related Provisions

- The Conference Report delays the implementation of the three percent withholding tax on government contractors by one year to December 31, 2011.
- Recovery Zone bonds: Creates a new category of tax credit bonds for investment in economic recovery zones (\$10 billion for recovery zone economic development bonds and \$15 billion for recovery zone facility bonds). Each state receives a share of the bonds based on the state's job losses in 2008, with bonds subsequently sub-allocated to local governments. Bonds can be used to invest in infrastructure, job training, education, and economic development in areas that have significant poverty, unemployment or home foreclosures.
- Municipal Bonds: The Conference Report provides for an increase in the small issuer limitation from \$10 million to \$30 million and removes private activity bonds from the alternative minimum tax.

State Fiscal Relief

- \$53.6 billion for the State Fiscal Stabilization Fund. The majority of funds are to be used to support elementary, secondary and

postsecondary education, as well as early childhood education programs and services.

Yolo County has provided a chart to counties (Attachment B) that summarizes various funding programs and their distribution methods. Contra Costa County staff is compiling information about what revenues the County is anticipating or expecting to compete for and will provide that information to the Committee when it is available. (See preliminary information on Attachment C.)



CALIFORNIA STATE ASSOCIATION OF COUNTIES

Questions on Budget Resolution from Media

Controller Lawsuit and Delay of Payments

Now that there is a budget solution, does the lawsuit by counties against the Controller go away?

No. We don't know the details of the budget or how quickly the state can get cash flowing again. It will take one to two weeks for the Controller and Department of Finance to assess what's in the budget and make new projections on cash flow for the state. CSAC and counties continue to work closely with the Controller to avoid an extended delay of payments.

Counties did not receive the Feb. 13 scheduled payment of \$89 million statewide. It is relatively certain that we will not receive the next scheduled payment on Feb. 25, and likely will not receive payments in March. In total, counties will not receive nearly \$270 million for health and human services statewide this month. Because of the delay, counties may still have a problem delivering services to our residents.

What remedy are you looking for?

We want the Controller to make the payments to counties as soon as possible. The payments that are owed represent funding appropriated by the Legislature for counties to operate state- and federally-required services. We recognize the unprecedented fiscal circumstances of the state, but this action merely passes the cash crisis to counties and the Californians we serve.

What is the status on the lawsuit?

As of today, 32 counties have joined the lawsuit (Alameda, Calaveras, Colusa, El Dorado, Glenn, Imperial, Kern, Kings, Lake, Lassen, Los Angeles, Mendocino, Monterey, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, Santa Barbara, Santa Cruz, Shasta, Sierra, Solano, Sonoma, Stanislaus, Tulare, Ventura and Yuba.)

An *ex parte* hearing is scheduled for this Friday, Feb. 20 at 2:30 p.m., for the purpose of requesting an order to expedite the lawsuit and to adopt an abbreviated briefing schedule.

The legal process could take weeks, what do counties do in the meantime?

We are exploring all of our options. What is clear is that counties will approach the problem differently, based on the unique circumstances each county. We are certainly maintaining communications with one another during this difficult time.

Counties have already revisited their budgets, made cuts, layoffs, and enacted furloughs. Many counties simply cannot backfill these state- and federally-required services. Bottom line is that the vulnerable Californians we serve will suffer if these payments are not expedited and sent to counties as soon as possible.

Have any counties shut down services after not receiving last Friday's payment?

Not that we are aware.

Deferrals

Are deferrals a part of the budget resolution?

Yes, for July and August, social services and mental health payments. The Highway Users Tax payments are delayed to cities and counties in the current year – the February and March payments will be delayed to May.

How much money is that for counties?

We estimate that the social services and mental health payments will be approximately \$1.2 billion. The gas tax delay is approximately \$100 million.

Can counties manage that deferral?

The ability of counties to manage the deferrals varies across the state. With respect to the gas tax deferral, counties' ability to manage is somewhat dependent upon release of Proposition 1B money from the State Controller that has already been appropriated by the Legislature. Delaying the social services and mental health deferrals to the budget year will give counties additional time to pursue borrowing options if they do not have the cash to cover the delayed payments. It is too early to tell how counties will manage the deferred payments that will go into affect in the summer.

Other Budget Details

What is the general feeling about the budget resolution from counties' perspective?

There is still much to be analyzed in this budget resolution and a lot has developed in the past 24 hours. CSAC continues to diligently work on understanding the details of the budget.

California counties appreciate the action taken by the Legislature to approve a budget that has a balanced approach. We know that there is much to dislike in this budget, including significant cuts in services. However, a budget resolution allows the state's economy to begin to recover and eases the cash crisis that has crippled counties' ability to provide vital federal- and state-mandated health and human services to people who desperately need them.

Like the state, California counties are in a fiscal crisis. Counties across the state are taking dramatic steps to resolve their budget shortfalls, while experiencing declining revenues and skyrocketing caseload increases. In addition, counties are not receiving nearly \$270 million this month for social services due to payment delays by the state Controller because of the state's cash crisis. California counties appreciate the Legislature's recognition that counties cannot sustain the demand for safety net services alone and that further delays in reaching a budget resolution would have drastically affected the people we serve.

Where do counties get hurt in the budget?

The budget cuts funding for county administration of the Medi-Cal program by \$49 million. This comes as counties are seeing a surge of new applicants to health and human services programs due to the economy. Additionally, the budget continues 8 years of underfunding of county health and human services programs – our costs have been frozen at the 2001 level.

In addition, local public safety programs will experience mid-year reductions of approximately \$100 million. Those programs are, however, slated to receive a dedicated funding source in future years through an increase in vehicle license fees.

What is good about the budget for counties?

A budget resolution allows the state's economy to begin to recover and eases the cash crisis that has crippled counties' ability to provide vital federal- and state-mandated health and human services to people who desperately need them.

California counties appreciate the Legislature's recognition that counties cannot sustain the demand for safety net services alone and that further delay in finding a budget resolution would drastically affect the people we serve.

What about delayed/stalled transportation projects? How quickly will they be up and running again?

Certainty in our transportation revenue streams it is critical for counties to move forward with projects and enter into contracts that carry legal obligations. While we greatly appreciate the continued flow of Proposition 42 monies, which come to us on a quarterly basis, we will still experience a 3-month delay in our gas tax payments, which is equal to about \$150 million. This will undoubtedly stall transportation investments at the local level.

Further, we do not expect the State Controller to be able to make the Proposition 1B local streets and roads payments due to the inability of the state to access the credit markets and catch up with the backlog in bond projects needing funding. Thus, counties have another \$113 million frozen in Proposition 1B transportation monies, in addition to \$450 million not yet appropriated. This budget crisis will continue to effect transportation investments at the local level for months to come.

Election – date, details, cost?

We know the election will be held May 19 and contain at least five measures. We estimate the special election will cost counties \$75 million. It is not yet clear how reimbursements to counties for operating the elections will be handled.

Do you support the revenues measures?

A budget deficit of this magnitude cannot be solved with taxes alone or cuts alone. Counties support a balanced approach that includes multiple solutions.

What's next?

Counties know that this is just the beginning of the effort to resolve the state's economic downturn and there is still much work to be done. Counties will be eager to assess the May Revise (now changed to June 8). No one knows where this economy and tax receipts are headed. But counties stand ready to work with the Governor, Legislature and others on addressing this ongoing fiscal crisis.

Misc. Budget Process

Thoughts on changing the budget process... changing 2/3 vote requirement?

We can't deny that the state's budget process is dysfunctional to say the least. We're working through development of long-term reform solutions among counties and with other local governments to become an active partner with the state in this process.

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009¹

PROVISION	DISTRIBUTION METHOD	CONFERENCE REPORT
AGRICULTURE – RURAL DEVELOPMENT		
RURAL WATER AND WASTE DISPOSAL PROGRAM	Discretionary grants and loans to rural communities for drinking water and wastewater treatment facilities with priority to smaller (10,000 or less) and poorer communities. Applicants may include municipalities, counties, special purpose districts, Indian tribes, and non-profits.	\$1.38 billion loan authority (supports \$3.788 billion in loans) \$968 million for grants
RURAL BROADBAND INFRASTRUCTURE DEPLOYMENT	The Rural Utilities Service shall make competitive grants and loans through its distance learning, telemedicine and broadband programs.	\$2.5 billion
RURAL COMMUNITIES FACILITIES PROGRAM	The Secretary shall provide financing to local governments, nonprofit corporations and Indian Tribes; funds can be used for health care facilities, emergency services, libraries and other community needs	\$130 million
COMMERCE, JUSTICE, STATE (CJS)		
DEPT. OF COMMERCE ECONOMIC DEVELOPMENT	Funding distributed by formula to regions and then by competitive grant within regions.	\$150 million (\$50 million may be transferred to federally authorized regional economic development commissions;

¹ Most of the funds are distributed through existing grant programs. Earmarking has been prohibited.

PROVISION	DISTRIBUTION METHOD	CONFERENCE REPORT
ASSISTANCE PROGRAM		\$50 million to assist communities with sudden job dislocation)
DEPT OF COMMERCE BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM	Competitive grants to state and local governments, nonprofits and public-private partnerships.	\$250 million for competitive grants for innovative programs to encourage sustainable broadband adoption \$200 million to upgrade technology and capacity at public computing centers (libraries and community colleges)
DEPARTMENT OF COMMERCE STATE BROADBAND DATA AND DEVELOPMENT GRANTS	Competitive grants to develop and implement statewide strategies to identify and track adoption and availability of broadband.	\$350 million from the House bill eliminated
DEPARTMENT OF JUSTICE BYRNE JUSTICE ASSISTANCE GRANTS	Formula grants to state and local governments.	\$2 billion
DEPARTMENT OF JUSTICE BYRNE JUSTICE ASSISTANCE COMPETITIVE GRANTS	Competitive peer-reviewed grants to State, local and tribal governments and national, regional and local non-profit organizations	\$225 million
DEPARTMENT OF JUSTICE RURAL LAW ENFORCEMENT	Competitive awards for drug enforcement and other law enforcement programs in rural states and rural areas, including hiring	\$125 million

CONFERENCE REPORT	
PROVISION	DISTRIBUTION METHOD
	police officers
DEPARTMENT OF JUSTICE COMMUNITY ORIENTED POLICING	Competitive grants to local governments for hiring of additional law enforcement officers
	\$1 billion Bill waives 25 percent local match and \$75,000 per officer cap
DEPARTMENT OF JUSTICE DETENTION TRUSTEE	Federal Detention Trustee distributes funds to state and local governments holding federal detainees.
	\$150 million \$50 million for construction/renovation; \$100 million for operational costs.
INTERNET CRIMES AGAINST CHILDREN TASK FORCE	Competitive grants to state and local governments for investigations.
	\$50 million DOJ must report on how it will distribute funding within 60 days of enactment.
OFFICE OF VIOLENCE AGAINST WOMEN	Formula and competitive grants for state and local governments
	\$225 million \$175 million for STOP Violence Against Women Formula Grants; \$50 million in competitive grants for Transitional Housing Assistance.
ENERGY AND WATER	
ARMY CORPS OF ENGINEERS	Discretionary grants to accelerate ongoing work or begin new projects that can be completed in one year.
	\$4.6 billion \$25 million for investigations; \$2 billion for construction; \$375 million for Mississippi and tributaries; \$2.075 billion for Operations and Maintenance; \$100 million for formerly utilized sites remedial action program The Corps must use funds for projects that: can be obligated/executed quickly, will result in high immediate employment, have little schedule risk, be executed by contract or direct hire of temporary labor. will complete a projected phase or will provide a useful service that does not require additional

PROVISION	DISTRIBUTION METHOD	CONFERENCE REPORT
<p>BUREAU OF RECLAMATION</p>	<p>Discretionary grants for development, maintenance, management and restoration or water and related natural resources in the 17 Western States.</p>	<p>funding.</p> <p>\$1 billion</p> <p>\$50 million for California Bay-Delta Restoration, \$60 million for rural water projects to be expended primarily on water intake and treatment facilities; and \$10 million for inventory and evaluation of existing infrastructure focusing on canals potentially impacting population centers.</p> <p>Funds to be used for projects that: can be obligate/executed quickly, will result in high immediate employment; have little schedule risk; can be executed by contract or direct hire of temporary labor; will complete a projected phase or will provide a useful service that does not require additional funding.</p>
<p>DEPARTMENT OF ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM</p>	<p>Cities with populations over 35,000 and counties with populations over 200,000 receive funding by formula; Local governments that do not receive formula funding are eligible for pass-through funding from States.</p>	<p>\$3.2 billion</p> <p>\$2.8 billion for formula grants; \$400 million for competitive grants</p>
<p>STATE ENERGY PROGRAM</p>	<p>Formula and discretionary grants.</p>	<p>\$3.1 billion.</p>
<p>SMART GRID</p>	<p>Grants to electric utilities to support modernization of the electrical grid and enhance the security and reliability of the grid</p>	<p>\$4.5 billion, including \$100 million for worker training</p>
<p>ALTERNATIVE FUELED VEHICLES</p>	<p>DOE shall award 30 pilot grants through Clean Cities program to states, local governments,</p>	<p>\$300 million</p>

CONFERENCE REPORT

DISTRIBUTION METHOD

PROVISION

<p>PILOT PROGRAM</p>	<p>metropolitan transportation authorities, air pollution control districts or private and non-profit entities for the purchase of alternative fuel vehicles, fuel cell or hybrid vehicles, including buses for public transportation. Grants are also available for infrastructure to support the vehicles</p>	
<p>TRANSPORTATION ELECTRIFICATION</p>	<p>Competitive grants for states, local governments and transportation agencies for qualified electrification projects that reduce emissions, including shipside electrification of vehicles, truck stop electrification, airport ground support equipment and cargo handling equipment.</p>	<p>\$400 million</p>
<p>WEATHERIZATION ASSISTANCE</p>	<p>Formula grants to States with pass-through to local communities.</p>	<p>\$5 billion</p>
<p>FINANCIAL SERVICES</p>		
<p>DEPARTMENT OF TREASURY COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND</p>	<p>Discretionary funding to Community Development Financial Institutions (community development banks, credit unions, venture capital funds, revolving loans) to invest in affordable housing, small businesses and community development in underserved communities</p>	<p>\$100 million</p>

CONFERENCE REPORT	
PROVISION	DISTRIBUTION METHOD
DEPARTMENT OF TREASURY SMALL BUSINESS CAPITAL AVAILABILITY	Expands existing loan programs to increase government financing of small businesses; allows SBA to guarantee up to 90 percent for eligible loans
HOMELAND SECURITY	
FEMA STATE AND LOCAL PROGRAMS	Formula grants to State and local governments to upgrade security for infrastructure assets
FIREFIGHTER ASSISTANCE GRANTS	Competitive grants to fire departments for projects that support homeland security.
DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT	Loans to communities that have had their local economy significantly impacted by a presidentially declared disaster
ENVIRONMENTAL PROTECTION	
BROWNFIELDS	Competitive grants to State and local governments for environmental site assessment and cleanup
SUPERFUND	EPA funding for cleanup at existing superfund sites and to initiate construction at new sites

\$636 million

\$300 million

\$150 million for transit, rail and Amtrak and \$150 million for port security;

\$210 million

No grant above \$15 million.

Loans up to 50 percent of the pre-disaster revenue instead of \$5 million cap if the local government has suffered a loss of 25 percent or more in tax revenues.

\$100 million

No cost share requirement

\$600 million

CONFERENCE REPORT	
PROVISION	DISTRIBUTION METHOD
LEAKING UNDERGROUND STORAGE TANK TRUST FUND	Grants to State and local governments
CLEAN WATER STATE REVOLVING FUNDS	Formula Grants to States and territories to capitalize their loan funds for publically owned waste water facilities
DRINKING WATER STATE REVOLVING FUNDS	Formula Grants to States and territories to capitalize their loan funds for publically owned drinking water facilities
DIESEL EMISSIONS REDUCTION ACT (DERA)	Competitive grants and loans to State and local governments to reduce diesel emissions
LABOR, HEALTH AND HUMAN SERVICES, EDUCATION	
WORKFORCE INVESTMENT ACT TRAINING AND EMPLOYMENT SERVICES	Formula and discretionary grants to States
HEALTH RESOURCES SERVICES ADMINISTRATION COMMUNITY	Formula and discretionary grants.

\$200 million

\$4 billion

Waives cost share requirement.

\$2 billion

waives state and DC cost share

\$300 million

Waives cost share requirement.

\$3.950 billion

\$2.95 billion for State Grants for Job Training; \$1.2 billion for youth; \$750 million for competitive grants for worker training in high growth industries; \$50 million for YouthBuild

\$2.5 billion

\$500 million for grants to public health centers.
\$1.5 billion for construction and renovation of facilities and IT equipment for public health centers, including community health centers.

PROVISION		DISTRIBUTION METHOD	CONFERENCE REPORT
HEALTH CENTERS			
CHILDCARE DEVELOPMENT BLOCK GRANT		Formula Grants to States	\$2 billion
COMMUNITY SERVICES BLOCK GRANT		Formula Grants to States with a 90 percent pass-through to local community action agencies	\$1 billion
SENIOR NUTRITION PROGRAMS		Formula Grants to States	\$100 million
TECHNOLOGY DEPLOYMENT		Funding for the National Coordinator for Health Information Technology to invest in health IT architecture	\$2 billion
MILITARY CONSTRUCTION			
DEFENSE BASE CLOSING		Funding for cleanup activities at closed installations dating back to the 1988 round	\$300 million
TRANSPORTATION			
AIRPORT IMPROVEMENT PROGRAM		Discretionary grants for airport construction projects.	\$1.1 billion Secretary shall award 50 percent of grants within 120 days and the remainder within 1 year.
HIGHWAY PROGRAM		Funds distributed by formula to states with a portion suballocated to metropolitan areas	\$27.5 billion After set-asides for federal lands, territories, oversight and other items, \$27.66 billion should be apportioned to states via formula. Half of the \$27.66 billion is apportioned to states through Surface Transportation Program formula and the other half is apportioned through the FY 2008 obligation

PROVISION	DISTRIBUTION METHOD	CONFERENCE REPORT
<p>SUPPLEMENTAL DISCRETIONARY GRANTS</p>	<p>Discretionary grants for surface transportation projects of national, regional, metropolitan area impact</p>	<p>limitation ratio distribution.</p> <p>States have 120 days after apportionment (apportionment must be made within 21 days of the law's enactment) to obligate the first 50 percent of their highway apportionments and until one year after apportionment to obligate the remainder. The 50 percent of the funds not obligated within that time will be redistributed to other states that have met their obligation requirement. Suballocated funds are <u>not</u> subject to the 120 day redistribution requirement. The Secretary can exempt states from the redistribution requirement only with extreme circumstances and after giving notice to Congress.</p> <p>\$1.5 billion.</p> <p>Highway and transit projects are eligible as are passenger rail and freight rail transportation projects, and port infrastructure investments including multimodal port facilities.</p> <p>Maximum grant is \$300 million and minimum grant is \$20 million (but the Secretary can waive the minimum size threshold).</p> <p>Not more than 20 percent of the \$1.5 billion can be allocated to any particular state.</p> <p>\$200 million of program is available to pay subsidy and administrative costs of projects eligible for TIFIA financing.</p> <p>\$6.9 billion for formula grants.</p>
<p>TRANSIT</p>	<p>Urbanized and rural formula</p>	<p>\$100 million is taken off the top for discretionary grants to make transit systems more energy efficient.</p> <p>Remainder is distributed 80 percent by urbanized area formula, 10 percent by the non urbanized area formula, and 10 percent by the high growth and high density formula.</p> <p>Same obligation and redistribution process as for highways applies.</p>

PROVISION	DISTRIBUTION METHOD	CONFERENCE REPORT
	Fixed Guideway Modernization Formula.	\$750 million
	New Starts discretionary grants.	\$750 million
High Speed Rail/Intercity Passenger Rail	Discretionary Grants for intercity passenger rail and high speed rail.	\$8 billion
AMTRAK		\$850 million
HOUSING AND URBAN DEVELOPMENT		
PUBLIC HOUSING CAPITAL FUND	Formula and discretionary grants for public housing authorities	\$4 billion
COMMUNITY DEVELOPMENT BLOCK GRANTS	Formula program	\$3 billion through existing formula; \$1 billion for competitive grants
HOME INVESTMENT PARTNERSHIPS	Formula funding for State and local governments to expand supply of affordable housing to low- and very low-income people	\$1 billion
COMMUNITY DEVELOPMENT FUND REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES	Competitive grants to state and local governments and non-profit entities to redevelop abandoned and foreclosed homes.	\$2.25 billion
ASSISTED HOUSING STABILITY & ENERGY & GREEN	Owners of property receiving Section 8, Elderly or Disabled Funds	\$2.25 billion

CONFERENCE REPORT	
PROVISION	DISTRIBUTION METHOD
EDUCATION TECHNOLOGY	required to pass though 909 percent of the funding to LEAs to integrate technology into the curriculum
DEPARTMENT OF EDUCATION EDUCATION FOR HOMELESS CHILDREN AND YOUTH	Formula grants to States
DEPARTMENT OF EDUCATION IDEA, PART B STATE GRANTS	Formula grants to states to provide special education and related services to children with disabilities
TRANSPARENCY AND OVERSIGHT	
CERTIFICATIONS	Applies to funds made available under Act for infrastructure investments.
REPORTS ON USE OF FUNDS	Applies to any entity that receives funds from federal government (including recovery funds received through grant, loan or contract) and includes states.
RECOVERY ACCOUNTABILITY AND TRANSPARENCY	Will conduct oversight of covered funds to prevent fraud, waste and abuse.

CONFERENCE REPORT

\$1 billion

\$70 million

\$11.3 billion

TRANSPARENCY AND OVERSIGHT

Governor, Mayor or other chief executive must certify that infrastructure investments have been fully vetted as required by law and are an appropriate use of taxpayer dollars. Certification shall include description of investments, estimated total funds to be used. Certification will be posted on government website and is required before funds are made available.

Recipients must submit report to federal agency from which it receives funds stating (1) total funds received; (2) amount expended or obligated; (3) list of projects or activities with details on jobs created and retained and, for state and local governments, purpose, total cost and rationale for funding the investment with Recovery Act funds and the name of the person at the state or local government to contact if there are any concerns; and (4) detailed information on subcontracts or subgrants awarded.

Reports will be made publicly available.

First report must be submitted within 180 days of enactment.

Funding recipients must register with the Central Contractor Registration Database.

Will conduct oversight of covered funds to prevent fraud, waste and abuse.

PROVISION	DISTRIBUTION METHOD	CONFERENCE REPORT
BOARD		
PROTECTION OF STATE AND LOCAL GOVERNMENT AND CONTRACTOR AND WHISTLEBLOWERS		Prohibits retaliation against whistleblowers.
SPECIAL CONTRACTING PROVISIONS		To the maximum extent possible, contracts funded under the Act shall be awarded as fixed price contracts through use of competitive procedures. Otherwise, must post contracts on special website.
GENERAL PROVISIONS		
AVAILABILITY OF FUNDS		All funds are available for obligation until September 30, 2010 unless stated otherwise elsewhere.
LIMIT ON FUNDS		No funds may be used by a state or local government for a casino, aquarium, zoo, golf course or swimming pool.
BUY AMERICA		Iron, steel and manufactured good must be made in the U.S. unless the head of an agency determines requirement would be against the public interest, the iron, steel or manufactured products are not reasonably available or use of U.S. products would increase cost of project by more than 25 percent.
DAVIS BACON		Prevailing wage requirements apply to all laborers and mechanics employed by contractors and subcontractors on projects funded with Recovery Act funds.
NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)		Requires that adequate resources within Act be made available to ensure environmental reviews are completed expeditiously.
ADDITIONAL FUNDING DISTRIBUTION AND ASSURANCE		Governor must certify within 45 days after enactment of Act that state will request and use funds and funds will be used to create jobs and promote economic growth. If Governor won't accept funds, then State legislature can adopt concurrent resolution to accept funds.

PROVISION	DISTRIBUTION METHOD	CONFERENCE REPORT
OF APPROPRIATE USE OF FUNDS		After adoption of resolution, funding will be distributed to local governments, council of governments, public entities and public private entities either by formula or at state's discretion.
PROVISION	Distribution Method	Conference Report
PRIVATE ACTIVITY BONDS		Interest on private activity bonds issued in 2009 and 2010 excluded from Alternative Minimum Tax; AMT relief for private activity bonds issued after 2003 and refunded in 2009 and 2010.
NEW MARKETS TAX CREDIT	Distributed by Department of Treasury	Increases available credits for each of 2008 and 2009 to \$5 billion from \$3.5 billion.
RECOVERY ZONE BONDS	New category of tax credit bonds. Each state receives share of national allocation based on percentage of job losses to national average. State allocations are suballocated to local municipalities. Bonds can be used to finance infrastructure, job training, education, and economic development in areas with high poverty, unemployment and foreclosures.	Authorizes \$10 billion in recovery zone economic development bonds and \$15 billion in recovery zone facility bonds.
WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES		Delays requirement that governmental entities withhold 3 percent on payments for goods and services from contractors for one year.
QUALIFIED SCHOOL CONSTRUCTION BONDS	New category of tax credit bonds.	\$22 billion allocated for 2009 and 2010.

PROVISION	DISTRIBUTION METHOD	CONFERENCE REPORT
QUALIFIED ZONE ACADEMY BONDS	Public schools in empowerment and enterprise zones designed to cooperate with businesses to enhance curriculum and increase graduation and employment rates are eligible.	Additional \$1.4 billion in issuing authority for state and local governments in 2009 and 2010 to issue tax credit bonds to finance expenses, including renovations, equipment purchases and teacher training.
BUILD AMERICA BONDS	Gives state and local governments the option to issue tax credit bonds or tax exempt bonds in 2009 and 2010.	Governments issuing tax credit bonds can elect to receive direct payment from federal government equal to subsidy that otherwise would have been delivered through federal tax credit.

Yolo/stimulusfinalchart-029

American Recovery and Reinvestment Act of 2009

Department	Expected Amount	Use of Funds	Program	How Allocated
Public Works	\$ 10,000,000 \$ 2,000,000	Vasco Road Safety Project Vasco Road Overlay		Metropolitan Transportation Commission
Department of Child Support Services	unknown	To Local Support Agencies to hire additional child support specialists		\$18.7 statewide.
Employment and Human Services	\$ 4,500,000	Aging and Adult Program Services		\$1 B nationwide. Formula driven. Timing and rules unclear. Must involve cities.
Redevelopment Agency	\$ 930,000 unknown	CDBG projects/programs Low Income Housing Tax Credit Program. May impact current projects in County seeking tax credits.	CDBG (Community Development Block Grant) HOME	\$2.25 B nationwide, 100% to States. Rules unclear at state and federal levels. Funding to state housing credit agencies per formula based on percentage of HOME funds apportioned to the state. State agencies then distribute competitively to project owners per a qualified allocation plan to owners who receive low income tax credits.
	\$ 1,422,000	Homeless Prevention and housing	ESG (Emergency Shelter Grants)	\$1.5 B nationwide, 9X greater than annual appropriation. Formula driven. Rules unclear, tho required to be committed within 2 years. Have to be careful to not fund programs that establish a higher (unsustainable) level of funding (ie., rental voucher).
Sheriff's Office	unknown	County Neighborhood Stabilization Program Hiring/retaining deputies	NSP (Neighborhood Stabilization Program) COPS (Community Oriented Policing Services)	\$2 B nationwide. Allocated competitively. Rules unclear. Expect to begin implementation of County NSP by April 1, 2009. \$1 B nationwide. Allocated competitively. Two kinds of grants: Sponsored/Targeted Grants consist of Methamphetamine, Safe Schools Initiative and Technology programs. Discretionary/Non-Targeted Grants consist of Cops In Schools, Homeland Security Overtime Program, MORE, Interoperability, Secure Our Schools, Tribal and Universal Hiring programs. Apply directly to DOJ, COPS Office for grants.
Housing Authority	\$ 1,200,000	Capital fund for public housing modernization and maintenance backlog.	Public Housing Capital Fund	\$3.0 billion to public housing authorities per formula for the Public Housing Capital Fund for capital improvements related to public housing. Money will become available to public housing agencies within 30 days of signing the bill. In addition, there is another \$1 billion for public housing authorities in competitive grants to public housing authorities for priority capital improvements and rehabilitation. Funding remains available until September 30, 2009.

**OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY**

TO: Legislation Committee
Supervisor Susan A. Bonilla, Chair
Supervisor Mary N. Piepho, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator 

DATE: February 26, 2009

SUBJECT: **Agenda Item #5: Indian Gaming Advocacy Services for Contra Costa County**

RECOMMENDATION

RECEIVE the report and provide direction to staff on a contract amendment for Ms. Sara Hoffman.

BACKGROUND

The County Administrator's Office received a request to place the matter of the County's Indian Gaming contracts on the agenda of the Legislation Committee. The County currently has three contracts in existence for services relating to the review of the proposed Indian casinos in Contra Costa County:

1. Nielsen, Merksamer, Parrinello, Mueller and Naylor ("Nielsen Merksamer") with representation by Cathy Christian for advice and legal representation on Indian Gaming issues;
2. Sara Hoffman for representation of the County on issues related to Indian Gaming including, but not limited to, Indian Lands Determination, Fee-to-Trust Applications, Environmental Impact Statements, regulations, policy, law, and State-Tribe compacts.
3. Dr. Stephen Beckham, of Lewis and Clark University, for research on the assessment of whether or not the Tribes have historical connections to Contra Costa County, in addition to analysis of documents including, but not limited to, Indian Lands Determination applications, Fee-to-Trust applications, Environmental Impact Statements, and the County's response to those documents.

The contract for Ms. Hoffman's services is nearing its limit of \$50,000. Through January 2009, the contract will have incurred \$45,514 in expenses, leaving a balance of \$4,486 (which equates to roughly 40 hours of contract work). However, there has been a good deal of work performed by Ms. Hoffman in the month of February with respect to supplemental comments on the Guidiville tribe's Indian Lands Determination submittal, particularly related to the County's Freedom of Information Act request which yielded more information than previously provided the County. In order to complete the review of the additional information and complete our supplemental comments, staff recommends that the contract be amended to provide an additional \$5,000, which will allow for the completion of this phase of the review process.

**OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY**

TO: Legislation Committee
Supervisor Susan A. Bonilla, Chair
Supervisor Mary N. Piepho, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: February 26, 2009

SUBJECT: **Agenda Item #6: Grant Funding Opportunities**



RECOMMENDATION

RECEIVE the report and provide direction to staff.

BACKGROUND

The Legislation Committee has frequently discussed the need for additional advocacy services with respect to grant funding opportunities. On February 2, 2009, staff to the Committee sent an e-mail to all Department Heads and key department staff requesting information about the department's grant activities and needs. The e-mail read as follows:

Hello Department Heads and Other Key Staff,

*The Legislation Committee of the Board of Supervisors has requested that a greater emphasis be placed on **grant funding opportunities** in the coming years, particularly in light of our difficult budget situation.*

To assist you in identifying and securing grant opportunities, please take a moment to provide me with some basic information about grants your department may (or may not) be pursuing in the year.

- 1. Are there grants that you routinely seek and are successful (or unsuccessful) in obtaining?*
- 2. Are there specific reasons why your department does not seek certain grant opportunities?*
- 3. Is there any assistance that could be provided by our state and federal advocates (or the Board) in obtaining grant funds?*
- 4. Are there specific programs or areas that you would like help identifying grant opportunities to support?*

Thank you for your responses, which will help us help YOU!

To date, staff has received responses from the following departments:

- Building Inspection
- Clerk-Recorder
- Contra Costa County Fire Protection District
- County Administrator's Office
- Department of Conservation and Development (Transportation Division)
- Employment and Human Services
- General Services
- Probation
- Public Works
- Sheriff's Office

The responses will be compiled in a spreadsheet and provided to the Committee when available.

In addition to these efforts, the Committee may be interested to learn of an effort undertaken in the County Administrator's Office to increase opportunities to develop competitive federal and state grant applications. The CAO currently contracts with Randall Funding to provide grant writing services, fund development consultation, and access to an on-line grant research platform to participating County departments. The Randall contract is currently focused on bringing in grants to support activities related to families and children (broad definition). We are evaluating whether these services are utilized by departments and what the success rate is on prepared applications. The \$65,000 contract is funded 50% by Zero Tolerance special legislative funds and 50% by the CAO budget.

Here are some initial observations regarding leveraging more grants:

1. Timely access to current information on released and pending grants is critical.
2. Coordination within and across departments is lacking but critical to increasing our competitiveness.
3. Clarity on funding priorities is important.
4. Most departments are constrained without any staff time to devote to fund development.
5. Developing relationships with funders (at all levels) is an important element of leveraging grants. This is where Board members could assist (lobbyists too). Also having political support for applications can be a competitive advantage (federal/state delegation etc.).

Finally, the CAO's office is holding a grant writing seminar on March, 12, 2009. (See Attachment A.) Supervisor Glover also hosts a grant writing seminar for community organizations who participate in the Keller Canyon Mitigation funding opportunities. Per a suggestion from Supervisor Piepho, expanding the seminar to County staff might be an opportunity for further grant development.

You are invited to attend a:

Grant Writing

Seminar

**Presenter: John Izzo,
Randall Funding**

Thursday, March 12th

50 Douglas Drive, 2nd Floor Martinez

Two sessions: 9-11am or 1-3pm

At the end of the seminar, participants will be able to:

1. Describe how to locate funding opportunities (inclusive of government and private)
2. Identify current trends in funding
3. Explain how to strategically analyze a grant application
4. Identify what makes a competitive application

Seating is limited. RSVP by February 27th to Juliana Granzotto at 925.335.1092 or jgran@cao.cccounty.us and be sure to indicate either the 9-11 or 1-3 session.

**OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY**

TO: Ad Hoc Committee on Legislation
Supervisor Susan A. Bonilla, Chair
Supervisor Mary N. Piepho, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator 

DATE: February 27, 2009

SUBJECT: **Agenda Item #7: Status of State and Federal Legislation**

RECOMMENDATION

REVIEW the attached listings of bills of interest to the County. RECOMMEND positions to the Board of Supervisors, as appropriate.

ACCEPT the report on federal legislative issues.

BACKGROUND

Today is the deadline for state lawmakers to introduce bills in 2009. Of course, deadlines under the dome are not always what they seem. Many lawmakers will introduce what are called "spot bills," which contain little or no legal language and are essentially placeholders for policies-to-be-determined later.

Contra Costa County is actively pursuing the development of a bill to provide modifications to the Public Resources code related to housing projects in the unincorporated areas that remain subject to a more time consuming and costly process in order to comply with CEQA Guidelines than required in cities, despite having similar housing obligations. The proposed amendment would be an added incentive for the development of unincorporated urban infill sites, help achieve affordable housing goals, and assist in making desired development projects economically feasible especially in the current market. Staff is working in close cooperation with our State advocate, Cathy Christian, to secure a bill sponsorship with Senator DeSaulnier.

In addition, we are continuing to seek legislative support for a proposal to provide a CEQA exemption for counties when its only roll is the provision of financing for an affordable housing project; this does not impact the city requirement for CEQA review. It simply streamlines the process and would make CEQA regulations

consistent for the State and counties. Our State advocate, Cathy Christian, is working with County and legislative staff, as well as our legislative delegation, to advance this matter.

Attached to this report is information about various Delta-related bills in which the County may have an interest. (*Attachment A.*) We have learned that Senator Wolk intends to introduce 4 Delta-related bills including a bond and a "Delta stewardship" bill that, among other things, will propose to add the Delta as a place as the "third leg of the stool" --unlike the Delta Vision plan, which just has the two co-equal goals ("Restore the Delta ecosystem and create a more reliable water supply for California). She will likely be looking for County support for piece of legislation related to local governance. Attachment B is an article from the LA Times about other legislators' recent efforts to seek billions in funding to expand water storage facilities.

Washington D.C. Report

SCHIP Reauthorization

On February 3, President Obama signed into law (PL 111-3) a long-awaited reauthorization of the State Children's Health Insurance Program (SCHIP). In California, SCHIP dollars are used to fund the state's Healthy Families Program. In a victory for the state, the new bill boosts the eligibility threshold for children from 250% of the Federal Poverty Level (FPL) to 300% FPL, a change that California has long sought. Furthermore, the bill requires states to provide dental benefits and mental health parity for SCHIP enrollees.

Funded by a 62 cent increase in the federal tobacco tax, the law renews the program through September 30, 2013, and makes nearly \$33 billion in new funding available to states opting to expand SCHIP coverage to up to 300% of the federal poverty level.

Included in the legislation is an option for states to provide SCHIP or Medicaid services to otherwise legal immigrant children and pregnant women who were previously denied coverage during their first five years in the country. When determining program eligibility, the new law gives states the option to use Social Security numbers to verify citizenship status. The old rules, as prescribed under the Deficit Reduction Act of 2005, required citizenship status to be verified using birth certificates, passports, and related documents.

Under the law's new SCHIP allotments, California's fiscal year 2009 SCHIP funding will increase from \$799 million to \$1.481 billion – a \$682 million increase. It should be noted, however, that California would need to provide an additional \$367 million in State matching funds to draw down the new federal funding.

FFY 2009 Omnibus Spending Measure

By David Clarke and Joseph J. Schatz, Congressional Quarterly Staff
Feb. 25, 2009

The House passed a \$410 billion fiscal 2009 omnibus spending package on February 25, 2009, but the Senate debate may take a while before the measure is finished. The final tally on the bill (HR 1105), comprising nine appropriations bills left over from last year, was 245-178.

Congress faces a tight timeframe for getting the omnibus to President Obama's desk. The agencies covered by the measure are currently being funded mostly at last year's levels through March 6 (PL 110-329).

But Senate debate may not begin until next week, as that chamber first wants to finish legislation that would give the District of Columbia full voting representation in the House (S 160).

Senate conservatives are unlikely to let the bill sail through; they want the opportunity to offer amendments targeting some spending and earmarks in the bill. If the bill is amended in the Senate, the House would have to take it up again to clear it for the president.

The omnibus would provide \$410 billion in discretionary spending, about \$31 billion, or 8 percent, more than the total funding in the fiscal 2008 versions of the nine bills in the package. The spending figure is \$19 billion more than President George W. Bush requested for the fiscal 2009 bills.

Republicans complained that the bill includes funding for many programs that received substantial boosts in the recently enacted \$787 billion economic stimulus or recovery law (PL 111-5). House and Senate GOP leaders have urged that the bill be scrapped and the government be funded at last year's levels or close to it.

Democrats defended the package, arguing that it provides funding for programs that were neglected during the Bush administration. House Appropriations Chairman David R. Obey, D-Wis., reminded Republicans that most of the funding in the bill represented the Bush funding request. He also dismissed GOP arguments that the omnibus was piling too much money on top of the stimulus. "The recovery bill was built with this bill in mind," Obey said. The omnibus "provides the base funding for programs that are funded in the recovery act, without which the additional recovery funding could not succeed."

The nine bills in the package fund the major domestic agencies, as well as the State Department and foreign aid programs. Bush threatened to veto the bills last year because of their spending levels, so Democrats chose to wait for a new

president before completing work on them. The fiscal year started Oct. 1, meaning the bills are almost five months late.

Some Republicans complained about the amount of earmarks in the bill, but Democrats were quick to point out that 40 percent of the funding for the projects in the bill is for GOP-requested earmarks.

According to a preliminary analysis by Taxpayers for Common Sense, the 12 fiscal 2009 appropriations bills contain \$14.3 billion worth of earmarks, or \$500 million less than the fiscal 2008 total.

The House GOP has been divided over what to do about earmarks, with some calling for the party to abstain from requesting them. But appropriators and some other Republicans have been reluctant to take that step because the spending is popular back home and Democrats would continue to get earmarks.

Contra Costa County is anticipating the following appropriations:

FFY 2009 REQUESTS

	<u>Request</u>	<u>Conference</u>
1 Safe and Bright Futures	\$750,000	\$428,000
2 Mt. Diablo Mercury Mine Clean-up	\$483,000	\$670,000**
3 Lower Walnut Creek	\$300,000	\$287,000
4 Grayson and Murderer's Creeks	\$600,000	\$478,000
5 Pinole Shoal Management (Delta LTMS)	\$2,000,000	\$235,000
6 San Francisco to Stockton (Deepening Project)	\$1,400,000	\$1,340,000
7 ARIES Regional Integrated Justice System	\$1,000,000	\$0
8 Suisun Bay Channel/New York Slough (Maintenance Dredging) San Pablo Bay, Mare Island Strait (Pinole Shoal Maintenance	\$6,136,000	\$2,768,000
9 Dredging)	\$3,790,000	\$1,058,000
10 Mokelumne Trail Overcrossing of State Route 4 Bypass	\$4,000,000	\$0
	Total	\$20,459,000
		\$6,594,000

** Conference report provides \$670k for RAMS nationally. Mt. Diablo not named in Conference Report, but it was named in the House report.

Health Care Reform

President Obama's proposed budget would increase taxes on the wealthy and cut payments to some Medicare sectors to raise \$634 billion over the next 10 years for a large expansion of health insurance coverage.

The White House and allied health advocacy groups called the plan released on February 26, 2009 a first step toward overhauling the health system in order to reduce costs and cover nearly everyone in the country. Congressional Democrats received Obama's proposal warmly, though it is not clear to what extent they will implement it.

Republicans protested the proposed tax increases, while health insurance and some providers objected to Obama's suggested cuts in their Medicare payments.

Several senior Democrats in Congress, including Sens. Edward M. Kennedy , D-Mass., and Max Baucus , D-Mont., are drafting their own health care reform plans. Those have the same goal as Obama's, but could differ in substance. And a full overhaul may wind up costing significantly more than Obama included in his budget.

Obama's proposal does not specify how he would expand insurance coverage; those details would be left to Congress. Instead, the budget offers eight "principles" for health care reform, including: reduce premiums paid by individuals and companies, reduce inefficiencies in care, and give Americans a choice of insurance plans.

About \$316 billion of the \$634 billion would be raised by cuts and changes in Medicare payments to health providers and insurers, plus more vigilant efforts to reduce fraud. Lobbyists for health care industry sectors affected by those proposals began pushing back immediately.

The budget also would require Medicare beneficiaries with incomes of \$85,000 or more in 2009 to pay higher premiums than other seniors for Medicare's prescription drug benefit. They already pay higher premiums for Medicare Part B outpatient services such as doctor's visits.

The rest of the \$634 billion would come from raising taxes on the wealthy — couples with income of \$250,000 or more, or singles with income of \$200,000 or more.

**2009-10 Delta Legislation
as of 2/11/2009**

Bill ID/Topic	Location	Summary	Position
AB 13 Salas (D) Sacramento-San Joaquin Delta Conservancy.	ASSEMBLY W., P. & W. 02/05/2009-Referred to Com. on W., P. & W.	Would establish the Sacramento-San Joaquin Delta Conservancy to provide policy oversight, foster implementation of, and manage funds to implement those components of, a comprehensive delta sustainability program intended to restore and manage habitat in the Sacramento-San Joaquin Delta and Suisun Marsh.	
AB 25 Gilmore (R) Surface water storage.	ASSEMBLY PRINT 12/02/2008-From printer. May be heard in committee January 1.	Would state the intent of the Legislature that the department complete, by the earliest possible date, the necessary environmental documentation for the surface water storage projects identified in the Programmatic Record of Decision in order to expedite the construction of vitally needed surface water storage.	
AB 39 Huffman (D) Sacramento-San Joaquin Delta: Final Delta Vision Strategic Plan.	ASSEMBLY PRINT 12/02/2008-From printer. May be heard in committee January 1.	Would declare the intent of the Legislature to enact legislation to implement the recommendations in the Final Delta Vision Strategic Plan issued by the Delta Vision Blue Ribbon Task Force and the Delta Vision Committee established pursuant to Executive Order S-17-06 and Chapter 535 of the Statutes of 2006.	
AB 55 Jeffries (R) Water supply planning.	ASSEMBLY W., P. & W. 02/05/2009-Referred to Coms. on W., P. & W. and L. GOV.	Would revise that definition of "project" to provide that specified business, commercial, hotel or motel, industrial, manufacturing, and mixed-use developments are within the scope of that definition only if the projected water demand of the development would be equivalent to, or greater than, the amount of water required by a 500 dwelling unit project, as determined by the public water system. This bill contains other related provisions and other existing laws.	
AB 105 Evans (D) 2009-10 Budget.	ASSEMBLY PRINT 01/13/2009-From printer. May be heard in committee February 12.	Would make appropriations for support of state government for the 2009-10 fiscal year. This bill contains other related provisions.	
SB 12 Simitian (D) Sacramento-San Joaquin River Delta, Clean Drinking Water, Water Supply Security, and Environmental Improvement Act of 2009, Clean Drinking Water, Water Supply Security, and Environmental Improvement Act of 2009, which, if approved by the voters, would authorize, for the purposes of financing a water quality, environmental enhancement, and water supply reliability program, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$6,000,000,000. The bill would require the Secretary of State to submit the bond act to the voters at the November __, ____, statewide general election. This bill contains other related provisions.	SENATE N.R. & W. 01/29/2009-To Coms. on N.R. & W. and L. GOV.	Would enact the Sacramento-San Joaquin River Delta, Clean Drinking Water, Water Supply Security, and Environmental Improvement Act of 2009, which, if approved by the voters, would authorize, for the purposes of financing a water quality, environmental enhancement, and water supply reliability program, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$6,000,000,000. The bill would require the Secretary of State to submit the bond act to the voters at the November __, ____, statewide general election. This bill contains other related provisions.	

2009.		
SB 47	SENATE B. & F. 01/12/2009-Read first time.	Would make appropriations for support of state government for the 2009-10 fiscal year. This bill contains other related provisions.
<u>Ducheny (D)</u>		
2009-10 Budget.		
Total rows: 7		

Los Angeles Times



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<http://www.latimes.com/news/local/la-me-water27-2009feb27,0,4816202.story>
From the Los Angeles Times

Lawmakers seek billions to expand, improve California's water supply

The issue has renewed urgency because of a three-year drought that has left key reservoirs at a third of their capacity.
By Patrick McGreevy

February 27, 2009

Reporting from Sacramento — With California's budget crisis resolved for the moment, state lawmakers Thursday turned their attention to another emergency: a three-year drought that has left key reservoirs at 35% of capacity.

Legislators stepped forward with plans to ask voters to borrow as much as \$15 billion for projects to expand and improve the state's water supply.

"This is the session to aggressively solve California's water challenges," Senate President Pro Tem Darrell Steinberg (D-Sacramento) said Thursday.

He added, however, that the state should spend some of the \$7 billion in bonds previously approved for water projects before going back to voters for money needed to complete the work.

The issue has renewed urgency after the California Department of Water Resources last week said it may be unable to provide more than 15% of the water sought by contractors such as the Metropolitan Water District of Southern California, which supplies water districts throughout the Los Angeles area.

The Legislature has been trying to address water issues for several years, but debate has bogged down in a continuing disagreement over the extent to which the state should build new dams and reservoirs, which are favored by growers but strongly opposed by environmentalists.

There also is conflict over who should pay for construction -- all state taxpayers, or the individual growers and water districts that would benefit.

State Sen. Dave Cogdill (R-Modesto), the Senate Republicans' point person on water issues, on Thursday proposed a \$9.98-billion borrowing plan that includes new dams and reservoirs.

"Recent rainfall has been a blessing, but it's just a drop in the bucket when compared to the epic drought the state is currently facing," Cogdill said.

Gov. Arnold Schwarzenegger lauded the plan.

"Despite the recent rainstorms, California would still need to see weeks of drenching rain to avoid an extreme drought situation this summer," Schwarzenegger said in a statement. "Our water crisis underscores the urgent need to update California's water infrastructure."

Sierra Club officials, concerned about the environmental effects of dam and reservoir construction, expressed doubts. "This looks like more of the same, more money for storage that is unneeded," said Jim Metropulos, a senior advocate with the group.

A competing proposal released Thursday by Senate Majority Leader Dean Florez (D-Shafter) would put \$15 billion in borrowed funds toward water efficiency, recycling, conservation and storage projects.

Florez's proposal would expand the capacity of reservoirs in Fresno and Butte counties with new dams, and divert water from the Sacramento River through a so-called peripheral canal.

Voters rejected the same canal proposal in 1982.

The state's failure to adopt a comprehensive water plan has so angered some in the agricultural industry that they want to split the state, allowing large, mostly inland rural communities to band together and form their own government.

"Agriculture and our food supply is in jeopardy, we cannot allow 'agriculturally uneducated city dwellers' to dictate farm policies," says the website of Citizens for Saving California Farming Industries (downsizeca.org).

The group's leader is former Republican Assemblyman Bill Maze of Visalia.

Although recent rains have put precipitation in the state at 75% of normal for the year, state officials say major lakes and reservoirs are at only 35% to 45% of capacity.

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