LEGISLATION COMMITTEE

Agenda

November 1, 2010
9:00 – 10:30 A.M.
651 Pine Street, Room 101, Martinez

Supervisor Susan A. Bonilla, District IV, Chair
Supervisor Gayle B. Uilkema, District II, 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. **Public comment on any item under the jurisdiction of the Committee and not on this agenda**. (*Speakers may be limited to three minutes*.)
3. **Record of Action:** Sept. 13, 2010
4. **State Budget Update** – Presenters: Lara DeLaney, Cathy Christian
5. **State Legislation Wrap Up**– Presenters: Lara DeLaney, Cathy Christian
6. **Federal Legislative Issues Update**– Presenter: Lara DeLaney
7. **Adjourn to the next regular meeting scheduled for Monday, Dec. 6, 2010 at 9:00 a.m.**

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

Schedule of Upcoming BOS Meetings

Nov. 2, 2010
Nov. 9, 2010

Legislation Committee

Supervisor Susan A. Bonilla, Chair
Supervisor Gayle B. Uilkema, Vice Chair

Record of Actions

September 13, 2010
Room 101, 651 Pine Street, Martinez

1. Introductions

The meeting was called to order by Chair Bonilla. Vice Chair Uilkema was not in attendance. Staff and the public introduced themselves. Cathy Christian, state advocate, was conferenced in by phone, as was Paul Schlesinger for the discussion of federal matters.

2. **Public Comment:** None.

3. **Record of Action for 7-12-10**: Chair Bonilla had no corrections.

4. State Budget Update :

The County's state advocate, Cathy Christian, reported on the latest budget rumors, which included the conjecture that there may not be a budget until after the election. This could impact the payment of deferrals. The chances of a comprehensive budget solution to the structural issues are not good, and it could be left to the next Legislature and Governor to grapple with.

5. **November Ballot Measures**:

Due to the absence of Supervisor Uilkema, the Committee did not act on the recommendation to take an "oppose" position on Proposition 23, a measure to suspend the implementation of AB 32 until employment in the state is below 5.5% for four consecutive quarters.

6. State Legislation Update: No action.

7. **Federal Legislative Issues Update**: No action. The County's federal lobbyist, Paul Schlesinger, reported on the status of the County's various appropriations requests. He noted that the House has passed 2 of the 11 appropriations bills, but the Senate had not passed any to that point. It is likely the County will receive appropriations for those projects that are contained in the committee mark-ups. However, if there is a Continuing Resolution for the Federal Government, rather than an Omnibus bill, we may not receive any earmarked appropriations.

8. **Adjourn to meeting on October 4, 2010:** **(**October meeting was later cancelled.)

OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY

TO: Legislation Committee
Supervisor Susan A. Bonilla, Chair
Supervisor Gayle B. Uilkema, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: Oct. 26, 2010

SUBJECT: **Agenda Item #4: State Budget Update**

RECOMMENDATION

ACCEPT report on the State Budget and related matters and provide direction, as necessary.

REPORT

On October 8, 2010, 100 days into the 2010-11 Fiscal Year, Governor Schwarzenegger signed the $87.5 Billion state budget, after vetoing $962 million in spending. See attachments A, B, and C for additional information on the State budget.

Attachment A—Budget Update from Urban Counties Caucus, Oct. 13, 2010
Attachment B—Budget Action Bulletin No. 7, CSAC, Oct. 12, 2010
Attachment C—Excerpt from Senate Committee on Budget and Fiscal Review's "Final Action Report, A Summary of the 2010 Budget Act"

Governor Vetoes Important Mandate Securitization Trailer Bill

Governor Schwarzenegger signed 19 budget trailer bills last week and, unfortunately, vetoed one important measure for California counties. SB 866, the measure that authorized securitization of pre-2004 mandate reimbursements owed to counties, cities, and special districts, was vetoed by the Governor, citing the continuously appropriated payment schedule outlined in the bill. The Governor noted that these funds would be paid back, but only when there was General Fund available to do so. Put simply, he didn't want to commit the state to any sort of annual repayment of this debt.

Unfortunately, this means that counties will not be able to utilize this option to help stabilize their own budgets this year. Totaling nearly $1 billion (with reimbursements to counties making up about 80 percent of that total), these payments are owed to local agencies that were required to provide mandated services without reimbursement in the early 2000s, prior to the passage of Proposition 1A. Proposition 1A declared that the state could no longer simply defer reimbursements, but must fund mandated services or suspend them. Proposition 1A also required the state to pay local agencies reimbursements that were previously deferred "over a term of years." The Government

Code currently sets the deadline for repayment of these costs at 2020-21.

Reaction to Governor's Vetoes

There has been a lot of reaction and criticism of the Governor's vetoes from legislative leadership, specifically Senator Steinberg who indicated that he would ask the new Governor to reverse the $470 million in social services cuts done by Governor Schwarzenegger in January.

The vetoes that have been criticized are as follows:

$80 million veto of Child Welfare Services (CWS).
$256 million veto of child care services.
$132 million cut to mental health by suspending the AB 3632 mandate.

There has been speculation that the vetoes were done since the Legislature failed to pass the Transportation trailer bills which included provisions for digital signs which the Governor had asked for as part of the deal in the Big Five negotiations.

The County has been part of a coalition to try and restore the CWS veto from last year (Protect Our Children, Protect Our Future), and we were very disappointed with the veto since the Legislature (both parties) restored the funding. The coalition is still working to highlight the effects of the veto and we keep you informed of any developments or action that may be needed by counties.

CalWORKS and Administration Costs for October to be Paid On Time

CSAC received information from the State Controller's Office on Oct. 13 that the Controller, along with staff at the Department of Social Services, has identified a little more than $200 million in federal funds that can be used to pay California counties' CalWORKS and administration costs for the month of October. With the ability to offset state General Fund costs to this extent, the Controller is going to pay the remaining amounts and California counties can expect full payment in October.

This is indeed good news. Counties had anticipated that these payments would be delayed to strengthen state cash flows. Such a delay would have created severe hardships for many California counties. Now those hardships can be avoided.

The Controller is also hopeful that, now that a budget has been adopted, they can issue Revenue Anticipation Notes (RANs) prior to November payments becoming due and avoid delay of those payments as well. CSAC will continue to closely monitor this issue. But, for now, counties can breathe a little easier.

ATTACHMENT A

URBAN COUNTIES CAUCUS

BUDGET UPDATE

October 13, 2010

The Budget Update from October 8, 2010 is updated with the Governor's vetoes in bold and additional or updated information on the program reductions are in *italics.*

Budget Deal - Overview

The 2010- 11 budget package as negotiated by the Big Five provides for $7.5 billion in cuts, and depends on federal funding, fund shifts and the suspension of Proposition 98 in order to resolve the budget deficit. Also included in the budget package is the placement of the Rainy Day Fund on the 2012 November ballot and pension reform as requested by the Governor.

	Dollars in billions
Budget Deficit	-17.9
Expenditure reductions	7.5
Federals Funds	5.3
Additional Revenues	2.5
Fund shifts, other revenues	2.8
Alternative Funding	0.5
Baseline Workload Adjustments	-0.2
Total Solutions	$18.3
Reserve	$0.3

Program Changes and Reductions

Budget Reform (ACA 4)

The budget places a constitutional amendment on the ballot in 2012 called the Budget Stabilization Fund (BSF), also referred to as the Rainy Day Fund. This would amend the Budget Stabilization Act established by the voters in Proposition 58 of 2004 with the following changes:

- Increases the threshold from 5% to 10% of overall General Fund (GF), which must be achieved before the contribution from the GF to the BSF ceases.
- Requires the state to always make the three percent payments into the rainy day fund, except in years when the State deficit is large enough to use the fund.
- Creates the Supplemental Budget Stabilization Account which can only be used to pay for one-time capital outlay and debt service obligations.

This would also restrict the transfer of funds from the Budget Stabilization Fund to the GF. This restriction:

- Limits the transfer of funding from the Budget Stabilization Fund to the GF to years when total forecasted revenues for a fiscal year are not sufficient to cover the prior year GF expenditures when adjusted for population and inflation and/or when an emergency is declared by the Governor.
- Limits the amount transferred from the Budget Stabilization Account to the GF to cover the shortfall, which is defined to be the difference between total forecasted revenues for a fiscal year that are not sufficient to cover the prior year GF expenditures, adjusted for population and inflation.
- Further limits the amount of funding that can be transferred from the Budget Stabilization Fund to the GF to cover a shortfall to be:
    - No more than 50% of the balance of the fund in the first year a transfer is made;
    - No more than 50% of the remaining balance of the Budget Stabilization Fund if a transfer was made in the previous year;
    - If transfers have been made in the previous years, than it is limited by the shortfall; and,
    - This limit does not apply to transfers made in the event of an emergency.

This would require that the Director of Finance forecast the revenue amount for the budget year based upon a linear regression analysis of revenues over the last twenty years. This article also requires current year revenues to be estimated based upon as similar methodology. The forecast is adjusted to reflect changes to the revenue levels that occurred due to policy changes, such as increased revenue that from a tax increase.

Election Reimbursement (SB 870)
The budget includes the $68 million reimbursement to counties for the costs of conducting the May 19, 2009 Special Election.

General Government
<u>Cash Management and Deferrals (SB 864)</u>
The budget deal continues to authorize deferrals of specific state payments as part of the cash management plan. Specifically, this language states that the Controller still has the authority to delay non-priority claims including tax refunds, payments for the CalWORKs program and its administration by counties. Deferrals also affect K-12, community colleges, and CSU.

<u>Mandates (SB 856, SB 866)</u>
- Test Claims. The budget places new language which will allow specific entities to request the Commission on State Mandates to adopt a new test claim decision to supersede a previously adopted test claim. This would be allowed only by showing that the state's liability for the previously adopted test claim decision has been modified based on a subsequent change in law.
- Mandate Payments. The budget provides for a payment schedule to cities, counties and special districts to pay mandate reimbursement claims through June 30, 2004 totaling $690

million plus interest. The schedule of payments would require 2.5% of the total amount of mandate reimbursement claims in 2011-12 and 2012-13 and a gradually increasing share each year until the full amount is paid in 2020-21.

- Brown Act: While originally included in the Budget deal, this provision was removed from the trailer bill due to concerns from members related to transparency. So the Brown Act mandate is funded in the Budget. The provision that was deleted would have eliminated mandate reimbursement for the Brown Act by referencing Proposition 59.
- Securitization of Mandate Reimbursement: The budget includes a new proposal to authorize local governments to securitize future state payments for mandate reimbursement. This proposal would establish a Joint Powers Authority, similar to the one established last year for the securitization of Proposition 1A.

AB 3632 Mandate: While the Legislature funded this mandate, the Governor vetoed the funding, suspending this mandate. It is unclear how counties and schools are going to handle the suspension and if these services will still be provided. CSAC and the County Mental Health Directors Association (CMHDA) are working on getting more information and doing the legal research on this issue.

Health and Human Services (SB 852, SB 853)

California Children's Services (CCS)

The budget requires the Department of Health Care Services to seek private support to develop studies of the CCS program to be provided to the Legislature and stakeholders by March 2011 which would address the following: systems analysis of core business processes and practices, review of provider certification and enrollment processes, review of medical eligibility processing, oversight and monitoring of quality care, identification of best practices for case management and advanced information technology tools.

The intent of the study is to administratively streamline the CCS Program, serve as a tool to facilitate the development of statewide policies and procedures to improve the program, and serve as a baseline for development of CCS Program pilots implemented through the 1115 Waiver.

CalWORKs

The budget does not make any reductions to the CalWORKs program and it is not eliminated as previously proposed by the Governor.

The Governor vetoed $365 million in CalWORKs funding through an unallocated reduction. In his veto message he directed the Department of Social Services to request a corresponding advance of Temporary Assistance for Needy Families (TANF) block grant funds from the federal government. The Governor indicated that this funding will provide one-time GF relief without any adverse program impacts.

Child Care

The budget includes a $48 million reduction in child care which will be achieved through a reduction in the reimbursement rate limits for licensed-exempt providers from 90 percent of the ceilings for

licensed family child care home to 80 percent, and a reduction from 19.5 to 17 percent for administration.

The Governor cut $256,000 from CalWORKs Stage 3 Child Care.

Child Welfare

The budget provides $80 million in funding to the Child Welfare Services program that was vetoed by the Governor in the 2009-10 Budget.

The Governor once again vetoed $80 million from the CWS program. In the veto message he notes that it is the same level as 2009-10 which is true, but still a major cut from previous funding levels.

Food Stamps

The budget provides that that Department of Social Services establish a process to begin using an inter-county eligibility transfer process for Food Stamps by April 1, 2011. As a result, recipients would no longer have to reapply for the program if they have moved. This is similar to a bill (AB 2018) which was vetoed by the Governor because the change was provided for in the Budget.

IHSS - Cuts

The budget provides savings of $300 million general fund in IHSS pursuant to the development and implementation of a provider fee. The $300 million savings is achieved by the following:

- $190 million savings resulting from the provider fee. The provider fee proposal would apply the state portion of the sales tax to IHSS provider services, generating additional revenue in the IHSS program that would draw down additional federal funds that could be used to offset the program.
- $75 million savings resulting from a caseload reduction.
- $35 million savings resulting from a 3.6 percent across the board cut to authorized hours for the majority of IHSS recipients. There is no new exceptions process or appeal for recipients to exempt themselves from the cut. The cut will take effect 90 days after enactment of the budget and will remain in effect only until June 30, 2012. The $35 million represents nine months of savings (and includes the increased FMAP rate under ARRA). Projected full year savings for 2011-12 is approximately $55 million.

IHSS Program Reductions

- Functional Index Changes. The budget suspends the reductions that were enacted by SB 6 and AB x4 4 of 2009 which included a reduction to $9.50 per hour and the elimination of eligibility for domestic and related services for individuals with a functional index ranking below 4 for each service and the elimination of all services for individuals with a function index score below 2. Due to the ongoing litigation these are suspended until July 1, 2012.

- IHSS Provider Exclusions. The budget expands the list of crimes for which a conviction would bar an individual from being an IHSS provider to include all serious or violent felonies, fraud in the obtaining of aid, and designated felony sex offenses.

A recipient may request an individual waiver from the ban for a specific provider. The county will be required to notify recipients if their intended provider has been convicted of any of the crimes on the expanded list and provide a waiver form, which, if signed by the recipient, would release the county from any liability. In addition, an individual will be able to request a general exemption from the Department of Social Services from the ban, which would enable the individual to provide services to any recipient wanting to hire that individual.

- Background checks. The budget provides that IHSS providers working in more than one county will now be able to obtain multi-county background check clearances. A provider will now only have to obtain a background check in one county in which the provider works that, if clear, will enable that provider to work in other counties.

Medi-Cal

The budget suspends the cost of living adjustment (COLA) for the 2010-11 Budget year for counties for their administration of eligibility functions for the Medi-Cal program. It would also establish a process for developing a process for developing a new methodology for the DHCS to annually establish the rates paid to counties for eligibility services.

Mental Health

The budget maintains funding for mental health and requires the Department of Mental Health to include a detailed accounting of the proposed expenditures of Mental Health Services Act (MHSA, Proposition 63) funds for state administration of the MHSA in its statutorily required semi-annual reports on the MHSA.

Offender Treatment Program (OTP)

The budget funded the OTP program, but the ***Governor vetoed the remaining $18 million for this program****. With the Governor's veto all funding for Proposition 36 has been eliminated from the budget.*

Public Health

The Budget includes language that requires the DHCS and the Department of Public Health to ensure the integrity of the AIDS Drug Assistance Program (ADAP) in meeting its maintenance of effort requirements to received federal funds to obtain all drug rebates, in the event that state expenditures for the ADAP are identified to be used as certified public expenditures for the purpose of obtaining federal financial participation under the Medi-Cal Program.

The Governor reduced $52 million for the Office of AIDS local assistance programs which includes a $7.6 million funding reduction to local entities for the ADAP program.

The Budget includes an $18 million reduction for immunizations.

Waiver

There are three bills in the budget package which provide for the implementation of the 1115 Waiver (AB 342, AB 1628 and SB 208). The bills do not contain the final terms and conditions for the Waiver

because those are still being negotiated with the federal government with the deadline of October 31, 2010.

The bills are slightly different and were also amended on the floor during the debate on Thursday. AB 342 (October 6, 2010 version) only includes provisions on the Coverage Initiative which are now called Coverage Expansion and Enrollment Demonstration Projects (CEEDs). SB 208 has provisions on the CEEDs and other provisions including mandatory enrollment of SPD's, and the CCS pilot projects.

AB 1628 (Corrections Trailer Bill), also includes language on the 1115 Waiver. Specifically, this bill requires counties that submit an application for a CEED project to agree to include prison inmates in their CEED project for inpatient hospital services. In addition, counties will be able to seek federal reimbursement for the care of adult inmates incarcerated in county correctional facilities for expenditures incurred for patient services in community hospitals if the county determines the inmates to be eligible for Medi-Cal or the local CEED projects.

Pension Reform (SBx6 22)

Most of the changes in pension reform were done through the collective bargaining process. These changes include rolling back pension benefit levels for new employees and requiring current and new employees to contribute 3 percent more of their pre-tax pay toward retirement (SEIU agreement).

There is a bill in the budget package that rolls back SB 400 pension benefits by adopting pension benefit levels that existed before SB 400 of 1999 for various classifications of State employees (those that are not represented). These reduced benefit levels would only apply to new state employees as of November 10, 2010, in bargaining units that did not currently have a Memorandum of Understanding (MOU) with the State. This change will not apply to existing employees.

This bill would also end "Pension Spiking" by imposing a three-year final compensation formula to calculate retirement final benefits for all new State employees, as of November 10, 2010. In addition, the bill includes "Transparency" language that requires the California Public Employees Retirement System (CalPERS) to report its investment returns, amortization period, and discount rates using specific analytical guidelines every time it adopts contribution rates.

Public Safety (SB 857, SB 868)

It is important to note that there are a couple of provisions that were previously adopted by the Conference Committee that are no longer included in the public safety portion of the budget.

First, there is no realignment proposal and no shift of felons to county jails in the budget deal. Second, there is no extension of the VLF which had previously been approved by the Conference Committee.

Here are some highlights of the public safety provisions in the budget:

<u>Byrne-Jag Funding</u>

The budget includes $30 billion for Byrne-Jag funding to be allocated as follows:

- $12 million shall be used to provide substance abuse treatment for criminal offenders convicted of nonviolent drug offenses in the Substance Abuse Offender Treatment

Program, a deferred entry of judgment program, or a similar program funded through the State Department of Alcohol and Drug Programs (DADP).

- $3 million shall be used to provide resources for reentry and prevention services offered by community based organizations.
- $10.9 billion shall be used for the Anti-Drug Abuse Enforcement Program to support multijurisdictional drug task forces that combat street to mid-level drug sales, manufacturing and distribution at the local level.
- $3.4 billion shall be used for the CrackDown Multi-Community Task Force Program that provides the Bureau of Narcotic Enforcement with the resources to combat problems associated with arresting and prosecuting major drug dealers.
- $500,000 to be used for the Public Safety Procurement Program to aid state and local agencies to purchase equipment and property for use in their counter-drug and law enforcement efforts.
- $100,000 for the Campaign Against Marijuana Planting.

The Governor vetoed the $30 million in Byrne-Jag funding noting that the funds have already been allocated.

CDCR

The budget does not include the proposal adopted previously by the Conference Committee to shift prison inmates to counties. Instead, there is a $200 million reduction to the California Department of Corrections and Rehabilitation (CDCR) budget which will be achieved through population management.

The budget also includes a $50 million delay in payments to counties for the cost of holding parole violators. The payments will be delayed by 6 months.

In addition, there is savings of $820 million from inmate medical costs.

The budget also allows for the development, by CDCR and the Department of Health Care Services, of a process to maximize federal financial participation for the provision of inpatient hospital services rendered to individuals who, but for their institutional status as inmates, are otherwise eligible for Medi-Cal or for the Coverage Expansion and Enrollment Demonstration Project under the 1115 Waiver.

Court Funding

The budget includes a court funding package as follows:

- Increases the fee for filing a motion for summary judgment from $200 to $500.
- Increases the fee for filing in superior court an application to appear as a counsel pro Hac vice from $250 to $500.
- Adds supplemental fees of $20 and $40 for first filing papers in connection with civil proceedings.
- Requires the Judicial Council to establish statewide uniform fees to be paid for appearing by telephone and requires that each vendor or court that provides for appearances by phone to transmit $20 for each fee received.

- Raises the court security fee to $40 until July 1, 2011, then it is reduced to $30 from 2011 – 2013, and then reduced to $20 after 2013.
- Adds a $3 parking penalty for each offense where a parking penalty is imposed.

Juvenile Parole

The budget transfers the parole responsibilities from the Division of Juvenile Justice to the county probation departments. It establishes a formula that provides county probation departments with $15,000 for each juvenile offender on their caseload under this realignment , as well as $115,000 for each of these offenders held in a local juvenile facility.

Reentry Facilities (AB 900)

The budget includes provisions that allow local governments to use design-build process in the construction of jail and juvenile justice rehabilitation facility projects authorized by AB 900 (Solorio), Chapter 7, Statutes of 2007 and SB 81 (Committee on Budget), Chapter 175, Statutes of 2007, respectively.

Also provides a one-time $200 million General Fund (GF) appropriation for prison facility infrastructure repair and expansion under AB 900. This would allow these funds to also be used for two additional purposes: a) site evaluations for state reentry facilities; and, b) prison dental facility modifications.

Tax Package (AB 1618/SB 858)

The tax package is as follows:

- Net Operating Loss. Suspends the Net Operating Loss (NOL) deduction for two years.
- One-time exemption for Net Operating Loss. This would provide a one-time exemption allowing the Humboldt Redwood Company (HRC) to deduct past operating losses. The HRC acquired the assets of the former Pacific Lumber Company in July 2008 and assumed they would be able to deduct $315 million in past operating losses but in 2008 a bill was passed that suspended the NOL (SB 1452).
- Multi-State Firm Changes. This would allow multistate firms to calculate their California tax liability using the costs of performance formula which would help cable providers. Cable providers have indicated that they were harmed under the 2009 tax break law that eliminated the old formula.
- Large Corporate Understatement Penalty. This would provide for softer criteria for determining when corporations must pay penalties for understating their taxes.

Attachment B

2010-11 State Budget
Week of October 11, 2010

October 12, 2010

TO: CSAC Board of Directors
County Administrative Officers
CSAC Corporate Associates

FROM: Paul McIntosh, CSAC Executive Director
Jim Wiltshire, CSAC Deputy Executive Director
Jean Kinney Hurst, Legislative Representative

RE: **Budget Action Bulletin #7**

Governor Arnold Schwarzenegger signed the 2010-11 state budget on the hundredth day of the fiscal year, Friday, October 8. In doing so, he used his line-item veto authority to reduce state expenditures by $963 million. This *Budget Action Bulletin* outlines the details of the new spending plan, as well as information on the line-item vetoes. The Governor has been overseas and has not yet acted on all of the trailer bills passed last week (find a list at the end of this Bulletin); CSAC will report on trailer bill action in a later publication.

2010-11 Budget Overview

Enacted Budget Solutions
(Dollars in millions)

	Solutions	% of Deficit
Expenditure Reductions	$8,387.9	43.6%
Federal Fund	5,403.2	28.0%
Other Solutions	5,483.2	28.4%
	$19,274.3	**100.0%**

General Fund Budget Summary
With All Budget Solutions
(Dollars in millions)

	2009-10	2010-11
Prior Year Balance	**-$5,375**	**-$4,804**
Revenues and Transfers	$86,920	$94,230
Total Resources Available	**$81,545**	**$89,426**
Non-Proposition 98 Expenditures	$50,572	$50,585
Proposition 98 Expenditures	$35,777	$35,967
Total Expenditures	**$86,349**	**$86,552**
Fund Balance	**$-4,804**	**$2,874**
Budget Reserves:		
Reserve for Liquidation of Encumbrances	$1,537	$1,537
Special Fund for Economic Uncertainties	-$6,341	$1,337

Budget Reform. Throughout this year's budget debate, the Governor repeatedly voiced his requirement that the deal include some kind of long-term budget reform. The form that has ended up taking is a strengthened reserve, a so-called "rainy day" fund. The proposal will go before voters as a constitutional amendment on the March 2012 presidential primary ballot. If approved, the new reserve would strengthen the current one in three ways.

First, the new reserve would be larger, topping out at 10 percent of General Fund (GF) revenue. To reach that goal, the state would have to deposit three percent of each year's revenue into the reserve unless they use funds from the reserve to close a deficit (see the next paragraph). Half of that three percent would instead pay for debt service and infrastructure; at first that debt would go to the Economic Recovery Bonds, then once those are paid down to reduction of debt and infrastructure spending. Currently, the requirement that the state deposit three percent in the reserve fund is so loose as to be next to meaningless. Under the new reserve the Governor could waive the deposits until 2013-14; if the measure passes in March 2012, the Governor would have already proposed a 2012-13 budget.

Second, use of the reserve fund would be restricted. The state could only use funds from the reserve to spend up to the previous year's spending plus inflation and population growth. They would not be allowed to use all the money at once, but up to 50 percent of the money in one year, half of what remained the next, and the rest in a third year if necessary. If the reserve reaches its cap of 10 percent, the required annual payments cease and any excess funding may pay for specific one-time purposes. The state may also use money from the fund to pay the costs of responding to a declared emergency, such as a natural disaster or war.

Note that, due to the above formula, once revenues have begun to recover from the lowest point of a significant drop (such as the ones over the last couple of years), use of the reserve would be severely restricted, and so the funds would enforce significant discipline during extraordinary shortfalls while also cushioning the blows. But during small, temporary dips in revenue, the formula would allow spending to remain essentially unchanged.

Third, in addition to the required three percent annual payments, the state would have to deposit any GF revenue that it collects above a calculation based on a regression of the previous twenty years of revenue into the reserve, after paying for the Proposition 98 obligation the new revenue requires. Once the reserve is full, revenues over the twenty-year trend could only pay for one-time expenses, of which budget debt is the highest priority.

Tax Package. As widely touted by the leaders who negotiated the deal, the budget agreement does not increase any tax rates (which is not quite the same as not raising taxes, though perhaps that's a distinction without a difference). There are several important changes to taxes in this budget agreement.

The budget anticipates $2.5 billion in additional revenues, almost $1.4 billion of which is from Legislative Analyst's revenue projections for 2009-10 and 2010-11 that are much more recent than the May projections used to previously define the deficit's size. Recent revenues seem to indicate that even these new projections may be low.

The budget agreement suspends corporate the Net Operating Loss tax benefit for two more years, 2010 and 2011; only corporations with income over $300,000 are subject to this benefit suspension, so over 90 percent of corporations are exempt. Also, the ability to carry back losses for two years is delayed until 2013, at which time 50 percent of losses may be carried back. That rises to 75 percent in 2014 and 100 percent in 2015. These provisions result in about $1.2 billion in GF revenue for the budget year.

Leaders agreed to ease up on corporations that underpay their tax liability by more than $1 million, penalties for which were recently toughened. This change, combined with restoring old "cost of performance" rules for certain multi-state tax apportionment, reduces state tax revenues by about $132 million.

The budget does not delay the Elective Single Sales Factor corporate tax cut. It does not include an oil severance tax, or the related state sales tax reduction. It does not include the effort to collect sales and use taxes from out-of-state retailers (sometimes called the "Amazon" provision).

ADMINISTRATION OF JUSTICE

Below we summarize the final justice-related budget actions of the Legislature and Governor, including discussion of vetoes where pertinent.

PUBLIC SAFETY ISSUES

The public safety trailer bill (AB 1628) contains provisions to effectuate all of the following:

- **Transfer of Juvenile Parole Responsibility**. The budget shifts responsibility for community supervision of 707(b) offenders upon their release from a Division of Juvenile Justice (DJJ) facility from the state to county probation. Under this plan, county probation departments will be responsible for the entire continuum of community supervision for youthful offenders by January 2014. (State will retain responsibility for those juvenile parolees who are paroled prior to AB 1628's effective date until January 2014, at which time those juvenile parolees still on parole as of January 2014 will also transfer to local supervision.) The design of the juvenile parole supervision transfer will follow the SB 81 model, with the local court assuming jurisdiction. Funding to support the transfer of supervision responsibility will be redirected from state savings. Counties will receive allocations into a new Juvenile Reentry Fund to support the supervision of this new population. Allocations will be made on an average daily population basis, as follows: $15,000 per juvenile parolee for supervision and monitoring services and $115,000 per ward housed in a local juvenile facility following a violation of parole.

- **Funding for Local Youthful Offender Rehabilitative Facilities**. The budget commits additional lease revenue bonding authority for the construction or renovation of local juvenile rehabilitative facilities. The 2010-11 budget increases funding by $200 million for local juvenile rehabilitative facilities, bringing total funding for juvenile facilities to $300 million. (Counties will recall that SB 81 of 2007 made the initial commitment of $100 million for this purpose.)

- **County Jail Medicaid Waiver/CEED Projects**. The public safety trailer bill contains language that will allow counties operating a Coverage Expansion and Enrollment Demonstration (CEED) project to draw down federal funds for county jail inmates who receive medical attention outside the county jail; there are similar provisions for state jail inmates who receive medical services in a community hospital that also require action by the county. For further discussion

of this issue, please see the Health and Human Services section of this document.

- **Design Build for Local Detention Facilities.** The public safety trailer bill also includes provisions permitting local governments to use the design-build process for both the construction of adult and juvenile facilities, as authorized under the provisions of AB 900 (Solorio - Chapter 7, Statutes of 2007) and SB 81 (Senate Committee on Budget and Fiscal Reform - Chapter 175, Statutes of 2007), respectively.

JUDICIARY ISSUES

The judiciary trailer bill (SB 857) contains a vast array of provisions to carry out both budgetary and policy changes. As counties will recall, CSAC has been engaged over the last several months with the Judicial Council as well as court- and county-operated collections programs in an initiative to improve recovery of court-ordered debt. The provisions of a multi-element collections process improvement package were incorporated into the judiciary trailer bill. Other related items of interest – corrections to counties' ongoing authority to collect a surcharge and a provision to establish a parking penalty audit "safe harbor" provision (both jointly pursued by CSAC and the Judicial Council) as well as a provision relating to installment payments – are outlined below. Finally, a package of revenue enhancements to support the judicial branch was also included in the judiciary trailer bill. These provisions were negotiated among judiciary officials, Capitol budget and policy staff, and various court stakeholders. These items are all explained briefly below:

- **Collection of Court-Ordered Debt: Strategies to Improve Collection and Discharge Debt**. SB 1407 – the 2008 measure authored by Senate Preside pro Tempore Don Perata that authorized increases for a range of fees, penalties, and assessments to support the state's courthouse capital plan – codified a joint commitment between the Administrative Office of the Courts (AOC) and CSAC regarding improvements to court-ordered debt collection programs. The expression of this commitment in Penal Code Section 1463.010 reflects the courts' and counties' shared objective of strengthening and improving, where appropriate, existing collaborative collection efforts across the state.

  In response to this legislative directive, the AOC and CSAC convened meetings beginning last fall with a group of collection professionals – representing programs administered through both the counties and the court – to brainstorm ideas of mutual interest and benefit that would help achieve the objectives set forth in Penal Code Section 1463.010. The group reviewed dozens of potential

options for process improvement and provided valuable input and insights; those discussions produced a set of five elements that the AOC and CSAC moved forward through the budget process to enhance court and county collection efforts. One additional element was included, resulting in a joint package that will do all of the following:

- Strengthen existing authority and responsibility for a comprehensive collection program of delinquent court-order debt.
- Develop and implement an amnesty program for infractions.
- Clarify authority related to discharge of accountability.
- Authorize intercept on unclaimed cash property in cooperation with State Controller's Office.
- Clarify authority for enforcing court-ordered debt beyond the 10-year period applicable to civil judgments.
- Increase flexibility for initial payment for installment plans.

Language to carry out this multi-part initiative was drafted and negotiated by the joint court and county collections working group and was further vetted by other key county stakeholders. CSAC will be producing additional details on the collections package in the coming weeks.

- **Corrections to Government Code Section 76000 (e).** SB 1732, the Trial Court Facilities Act of 2002 (Escutia – Chapter 1082, Statutes of 2002), modified Government Code (GC) Section 76000, which governs the amount of surcharge that may be added to fines, penalties, and forfeitures imposed and collected by a court for criminal offenses, including non-parking offenses involving violations of the Vehicle Code or any local ordinances adopted pursuant to the Vehicle Code. The authorized use of the surcharge revenue is limited to support special funds, including Courthouse Construction Funds (CCF), Criminal Justice Facility Construction Funds (CJFCF), and Maddy Emergency Medical Service funds. It will be recalled that counties were authorized, and sometimes directed, to create and maintain these funds well before enactment of SB 1732.

  SB 1732 added subdivision (e) to GC Section 76000, to address the amount of surcharge that could be collected for a "local courthouse construction fund established by Section 76100 as of January 1, 1998 when the money in the fund is transferred to the state under Section 70402" (i.e., after a county transfers all of its trial court facilities to the state). The limitation contained in subdivision (e) was not intended to affect or limit the amount of surcharge that can be collected to support other local funds such as CJFCF or any purpose other than local CCF.

CSAC undertook an extensive research and survey process this spring to identify any errors and make needed corrections to Section 76000(e). Based on counties' responses, dollar amounts for approximately a dozen counties were updated in the chart to correctly reflect those counties' individual authorities.

- **Parking Penalty Audit Provision.** Prior to 2008, GC Section 70372(b) required an additional penalty of $1.50 on parking offenses for state courthouse construction. At the same time, Section 70375 allowed the penalty required in 70372 to be reduced by the amount collected for the local courthouse construction fund, authorized pursuant to Section 76100 (an "offset" provision). In 2007, the public safety omnibus bill (SB 425, Margett), amended Section 70375(b) to provide clarification on an unrelated matter. In so doing, the legislation inadvertently eliminated the so-called "offset" provision. The change to 70375 in SB 425, which became effective January 1, 2008, made mandatory the collection and remittance of a $1.50 parking penalty, regardless of amounts collected for deposit into the local courthouse construction fund pursuant to GC Section 76100.

Counties were informed of the change and were instructed to: 1) ensure they are complying with the requirements of Section 70372(b), and, 2) account for the elimination of the offset previously authorized under Section 70375. It is apparent from state remittance information that most entities overlooked the change codified in SB 425; records indicate that three counties remitted the $1.50 appropriately in 2009, pursuant to the change to Section 70375.

In recognition of the fact that the impact of these statutory changes was overlooked, CSAC – in collaboration with the Judicial Council – proposed that, for audit purposes, counties not be penalized for the failure to remit the $1.50 in parking penalty revenue, once the "offset" provision was eliminated if the funds were instead directed to a local courthouse construction fund and expended on allowable purposes as identified by statute. The provision adopted in the state budget applies only to the first year following enactment of SB 425 – that is, for the calendar year 2008.

- **Court Funding Package.** The judiciary trailer bill also includes a package of fund transfers, fee increases, and other surcharges to fund court operations in 2010-11 and to avoid court closures. It is important to note that the judiciary trailer bill ***does not include*** a $40 administrative fee tied to individual automated traffic enforcement citations, which had been proposed in earlier versions of the judiciary trailer bill. Among the notable items that were included are:

- A $20 court security fee increase.
- A new $3 parking fee surcharge.
- A transfer of funds from the State Courthouse Construction Fund, which is not expected to affect projects in the pipeline.

Other Items of Interest

The budget ***does not extend*** the Vehicle License Fee (VLF) increase dedicated to local public safety programs; the current VLF rate of 1.15 percent – 0.15 percent of which is dedicated to the Local Safety and Protection Account (LSPA) – is set to revert to 0.65 percent on June 30, 2011. Counties recall that revenue in the LSPA is statutorily dedicated to a range of local programs, including the Citizens' Option for Public Safety (COPS), the Juvenile Justice Crime Prevention Act (JJCPA), the rural and small county sheriffs' local assistance programs, booking fee "replacement" revenue, and a range of other local assistance programs. It will be critical for the Legislature to take action on the VLF extension early in 2011, both to provide continuity for programs and – for one very significant practical reason – to avoid a situation in which the Department of Motor Vehicles (if it appears that the extension is at risk of lapsing) is forced to reprogram its systems to reflect a return to the 0.65 percent rate. CSAC is on record supporting the VLF extension, which we regard as an absolutely critical funding source for both front-line enforcement and prevention activities at the local level.

The 2010-11 budget ***does not include*** a shift of state prison inmates to county responsibility. The budget bill, SB 870, does, however, attribute an unallocated reduction of $200 million to the California Department of Corrections and Rehabilitation (CDCR). It also assumes savings of just over $800 million to the federal prison healthcare receiver, some of which will be achieved by the implementation of SB 1399 (Leno – Chapter 405, Statutes of 2010), the medical parole measure.

The budget bill, SB 870, delays payment of $50 million for counties expenses incurred in 2010-11 for housing parole violators. However, it does include funding of $80 million to reimburse counties for back payments owed for previous budget years.

The Governor's vetoes include action to the California Emergency Management Agency (CalEMA, Budget Item 0690), rejecting legislative efforts to redirect Byrne-JAG local assistance funding. The Governor's veto of the legislative changes to the allocation methodology retains the 2010-11 grants as they had been previously awarded.

AGRICULTURE AND NATURAL RESOURCES

Two budget trailer bills that include provisions affecting agriculture and natural resources are currently awaiting action by the Governor: SB 863, which includes

changes to the Williamson Act and SB 855, the Resources/Environmental Protection budget trailer bill.

Williamson Act. SB 863 contains clean-up language to AB 2530 (Chapter 391, Statutes of 2010) and a $10 million appropriation for Williamson Act subventions. The bill also includes language pertaining to two redevelopment issues which are summarized in the Government Finance and Operation section of this *Budget Action Bulletin*.

As previously reported, AB 2530 authorizes a county to revise the term of Williamson Act contracts with landowners and allow for a reassessment of the property in any fiscal year in which payments from the state to the county as reimbursement for reduced property tax revenue are less than half of the actual amount of reduced property tax revenue. SB 863 reenacts that law, adds an urgency clause, and makes various clarifying changes regarding its implementation by counties. One such change specifies that a county's determination regarding forgone revenues shall be based on the higher of the county's share of the general property tax or 20 percent. The bill also clarifies that in any subsequent year during the reduced term of contract in which increased revenue is not realized by the county, two or three additional years would be added to the contract on the next anniversary date to restore the contract to its full original term of 10 -year or 20-year contract, respectively.

SB 863 would also:

- Clarify that for purposes of recording the new revised contracts, the landowner's name as well as the assessor parcel number shall be recorded, or alternatively the same information could be recorded for those parcels that are not affected.

- Specify that the additional assessed value due to the revised contract terms shall be equal to 10 percent of the difference between specified restricted values and the factored base year value or the value established due to a decline in market value.

- Provide that landowners may choose not renew their contract at any time, but a landowner who withdraws prior to the effective date shall be subject to term modification and additional assessed value.

- Provide that a county may adopt amendments to its uniform rules to facilitate implementation of this subdivision during fiscal year 2010-11, and thereafter as necessary.

- Allow the 90-day notice requirement to landowners relative to the revised contract terms can be shortened to 60 days provided that notices of non-renewal of contacts can be received until February 1, 2011.

- Allow a county to use the primary owner of record from the assessment roll for purposes of identifying landowners entitled to receive notice of the revised contract terms.

Resources/Environmental Protection Trailer Bill (SB 855)

Items of note within the Resources/Environmental Protection Trailer Bill (SB 855) include:

- New reporting requirements for the Department of Forestry and Fire Protection regarding ways to improve fire and panic safety with respect to green building standards, Emergency Fund Expenditures and Schedule A contracts, and fire prevention activities.

- Requirements for the Department of Resources Recycling and Recovery's quarterly report to the Legislature on the condition of the Beverage Container Recycling Fund.

- An extension of the sunset dates for the State Energy Conservation Assistance Account and the Local Jurisdiction Energy Assistance Account, until January 1, 2013 and January 1, 2016, respectively.

- Increased fees for the construction of a thermal power plants or electric transmission lines. The bill also deletes the existing site application fee exemption for renewable generation, and requires a report to the Legislature by July 1, 2012 on the impact of these changes.

- Requirements affecting the new Waste Discharge Requirement fee by the State Water Resources Control Board on operating solid waste landfills. Specifically, SB 855 would require the State Water Resources Control Board (Water Board) by March 1, 2011 to analyze and report on the costs of regulating active landfills, and also requires the Water Board to begin billing the permitees in the second half of the 2010-2011 fiscal year.

- Re-appropriation of $522 million in Proposition 1E and Proposition 84 funds to better align the funding with existing law regarding flood control project eligibility, link to storm water-flood funding and appropriate of integrated regional water management funds.

- Language that clarifies the intent of AB 1085 (Chapter 384, Statutes of 2009), which requires the Air Resources Board to publish specified information before the comment period for any regulation proposed for adoption.

GOVERNMENT FINANCE AND OPERATIONS

Cash Management. AB 1624 contains modifications to the state's cash management plan. Given the delay in enacting a state budget, the State Controller will need some weeks to prepare for the issuance of Revenue Anticipation Notes (RANs) to assist the state in meeting its cash needs over the next few months. AB 1624 authorizes additional deferred payments to K-14 schools and the California State Teachers' Retirement Fund of $5.5 billion to assist in bridging the cash shortfall between now and then. Of importance to counties, however, is language that authorizes the State Controller to continue delaying payments to counties for the CalWORKS program and county administration payments associated with the CalWORKS program. This means that, much like what occurred in early 2009, the State Controller can delay payments to counties at any time to ensure that the state has sufficient cash to make its priority payments. We understand there is a potential for delayed payments in October, at least. CSAC will be communicating with the State Controller's Office to determine the extent of any payment delays that may occur and will share that information with counties as soon as it is available. The Governor signed AB 1624 when he approved the budget on October 8.

The State Controller has released the September cash report. Receipts for the month were above the Governor's May Revision estimates by $1.1 billion, or 15.3 percent. Corporate taxes were up $378.7 million (46.1 percent), and sales taxes came in $60 million above (2.9 percent) estimates. Personal income tax revenues came in above estimates by $732.9 million (22 percent). The State Controller attributes the increase to accelerated revenues due to recent changes to the tax deadlines, rather than a sign of significant upturn in the economy.

Since July 1, the state owes $8.3 billion in outstanding payments to small businesses, community clinics, and local governments that have gone without payment due to the lack of a state budget. After accounting for September's cash receipts and expenditures, the state's available cash to make all payments dips to just $3.5 billion at the end of October, creating a need for at least $4.8 billion in this month alone.

The Controller's website includes a chart showing the cash problem that follows enactment of the budget, a breakdown of the budget's payment deferrals, and a page of frequently asked questions and answers.

Mandate Securitization. SB 866 contains the authorization for cities, counties, and special districts to securitize future payments associated with pre-2004 mandate reimbursements. Structured much like the Proposition 1A securitization of 2009, a joint powers authority with 250 or more local agencies is authorized to issue bonds consisting of local agencies' mandate claim receivables. A county, city, or special district may opt to sell their receivables (those funds anticipated to be received by the local agency in repayments from the state) to the authority. The authority is authorized to charge a fee to the local agency, but fees may be paid from bond proceeds or mandate receivables. The State Controller has 120 days from the enactment of SB 866 to provide local agencies and the authority with a list of each agency's mandate reimbursement amounts. These amounts approach $1 billion, with counties owed the bulk (about 80 percent) of funds.

SB 866 outlines the payment schedule for mandate receivables. Receivables will be paid in December and June of each year, beginning in December 2011 and ending in June 2021. The State will also pay interest on the amounts at a rate of 2 percent, beginning January 1, 2011.

SB 866 also makes clear that securitizing these receivables does not limit the right of the State Controller to audit mandate claims nor does it limit the right of local agencies to file incorrect reduction claims.

SB 866 passed the Senate and Assembly and is awaiting action by the Governor.

Mandates. The budget continues to suspend all previously suspended mandates. The Budget Conference Committee had recommended also suspending the Brown Act mandate, which reimburses counties and other local agencies for parts of the Brown Act dealing with drafting and distributing agendas. This suspension was eliminated from the budget and the Brown Act mandate is funded in the 2010-11 budget.

The budget does suspend the Mandate Reimbursement Mandate, which reimburses counties and other local agencies for the costs of jumping through the statutory hoops the state requires as a condition of fulfilling its constitutional obligation to pay for mandates. Generally, when a mandate is suspended its provisions become "optional," so the suspension of this mandate raises a number of very interesting questions. Is the Commission on State Mandates process for establishing reimbursement for new mandates, which regularly takes seven or more years, now optional? If so, can counties go straight to court to claim mandates? The costs locals incur when the Controller's Office audits a mandate claim are paid for through the mandate reimbursement process; are audits now "optional"? If so, can counties simply invoice the state for their costs related to established mandates? CSAC is talking with a group of county counsels to determine the answers to these questions and more.

Further legal questions are raised by the Governor vetoing funding for two additional mandates and declaring them to therefore be "suspended". One of these two mandates, dealing with handicapped and disabled students (more commonly referred to as AB 3632), is detailed in the Health & Human Services section of this document. The other deals with background checks for local recreation employees and volunteers. The California Constitution seems to clearly give the Legislature, and the Legislature only, the authority to suspend mandates by not funding them in the Budget Act. Therefore, are these mandates actually suspended? Are counties allowed to stop performing them? Again, CSAC is conducting extensive discussions with county counsels about these issues.

Election Reimbursement. The budget reimburses counties for the cost of conducting the May 19, 2009 special election. This totals $68.228 million.

Commercial Trailer VLF. The budget eliminates the backfill to counties for revenue lost when the state changed the way it assesses commercial truck trailers' VLF. This amounts to $11.9 million, and has traditionally been part of Realignment funding.

Redevelopment. SB 863, in addition to containing language and an appropriation regarding the Williamson Act, includes language related to two redevelopment issues. The first authorizes redevelopment agencies that failed to make their statutorily required contribution to ERAF to pay that amount over a period of time and eliminates penalties associated with failure to pay in a timely manner. The second, and more controversial matter, allows the City of San Diego's Centre City Redevelopment Agency to increase its debt cap in order to assist in the siting of a new professional football stadium.

Transient Occupancy Taxes (TOT). As we have reported previously, SB 848 (Hollingsworth) was a late addition to the budget package that would have authorized online travel companies to remit TOT on the wholesale rate of the hotel instead of on the rate paid by the consumer. This issue is being litigated in California and nationwide. Cities and counties sounded the alarm on this bill early in the budget debate, pointing out that SB 848 had absolutely nothing to do with the state budget. Gratefully, SB 848 failed to garner the necessary 2/3 vote in the Assembly and never made it to the Senate Floor.

Employee Relations

- **State Employees.** The budget package includes SB X6 22 (Hollingsworth), a bill to set pension benefits for newly hired state employees at levels that were in place

for employees prior to 1999. In addition, all future state employees would have their pension benefits calculated based on their highest average annual pay over any consecutive three years of employment, rather than the one-year period applicable for some current state employees. These requirements do not affect pension benefits for current state employees and retirees.

- **New CalPERS Reporting Requirements.** SB 867 by Senator Hollingsworth is a budget trailer bill that requires the Board of Administration of the California Public Employees' Retirement System (CalPERS) to provide the Legislature, the Governor, and the State Treasurer with a report detailing the investment return assumptions, discount rates, and amortization periods used each time employer contribution rates are adopted, including those rates adopted for counties contracting with CalPERS.

  Additionally, SB 867 requires the report to include calculations using specified alternative assumptions and lower discount rates. Counties should be aware that the alternative calculations will apply to contracting employers and will likely demonstrate higher unfunded liabilities. The bill requires the State Treasurer to report to the Legislature on the reasonableness of the CalPERS assumptions and the effect on future state budgets, it does not require the State Treasurer to opine on the impact on local budgets.

HEALTH AND HUMAN SERVICES

While the budget sent to Governor Schwarzenegger staves off a number of draconian cuts to health and human services programs, the Governor used his line item veto authority to make significant reductions to health and human services programs. The major HHS provisions are in SB 853 (health trailer bill), AB 1612 (human services trailer bill), SB 208 (Medicaid Section 1115 Waiver), AB 342 (Medicaid Section 1115 Waiver), and AB 1628 (corrections trailer bill, includes Medicaid Section 1115 Waiver provisions). The following summarizes the major budget provisions affecting HHS, including the vetoes.

Alcohol and Drug Programs. The Governor eliminated the $18 million included in the 2010-11 state budget for the Offender Treatment Program. With this action, all funding for Proposition 36-related services have been eliminated from the state budget. Due to the loss of all Proposition 36 funding, California will not meet its federal Maintenance of Effort (MOE) requirements for federal substance abuse funding, and approximately $100 million in federal funds could be jeopardized. California received a waiver from the federal government in 2009-10 from federal MOE requirements. It is unclear whether the federal government will be willing to grant another waiver for 2010-11.

CalWORKs. The budget sent to the Governor does not include CalWORKs grant cuts or further cuts to the CalWORKs Single Allocation beyond the existing $375 million cut. However, the Governor vetoed $365.9 million from CalWORKs when he signed the budget. He instructed the Department of Social Services to request a corresponding advance of Temporary Assistance for Needy Families (TANF) block grant funds from the quarter ending June 30, 2011. The action is intended to provide one-time GF relief without impacting the program.

Child Care. The budget proposal includes a $48 million reduction in child care, which is achieved through a change in license-exempt rates and a reduction in administrative funds. The Department of Finance further explained before the Budget Conference Committee this afternoon that the savings come from: 1) a reduction in the reimbursement rate limits for licensed-exempt providers from 90 percent of the ceilings for licensed family child care homes to 80 percent, and 2) a reduction from to 19.5 to 17 percent for administration. These provisions are included in AB 1610, the education trailer bill.

When the Governor signed the budget, he also vetoed $256 million from CalWORKs Stage 3 child care. This reduction leaves $128.8 million in federal funds to support Stage 3 child care services through October 2010 – effectively eliminating Stage 3 child care for the rest of the year.

Child Welfare Services. The Governor vetoed the $80 million GF restoration to the Child Welfare Services program. The Legislature restored this funding to the 2010-11 budget after the Governor vetoed it when he signed the 2009-10 budget.

In Home Supportive Services (IHSS). The 2010-11 budget includes a $300 million reduction in GF spending to IHSS, but cuts to the program comprise only a small portion of that figure. The majority of the savings are achieved by the imposition of a new IHSS provider fee, which is estimated to bring in $190 million in additional federal funding to the program. The budget assumes a full fiscal year of revenues associated with the provider fee. AB 1612 directs the state to request the Centers for Medicare and Medicaid Services (CMS) to allow retroactive enactment back to July 1, 2010. The provider fee will commence once CMS approval is secured. Providers will receive an extra paycheck that reflects the deduction of the fee then a repayment of the same amount, resulting in a paycheck of $0.

The budget also includes an across-the-board reduction in hours for IHSS of 3.6 percent ($35 million) and assumes additional caseload savings based on actual caseload numbers from 2009-10 ($75 million). The 3.6 percent reduction is an across-the-board cut to authorized consumer hours and is effective 90 days following the Governor's

signature of AB 1612. There are no carve-outs or exceptions; consumers retain their current rights to appeal. The 3.6 percent cut will sunset on June 30, 2012.

The Governor did not include additional IHSS vetoes when he signed the budget.

AB 1612 includes additional IHSS provisions, including:

- Expanding the list of crimes that disqualify an individual from being an IHSS provider (effective 90 days after the bill is signed). The legislation also includes an appeal process and an exemption process. The use of the expanded list of disqualifying crimes is prospective – meaning that any provider who has been determined eligible for payment is not subject to a new clearance based on the expanded list of crimes. Consumers who have a provider who is terminated due to a disqualifying crime will receive a notice from the county.

- No longer requiring multiple criminal background checks. If a provider has cleared a Department of Justice (DOJ) criminal background check, the county may not require a second criminal background check for any provider who has been enrolled.

- Suspending until July 1, 2012 the service reductions and reduction in the state participation in wages that were part of the 2009-10 state budget.

The budget also contains $10 million GF for county integrity activities. The budget does not repeal consumer fingerprinting or repeal fingerprinting on timesheets.

Aging Programs. The Governor vetoed the $6.4 million the Legislature provided to restore funding for aging and nutrition programs. Please recall this was a legislative restoration of 2009-10 Governor's vetoes.

Mental Health. The Governor line item vetoed all $132.9 million of funding to reimburse counties for their unreimbursed costs from 2004-05 through 2008-09 for complying with the AB 3632 mandate (Handicapped and Disable Students I and II, and Seriously Emotionally Disturbed Pupils: Out of State Mental Health Services). In doing so, he also declared that the mandate on counties for the 2010-11 fiscal year is suspended.

The Governor's action three months into the current fiscal year leaves many unanswered questions for counties, schools, community-based providers, parents and students related to this special education program. CSAC is working with the County Counsels Association and the California Mental Health Directors Association (CMHDA) to examine the policy and legal issues created by this action and will provide additional information to counties.

State Hospitals. The budget caps the rates paid to community hospitals for medical care for state hospital patients. This is provision is included in SB 853.

Medi-Cal. The Medi-Cal provisions are contained in SB 853, the health trailer bill.

County Administration. The budget reduces funding for county administration of Medi-Cal, including $21 million ($10.8 million GF) to reflect suspension of the 2010-11 COLA and $42 million ($26 million GF) in growth. In addition, the Governor vetoed another $44 million ($22 million GF) of the growth funding made available by the Legislature. This results in $107 million ($58.8 million GF) in cuts to county administration and counties essentially will receive no funding for caseload growth in 2010-11.

SB 853 also establishes a process for developing a new methodology for the state Department of Health Care Services (DHCS) to annually establish the rates paid to counties for eligibility services in order to increase clarity and transparency in this process.

Hospital Rates. The budget freezes the rates paid to private hospitals beginning July 1, 2010, retroactive to January 1, 2010, and continuing until the date on which the Medicaid Management Information System converts to processing claims according to the new rate setting methodology established in the bill. The bill establishes a process for the implementation of a new rate setting methodology which utilizes Diagnosis-Related Groups.

Medicare Part B. The budget discontinues Medi-Cal coverage of Medicare Part B premiums for elderly and disabled beneficiaries who have a Medi-Cal share-of-cost of less than $500. The 2008 Budget trailer bill (AB 1183) eliminated Medi-Cal coverage of this premium for beneficiaries with a Medi-Cal share-of-cost of over $500.

Benefits. The budget eliminates acetaminophen products, with the exception of children's Tylenol, as a Medi-Cal benefit.

Family PACT. The budget implements provisions of federal health care reform which allow for the Family PACT program to be implemented through a State Plan Amendment rather than through a Medicaid Waiver. These provisions also expand the list of benefits that qualify for federal funds based on a 9-1 federal-state match, resulting in the receipt of increased federal funds for the same services. The Governor had proposed to eliminate the program entirely.

Radiology Services. The budget reduces Medi-Cal rates for radiology services to 80 percent of federal Medicare rates, effective October 1, 2010.

Managed Care. The budget reassigns the responsibility for negotiating Medi-Cal Geographic Managed Care rates from the California Medical Assistance Commission to the DHCS.

Continuous Eligibility. SB 853 clarifies that continuous annual eligibility will remain in effect indefinitely.

Waiver Reporting. The budget requires the DHCS to provide the fiscal committees of the Legislature with updates, in March and October of each year, on all of California's Medi-Cal waivers.

Adult Day Health Care. The budget continues the Adult Day Health Care program, which the Governor had proposed eliminating.

California Children's Services (CCS) Program. SB 853 requires the DHCS to seek private support to develop studies of the California Children's Services (CCS) Program, to be provided to the Legislature and stakeholders by March 2011, addressing: systems analysis of core business processes and practices, provider certification and enrollment processes, medical eligibility processing, oversight and monitoring of quality of care, best practices for case management, and advanced information technology tools.

Medicaid Section 1115 Waiver. The state legislation that provides a statutory framework for California's Medicaid Section 1115 Waiver is contained in three separate measures – AB 342 (Pérez), AB 1628 (Blumenfield), and SB 208 (Steinberg). California's next five-year Medicaid Section 1115 Waiver is still being negotiated between the state and federal governments. Once the waiver is finalized, additional clean-up legislation may be necessary. Of course, that will likely have to wait until 2011. Additionally, DHCS will be issuing further clarification through all county letters and provider bulletins.

- **AB 342** contains the framework for the coverage initiatives, now renamed the CEED projects.

- **AB 1628**, the corrections trailer bill, contains additional requirements on CEED projects. The language in AB 1628 requires counties that submit an application for a CEED project to agree to include prison inmates in their CEED project for inpatient hospital services. Essentially, prison inmates who leave the grounds of the prison for an inpatient stay at a community hospital would become eligible for Medi-Cal or a CEED project. In addition, counties will be able to seek federal reimbursement for the care of adult inmates incarcerated in county correctional facilities for expenditures incurred for inpatient services in community hospitals if the county determines the inmates to be eligible for Medi-Cal or the local CEED projects.

- **SB 208** contains the bulk of the remaining waiver provisions, including mandatory enrollment of seniors and persons with disabilities into Medi-Cal Managed Care and additional hospital financing provisions.

For additional detail on the Medicaid Waiver provisions, please see this summary developed by CSAC staff.

State Positions. In his proposed 2010 Budget, the Governor requested 56 new positions at DHCS for purposes of implementing the new Section 1115 Medicaid Waiver. Subsequently, the budget includes a total of 39 positions, which includes 13 at the DHCS.

Healthy Families Program. The budget fully funds the Healthy Families Program.

Immigrant Programs. The state budget funds the Cash Assistance Program for Immigrants (CAPI), the California Food Assistance Program (CFAP), and continues to provide Medi-Cal coverage. The Governor had proposed eliminating these programs.

Public Health

AIDS Programs. The Governor deleted the $52.1 million restoration to the Office of AIDS Please recall this was a legislative restoration of 2009-10 Governor's vetoes and thus does not change current funding levels for this program.

The Governor also vetoed $7.6 million of AIDS Drug Assistance Program (ADAP) funding to local entities. It was our understanding that the $9.5 million ADAP cut for county jail inmates had been included in the budget agreement, so it is unclear what this additional veto includes.

Maternal and Child Health Programs. The Governor eliminated $5 million to Maternal and Child Health programs (Black Infant Health and Adolescent Family Life Program). Please recall this was a legislative restoration of 2009-10 Governor's vetoes and thus does not change current funding levels for this program.

Clinic Funding. The Governor also eliminated the $10 million restoration the Legislature made to various clinic grants (Seasonal & Migratory, American Indian, Rural Health and Expanded Access to Primary Care).

Prostate Cancer. The Governor also eliminated a $1 million legislative augmentation to the Prostate Cancer Treatment Program.

Immunizations. The budget includes an $18 million General Fund reduction for immunizations. This was part of the package sent to the Governor, not an additional veto.

Realignment. The 2010-11 budget does not contain any proposals to further realign any health and human services programs.

HOUSING, LAND USE AND TRANSPORTATION

Transportation Funding. The Legislature failed to pass the budget transportation trailer bill (SB 854/AB 1614) last week while wrapping up the 2010-11 state budget debate. Unfortunately, passage of this measure was held up over other nonrelated, controversial provisions. The trailer bill language included two critical clean-up measures for counties.

First, the language would have provided cities and counties with a one-year extension on the use-it-or-lose-it requirement for Proposition 1B Local Streets and Roads (LSR) funds. As originally passed in 2006, Prop 1B requires local agencies to expend LSR monies within three years after the fiscal year in which it was appropriated. However, the state has deferred transportation payments to cities and counties every year in which there was also a Prop 1B LSR payment. In implementing these deferrals, the state authorized local agencies to backfill the transportation deferrals with Prop 1B funds to be repaid when the state repaid the deferrals. As such, cities and counties need an additional year in which to dedicate Prop 1B funds to Prop 1B projects and meet the use-it-or-lose-it requirement.

Second, the language would have clarified that Proposition 42 provisions do not apply to the new Highway Users Tax Account (HUTA) (Streets and Highways Section 2103) funds per the transportation tax swap that was adopted in March 2010. The language is necessary to clarify and codify the Legislature's intent for these new HUTA revenues because the State Controller has opined that Prop 42 provisions do apply to the new HUTA. The specific provisions of interest include project eligibility, maintenance of effort and use-it-or-lost-it requirement all contained in Revenue and Taxation Code Section 7104.

CSAC has already begun working with legislative leaders, key staff, and the State Controller to bring resolution to these two issues.

Indian Gaming: Special Distribution Fund. SB 856 (Committee on Budget & Fiscal Review), the general government budget trailer bill, restores the $30 million Special Distribution Fund appropriation from the 2007-08 state budget that was vetoed by the Governor. These funds are for the purpose of local grants for the mitigation of casino

impacts. The method for determining the allocation amounts to individual tribal casino accounts shall be in accordance with the 2006-07 methodology.

The Governor has yet to take action on this measure but is not anticipated that he will veto any of the trailer bills.

BUDGET TRAILER BILL LIST

Bill #	Topic	Vote	
SB 870	Budget Bill	2/3	Passed
SB 848	Transient Occupancy Taxes	2/3	Failed
AB 1610	Education	2/3	Passed
AB 1612	Human Services	2/3	Passed
SB 851	Proposition 98 Suspension	2/3	Passed
SB 853	Health	2/3	Passed
SB 854	Transportation	2/3	Failed
SB 855	Resources	2/3	Passed
SB 856	General Government	2/3	Passed
SB 857	Judicial	2/3	Passed
SB 858	Revenues	2/3	Passed
AB 1614	Transportation	2/3	Failed
AB 1619	Elections (Budget Reform)	2/3	Passed
AB 1620	Public Works Board	2/3	Passed
AB 1621	FI$CAL	2/3	Passed
AB 1624	Cash Management	2/3	Passed
SB 863	Williamson Act/RDA	2/3	Passed
SB 865	MOU for SEIU Bargaining Units	2/3	Passed
SB 866	Mandate Securitization	2/3	Passed
SB 867	CalPERS Transparency	2/3	Passed
AB 1628	Public Safety	2/3	Passed
AB 1629	DDS Bay Area Housing	2/3	Passed
AB 1631	Pension Reform	2/3	Failed
AB 1632	Small Business	2/3	Passed
ACA 4	Budget Reform	2/3	Passed
SBX6 22	Secretary of Volunteerism/Pension Reform	Majority	Passed

STAY TUNED FOR THE NEXT BUDGET ACTION BULLETIN!

If you would like to receive the Budget Action Bulletin electronically, please e-mail Amanda Yang, CSAC Legislative Assistant, at ayang@counties.org. We're happy to accommodate you!

Final Action Report

A Summary of the 2010 Budget Act

Chapter 712, Statutes of 2010

Senator Denise Moreno Ducheny, Chair
Senate Committee on Budget and Fiscal Review

October 21, 2010

FINAL ACTIONS

October 21, 2010

Senate Bill 870
2010-11 Budget Bill

Senate Committee on
Budget and Fiscal Review

Denise Moreno Ducheny, Chair
Robert Dutton, Vice Chair

ROBERT DUTTON
Vice Chair

ELAINE ALQUIST
ROY ASHBURN
DAVE COGDILL
MARK DeSAULNIER
TOM HARMAN
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MARK LENO
CAROL LIU
ALAN LOWENTHAL
GLORIA NEGRETE McLEOD
ALEX PADILLA
S. JOSEPH SIMITIAN
RODERICK WRIGHT

California State Senate

COMMITTEE
ON
BUDGET AND FISCAL REVIEW

ROOM 5019, STATE CAPITOL
SACRAMENTO, CA 95814

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October 21, 2010

The Senate Budget and Fiscal Review Committee has completed its Final Action Report which is a detailed summary of the 2010-11 budget actions taken by the Budget Conference Committee along with the Governor's vetoes. This report is available on the Senate Budget and Fiscal Review Committee website:

Please follow the links:
1 – www.sen.ca.gov
2 – Committees
3 – Standing
4 – Budget and Fiscal Review
5 – Information
6 – Final Action Report 2010

We hope you will find this information useful. Please feel free to contact the staff of the Senate Budget and Fiscal Review Committee should you have any questions.

Sincerely,

DENISE MORENO DUCHENY
Chair, Senate Budget and Fiscal Review

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Budget Detail by Subcommittee

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Governor's Vetoes and Signing Messages

Final Department of Finance Solutions List

INTRODUCTION

On October 8, 2010, the Legislature passed the 2010 Budget Act (Chapter 712, Statutes of 2010). In enacting this measure, the Legislature met its constitutional obligation to pass a balanced budget.

Enclosed is the Senate Budget and Fiscal Review Committee's Final Action Report on the 2010 Budget Act. The report provides a detailed summary of the contents of the 2010 Budget Act, which reflects actions taken by the Senate Budget and Fiscal Review Committee, the Budget Conference Committee, and includes final negotiations between leadership of the Legislature and the Administration, along with gubernatorial vetoes.

In total, the final 2010-11 Budget assumes $86.5 billion in General Fund (GF) expenditures, including vetoes. The overall Budget (GF, special, and select bond funds) is $125.3 billion.

As California begins to emerge from the global recession, the 2010-11 Budget Act provides a way forward to protect the public structures of education, public safety, infrastructure, and vital services. The budget does not increase any tax rates and implements significant ongoing reform in the areas of budget and public pensions.

General Budget Framework

The budget package passed by the Legislature included a combination of significant expenditure reductions, federal relief, additional revenues, and fund shifts. In addition to addressing the 2010-11 budget, the package includes many ongoing solutions and permanent reforms.

The negotiated budget package passed by the Legislature included approximately $18.3 billion in General Fund "solutions" to close the gap, and provided a final reserve of approximately $360 million. The budget package passed by the Legislature included solutions that fall into the following categories (dollars in billions):

Starting Problem ..... -$17.9

- Expenditure Reductions 7.4
- Federal Funds 5.4
- Additional Revenues 2.4
- Fund Shifts, Other Revenues 2.9
- Alternative Funding 0.5
- Baseline Workload Adjustments ..... -0.3

Total Solutions $18.3
Pre-veto Reserve $0.4

The Governor vetoed an additional $963 million from the budget passed by the Legislature. These vetoes add to the $7.4 billion in expenditure reductions that were already a part of the budget

package passed by the Legislature. The Governor reports that the veto has increased his reserve to $1.3 billion.

However, over one-quarter of the funds vetoed by the Governor ($256 million) was the veto of the Stage 3 child care program, which is budgeted as a Proposition 98 expenditure. The Legislature suspended the Proposition 98 guarantee for the 2010-11 fiscal year. However, this suspension is governed by SB 851 (Chapter 715, Statutes of 2010), which suspended to a Proposition 98 level of $49.6 billion. Therefore, the veto of the child care expenditures reduces Proposition 98 expenditures below the constitutional level, thereby creating a new settle-up obligation that is owed to schools of approximately $256 million.

The budget framework outlined above is in addition to $1.4 billion in GF budget solutions adopted by the Legislature and signed by the Governor in the Eighth Extraordinary Session. This Proposition 58 special session to address the state's fiscal emergency, was called by the Governor on January 8, 2010, and related legislation was approved in February and March. Included in this special session package, was the "fuel tax swap", which provides $1.1 billion in GF solutions over the two fiscal years. Details on the outcomes of the Eighth Extraordinary Session are included in Quick Summary documents dated March 25, 2010, and March 5, 2010, on the Committee's website.

2010-11 Budget Major Highlights

The body of this report contains significant detail about the contents of the 2010 Final Budget Act. However, below is a brief summary of the major expenditure highlights, as well as the budget reform and pension reform that were included as part of the final budget package.

K-14 Education. Maintains a modest increase in education funding on a per-pupil programmatic basis for 2010-11, and begins paying "settle-up" payments for the 2009-10 fiscal year with a $300 million payment in 2010-11. This budget provides ongoing Proposition 98 funding of $49.6 billion and through a new deferral of $1.9 billion, and one-time funds, brings total state funding for schools and community colleges to $52.5 billion.

- **Increases K-12 Per Pupil Funding.** Provides over $300 per-pupil more than the Governor's May Revision proposal on a programmatic basis. Programmatic spending under the budget plan is proposed to be just under $8,000 per pupil.
- **Preserves Integrity of Proposition 98.** Rejects the Governor's legally-suspect proposal to manipulate the Proposition 98 guarantee and rather proposes a direct suspension of the guarantee for one year at a specific funding level. As the LAO has noted, suspension of the Proposition 98 guarantee reduces legal or Constitutional ambiguity over the maintenance factor created as part of last year's budget agreement. Thus, the suspension keeps last year's budget promises and enables funding for schools to grow as the economy rebounds.
- **Implements mandate reform.** Begins reforms of some K-14 mandate requirements by suspending some less-important mandates and clarifying law to permanently eliminate or reduce other mandate costs. Funds the anticipated cost of remaining mandates for 2010-11. However, the Governor vetoed all of the funding for the 3632 mandate that provides funding to counties for the provision of mental health-related services to special education pupils who need the services

to benefit from their education program. The Governor declared in his veto message that this mandate is suspended. The Governor does not have the authority to suspend a mandate unilaterally, therefore, it is uncertain what will happen to this program and these services given this veto.

- **Child Care**. The budget package passed by the Legislature rejected the elimination of child care funding, as proposed in the Governor's May Revision. However, the Governor then vetoed funding ($256 million) for the Stage 3 childcare program, effectively eliminating this program as of November 1, 2010. This veto left only $129 million in federal funds available to fund the program through the end of October.
- **Community Colleges**. Provides $126 million for enrollment growth for 26,000 new students. Also provides an additional $35 million to restore categorical programs and $25 million for an Economic and Workforce Development program to develop programs to meet emerging workforce needs. Includes a new deferral of $189 million to be paid in 2011-12.

Higher Education. Provides $5.5 billion from the General Fund for support of the University of California and California State University systems. Funding is above the 2009-10 level and includes full funding for enrollment growth and an augmentation of approximately $199 million for each segment to backfill previous cuts to the systems.

Health and Human Services. The budget makes a number of reductions in health and human services programs, but rejects the Governor's proposals to eliminate CalWORKs, community mental health programs, Adult Day Health care, and the significant reductions proposed to the In-Home Supportive Services program.

The negotiated budget passed by the Legislature restored or partially restored several programs that were vetoed by the Governor in 2009-10. However, the Governor vetoed nearly every restoration made by the Legislature. The most significant vetoes include a veto of $80 million to child welfare services programs and about $60 million for the Office of AIDS local assistance programs. This will result in a real reduction to programs that support and protect abused and neglected children and will eliminate all state support for AIDS prevention, education, and care programs.

Public Safety. The negotiated budget included corrections savings of over $1.1 billion, primarily from reduced inmate medical care costs. The final budget did not include a "realignment" of state inmates to the counties.

State Employee Compensation. The budget package reduced spending for state employee compensation costs by about $1.5 billion consistent with collective bargaining agreements that have already been reached or are in negotiation. This is $500 million less than what the Governor had proposed.

Federal Funds. The budget package assumes new or extended federal funds to provide $5.3 billion in budget solutions. This amount is less than the $6.9 billion assumed in the Governor's January Budget.

Revenues. The negotiated budget includes $2.5 billion in revenue solutions. More than half of this, $1.4 billion, is from the Legislative Analyst's revenue forecast, which was $1.4 billion higher than the

Governor's May Revision – three months into the fiscal year, this additional revenue has already been realized. The remainder of the revenue change is from the following:

- **Extend the Net Operating Loss (NOL) suspension:** The budget continues the suspension of the NOL corporate tax benefit for an additional two years, which results in increased tax revenue of about $1.2 billion in 2010-11. Over 90 percent of all corporations are exempted from this suspension.
- **Corporate underpayment penalties and "Cost of Performance" rule change.** The budget proposal revises recent corporate tax law changes related to penalties assessed when a corporation underpays their tax liability by more than $1 million. The budget proposal also restores the old "cost of performance" rules for the sourcing of intangibles and services related to calculation of multi-state apportionment. These changes will reduce tax revenue by about $132 million in 2010-11.

Budget Reform. Makes three major changes to create a stronger "rainy day fund" for California.

1. Makes the existing Proposition 58 rainy day fund larger and makes it harder to suspend an annual contribution.
   - Increases the maximum size of the state rainy day fund from five percent to ten percent of General Fund revenue.
   - Requires the State to always make the three percent payments into the rainy day fund, except in years when the State has a deficit big enough to start using the rainy day funding.
   - Allows half of the annual payment into the rainy day fund to be used for one-time infrastructure and debt service.

2. Restricts the use of the funds in the rainy day fund to rainy days.
   - Funds can be used to cover a budget shortfall—up to the previous year's expenditures adjusted for inflation and population growth.
   - Includes a "50-25-25 regulator" provision that prevents using all of the rainy day funds in one year.
   - If the rainy day fund exceeds ten percent of General Fund Revenue, annual payments to the fund stop and any excess funding can be used for one time purposes as specified.

3. Captures "unanticipated revenue" for additional rainy day fund contributions.
   - The Department of Finance creates a projection of expected revenue based on the state's last twenty years of revenue performance.
   - Any revenue that is received above that trend line is "unanticipated" and must be put in the rainy day fund.
   - Any new revenue that is needed to meet our Proposition 98 obligation is excluded, so Proposition 98 is fully funded without encroaching on funding for other programs.

Pension Reform. Makes the following changes to state pensions for new state employees hired on or after January 15, 2011. These changes would impact state employees in bargaining units that do not

currently have a Memorandum of Understanding (MOU) with the state, as well as employees of the California State University, the judicial branch of government, and the Legislature.

- **Rolls Back SB 400 Pension Benefits.** New state employees' retirement benefits would be returned to the pension benefit levels that existed prior to the adoption of SB 400 (Chapter 555, Statutes of 1999) as detailed in the chart below:

Retirement Category	Current Retirement Formulas	Proposed Formulas
Miscellaneous	2% at Age 55 (up to 2.5% at 63)	2% at Age 60 (up to 2.418% at 63)
Industrial	2% at Age 55 (up to 2.5% at age 63)	2% at Age 60 (up to 2.418% at age 63)
State Safety	2.5% at Age 55	2% at Age 55
Peace Officer and Firefighters, with the State, CSU, Legislature and Judicial branch	3% at Age 50	2.5% at Age 55

- **Ends Pension "Spiking."** Requires three-year final compensation method of calculating benefit levels for new state employees who are not already under this calculation method.

- **Transparency**. Requires additional analysis and oversight of CalPERS' actuarial assumptions.

Final Budget Package
General Fund Budget Summary
With Vetoes
(Dollars in Millions)

	2009-10	2010-11
Prior Year Balance	**-$5,375**	**-$4,804**
Revenues and Transfers	$86,920	$94,230
Total Resources Available	**$81,545**	**$89,426**
Non-Proposition 98 Expenditures	$50,572	$50,585
Proposition 98 Expenditures	$35,777	$35,967
Total Expenditures	**$86,349**	**$86,552**
Fund Balance	**-$4,804**	**$2,874**
Budget Reserves:		
Reserve for Liquidation of Encumbrances	$1,537	$1,537
Special Fund for Economic Uncertainties	**-$6,341**	**$1,337**

OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY

TO: Legislation Committee
Supervisor Susan A. Bonilla, Chair
Supervisor Gayle B. Uilkema, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: October 26, 2010

SUBJECT: **Agenda Item #5: State Legislation Wrap-up**

End of Legislative Session – Recap

The County's state lobbyist, Cathy Christian, has prepared the attached report that summarizes the County's legislative actions during the year. (*See Attachment A*.)

Also attached is a reference of legislation by policy area that CSAC staff monitored throughout the year, including CSAC positions and links to gubernatorial veto letters. (*Attachment B*.)

CSAC Policy Reports

Administration of Justice

For more information please contact Elizabeth Howard Espinosa at (916) 650-8131 or Rosemary Lamb at (916) 650-8116.

Key Components of Public Safety Trailer Bill (AB 1628):

- Shifts responsibility for juvenile parole responsibility to counties for all 707(b) offenders; transfer becomes effective 90 days from signing of budget trailer bill (January 17, 2011).
- Expands funding for Local Youthful Offender Rehabilitative facilities by $200 million (for a total of $300 million in construction funding); the Corrections Standards Authority will be exploring potential ways of funding distribution at its November 18 meeting.
- Contains language regarding Medicaid Waiver allowing counties operating a

Coverage Expansion and Enrollment Demonstration (CEED) project to draw down federal funds for county jail inmates who receive medical attention outside the county jail; there are similar provisions for state jail inmates who receive medical services in a community hospital that also require action by the county.

- Includes provisions permitting local governments to use the design-build process for both the construction of adult and juvenile facilities, as authorized under the provisions of AB 900 (Solorio, 2007) and SB 81 (Senate Committee on Budget and Fiscal Reform, 2007), respectively.

Key Components of Judiciary Trailer Bill (SB 857):

- Enacts joint CSAC/Judicial Council-sponsored package of improvements and enhancements to assist in the collection of court-ordered debt, including all of the following:

1. Strengthen existing authority and responsibility for a comprehensive collection program of delinquent court-order debt.
2. Develop and implement an amnesty program (beginning 7/1/2011) for infractions.
3. Clarify authority related to discharge of accountability.
4. Authorize intercept on unclaimed cash property in cooperation with State Controller's Office.
5. Clarify authority for enforcing court-ordered debt beyond the 10-year period applicable to civil judgments.
6. Increase flexibility for initial payment for installment plans.

- Makes needed correction to Government Code Section 76000 (e) (a section that governs the amount of surcharge that may be added to fines, penalties, and forfeitures imposed and collected by a court for criminal offenses following the transfer of court facilities);

- Provides that counties will not be penalized for audit purposes for revenue associated with a $1.50 parking penalty that – rather than being transmitted to the State Courthouse Construction Fund – was directed to a local courthouse construction fund and expended on allowable purposes as identified by statute; the provision applies only to the calendar year 2008.

- Makes a variety of other fund transfers, fee increases, and other surcharges to fund court operations in 2010-11, which include, but are not limited to:

1. a $20 court security fee increase;

2. a new $3 parking fee surcharge (effective December 7, 2010); and
3. a transfer of funds from the State Courthouse Construction Fund, which is not expected to affect projects in the pipeline.

Health and Human Services

For more information, please contact Kelly Brooks, at (916) 327-7500, ext. 531, or Farrah McDaid Ting at (916) 327-7500, ext. 559.

Assembly Speaker Asks First 5 Commissions to Fund Child Care Cut

Assembly Speaker John A. Pérez has asked the state and local First 5 Commissions to step into the void left by Governor Schwarzenegger's line-item veto of $256 million in Stage 3 CalWORKs child care funding.

The Governor's veto effectively eliminates the program on November 1. More than 81,000 children and 60,000 families will lose their child care, which may result in the loss of jobs for many of the parents, as well as the child care providers.

To bolster his request and indicate his level of commitment to the 12-year-old Stage 3 CalWORKs child care program, Speaker Pérez contributed $6 million from the Assembly operating budget toward restoring the program. In addition, the Speaker asked the state First 5 Commission on Children and Families to consider contributing up to $60 million, which would allow the program to continue until January 1. When the Legislature returns in the new year, the Speaker hopes to pass a measure to fully restore funding.

The state First 5 Commission met on October 20, as scheduled, but has yet to convene an emergency meeting to discuss the Speaker's request (standard Brown Act noticing requirements apply to both the state and county First 5 Commissions).

The state and county Fist 5 Commissions have stepped into the funding voids for programs that serve children aged birth to five years in the past by contributing portions of their shares of tobacco tax revenue. In fact, First 5 Commissions have contributed $135.5 million from December 2008 to June 2010 for the state's Healthy Families Program and Department of Developmental Services Regional Centers. In the recently signed 2010-11 budget, the state is counting on $148.2 million in First 5 funding to support the Healthy Families Program and Regional Centers (SB 870, Ducheny).

Government Finance and Operations

For more information, please contact Jean Kinney Hurst at (916) 327-7500, ext. 515, or Geoffrey Neill at (916) 327-7500, ext. 567.

California Supreme Court to Review LA County's Property Tax Administration Fee Case

This week, the California Supreme Court granted review in the case of *City of Alhambra, et al v. County of Los Angeles*, et al. This case involves the appropriate calculation and allocation of property tax administration fees associated with the triple flip and Vehicle License Fee (VLF) swap. The County of Los Angeles, as well as a number of other counties in the state, asserts that the statute authorizes counties to charge property tax administration fees in a proportional manner, while counting the property taxes that are allocated for the triple flip and VLF swap. Cities, on the other hand, assert that the county is statutorily precluded from charging fees associated with the flip and swap. A trial court referee found in favor of the counties and the Court of Appeal reversed.

Supreme Court review is important in this case, as the outcome will have a significant impact on counties' ability to recoup costs associated with the complex property tax administration process. A similar case is pending in Fresno County, as well.

Attachment A

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October 12, 2010

TO: Lara Delaney, Senior Management Analyst
Office of the Contra Costa County Administrator

FROM: Cathy Christian

SUBJECT: Contra Costa County 2010 End of Session Report

Following is a description of the major legislative work undertaken on behalf of the County in the 2010 legislative session.

REVIEW OF THE 2010 BUDGET

As predicted when the Legislature convened in January, there would be no easy solutions to balancing a budget that was ravaged by recession, hit by dwindling tax revenues, coupled with greater demands for spending. Enacting the State's spending plan has become a contentious battle between the Republicans and Democrats making it almost impossible to forge compromises on tax increases, spending cuts, borrowing, IOUs and band-aid fixes. When Governor Schwarzenegger signed the revised 2009 Budget Act in July 2009, the anticipated budget deficit for 2010-11 was $6.9 billion. However, when the Governor issued his proposed $82.9 billion spending plan in January 2010, the deficit had grown to $19.9 billion. The budget gap included a $6.6 billion current budget year shortfall, $12.3 billion project shortfall for 2010-11 and a reserve of $1 billion. Schwarzenegger then declared a fiscal emergency and called a special session to address the current year shortfall.

The Governor's budget called for no new taxes and spending reductions that included deep cuts to health and human service programs, including the elimination of CalWorks and IHSS, a permanent pay cut for state employees, reductions in K-14 education spending, and reductions to corrections spending. Other provisions included a transfer of financial responsibility for specified children's programs from the state to counties. The Governor argued that counties could pay for the additional responsibilities with savings achieved from other program reductions.

Senate and Assembly Democrats rejected the Governor's January budget and the May revision, proposed their own versions, and held informational budget hearings. Budget talks stalled as the Democrats proclaimed they were done cutting, Republicans would not raise another tax, and the

Governor stated he would not sign any spending plan that did not include pension and budget reforms. When the Controller announced the State could cover its obligations through July, the constitutional deadline to enact a spending plan came and went becoming the latest budget to be enacted in state history.

On the last day of the legislative session, both houses took up the Republican and Democratic versions of a budget solution. Those proposals were discussed and debated for about two hours with no real hint as to the urgency of the situation. No agreement between the parties was reached and the Legislature returned to the business of disposing of the hundreds of bills that remained to be dealt with by midnight of August 31st. On October 1, the legislative leaders and the Governor announced they had reached a budget deal. It took another week, until the early morning hours of October 8, to finally craft a deal in the Legislature.

WATER AND DELTA LEGISLATION

In addition to the legislative proposals from the 2010 legislative session discussed below, we continue to remain active on behalf of the County on water and Delta-related legislation. We participate in and help plan the bi-weekly calls with the Delta County Coalition and work with county staff and federal lobbyists on numerous issues related to protecting the County's stake and its leadership position in the Delta. We coordinate with other Delta County lobbyists on administrative issues so that the DCC is well-informed as the individual counties work with the Delta Stewardship Council, the Delta Protection Commission and the Delta Conservancy.

REVIEW OF 2010 LEGISLATION

The County Board of Supervisors took positions on 16 bills. Of the 11 bills the County supported that went to the Governor, 7 were signed into law. In addition we participated in the Delta Counties Coalition, monitoring 91 bills that impacted the Sacramento-San Joaquin Delta and water policy, and monitored approximately 67 measures to ensure they were not amended to negatively impact the County.

* * * * *

Bills Signed by the Governor

AB 12 (Beall) Fostering Connections to Success Act (SUPPORT)
Relates to the licensing of foster family homes and community care facilities in which non-minor dependents of the Juvenile Court are placed, independent living settings and placement for non-minor dependents, the procedures for such dependent to remain under the court's jurisdiction, the approval of relative or nonrelative homes for placement of such dependents, related long-term foster care, SSI, the CalWorks program, revising the KinGAP Program, AFDC-FC eligibility, and the Adoption Assistance Program.

AB 1701 (Chesbro) Hypodermic Needles and Syringes (SUPPORT)
Deletes the end dates for existing law that authorizes a city or county to authorize a licensed pharmacist to sell or furnish 10 or fewer hypodermic needles or syringes to a person for human use without a prescription if the pharmacy is registered with a local health department.

AB 1788 (Yamada) Water Development Projects – State Financial Assistance (SUPPORT)
Relates to flood control projects. Relates to the Central Valley Flood Protection Board. Authorizes the state to pay a up to a specified percentage of nonfederal costs for flood control projects upon the recommendation of the Department of Water Resources or the board if it is determined that the project will increase the level of flood protection for disadvantaged communities.

AB 1844 (Fletcher) Sex Offenders – Punishment – Parole (SUPPORT)
Provides increased punishments for the crimes of rape, sodomy, oral copulation, and sexual penetration accomplished against a victim's will upon a child of a specified age and any lewd and lascivious act upon a child causing great bodily injury or upon a dependent person. Provides a human trafficking penalty. Requires permission for registered sex offenders to enter parks where children congregate. Relates to a lifetime parole and offender risk assessment tool. Allows a victims fund donation tax credit.

SB 346 (Kehoe) Hazardous Materials-Motor Vehicle Brake Materials (SUPPORT)
Prohibits the sale of any motor vehicle brake friction materials containing specified constituents in amounts that exceed certain concentrations. Prohibits such materials from exceeding a percentage of copper. Allows manufacturers, distributors, wholesalers, and retailers to deplete their inventory of noncompliant materials. Provides a civil fine. Exempts certain vehicle classes. Requires vehicles sold after a specified date to meet this requirement. Relates to the use of alternative materials.

SB 769 (Alquist) Federal Funding-Appropriations-Influenza (SUPPORT)
Provides federal funding received pursuant to the federal 2009 Supplemental Appropriations Act for pandemic influenza for state and local public health and emergency response infrastructure would be subject to appropriation by the Legislature for allocation by the State Department of Public Health. Modifies the methodology for allocation of those funds.

SB 1392 (Steinberg) Mental Health – Community Mental Health Services (SUPPORT)
Amends the Bronzan-Mccorquodale Act that governs the operation and financing of community mental health services. Relates to monthly installments and a maximum percentage for advances. Requires Department of Mental Health to allocate and distribute annually the full appropriated amount to the mental health plan for the managed mental health program. Requires the department to distribute in a single lump sum the total approved funding to the counties for the provision of the programs and other activities.

Bills Vetoed by the Governor

AB 1834 (Solorio) Rainwater Capture Act of 2010 (SUPPORT)
Enacts the Rainwater Capture Act of 2010. Authorizes a landowner to install, maintain, and operate a rainwater capture system meeting specified requirements. Authorizes a public agency to lead a statewide stakeholder process to consider and address issues arising out of expansion of rainwater and storm water capture. Authorizes the Water Resources Board to adopt related policies or guidelines. Authorizes a landscape contractor to enter into a contract for such system under certain conditions.

AB 2531 (Fuentes) Redevelopment – Economic Development (SUPPORT)
Amends the Community Redevelopment Law. Authorizes the Community Redevelopment Agency of the City of Los Angeles to accept public or private assistance. Expands an agency's programmatic authority to authorize it to provide direct assistance including loans, financial guarantees, or other financial assistance to businesses within project areas in connection with new or existing facilities for retaining or expanding employment, increasing building energy efficiency, or redevelopment.

SB 1091 (Hancock) Medi-Cal – Individuals in County Juvenile Detention (SUPPORT)
Makes persons awaiting adjudication in county juvenile detention facilities eligible for Medi-Cal benefits if the person is receiving Medi-Cal benefits at the time of admittance or subsequently determined to be eligible for Medi-Cal benefits by the county welfare department and the county agrees to pay the state's share through an intergovernmental transfer of funds. Provides for a minimal continuation of benefits. Requires seeking of federal approvals or waivers and federal financial participation.

SB 1157 (DeSaulnier) Education – Health Schools Act of 2010 (SUPPORT)
Requires all school sites to adopt an integrated pest management program as established, administered, and enforced by the Department of Pesticide Regulation. Requires that all pesticide registration assessments be augmented to reimburse the department, local agencies, and school districts for the cost of adopting integrated pest management programs at school sites.

Bills that Failed to Pass the Legislature

AB 1409 (Perez, J.) Public Contracts: County Highways: Work Authorizations (OPPOSE)
Relates to public contract requirements. Revises the provision authorizing the work on certain county highway contracts to be done by purchasing the material and having the work done by day labor, only after advertising and requesting bids, and the board of supervisors passing a resolution making a specified finding, or purchasing the material and having the work done by specified employees.

AB 1886 (Yamada) Water Use: Sacramento-San Joaquin Delta Watershed (Support)
Requires the Department of Water Resources, in preparing and updating the California Water

Plan, to include a report on the progress toward meeting the goals for conservation, development, and use of the water resources of the state by reducing reliance on the Sacramento-San Joaquin Delta in meeting the state's future water supply needs.

AB 2092 (Huffman) Delta Plan: Financing (Support)

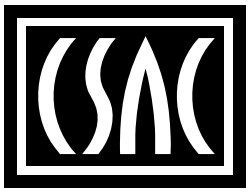
Requires the Delta Stewardship Council to develop a long-term finance plan to pay for the costs of implementing the Delta Plan utilizing the "beneficiary pays" principle. Prohibits the council from adopting new fees for these purposes unless authorized by statute. Requires the council to seek to obtain early funding contributions from entities that may benefit from implementation of the plan and to track those contributions to provide credit against future funding requirements. On behalf of the County, we worked with a diverse coalition of environmental groups and water interests to advance this legislation, which was defeated by one vote on the final night of the legislative session, in part by water interests to the North and East of Sacramento who do not want to be included in any long-term Delta Plan.

SB 1084 (Liu) State Economic Security Task Force (Support)
Establishes the State Economic Security Task Force. Requires the task force to submit to the Governor and Legislature, and make available to the public, both an interim and final report containing specified information and recommendations regarding the various social service programs that provide cash assistance and other benefits to qualified low-income families and individuals.

SB 1227 (Runner, G.) School Facilities: Construction (Support)
Authorizes the Department of General Services to grant a request of a school district or community college district for review of a school construction by a qualified plan review firm under contract with the department as it deems appropriate. Prohibits the occupancy of a school building that has been constructed, reconstructed, altered, or added to, until the department has issued a certification.

SCA 18 (Liu) Local Government: Property-Related Fees. (Support)
Proposes an amendment to the Constitution to exclude fees and charges for storm water and urban runoff management from voter approval requirements for the imposition or increase of a property-related fee or charge by a local government.

CAC/mc



2009-10 Legislation Reference Sheet

The following are the summaries and statuses of 2009-10 legislation monitored by CSAC staff. For more information, please contact policy staff, noted below. We can also be reached at (916) 327-7500 (see policy area staff information section for specific extensions).

Chaptered Bills (shown in green text)
Vetoed Bills (shown in orange text) – click "Vetoed" to view Governor's veto message

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Administration of Justice

Bill No.	Author	Description	CSAC Position	Status
AJR 40	Huffman	Urges the President and members of Congress to allow cities and counties greater flexibility in using federal funds to combat gang violence	Support	Chapter No. 42
AB 139	Brownley	Permits any county board of supervisors to hold a meeting in locations within the county outside of its county seat	Support	Chapter No. 34
AB 674	Salas	Extends the diagnoses that qualify military veterans for treatment or participation in veteran's courts when charged for specified crimes	Watch	Chapter No. 347
AB 1229	Evans	Would authorize the court to designate a court financial evaluation officer to make evaluations of liability for reimbursements of the costs of legal services provided to a minor	Watch	Chapter No. 569
AB 1502	Eng	Grants county counsels the authority to bring nuisance abatement actions	Support	Chapter No. 570
AB 1697	Hall	Attempted to address and remedy shortfalls in court security funding	Support	Dead – Senate Judiciary
AB 1745	Ammiano	Would have repealed and Health and Safety Code Section 103692 relating to fees associated with deposition of human remains. It would have permitted the local registrar of births and deaths to charge an additional fee of up to eight dollars (a fee currently capped at $11)	Support	Vetoed
AB 1822	Swanson	Would have added two new members to the Massage Therapy Board	Watch	Vetoed
AB 1925	Salas	Sought to establish within local courts the authority to create veterans' courts for eligible veterans of the military	Watch	Vetoed
AB 2009	Logue	Would have granted local governments the authority to expend funds in their DNA Identification Fund on investigative services performed by private laboratories	Support	Vetoed
AB 2091	Conway	Expands existing Public Records Act (PRA) exemptions to include specified information security documents, including risk assessments, incident reports, and disaster recovery plans	Support	Chapter No. 208
AB 2102	Lieu	Would have given defendants detained in county jail the option of making their appearance in court via video conference	Support	Dead – S. Public Safety
AB 2173	Beall	Requires a new $4 fee on every Vehicle Code violation (except certain parking offenses), with revenues dedicated to support emergency air medical transportation	Watch	Chapter No. 547
AB 2387	Miller	Sought to amend Penal Code Section 4011.10 by adding the term "local law enforcement patient," thereby assigning financial responsibility for an	Oppose	Dead – A. Public Safety

Bill No.	Author	Description	CSAC Position	Status
		individual's medical treatment prior to booking onto a local detention facility		
AB 2618	Nestande	Protects homeowners from real estate fraud by providing a homeowner notice when the recording of a deed was completed on their property	Support	Chapter No. 44
SB 5	Hollingsworth	Enacts the Deceased Child Victims' Protection and Privacy Act which allows the autopsy report and evidence associated with the case to be sealed in instances where a juvenile is the victim who was not under court jurisdiction (i.e. ward of the court) and a family member has requested the information be sealed.	Watch	Chapter No. 302
SB 76	Senate Committee on Public Safety	Returns the local jail good-time credit policy to what it was prior to the passage of SBX3 18 in 2009	Watch	Chapter No. 426
SB 949	Oropeza	Amends Sections 21 and 21100 of the Vehicle Code to require that local public safety officers issue moving violations under the California Vehicle Code (CVC) and not under local municipal codes, as was permitted under Section 21100	Neutral	Chapter No. 616
SB 972	Wolk	Addresses the extent of indemnity agreements between local agencies and design professionals	Neutral	Chapter No. 510
SB 1067	Oropeza	Would have imposed new data collection and reporting requirements onto the Division of Juvenile Justice (DJJ)	Watch	Vetoed
SB 1266	Liu	Establishes an alternative custody program made available on a voluntary basis to specified female inmates	Watch	Chapter No. 644
SB 1324	Negrete-McLeod	Sought to give the state and local governments the ability to recover costs associated with complying with public record requests pursuant to the Public Records Act	Support	Dead – Senate Judiciary
SB 1356	Denham	Would have expanded the provisions of Government Code Section 15202 relative to homicide trial reimbursement	Support	Dead – S. Local Government
SB 1399	Leno	Establishes a medical parole program for physically or cognitively incapacitated state prison inmates	Watch	Chapter No. 405

Agriculture and Natural Resources

Bill No.	Author	Description	CSAC Position	Status
AB 737	Chesbro	Would have established requirements for commercial recycling.	Support	Vetoed

Bill No.	Author	Description	CSAC Position	Status
AB 1343	Brownley	Will establish a producer managed postconsumer paint recovery program.	Support	Chapter No. 420
AB 1520	Evans	Would have established a Statewide Watershed Program as a voluntary and non-regulatory program with the goal of providing assistance and funds to local efforts in the conservation, protection and restoration of the state's watersheds.	Support	Dead – S. Inactive File
AB 1747	Galgiani	Would have created onerous requirements related to development projects and identifying mineral deposits.	Oppose	Dead – A. Rules
AB 1834	Solorio	Would have authorized a landowner to install a rainwater capture system on their property for the purpose of landscape irrigation and groundwater recharge.	Support	Vetoed
AB 1919	Davis	Would have addressed a statewide problem regarding collection of fees that support survey monument preservation.	Support	Dead – S. Floor
AB 2139	Chesbro	Would have established an extended producer responsibility framework for certain toxic products including hypodermic needles, antifreeze and small propane tanks.	Support	Dead – A. Floor
AB 2163	Mendoza	Clarifies AB 1066 (Mendoza) from last year, regarding timber harvest plans.	Support	Chapter No. 376
AB 2182	Huffman	Would have authorized the installation of sewer lines with contractual assessments.	Support	Vetoed
AB 2256	Huffman	Would have prohibited the labeling of a product as "flushable" if it failed to meet certain standards.	Support	Dead – S. B.P. & E.
AB 2361	Ruskin	Will extend the sunset on the provision in current statute that allows County Boards of Supervisors the authority to charge fees to recover costs associated with duties of the county sealer.	Support	Chapter No. 260
AB 2398	Perez	Will establish an extended producer responsibility program for carpets.	Support	Chapter No. 681
AB 2530	Nielsen	Will establish the option of an alternative funding mechanism for Williamson Act subventions.	Watch	Chapter No. 391
AB 2554	Brownley	Authorizes the Los Angeles County Flood Control District to impose a fee in L.A. County to pay the cost and expenses of carrying out projects and providing services authorized under existing law.	Support	Chapter No. 602
AB 2595	Huffman	Would have prohibited county agricultural commissioners from issuing an operator identification number for the use of agricultural pesticides if the operator is in violation of specified water quality regulations.	Watch	Dead – S. Inactive File
AB 2598	Brownley	Would have required a local trustee of public trust lands to evaluate the	Oppose	Dead – S.

Bill No.	Author	Description	CSAC Position	Status
		impacts of sea level rise on the lands in trust.		Approps.
SB 77	Pavley	Will require the CA Alternative Energy and Advanced Transportation Financing Authority to establish a Property Assessed Clean Energy (PACE) Reserve program to assist local jurisdictions in financing the installation of renewable energy sources or water efficiency improvements.	Support	Chapter No. 15
SB 346	Kehoe	Will require the use of copper in brake pads sold in CA to be reduced to no more than .5% by 2025.	Support	Chapter No. 307
SB 808	Wolk	Will extend the sunset date on the Delta levee maintenance subvention program from July 1, 2010 to July 1, 2013.	Support	Chapter No. 23
SB 1100	Corbett	Would have required battery manufacturers to create and institute product stewardship plans to deal with the end of life for their products.	Support	Dead – A. Rules
SB 1207	Kehoe	Would have amended the general plan safety element requirements for state responsibility areas and very high fire hazard severity zones; would have strengthened development review process under CEQA.	Oppose	Vetoed
SB 1284	Ducheny	Clarifies statute to include provisions specifying situations where mandatory minimum penalties do not apply.	Support	Chapter No. 645
SB 1303	Wolk	Extends the repeal date to 2014 on the exemption in the CA Endangered Species Act for accidental take of species resulting from otherwise lawful routine and ongoing agricultural activities.	Support	Chapter No. 290
SB 1334	Wolk	Would have expanded the cooperation requirement in the development of a Natural Community Conservation Plan.	Support	Vetoed
SB 1417	Cox	Clarifies current statute governing the operations of humane associations and humane officers, providing for better operations and coordination.	Support	Chapter No. 652
SB 1446	Correa	Would have amended the CA Endangered Species Act to allow local governments to budget for mitigation obligations.	Support	Dead – S. Floor.

Employee Relations

Bill No.	Author	Description	CSAC Position	Status
AB 23	Jones	Requires health care service plans and health insurers to provide notice to eligible individuals of available COBRA premium assistance under the American Recover and Reinvestment Act of 2009.	Watch	Chapter No. 3
AB 26	Hernandez	Requires a bid preference on state public works contracts for bidders meeting a threshold for employer-provided health care benefit expenditures.	Watch	Dead – A. Approps.

Bill No.	Author	Description	CSAC Position	Status
AB 29	Price	Amends the Knox-Keene Act to prohibit health care plans from limiting the age for dependent children covered by healthcare service plan contracts to 27.	Watch	Dead – A. Approps.
AB 65	Hayashi	Establishes the Retired Public Employees Vision Care Program; requires PERS Board of Administration to administer program and creates fund which would be continuously appropriated.	Watch	Chapter No. 65 (2009)
AB 86	Nava	Authorizes contracting agencies to include specified airport law enforcement officers within the local safety member classification.	Watch	Chapter No. 79 (2009)
AB 104	Calderon	Conforms state law to federal tax law with regard to the federal Pension Protection Act of 2006.	Watch	Senate Rev & Tax
AB 125	De Leon	Creates the California Employee Savings Program to be administered by CalPERS.	Watch	Dead – S. Approps.
AB 128	Coto	Would extend the workers' comp cancer presumption to a safety member following termination of service for a period of one year for each full year of requisite service.	Oppose	Dead – A. Approps.
AB 192	Gatto	Would require a CalPERS contracting agency that provides more than a 15% raise to an individual to bear the entire cost of the retirement increase.	Watch	Dead – S. Floor
AB 194	Torrico	For those who become members of a public retirement system on or after 1/1/11, provides that the maximum pay rate to be used for retirement benefits cannot exceed 125% of the Governor's salary effective 12/7/09.	Watch	Vetoed
AB 226	Torrico	Sponsored by Sacramento County, authorizes a new retirement benefit tier and provides that deferred compensation is compensation earnable and not deemed as being paid for the purpose of spiking pension benefits.		Vetoed
AB 227	Cook	Creates the Labor Standards Consultation Unit to provide consulting services to employers and employees.	Watch	Dead – A. Labor & Employment
AB 361	Lowenthal	Precludes an employer from refusing to pay for workers' compensation medical treatment services if the employer has approved those services prior to the time the medical provider treated the claimant.	Watch	Chapter No. 436 (2009)
AB 395	Fuentes	Provides that an awarding body that implements a labor compliance program can enforce prevailing wage laws on public works projects.	Watch	Chapter No. 438 (2009)
AB 399	Brownley	Requires PERS to provide members 70 years of age and up and permanently separated from all service with the election to withdraw contributions or apply for service retirement. Would require that failure to apply for service	Support	Chapter No. 240 (2009)

Bill No.	Author	Description	CSAC Position	Status
		retirement or withdraw contributions w/in 90 days be deemed as an election to withdraw contributions.		
AB 446	Niello	Will require the administrators of PERS to prepare a report on the use of add'l retirement service credits and file it with the Legislature by 2010.	Watch	Dead – S. Rules
AB 482	Mendoza	Prohibits prospective employers from obtaining credit report unless information is substantially job-related, for a position in DOJ or for a position in law enforcement.	Oppose Unless Amended	Vetoed (letter unavailable)
AB 483	Buchanan	Requires the establishment of a licensed workers' comp rating organization web site.	Watch	Chapter No. 241 (2009)
AB 485	Carter	Requires employers employing 15+ employees to provide no less than 10 days/year leave to members of the CA Wing of the Civil Air Patrol who have been employed by the employer for at least 90 days before their leave commences. Requires employers to restore the employee to his or her original position held when the leave began or a position of equal benefit and pay status.	Watch	Chapter No. 242 (2009)
AB 493	Tran	Would abolish the Unemployment Insurance Appeals Board, Cal-OSHA and the Workers' Comp Appeals Board and transfer duties to the Employment and Benefits Appeals board within the Labor and Workforce Devt. Agency.	Watch	Dead – A. Insurance
AB 514	De Leon	Requires an employer to provide a 20-minute paid rest period for lactation purposes during each 4-hour work period.	Watch	Dead – A. Approps.
AB 516	Niello	Requires that temporary disability payments not be less than the employee's weekly earnings or more than $1,260, whichever is greater.	Support	Dead – A. Insurance
AB 527	Fuentes	Provides that if Labor Commissioner finds a pattern of falsification on payroll records, all related payroll records must be presumed false.	Watch	Vetoed
AB 541	Duvall	Would allow a public agency and a contractor to mutually agree to resolve a claim through independent arbitration.	Watch	Dead – A. Judiciary
AB 586	Ma	Provides that employees of the city/county of San Francisco are covered under Labor Code Section 4850.	Watch	Chapter No. 74 (2009)
AB 609	Conway	Prohibits expenses incurred in any year from exceeding 21/100 of 1% of the accrued actuarial liability of the retirement system. Eliminates exclusion of legal services from costs of administration definition.	Watch	Chapter No. 663
AB 615	Niello	Deletes definition of first aid in existing law and authorizes administrative director for DWC to adopt regulations to define various terms. Defines	Watch	Dead – A. Insurance

Bill No.	Author	Description	CSAC Position	Status
		medical treatment and first aid.		
AB 637	Hill	Requires system plan contributions from PERS contracting agencies to be paid through an electronic funds transfer. Permits PERS to charge contracting agencies interest on late payments.	Watch	Chapter No. 118 (2009)
AB 646	Swanson	Would, until 1/1/21, authorize a health care district to employ physicians and surgeons if the health care district's service area includes a Medically Underserved Area or a Medically Underserved Population, or has been federally designated as a Health Professional Shortage Area.	Watch	Dead – S. Health
AB 648	Chesbro	Authorizes a pilot project to allow a rural hospital to employ up to 10 physicians and retain all or most of the income generated by that physician.	Watch	Dead – S. B., P. & E.D.
AB 716	Huber	Allows EDD and DMV to make brochures, forms and posters available in their field offices to inform veterans of benefits and services and requires EDD and DMV to send any completed forms to the Dept of Vets Affairs on a quarterly basis.	Watch	Vetoed
AB 781	Jeffries	Prohibits state or local agency from using Dymally-Alatorre Bilingual Services Act to discriminate on basis of race or nationality in employment.	Watch	Dead – S. Floor
AB 793	Jones	Clarifies when a cause of action accrues for the purpose of filing a claim of discrimination with respect to compensation.	Watch	Vetoed
AB 801	Duvall	Would authorize the Department of Insurance to use individually identifiable information for purposes of investigating and prosecuting workers' compensation insurance fraud.	Watch	Dead – A. Insurance
AB 820	Conway	Permits Dept of Personnel Administration to charge annuitants a fee to participate in a group legal services plan; permits the DPA to charge annuitants for vision care benefits when there are insufficient funds in the annuitant's allowance to pay the premium.	Watch	Chapter No. 126 (2009)
AB 827	De La Torre	Would prevent "evergreening" clauses in the contracts of unrepresented individuals; requires local agency to complete a performance review before increasing an excluded employee's compensation unless for just a COLA.	Watch	Vetoed
AB 838	Swanson	Would require OSHA to develop standards for controlling the risk of heat illness when employees work indoors.	Watch	Vetoed
AB 842	Swanson	Would increase the layoff notice period from 60 to 90 days and require employers to provide additional information to employees once notice of layoff is given.	Watch	Dead – A. Approps.

Bill No.	Author	Description	CSAC Position	Status
AB 849	Swanson	Would increase the circumstances under which an employee is entitled to protected leave pursuant to the Family Rights Act.	Watch	Dead – A. Approps.
AB 879	Hernandez	Would require a group self-insurer to annually file with the Administrative Director of the Division of Work Comp an audited financial statement and an actuarial certification of reserve adequacy which would be made public.	Watch	Dead – S. B., F. & I.
AB 886	Garrick	Would include public library employees as mandated reporters for the purpose of reporting sexual exploitation material on public library computers.	Watch	Dead – A. Pub. Safety
AB 933	Fong	Would require physicians and psychologists conducting utilization review to be licensed in California.	Oppose	Vetoed
AB 943	Mendoza	Prohibits prospective employers from obtaining credit report unless information is substantially job-related or is a city/county or managerial position.	Neutral	Vetoed
AB 946	Salas	Provides that temporary service employee pay requirements will not apply to an employee of a temporary service employer who is assigned to a client for over 91 consecutive calendar days unless the employer pays the employee weekly.	Watch	Dead – A. Labor & Employment
AB 948	Logue	Would provide that if the employee's work restrictions with regard to workers' compensation are not yet known within 10 days of the last payment of temporary disability, the employer is not required to send the notice regarding the employee's supplemental job displacement benefits until after the employee's work restrictions are known.	Watch	Dead – A. Insurance
AB 955	De Leon	Requires that the employing agency notify the employee within one year of an allegation of misconduct being made whether the agency intends to pursue the allegation, and to specify the punishment that the agency intends to impose.	Watch	Chapter No. 494 (2009)
AB 1000	Ma	Would provide that an employee who works in California for 7 or more days in a calendar year is entitled to paid sick days which accrue at a rate of no less than one hour for every 30 hours worked; employee would be entitled to use accrued sick days beginning on the 90th calendar day of employment. Requires employers to provide paid sick days upon the request of the employee for diagnosis, care, or the treatment of health conditions of the employee or an employee's family member, or for leave related to domestic violence or sexual assault.	Oppose	Dead – A. Approps.

Bill No.	Author	Description	CSAC Position	Status
AB 1001	Skinner	Would include "familial status" as an additional basis upon which the right to seek, obtain and hold employment cannot be denied.	Watch	Dead – A. Approps.
AB 1034	Huffman	Would define Marin County as a district for the purpose of providing retirement benefits under the '37 Act.	Watch	Dead – A. P.E.R. & S.S
AB 1093	Yamada	Provides that for purposes of determining whether to grant or deny a workers' comp claim, if an employee is injured or killed by a 3rd party in the course of employment, no personal connection shall be deemed to exist between the employee and 3rd party based on sex, race, color, religion, ancestry, nat'l origin, marital status, sexual orientation or disability.	Watch	Chapter No. 272 (2009)
AB 1126	Hernandez	Would prohibit a health care provider giving emergency services and care from obtaining payment or reimbursement for any services provided to an employee or annuitant not covered by the health plan.	Watch	Dead – A. P.E.R.&S.S
AB 1136	Fong	Allows counties to permit retired county employees to revoke certain optional settlements with regard to the retiree's marriage status.	Watch	Vetoed
AB 1227	Feuer	Removes the requirement that employees be members of PERS or LACERA to receive workers' comp benefits pursuant to Labor Code 4850.	Watch	Chapter No. 389 (2009)
AB 1288	Fong	Would prohibit the state, city, county, city and county, or special district, from requiring an employer other than one of those government entities to use an electronic employment verification system except when required by federal law or for receipt of federal funds.	Watch	Vetoed
AB 1298	Coto	Would increase the taxable wage and rate for unemployment insurance.	Watch	Dead – A. Insurance
AB 1354	Fong	Brings state CERL into conformity with federal law regarding public employees who die while on active military duty as well as IRC limits.	Watch	Chapter No. 188
AB 1355	Fong	Would cross-reference an alternative method of calculating survivor's allowances.	Watch	Chapter No. 9
AB 1378	Perez	Changes criteria for veterans-based entities receiving funding from the federal Workforce Investment Act.	Watch	S. Floor
AB 1399	Anderson	Would prohibit local officials from allowing an immediate family member to use a vehicle or credit card provided by the local agency the official represents.	Watch	Chapter No. 128
AB 1406	Emmerson	Allows the San Bernardino retirement board to appoint personnel specialized in pension member services, compliance, accounting and pension law.	Watch	Chapter No. 393

Bill No.	Author	Description	CSAC Position	Status
AB 1409	Perez	Would revise provision authorizing work on county highway contracts to be done by purchasing the material and having the work done by day labor, only after advertising and requesting bids, as provided, and the board passing a resolution making a specified finding; or purchasing the material and having the work done by specified employees or by force account.	Watch	Dead – S. Trans. & Housing
AB 1421	Swanson	Expands a work day to include time spent on facility-provided transit to and from a remote parking lot for employees working at an amusement park, sports venue or entertainment venue, or by a private service contractor at an airport if time spent in transit is over 12 minutes and the employee is wearing a uniform or insignia.	Watch	Dead – A. Floor
AB 1559	Comm. On Labor & Employmt.	Would provide that the CA At Youth Work program shall only be implemented if the Director of Finance determines that there are sufficient federal funds made available to the state for the program pursuant to the American Recovery and Reinvestment Act of 2009.	Watch	Vetoed
AB 1562	Comm. On Labor & Employmt.	Would prohibit an employer from terminating an employee because garnishment of the employee's wages has been threatened.	Watch	Vetoed
AB 1584	Hernandez	Requires all public pension systems to adopt a policy requiring the disclosure of fees paid to investment placement agents; requires the disclosure of campaign contributions and gifts made by placement agents to public retirement board members. Prohibits public retirement board members from selling investment products to other public retirement systems; lengthens post-employment restrictions on influencing retirement board actions for former system executives and board members and extends those expanded provisions to all public retirement systems in California.	Watch	Chapter No. 301 (2009)
AB 1603	Solorio	Requires that an employee must be deemed temporarily disabled if their employer has not offered them modified or alternative work, or informed them that they will be offered such, within 60 days of the employee being informed that their disability is permanent and stationary.	Oppose	Dead – A. Insurance
AB 1651	De La Torre	Requires that if a local safety member is subject to mandatory furloughs, their calculation for retirement allowance must include the amount of service and compensation that would have been credited if they had not been furloughed.	Watch	Chapter No. 574
AB 1658	Lieu	Authorizes L.A. County to give service credit for prior performed duties to safety members who have become safety members due to department	Watch	Chapter No. 118

Bill No.	Author	Description	CSAC Position	Status
		consolidation within the county. Requires member to pay an amount equal to the contributions plus regular interest via a lump sum or in installments.		
AB 1666	Swanson	Allows a city, county or city and county auditor or controller to maintain a whistleblower hotline; authorizes them to provide a copy of a report or investigation or the appropriate authority for disciplinary purposes.	Watch	Chapter No. 80
AB 1667	Swanson	Allows the Alameda County Board of Supervisors, by adoption of a resolution, to provide different retirement benefits for some safety member bargaining units within the safety member classification. May 6 amendments add urgency clause.	Support	Chapter No. 81
AB 1696	Berryhill	Extends workers' comp death benefits for a dependent child until the age of 19 if the child is still in high school.	Watch	Chapter No. 361
AB 1739	Lieu	For LA County, once adopted by the Board of Supervisors, requires that an employee permanently incapacitated as a result of active military service while on military leave be retired for non-service-connected disability regardless of age or years of service; permits the surviving spouse of an employee who dies in course of this active military service to receive the combined death benefit.	Watch	Chapter No. 83
AB 1743	Hernandez	(Sponsored by CalPERS) requires placement agents working on behalf of a state retirement system to register as lobbyists; requires placement agents working on behalf of local retirement systems to comply with local requirements for lobbyists.	Support	Chapter No. 668
AB 1765	Solorio	Prohibits a state employee from being furloughed when the unemployment rate in California during the previous month reached or exceeded 8.5%, and the employee works for certain programs.	Watch	Vetoed
AB 1814	Buchanan	Amends California's Fair Employment and Housing Act to explicitly allow employers to provide "bridge" retiree health benefits, which either cease or reduce when the retirees become eligible for Medicare.	Support	Chapter No. 130
AB 1821	Ma	(Sponsored by CalPERS): merges the 1st and 2nd levels of the 1959 Survivor Benefit Program into the 3rd level and eliminate the $2 monthly employee premium in the 3rd level as long as that level has surplus assets.	Watch	Vetoed
AB 1856	Fong	(Sponsored by CalPERS): allows members to suspend or cancel after-tax service credit (air time) purchase elections.	Watch	Chapter No. 197
AB 1897	Jones	Requires SCIF Board members' gubernatorial appointments to be confirmed	Watch	Dead – A.

Bill No.	Author	Description	CSAC Position	Status
		by the Senate.		Approps.
AB 1953	Salas	Requires a city, county, or city and county, to contract with persons or entities that provide all of the contract work in California when it is economically feasible to do so.	Oppose	Dead – A. Local Government
AB 1955	De La Torre	Requires the Controller to determine whether a city is an excess compensation city; requires contracts for employees who report directly to legislative body of a local agency be ratified in an open session and made accessible to public no later than 5 days prior to the meeting.	Watch	Dead – S. Floor
AB 1987	Ma	Limits those items that can be included in the calculation of final compensation for the purpose of prohibiting pension spiking; prohibits retirees who retire after 1/1/12 from public pension systems from providing services to an employer covered by a state or local retirement system until the retiree has had a bona fide separation from service for at least six months; requires remuneration under Ventura Act to be considered "special compensation".	Oppose Unless Amended	Vetoed
AB 1994	Skinner	Establishes a presumption for workers' compensation purposes when any hospital employee who provides direct patient care contracts a blood-borne infectious disease, neck or back impairment, methicillin-resistant Staphylococcus aureus (MRSA) infection, or the H1N1 virus.	Oppose	Dead – A. Approps.
AB 2030	Yamada	Re-establishes the Self-Employment Assistance Program; provides participants with allowances (charged to employers) equal to regular unemployment benefits; waives UI benefits requirements related to job search and self-employment.	Watch	Dead – A. Approps
AB 2055	De La Torre	For unemployment insurance qualification and employer reserve accounts, includes under definition of "domestic partner," a person to whom a domestic partnership is imminent.	Watch	Chapter No. 590
AB 2058	Block	Makes individuals automatically eligible to participate in training programs and receive UI benefits if the training is on the state's Eligible Training Provider List.	Watch	Chapter No. 591
AB 2064	Huber	Requires public agencies to post the salaries of specified individuals on their official websites and update on an annual basis.	Watch	Dead – S. Floor
AB 2151	Torres	Would exempt peace officers, members of the California Highway Patrol, and	Oppose	Vetoed

Bill No.	Author	Description	CSAC Position	Status
		firefighters from a requirement to report accidents that occur in their personal vehicle to a personal insurance provider and instead report those accidents to their employer.		
AB 2187	Arambula	Provides that any aggrieved employee has the right to restitution for unpaid wages if an employer willfully refuses to pay wages to a current, resigned or discharged employee.	Watch	Vetoed
AB 2247	Niello	Entitles each inmate of a county, city, or city and county jail, industrial farm, or road camp to workers' compensation benefits for injury arising out of, and in the course of, assigned employment and for the death of the inmate if the injury proximately causes the death	Support	Dead – A. Insurance Committee
AB 2253	Coto	Extends from 5 to 10 years the time period for which a safety member can file a workers' compensation cancer claim with a presumption that the cancer is work-related.	Oppose	Chapter No. 672
AB 2269	Adams	Extends the employees of a state hospital the presumption that a heart condition is work-related.	Watch	Dead – A. Approps
AB 2331	Skinner	Provides that if an employing department is subject to an MOU that provides for the binding arbitration of administrative appeals, the arbitrator of the panel is the hearing officer; MOU can't control the administrative appeals process with a licensing or certifying agency.	Watch	Chapter No. 465
AB 2337	Ammiano	Prevents boards of public pensions or retirement systems from investing in companies engaged in predatory investment practices that result in the displacement of people living in rent-regulated housing.	Watch	Dead – S. P.E. & R.
AB 2340	Monning	Provides employees a right to up to 3 days of unpaid bereavement leave. Does not apply to employees covered by a collective bargaining agreement that provides for bereavement leave.	Oppose Unless Amended	Vetoed
AB 2349	Monning	Requires the California Workforce Investment Board, with local workforce investment boards, to establish the California Youth at Work Program to prove summer job training and work experience opportunities for youth in the state.	Watch	Dead – S. Approps.
AB 2395	Anderson	Requires the Insurance Commissioner, when investigating complaints, to limit the investigation to those allegations specified in the complaint.	Watch	Dead – A. Insurance
AB 2396	Solorio	Requires a rating organization to provide experience rating information electronically directly to information service providers; subjects SCIRB to	Watch	Dead – S. Approps.

Bill No.	Author	Description	CSAC Position	Status
		Open Meetings and Public Records Act.		
AB 2397	Solorio	Allows public employers and employees to mutually agree through collective bargaining to up to a 1-year extension of "4850" disability leave beyond the normal 1-year maximum leave time without the loss of salary.	Oppose	Vetoed
AB 2423	Niello	States legislative intent to require the Dept. of Industrial Relations to convene an advisory committee of employers, injured workers, doctors and stakeholders when setting assessments and surcharges for the Workers' Comp Fraud Account.	Watch	Dead – S. Insurance
AB 2424	Niello	Requires an employer to pay all wages due to a discharged employee within 24 hours, excluding weekends and holidays, of the employee being discharged.	Watch	Dead – A. Labor & Employment
AB 2452	Silva	Allows Orange County to establish an optional self-managed asset retirement plan for its general members under a MOU.	Watch	Dead – A. P.,E.,R. & S.S.
AB 2490	Jones	Requires an agreement between an employer and a workers' compensation insurer regarding dispute resolution to be part of the form filed with the rating organization and contain provisions to resolve disputes in CA courts; provides that employers and workers' comp insurers may negotiate forum outside of CA.	Watch	Vetoed
AB 2593	Bradford	Sets maximum reasonable fees for pharmacy services and drugs that are not otherwise covered by a Medicare fee schedule payment for facility services.	Watch	Dead – A. Insurance
AB 2635	Portantino	Allows an arrestee's blood to be tested for communicable disease if a non-sworn employee of a law enforcement agency who takes collection of fingerprints comes into contact with arrestee's blood or bodily fluids.	Watch	Chapter No. 688
AB 2696	Bass	Requires the CA Work Investment Board, on or before April 1, 2011, and annually each April 1 thereafter, to report to the Legislature on the status of GCJC activities; authorizes EDD to dispense funds related to Green Collar Jobs Initiative.	Watch	Chapter No. 396
AB 2726	Lowenthal	Requires the State Workforce Investment Board and local workforce investment boards to ensure that programs and services funded by the Workforce Investment Act be directed to apprenticeable occupations.	Watch	Vetoed
AB 2727	Bradford	Prohibits an employer from denying application for employment to a person if they've been convicted of a crime unless employer can determine a connection exists between the conviction and risk to persons or places as a	Watch	Dead – A. Approps

Bill No.	Author	Description	CSAC Position	Status
		result of employment.		
AB 2749	Logue	Requires employers to include a benefit notice with an objection to a medical services bill resulting from a workers' compensation lien claim.	Watch	Dead – A. Insurance
AB 2772	Comm on Labor and Employmt	States that an employer wishing to appeal an administrative judgment by the Labor Commissioner must first post a bond with the court in the amount of the judgment rendered.	Watch	Chapter No.102
AB 2773	Comm on Labor and Employmt	Exempts actions under FEHA alleging unlawful practice from existing law providing that the court determines costs related to a case in which the prevailing party recovers a judgment that could have been rendered in a limited civil case	Oppose	Vetoed
AB 2774	Comm on Labor and Employmt	For the purpose of occupational health and safety standards, establishes a rebuttable presumption as to when a "serious violation" exists and defines "serious physical harm".	Neutral	Chapter No. 692
AB 2779	Solorio	Requires that a compound medication prescribed on or after 11/1/10 may only be reimbursed through the workers' compensation system if all ingredients are approved by the FDA; max reimbursement cannot exceed the sum allowed under existing Medi-Cal fee schedule.	Support	Dead – S. Floor
SB 3	Cedillo	For injuries occurring on or after 1/1/04 through 1/1/2011, provides for a supplemental job displacement benefit voucher for up to $6K to cover reeducation and skill enhancement expenses. Exempts employers who make an offer of reemployment or continued employment.	Watch	Dead – S. Approps.
SB 11	Negrete McLeod	Authorizes the San Bernardino County board of retirement to establish a fund for the collective investment of assets for providing health benefits to employees of any local public agency.	Watch	Chapter No. 326 (2009)
SB 115	Lowenthal	Permits public employees or applicants for public employment to take a substitute oath of office in place of the one required by the CA Constitution based on moral, ethical or religious beliefs. Does not apply to employees of public officials.	Watch	Vetoed
SB 145	DeSaulnier	Provides that no workers' compensation claim shall be denied solely because the motivation behind what caused the employee's injury or injury resulting in death was related to the employee's race, religious creed, color, national origin, age, gender, marital status, sex, sexual orientation, or genetic predisposition.	Watch	Vetoed

Bill No.	Author	Description	CSAC Position	Status
SB 186	DeSaulnier	Deletes the repeal date allowing an employee to predesignate his or her own personal physician for workers' compensation treatment.	Oppose	Chapter No. 565 (2009)
SB 222	Ducheny	Would increase the taxable wage base for purposes of contributions to the Unemployment Fund by exempting wages up to $21K.	Watch	Dead – S. L. & I.R.
SB 287	Calderon	Would revise the statutory requirements for the provision of meal periods to specify that the requirements apply only to employees subject to the meal period provisions of an order of the IWC.	Watch	Dead – S. L. & I.R.
SB 313	DeSaulnier	Would increase to $1500 the per employee penalty incurred if an employer is found to be uninsured for workers' compensation.	Watch	Chapter No. 640 (2009)
SB 345	Negrete McLeod	Would require the special death benefit payable to the surviving spouse or eligible children of a safety member, employed by San Bernardino County, to increase at any time and to the extent the compensation is increased for then-active members. .	Watch	Chapter No. 583, Statutes of 2009
SB 380	Dutton	Would revise the statutory requirements for the provision of meal periods to specify that the requirements apply only to employees subject to the meal period provisions of an order of the IWC.	Watch	Dead – S. L. & I.R.
SB 403	Benoit	Would prohibit a lien claim for expenses incurred by or on behalf of the injured employee and medical and hospital treatment from being filed more than one year from the date the health care provider, or the health care provider's agent, was sent an explanation of benefits or explanation of review paying or objecting to a bill in whole or in part.	Watch	Dead – S. L. & I.R.
SB 404	Benoit	Clarifies that employers may provide wage information to employees either on a detachable part of the payment or on a separate page accompanying the payment of wages.	Watch	Dead – A. L.& I.R.
SB 410	Ducheny	Would require local workforce investment boards to develop policy on support services and would require the CA Workforce Investment Board to develop strategies to maximize funding.	Watch	Vetoed
SB 414	Correa	Would delete the authority of a retirement board to prohibit, by a resolution or regulation of the board, a member from having the same rights, privileges, responsibilities and access to closed sessions as the 2nd, 3rd, 7th or 8th member, or from holding positions on committees of the board and participating in board or committee deliberations.	Watch	Vetoed
SB 419	Comm. On Vet	Declares that 50% of the amount annually budgeted for county veteran	Watch	Chapter No. 183

Bill No.	Author	Description	CSAC Position	Status
	Affairs	service officers is approximately $11,000,000.		(2009)
SB 477	Florez	Requires employers to provide employees with access to shade when outside temperature is over 85 degrees; prohibits employers from allowing an employee to engage in outdoor work without heat illness prevention training.	Watch	Dead – A. Approps.
SB 490	Maldonado	Includes custodial officers in San Luis Obispo County and Colusa Count within the definition of peace officers.	Watch	Chapter No. 52 (2009)
SB 501	Correa	Would require specified officers and employees who are currently required to complete the Statement of Economic Interest (Form 700) as published by Fair Political Practices Commission to also complete a new form developed by the Secretary of State.	Pending	Dead – A. Rules
SB 519	Ashburn	Approves the addendum to the CHP MOU which redirects a previously negotiated 5% pay increase and an undetermined future increase to instead pre-fund retiree health care.	Watch	Chapter No. 188 (2009)
SB 533	Cogdill	Increases the cost of materials for public works projects to $20,000 for the purpose of exempting from mandatory bidding procedures a purchase agent hired by counties.	Watch	Dead – S. Local Government
SB 538	PERS Committee	Requires Los Angeles to provide a safety member on disability leave with the opportunity to obtain a physician's certification that they are able to perform their duties upon return from their leave.	Watch	Chapter No. 190 (2009)
SB 628	Ashburn	For Shasta and Placer counties, allows them to negotiate a different tier of employer health care contributions for employees hired after January 1, 2010, if agreed to in a Memorandum of Understanding.	Watch	Dead – S. P.E. & R.
SB 656	DeSaulnier	Exempts all employees in a mixed bargaining unit from the jurisdiction of the Public Employment Relations Board (PERB) if the bargaining unit includes a majority of peace officers.	Oppose	Vetoed
SB 683	Calderon	Would require a group self-insurer to annually file with the director an annual audit by an independent, certified public accountant of the financial accounts and records of the group self insurer.	Watch	Dead – A. Insurance
SB 711	Leno	Requires a local agency to make a closed session collective bargaining agreement publicly available at least 15 calendar days before the meeting at which the agreement is to be reported.	Concerns	Dead – S. Local Government
SB 752	Correa	Permits the Orange County Board of Supervisors to require newly-hired	Watch	Chapter No. 36

Bill No.	Author	Description	CSAC Position	Status
		employees to make a written election between two specified pension calculations within the first 45 days of their employment; Specifies that if a new employee fails to make an election within the 45 days, the employee will be deemed to have elected the 1.62% at age 65 formula.		(2009)
SB 764	Negrete McLeod	Would conform provisions of existing workers' compensation state law to those employers who have not entered into a contract with a health care organization for the provision of medical services, as specified.	Watch	Dead – S. Approps.
SB 773	Florez	Increases permanent partial disability benefits for injuries occurring after January 1, 2010.	Oppose	Dead – S. Approps.
SB 807	Benoit	Would provide that the payment to an employee for failure to provide a mandated meal or rest period is a statutory penalty and does not constitute additional wages to the employee.	Watch	Dead – S. L.&. I.R.
SB 903	Wright	Extends from one year to three years the period within which the Dept of Industrial Relations can take action to collect a statutory penalty or fee.	Watch	Vetoed
SB 919	Hollingsworth	Changes retirement formulas for state employees; redefines who qualifies for safety retirement; changes the employee contribution to PERS; increases vesting periods and allows the state to contract for healthcare rather than PERS.	Watch	Dead – S. P.E. & R.
SB 922	Ashburn	Allows for legislative ratification of a collective bargaining agreement between PEMHCA-contracting Placer County and a collective bargaining unit if an agreement is reached in an MOU for Placer to offer lower-tier health care contributions for employees hired after a certain date.	Support	Dead – S. Rules
SB 968	Negrete McLeod	Specifies that an unemployed individual shall be eligible for unemployment compensation training and retraining benefits, regardless of whether the individual applies to the Employee Devt Department for a determination of potential eligibility.	Watch	Dead – A. Approps.
SB 990	Hollings worth	Revises statutory requirements for providing meal periods to specify that they apply only to employees subject to the meal period by an order of the Industrial Welfare Commission.	Watch	Dead – S. L.& I.R.
SB 1139	Correa	Authorizes PERS contracting agencies to elect to provide health benefits to family members of deceased annuitants; requires contracting agencies to pay the cost of premiums and allows them to require family members to pay for all or portion of premiums.	Watch	Chapter No. 639

Bill No.	Author	Description	CSAC Position	Status
SB 1180	Dutton	Prohibits requiring an employee to give money to or financially support a charity sponsored by a labor organization. Allows employee to seek monetary damages for violation of these provisions and exempts employees covered by federal law.	Watch	Dead – S. L.& I.R.
SB 1211	Romero	Requires Director of EDD to find an overpayment of unemployment benefits if individual's claim was based solely on income received as an elected official.	Watch	Chapter No. 222
SB 1271	Romero	Requires a public retirement board or agency to include it its conflict of interest code a list of positions that require the holder to file a statement of economic interests as a public official managing public investments.	Watch	Chapter No. 702
SB 1335	Cox	Permits an employee to request an employee-selected flexible work schedule providing for workdays up to 10 hours per day within a 40-hour workweek.	Watch	Dead – S. L.& I.R.
SB 1388	Vets Affairs Committee	Appropriates $5M from the General Fund to the Dept of Veterans Affairs for the purpose of supporting county veteran service officers.	Watch	Dead – S. Budget
SB 1425	Simitian	Limits those items that can be included in the calculation of final compensation for the purpose of prohibiting pension spiking; prohibits retirees who retire after 1/1/12 from public pension systems from providing services to an employer covered by a state or local retirement system until the retiree has had a bona fide separation from service for at least six months. Includes reporting requirements for counties contracting with CalPERS.	Oppose Unless Amended	Vetoed
SB 1479	Comm on Public Emplymt and Retirement	Authorizes '37 Act retirement boards to establish a day occurring no later than 12 weeks after a person enters into county employment as the day the person becomes a member of the county employee retirement association.	Watch	Chapter No.158

Government Finance and Operations

Bill No.	Author	Description	CSAC Position	Status
AB 50	Nava	Would have reimbursed the Counties of Santa Barbara, Orange, Riverside, San Bernardino, Placer, and Kern for property tax losses related to the disastrous wildfires there in 2008 and 2009. Late amendments would have made all such future reimbursements contingent on the affected counties demonstrating compliance with certain state requirements.	Removed Support	Dead – S. Third Reading File
AB 155	Mendoza	Would have required local agencies to obtain approval from the state before	Oppose	Dead – S. Third

Bill No.	Author	Description	CSAC Position	Status
		seeking bankruptcy protection.		Reading File
AB 349	Silva	Would have required the Director of Finance to provide the Legislature with statutory changes necessary to repeal state mandates that are repeatedly suspended.	Support	Dead – S. Budget & Fiscal Review
AB 384	Ma	Will extend the sunset date for a method of assessing the fair market value of commercial aircraft.	Support	Chapter No. 228
AB 496	Davis	Would have provided that local expenses incurred for legislative and congressional special vacancy elections would be reimbursed by the state, but no sooner than the 2011-12 fiscal year.	Support	Dead – S. Appropriations Suspense File
AB 1662	Portantino	Will reimburse the Counties of Calaveras, Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Francisco, and Siskiyou for property tax losses related to the severe winter storms in January of this year.	Support	Chapter No. 447
AB 1671	Jeffries	Would have required the Governor to fill supervisorial vacancies within 90 days or allow the power to do so to move to the affected Board of Supervisors; the Board could also call an election or leave the vacancy open until the next regularly scheduled election.	Support	Vetoed
AB 1690	Chesbro	Will reimburse the County of Humboldt for property tax losses related to the earthquake there in January of this year.	Support	Chapter No. 449
AB 1700	Gaines	Would have repealed the temporary 1% state sales and use tax rate increase, the temporary 0.35% vehicle license fee rate increase, the temporary increases to the personal income tax rates, and the reduction in the dependent credit.	Oppose	Dead – A. Revenue & Taxation
AB 1717	De Leon	Will allow election officials to implement programs whereby voters may choose to receive sample ballots electronically instead of by mail.	Support	Chapter No. 119
AB 1718	Blumenfield	Would have allowed counties to reestablish locally a discontinued state program that allows seniors and homeowners with disabilities to defer their property taxes until that property is sold.	Support	Vetoed
AB 1769	Tran	Would have required that the state pay expenses related to legislative and congressional special vacancy elections occurring in 2009 and 2010.	Support	Dead – A. Appropriations Suspense File
AB 2078	Calderon	Would have required online and catalogue retailers that do not collect sales taxes from Californians to remind those consumers that they owe use tax on the purchase; it would also have rebuttably presumed that if a retailer in a	Support	Dead – S. Inactive File

Bill No.	Author	Description	CSAC Position	Status
		controlled group of corporations is "engaged in business in this state" for tax purposes then all other retailers in that group are as well		
AB 2136	V. Manuel Perez	Will reimburse the County of Imperial for property tax losses related to the earthquake that occurred there in April of this year.	Support	Chapter No. 461
AB 2280	Miller	Would have exempted manufacturing equipment from state and local sales and use taxes.	Oppose Unless Amended	Dead – A. Revenue & Taxation
AB 2461	Emmerson	Will extend the current Vehicle License Fee amnesty program for kit cars by a year and a half and give the Bureau of Automotive Repairs the authority to carry out their related duties.	Support	Chapter No. 388
AB 2492	Ammiano	Would have specified that when 100% of the ownership interests in a legal entity are sold or transferred in a single transaction, the real property that entity owns would be reassessed.	Support	Dead – A. Third Reading File
AB 2531	Fuentes	Would have authorized redevelopment agencies to use their tax increment dollars to provide businesses with any kind of financial assistance, not limited to loans, loan guarantees, job training, and apprenticeship programs, as well as other expanded powers.	Oppose	Vetoed
AB 2545	De La Torre	Would have required the PUC to develop recommendations for equitably collecting state and local communications taxes, fees, and surcharges from users of prepaid communications.	Oppose	Dead – S. Inactive File
SB 10	Leno	Would have allowed counties to impose vehicle assessments with voter approval; the maximum rate, when combined with the state's rate, would have been 2%.	Support	Dead – A. Unfinished Business
SBs 841-843	Committee on Local Gov't	Will retroactively cure minor errors and omissions of public officials, giving investors confidence in public agencies' securities.	Support	Chapter Nos. 16, 171, & 172
SB 1040	Padilla	Will expand the California Advanced Services Fund, which encourages deployment of broadband in unserved and underserved areas, from $100 million to $225 million and delete the sunset date.	Support	Chapter No. 317
SB 1042	Walters	Will repeal the authorization for a Board of Supervisors to condemn land, pay for it with a general-obligation debt, and transfer that land to the federal government for its military purposes.	Support	Chapter No. 69
SB 1102	Liu	Would have allowed counties to conduct legislative and congressional special vacancy elections entirely by mail.	Support	Dead – S. Inactive File

Bill No.	Author	Description	CSAC Position	Status
SB 1374	Kehoe	Will require redevelopment agencies to respond in more detail to protests against proposed time extensions of redevelopment project areas.	Support	Chapter No. 182
SB 1415	Walters	Contingent upon passage and voter approval of a constitutional amendment, would have allowed any person over 65 to transfer the base-year value of their home to a replacement dwelling in a different county, with or without that counties permission.	Oppose	Dead – S. Revenue & Taxation
SBX6 21	Yee	Would reimburse the County of San Mateo for property tax losses related to the gas line explosion and resulting fires earlier this year.	Support	TBD

Health and Human Services

Bill No.	Author	Description	CSAC Position	Status
AB 12	Bass/Beall	Expands foster care services for youth up to age 21 and draws down a 50 percent federal match for Kin-GAP services.	Support	Chapter No. 559
AB 223	Ma	Would enact the Safe Body Art Act, which would require body art establishments to register with local health departments and require practitioners to comply with specified requirements relating to the health and safety of their clients.	Support	Vetoed
AB 342	J. Perez	Would implement terms and conditions of new 5-year Section 1115 Medicaid hospital financing waiver. SB 208 (Steinberg) is identical to this bill.	Support in Concept	Inactive – Senate Floor
AB 646	Swanson	Would authorize health care districts to employ physicians and surgeons in designated underserved areas.	Support	Dead – S. Health
AB 648	Chesbro	Would establish a demonstration project to allow rural hospitals to employ up to 10 physicians and surgeons at one time.	Support	Dead – S. B., P. & F.
AB 710	Yamada	Would require state and local veterans organizations to work together to maximize federal funding for community based mental health and substance abuse services for veterans.	Support	Dead – S. Approps
AB 754	Chesbro	Requires the Department of Mental Health to allocate and distribute the full contracted amount of General Fund payment for the managed mental health care program at the beginning of the contract period, exclusive of the Early and Periodic Screening Diagnosis Treatment Program.	Support	Dead – S. Floor
AB 963	Ammiano	Would require the state to work with stakeholder groups to develop a single eligibility form for the Medi-Cal, CalWORKs, and Food Stamp benefit programs.	Support	Dead – S. Approps

Bill No.	Author	Description	CSAC Position	Status
AB 973	Strickland, A.	Allows the release of a newborn who has been subjected to illicit drug use in utero to an authorized adoption agency or adoptive parents.	Support	Chapter No. 440
AB 1048	Torrico	Would permit a local fire agency, upon the approval of the appropriate governing body, to designate a safe surrender site.	Neutral	Chapter No. 567
AB 1058	Beall	Would delete the existing requirements for assessing the value of a motor vehicle for purposes of CalWORKs program eligibility.	Support	Dead – S. Approps
AB 1445	Chesbro	Would allow health centers and clinics to be reimbursed for services provided to a qualified individual on the same day, with a maximum of two visits allowed.	Support	Dead – S. Approps
AB 1600	Beall	Would require insurance companies to include mental health coverage in any basic policy sold in California.	Support	Vetoed
AB 1602	J. Perez	Implements federal health care reform policy by establishing the California Health Benefit Exchange.	Watch	Chapter No. 655
AB 1653	Jones	Revises the Medi-Cal hospital provider fee and supplemental payments enacted by AB 1383 (Jones), Chapter 627, Statutes of 2009. Contains a revised estimate of the annualized amount of fee revenue from $ 2.1 billion to $1.8 billion and revises the per-diem schedule.	Neutral	Chapter No. 218
AB 1701	Chesbro	Extends the sunset date, from December 31, 2010, to December 31, 2018, of the Disease Prevention Demonstration Project (DPDP), which permits cities or counties to authorize licensed pharmacists to sell or furnish 10 or fewer hypodermic needles or syringes to a person for use without a prescription. Linked to SB 1029 (Yee), which was vetoed.	Support	Chapter No. 667
AB 1758	Ammiano	Creates voluntary foster youth county wraparound services program by removing the pilot designation on existing programs.	Support	Chapter No. 561
AB 1766	Gaines	Extends the sunset date for Placer County's successful Integrated Services program by five years to January 2017. AB 2039 (Gaines) was a similar bill.	Support	Chapter No. 364
AB 1825	De La Torre	Would require health insurance policies to provide coverage for specified maternity services.	Watch	Vetoed
AB 1858	Blumen-field	Would allow the state Department of Public Health to establish needle exchange programs whereby participants could be furnished up to 30 needles. Similar to AB 1701 (Chesbro) and SB 1029 (Yee).	Neutral	Vetoed
AB 1905	Cook	Ensures continued approval and payments for foster youth relative caregiver	Support	Chapter No. 562

Bill No.	Author	Description	CSAC Position	Status
		homes pending the annual visit to ensure the quality of care provided.		
AB 2018	Skinner	Would require the creation of a streamlined process for transferring Supplemental Nutrition Assistance Payments (SNAP, or Food Stamps) between counties.	Support	Vetoed
AB 2039	Logue	Would remove the sunset date and pilot project designation for Placer County's successful Integrated Services program. Please see AB 1766 (Gaines).	Support	Vetoed
AB 2244	Feuer	Implements federal health care reform policy that prohibits insurance companies from denying coverage to children with preexisting conditions.	Watch	Chapter No. 656
AB 2345	De La Torre	Implements federal health care reform policy which disallows co-pays for preventative services.	Watch	Chapter No. 657
AB 2435	B. Lowenthal	Encourages the Board of Psychology and Board of Behavioral Sciences to include training in elder and dependent adult abuse.	Support	Chapter No. 552 (2010)
AB 2456	Torrico	Would allow the director of the Emergency Medical Services Authority (EMSA) to overturn or abrogate any local EMS policies and procedures.	Oppose	Vetoed
AB 2470	De La Torre	Implements a provision of federal health care reform that prohibits insurance companies from cancelling or rescinding policies unless under specified circumstances.	Watch	Chapter No. 658 (2010)
AB 2477	Jones	Would reestablish continuous annual eligibility for children in the Medi-Cal program.	Support	Dead – S. Health
AB 2555	Feuer	Would appropriate $1.6 million from the State Health Facilities Citation Penalties Account to fund local long-term care ombudsman programs.	Support	Dead – S. Approps
AB 2698	Block	Allows county welfare departments or the state Department of Social Services to identify and refer foster youth who may have been the victim of identity theft.	Support	Vetoed
SB 69	Senate Cmte. on Budget and Fiscal Review	Implements new IHSS provider enrollment processes established in the 2009-10 budget agreement through a stakeholder process.	Support	Dead – S. Conference
SB 152	Cox	Would require the state Department of Mental Health to reimburse counties for mental health Medi-Cal services within 90 days of the receipt of a claim, after which interest would accrue.	Support	Dead – A. Health
SB 179	Runner	This bill provides that a party who is present at the termination of rights hearing may be served at that time with the findings, the order, and an	Support	Chapter No. 66

Bill No.	Author	Description	CSAC Position	Status
		explanation of the right to appeal the termination order.		
SB 208	Steinberg	Would implement terms and conditions of new 5-year Section 1115 Medicaid hospital financing waiver. AB 342 (J. Perez) is identical to this bill.	Support in Concept	Inactive – A. Floor
SB 227	Alquist	Implements federal health care reform policy by establishing a temporary high risk insurance pool through the Managed Risk Medical Insurance Board.	Watch	Chapter No. 31
SB 654	Leno	Extends eligibility for Independent Living Program services to former foster youth placed with a nonrelative legal guardian, whose guardianship was ordered on or after the child's eighth birthday.	Support	Chapter No. 555
SB 726	Ashburn	Would revise the pilot project to authorize qualified health care districts and rural hospitals to hire up to five physicians and surgeons.	Support	Dead – S. B.P. and I.
SB 769	Alquist	Provides that federal funding received pursuant to the federal Supplemental Appropriations Act, 2009 for pandemic flu preparedness and response is subject to appropriation by the Legislature for allocation by DPH in minimum amounts of $100,000 to local health jurisdictions.	Support	Chapter No. 506
SB 771	Alquist	Would extend Medi-Cal eligibility to former foster youth until age 26.	Support	Dead – A. Approps
SB 810	Leno	Would establish a single payer health care system in California.	Watch	Dead – A. Floor
SB 886	Florez	Would authorize county human services departments to implement electronic timekeeping for In Home Supportive Services providers.	Support	Dead – A. Approps
SB 900	Alquist	Implements federal health care reform policy by creating a governance structure for the California Health Benefits Exchange. Related to AB 1602.	Watch	Chapter No. 659
SB 1088	Price	Implements federal health care reform policy of requiring insurance plans to cover dependents up to age 26.	Support	Chapter No. 660
SB 1029	Yee	Permits physician or pharmacist to provide 30 or fewer hypodermic needles without a prescription or license. Linked to AB 1701 (Chesbro).	Neutral	Vetoed
SB 1084	Liu	Would establish the California Economic Security Task Force to examine the cause and possible solutions for poverty in the state.	Support	Dead – A. Approps
SB 1091	Hancock	Would allow counties to draw down federal Medicaid funding for medical costs for youth in juvenile hall until the date of their adjudication.	Support	Vetoed
SB 1109	Cox	Eliminates existing allocations of tobacco tax revenue under Proposition 10 to state and local children and families commission (First 5) accounts and, instead, requires those funds to be used for the Healthy Families and Medi-	Oppose	Dead – S. Health

Bill No.	Author	Description	CSAC Position	Status
		Cal programs.		
SB 1214	Wolk	This bill extends the sunset for crisis nurseries for voluntary placements until January 1, 2014, and allows county child welfare services departments to continue to use crisis nurseries as an emergency placement for children in the foster care system until July 1, 2012. After 2012, this bill prohibits the use of crisis nurseries as an emergency placement for foster children.	Support	Chapter No. 519
SB 1236	Alquist	Would allow public hospitals to implement an alternative utilization control program, including a modified Treatment Authorization Request workflow.	Support	Dead – **A.** Approps
SB 1322	Liu	Would allow Supplemental Nutrition Assistance Payments (SNAP) recipients who are deferred from mandatory participation in Food Stamp Employment Training to request voluntary participation.	Watch	Vetoed
SB 1392	Steinberg	Removes installment and level strictures imposed by the Department of Mental Heath for county Mental Health Services Act funding.	Support	Chapter No. 706
SB 1431	Simitian	Would allow counties to directly draw down federal Medicaid funding for local children's health insurance programs in the event of the dissolution of the state Healthy Families Program.	Support	Vetoed

Housing, Land Use and Transportation

Bill No.	Author	Description	CSAC Position	Status
AB 133	Smyth	Expands the use for which a fee charged by Los Angeles County in the unincorporated areas as a condition of final map approval or building permit issuance to defray the cost of constructing bridges or major thoroughfares to include additional costs.	Watch	Chapter No. 33
AB 266	Carter	Would have required the California Transportation Commission to develop an assessment of transportation funding and needs every five years.	Support	Dead – A. Appropriations
AB 289	Galgiani	Would have provided guidance to the California High-Speed Rail Authority over the expenditures of $2.25 billion in federal American Recovery and Reinvestment Act grant funds.	Watch	Vetoed
AB 499	Hill	Would have revised the California Environmental Quality Act judicial review procedures to clarify that only the recipients of a project approval identified by the lead agency are the real parties in interest that must be named by the plaintiff in an appeal of the lead agency's decision.	Watch	Vetoed

Bill No.	Author	Description	CSAC Position	Status
AB 602	Feuer	Would have provided for a five-year statute of limitations for any interested party to challenge a local housing element.	Oppose	Vetoed
AB 702	Salas	Expands the definition of who may reside in farmworker housing, for the purpose of the Joe Serna Jr., Farmworker Housing Grant Program to include any person who works on or off the farm in processing of any agricultural commodity until it is shipped for distribution.	Watch	Chapter No. 348
AB 726	Nielsen	Would have clarified that local road rehabilitation projects are eligible for funding through the State Transportation Improvement Program process.	Support	Dead – S. Transportation & Housing
AB 761	Calderon	Would have provided that, upon the sale, assignment, transfer, or termination, of a mobilehome tenancy in a mobilehome park, the management may increase the rent by a minimum of 20 percent or $100, whichever is greater (thereby permitting "partial vacancy decontrol").	Watch	Dead – S. Judiciary
AB 853	Arambula	Would have required boards of supervisors to initiate and fund an application for annexation of disadvantaged communities under specified circumstances. Would have established a process for the identification of service deficiencies in unincorporated disadvantaged communities through the Local Agency Formation Commission planning process.	Oppose	Vetoed
AB 1204	Huber	Increases and revises the membership of the El Dorado County Transportation Commission.	Watch	Chapter No. 357
AB 1375	Galgiani	Would have established a Department of High-Speed Trains, to be responsible for planning, design, construction, and operation of high-speed trains in the state.	Watch	Dead – S. Transportation & Housing
AB 1409	Perez	Would have removed the ability of counties to use either county road commissioner contracting authority or the authority granted under the Uniform Public Construction Cost Accounting Act when determining whether to contract out construction or to perform it with county staff.	Oppose	Dead – S. Transportation & Housing
AB 1576	Chesbro	Would have ratified the tribal-state gaming compact entered into between the State of California and the Habematolel Pomo of Upper Lake, executed on September 2, 2009.	Watch	Dead – A. Governmental Organization
AB 1660	Salas	Expands the definition of emergency aircraft flights for medical purposes, to include the return, non-emergency flights of aircraft or equipment used during a medical emergency, or emergency personnel and first responders	Watch	Chapter No. 54

Bill No.	Author	Description	CSAC Position	Status
		involved in treating the medical emergency, for the purpose of returning the aircraft or equipment back to the base of operation.		
AB 1772	Mendoza	Would have allowed trucks equipped with idle reduction technology to exceed the group axle weight limit by up to 400 pounds or the actual weight of the idle reduction technology.	Pending	Dead – S. Appropriations
AB 1805	Calderon	Would have prohibited judicial review under CEQA for 125 projects selected by the Business, Transportation and Housing Agency.	Watch	Dead – A. Natural Resources
AB 1865	Strickland	Reduces the amount of matching grant funds an applicant for a newly formed local housing trust fund must raise from $1 million to $500,000 to qualify for the Local Housing Trust Fund program funded by Proposition 1C: the Housing and Emergency Trust Fund Act of 2006.	Support	Chapter No. 198
AB 1867	Harkey	Changes, for local governments, the eligibility requirements for the substantial rehabilitation of units for purposes of meeting housing element and regional housing needs assessment requirements.	Support	Chapter No. 367
AB 2036	Berryhill	Requires state departments and local agencies to provide at no charge an electronic copy of the project's contract documents to a contractor plan room service upon request from the contractor plan room service.	Neutral	Chapter No. 371
AB 2098	Miller	Authorizes the Riverside County Transportation Commission to use the design-build method of procurement for its SR 91 Corridor Improvement Project.	Watch	Chapter No. 250
AB 2121	Harkey	Would have required the California High-Speed Rail Authority to submit annually a six-year funding program and a project progress report to the appropriate policy and budget committees of the Legislature.	Watch	Dead – A. Appropriations
AB 2136	Perez	Adds the earthquake that struck Imperial County on April 4, 2010, to the list of disasters eligible for full state reimbursement of local property tax losses, beneficial homeowners' property tax exemption treatment, and special "carry forward" treatment of excess disaster losses.	Watch	Chapter No. 461
AB 2147	Perez	Would have modified the Safe Routes to School program to authorize schools to apply for SR2S grants and to require the California Department of Transportation to establish an advisory body.	Neutral	Vetoed
AB 2166	Chesbro	Would have authorized Smith River Rancheria Tribal Council to enter into a joint powers agreement to participate in the Border Coast Regional Airport Authority, and declared Smith River Rancheria to be a public agency for	Support	Vetoed

Bill No.	Author	Description	CSAC Position	Status
		purposes of that JPA.		
AB 2184	Arambula	Requires local agencies that use the Uniform Public Construction Cost Accounting Act to send the notices inviting formal bids to construction trade journals also by either facsimile or electronic mail, if available. This bill reduces the time period for sending the formal bid invitation notices from 30 days to 15 days before the date set for opening the sealed bids.	Pending	Chapter No. 62
AB 2216	Fuentes	Would have required that contract retention proceeds not exceed five percent of the payment of all contracts entered into after January 2010, between a public entity and an original contractor, between an original contractor and a subcontractor, and between all subcontractors.	Oppose	Dead – S. Appropriations
AB 2293	Torres	Would have required the Department of Housing & Community Development authority to reserve funds for awards for the Multifamily Housing Program, Transit-Oriented Development Program, and the Joe Serna, Jr. Farmworker Grant Program that meet specified qualifications.	Watch	Vetoed
AB 2317	Saldana	Would have authorized cities and counties to collect fines related to nuisance abatement using a nuisance abatement lien or a special assessment.	Support	Vetoed
AB 2509	Hayashi	Would have added, as an eighth characteristic that cities and counties must include in their transit village plans, other land uses that provide direct linkages for traveling to and from educational facilities.	Watch	Dead – S. Floor
AB 2565	Ammiano	Authorizes public agencies to charge and collect a reasonable fee from members of the public for a copy of an environmental document not to exceed the cost of reproducing the environmental document. The document may be provided in an electronic format as provided under the Public Records Act.	Watch	Chapter No. 210
AB 2567	Bradford	Authorizes local public agencies to use automated parking enforcement systems for street sweeping-related violations.	Support	Chapter No. 471
AB 2613	Beall	Would have authorized a city or county after notice and public hearing, to order unpaid fines or penalties related to ordinance violations on real property to be specially assessed against the parcel.	Support	Vetoed
AB 2703	Perez	Would have established a process whereby the California Department of Transportation could have made loans using federal funds received from a second round of economic stimulus to advance a Proposition 1B project.	Support	Dead – S. Rules
AB 2704	Gaines	Requires that funding for local snow removal must be maintained as	Support	Chapter No. 101

Bill No.	Author	Description	CSAC Position	Status
		provided for under existing law.		
AB 2754	Perez	Would have made various changes to the Governor's Office of Planning and Research's powers and duties and establishes a unit related specifically to planning and the state clearinghouse within OPR.	Watch	Vetoed
ACA 9	Huffman	Would have made changes to the voting requirements contained in the California Constitution for special taxes and bonded indebtedness for local governments.	Support	Dead – A. Floor
ACA 15	Arambula	Would have lowered the constitutional vote requirement for approval of a special tax specifically for providing funding for local transportation projects from two-thirds to a 55% majority.	Support	Dead – A. Floor
ACR 32	Miller	Would have reaffirmed state recognition of the sovereign status of federally recognized Indian tribes as separate and independent governmental and political communities.	Watch	Dead – A. Judiciary
SB 194	Florez	Would have enacted the Community Equity Investment Act of 2010 and specified how funds received under the federal State Community Development Block Grant Program were expended at the local level.	Oppose	Vetoed
SB 326	Strickland	Would have required cities and counties to include within the housing needs assessment portion of their housing elements a quantification of their existing and projected foreclosure rates and an analysis of the impact of foreclosures on housing needs.	Watch	Dead – A. Local Government
SB 409	Ducheny	Would have made various changes regarding the governance and new report requirements of the California High-Speed Rail Authority.	Watch	Dead – A. Appropriations
SB 454	Lowenthal	Deletes the sunset date on three sections of law requiring the owners of affordable housing to provide notice to tenants and governmental entities before converting a property to market rate and giving a limited priority to preservation purchasers in the event the owner wishes to sell.	Watch	Chapter No. 208
SB 474	Ducheny	Would have required a lead transportation agency, prior to entering into a public-private partnership or design-build agreement, to pass a resolution that identifies the benefits anticipated from using the alternative project delivery or financing methods over traditional methods.	Watch	Vetoed
SB 476	Correa	Would have clarified provisions of the California Environmental Quality Act that prescribe when and how a person may bring an action or a proceeding against a project before a public entity.	Watch	Dead – A. Natural Resources

Bill No.	Author	Description	CSAC Position	Status
SB 812	Ashburn	Requires cites and counties to include an analysis of the housing needs of the developmentally disabled in the analysis of special housing needs in their housing elements.	Pending	Chapter No. 507
SB 879	Cox	Extends the sunset for the use of design-build by counties from January 1, 2011, to July 1, 2014, and aligns the design-build statutes for cities and counties.	Support	Chapter No. 629
SB 958	Lowenthal	Would have designated the Department of Housing and Community Development as the primary state agency responsible for administering the federal Housing Trust Fund.	Watch	Dead – A. Floor
SB 959	Ducheny	Would have recreated the Office of Permit Assistance under the Governors Office of Planning and Research in order to help facilitate state and local level review of commercial and industrial development projects.	Neutral	Vetoed
SB 967	Correa	Would have required, on or before July 1, 2011, that a five percent bid preference be provided on state contracts for goods or services exceeding $1 million, including bids or proposals for the distribution of funds pursuant to the federal American Recovery and Reinvestment Act of 2009, to contractors who substantiate that 90 percent of their employees performing work on the contract are residents of California.	Watch	Vetoed
SB 976	Hollingsworth	Would have exempted the expansion of an existing overpass, onramp, or off ramp from CEQA if it is built within an easement or right-of-way controlled by a state or local transportation agency, a city, or a county.	Watch	Dead – S. Environmental Quality
SB 1005	Cox	Would have authorized the Tahoe Forest Health Care District and a health care district authorized by the Office of Statewide Health Planning and Development to use a design-build procedure when assigning contracts for the construction of a hospital or health facility building. The bill sunsets on January 1, 2016.	Watch	Dead – S. Appropriations
SB 1010	Correa	Would have prohibited judicial review under CEQA for 125 projects selected by the Business, Transportation and Housing Agency.	Watch	Dead – S. Environmental Quality
SB 1019	Correa	Extends, from January 1, 2011 to January 1, 2016, the sunset date for procedures that counties and cities must follow to release subdivision performance securities following the completion by developers of required public improvements associated with new developments.	Watch	Chapter No. 174

Bill No.	Author	Description	CSAC Position	Status
SB 1141	Negrete McLeod	Would have made various changes to the general statutory requirement that each county form an airport land use commission (ALUC), authorized the Division of Aeronautics at Caltrans to establish a fund to provide grants to counties for the establishment of an ALUC, and prohibited airports in counties that have not established an ALUC from receiving state Aeronautics Account funds if an ALUC had not been established in that County.	Watch	Vetoed
SB 1174	Wolk	Would have used previously authorized bond funds to create a pilot project, administered by the Strategic Growth Council, to assist five cities and five counties in updating their general plans in order to identify and start to address the lack of infrastructure and services provided to disadvantaged unincorporated communities.	Oppose	Dead – A. Appropriations
SB 1333	Yee	Specifies that real property easements for avigation purposes, when required, are to be granted prior to when the purchaser of the property takes possession from the real estate developer. Also requires that, if an easement is granted and the development process subsequently terminates, that the easement also terminates and the easement be removed from the records of the County Recorder.	Watch	Chapter No. 329
SB 1348	Steinberg	Would have provided a procedure for the California Transportation Commission to adopt legislatively mandated policy guidelines.	Watch	Vetoed
SB 1371	Correa	Authorizes letters of no prejudice for the $950 million in high-speed passenger train bond funds intended for capital improvements to intercity and commuter rail lines and urban rail systems.	Watch	Chapter No. 292
SB 1418	Wiggins	Would have authorized a $1 increase in vehicle registration fees to increase revenue for service authorities for freeway emergencies, to be renamed "service authorities for freeways and expressways."	Support	Dead – A. Transportation
SB 1445	DeSaulnier	Would have allowed a fee increase of up to $4 annually on vehicle registration to fund to regional planning activities by councils of governments, metropolitan planning organizations and other specified local planning entities subject to approval by voters, and adds additional members to the Planning Advisory and Assistance Council.	Pending	Dead – A. Appropriations
SB 1456	Simitian	Clarifies the circumstances under which cumulative effects are not required to be examined under the California Environmental Quality Act and makes several revisions to mediation and judicial review procedures.	Watch	Chapter No. 496
SCA 3	Wyland	Would have deleted the provisions authorizing the transfer of revenues to	Watch	Dead – S. Revenue

Bill No.	Author	Description	CSAC Position	Status
		the Transportation Investment Fund to be suspended during a fiscal emergency.		& Taxation
SR 10	Padilla	Recognizes the week of February 15, 2009, to February 21, 2009, inclusive, as National Engineers Week and acknowledges the services bestowed upon the citizens of California by engineers.	Support	Read & Adopted
SR 33	Padilla	Recognizes the week of February 14, 2010 to February 20, 2010, inclusive, as National Engineers Week and acknowledges the services bestowed upon the citizens of California by engineers.	Support	Read & Adopted
SR 42	Cox	Recognizes the week of May 16, 2010, to May 22, 2010, inclusive, as National Public Works Week and acknowledges the services bestowed upon the citizens of California by public works officials and their staff.	Support	Read & Adopted

OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY

TO: Legislation Committee
Supervisor Susan A. Bonilla, Chair
Supervisor Gayle B. Uilkema, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: October 26, 2010

SUBJECT: **Agenda Item #6: Federal Issues Update**

RECOMMENDATION

ACCEPT the report on federal legislative matters.

WASHINGTON, D.C. REPORT

With the midterm elections rapidly approaching and control of both houses of Congress at stake, jittery lawmakers adjourned early on September 30 to hit the campaign trail. The adjournment was sooner than expected as lawmakers were originally scheduled to be in session the week of October 4.

In the weeks leading up to adjournment, Congress accomplished little in the way of legislative business. Democratic congressional leadership has opted to deal with some of the more thorny issues when lawmakers return for a lame-duck session after the elections.

To be sure, efforts by congressional leaders to focus on legislative business in the midst of a heated political season proved to be most challenging. No doubt, leadership on Capitol Hill felt pressure from rank-and-file members to return home to campaign as Democrats tried to hold on to their majorities in both chambers. However, congressional leaders were not immune from election-year pressures as Senate Majority Leader Harry Reid (D-NV) is locked up in a tight race with his GOP opponent in the Silver State.

Visions of capturing control of Congress provided a powerful incentive for Republicans to head back to their respective states and districts to campaign. With polls showing a strong possibility that the GOP could gain control of the House, and perhaps the Senate, Republican lawmakers were also anxious to leave town.

Democrats, however, did have one notable legislative accomplishment to point to before exiting Washington. In an effort to jump-start the struggling economy, Congress passed and President Obama signed into law the Small Business Jobs and Credit Act of 2010.

The nascent law establishes a $30 billion lending program for small businesses to hire employees and expand operations. The Act also provides for an additional $12 billion in tax breaks for small business owners.

Among the major legislative items left unfinished were the must-do appropriations bills for fiscal year 2011, which began October 1. Given that Congress decided to delay action on the various spending measures until after the elections, a continuing resolution to fund the federal government through December 3 was approved just before lawmakers adjourned.

Prior to adjournment, none of the 12 spending measures for fiscal year 2011 had been finalized. The unfinished funding bills are expected to be rolled into a massive omnibus appropriations measure during the lame-duck session, which is scheduled to begin November 15, or left for the new 112th Congress to complete in January or February.

Beyond efforts to finalize the fiscal year 2011 appropriations bills, it is unclear what additional legislation Congress will have the time or desire to address in the lame-duck session. While there is no shortage of issues for Congress to tackle, much depends on the outcome of the midterm elections and the political atmosphere surrounding Capitol Hill.

If Republicans capture control of one or both houses of Congress, the dynamics of a post-election session probably would be sharply different than if Democrats maintain the majority. GOP leaders would no doubt find it difficult to approve legislation while still in the minority, hoping to advance their own legislative agenda when they take over the reins in January.

Nevertheless, other possible items left unfinished that could surface in the post-election session include the expiring 2001 and 2003 tax cuts, a child nutrition reauthorization, and energy legislation.

Lawmakers will also have to consider extensions of the nation's surface transportation and aviation programs during the lame-duck session. The current authorizations of the federal highway and transit programs, as well as programs under the Federal Aviation Administration, expire on December 31.