



Agenda

LEGISLATION COMMITTEE

July 28, 2011
2:30 p.m. to 3:30 p.m.
651 Pine Street, Room 101, Martinez

Supervisor Karen Mitchoff, District IV, Chair
Supervisor John Gioia, District I, 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** – June 20, 2011
4. **State Budget Update** – Presenters: Lara DeLaney, Cathy Christian
5. **2011 State Legislative Items**– Presenters: Lara DeLaney, Cathy Christian
 - a) **AB 134 (Dickinson):** Sacramento Regional County Sanitation District —*Staff recommends SUPPORT*
 - b) **AB 946 (Butler):** Property Tax Administration: Loan Program — *Staff recommends SUPPORT*
 - c) **AB 438 (Williams):** County Free Libraries: Withdrawal: Use of Contractors: — *Staff recommends SUPPORT*
 - d) **SB 214 (Wolk):** Infrastructure Financing Districts: Voter Approval— *Staff recommends SUPPORT*
 - e) Any other legislation currently pending which may affect the County
6. **AB 109 Community Corrections Partnership, Executive Committee Composition**
7. **Federal Issues Update**– Presenter: Lara DeLaney
8. **Adjourn** to the next regular meeting scheduled for Monday, August 15, 2011 at 11:00 a.m.

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📁 Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Legislation Committee less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, 10th floor, during normal business hours.

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

For Additional Information Contact:

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Lara.DeLaney@cao.cccounty.us

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

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

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

Schedule of Upcoming BOS Meetings

Aug. 2, 2011

Aug. 9, 2011

Legislation Committee
Supervisor Karen Mitchoff, Chair
Supervisor John Gioia, Vice Chair

Record of Actions

June 20, 2011
Room 108, 651 Pine Street, Martinez

1. Introductions

The meeting was called to order by Chair Mitchoff. Vice Chair Gioia was in attendance. Staff and the public introduced themselves. Cathy Christian, state advocate, was conferenced in by phone.

2. Public Comment: None.

3. Review Record of Action: Record of May 16, 2011 was accepted as submitted.

4. State Budget Update :

The County's state advocate, Cathy Christian, reported on the discussions surrounding the State budget adoption. The Governor has vetoed the budget passed by the Legislature. It is unclear at this time, however, which trailer bills the Governor has on his desk. The Governor has indicated he will continue to negotiate the budget and press for a vote of the people. Realignment will be delayed until at least September. We do not have details on the Republicans' spending cap proposal.

5. State Legislative Issues:

- a) AB 509 (Skinner): Committee accepted recommendation to Support.
- b) SB 695 (Hancock): Committee accepted recommendation to Support.
- c) AB 1220 (Alejo): Committee accepted recommendation to Oppose.
- d) SB 776 (DeSaulnier): Committee accepted recommendation to Oppose Unless Amended.

The Legislation Committee recommended that the recommendations on bill positions go to the Board of Supervisors at the next available agenda.

6. Federal Issues Update: Committee accepted the report.

7. Adjourn: Committee adjourned to the next regular meeting and noted there was a conflict with the scheduled date of July 18, 2011 at 11:00 in room 101. Staff would work to find an alternate date for the next Committee meeting.

6/20/11

LEGISLATION COMMITTEE

SIGN-IN SHEET

Signing in is voluntary. You may attend this meeting without signing in.

Name	Representing	Phone
Lauren Brosnan	EHSD	313-1676
Joe Valentine	EHSD	3-1579
Linda Chamberlain	WDBAC / EHSD	2-6811
Suzie Griffith	AFSCME 2100	228-4400 x 12
Cliff Glickman	Sup Mitchoffs Office	521-7100
Dorinda - Pearce	Health Svc	957-5568
Bill Walker	HSD	957-5400
Trollie Kater	Local One	228-1600
PHILIP KADER	PROBATION	313-4188

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

TO: Legislation Committee
 Supervisor Karen Mitchoff, Chair
 Supervisor John Gioia, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: July 22, 2011

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

RECOMMENDATION

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

REPORT

After a veto fight with his own party and unresolved differences with Republicans, Governor Jerry Brown signed an on-time \$85.9 billion spending plan on June 30, 2011 that slashes higher education and the safety net while relying on a windfall of tax revenues.

Democratic lawmakers relied on new voter-approved powers that enabled them to pass a budget with majority support rather than two-thirds. Since talks with Republicans died, GOP leaders declared victory by blocking tax extensions and allowing taxes on vehicles and sales to fall as 2009 rates expire.

Democrats were measured in their response, bemoaning the program cuts but saying it was the best package they could construct without Republican support. Brown chose not to have a public signing ceremony Thursday, signing the budget bills behind closed doors.

Brown's budget includes \$270 million total in line-item vetoes, and \$23.8 million within the general fund. The bulk of the general fund cut affects trial courts; Brown's veto statement says they do not need \$22.9 million because the state is delaying the transfer of parole revocation hearing responsibilities.

Brown and Democratic leaders have vowed to pursue a 2012 ballot initiative asking voters to reinstate those tax hikes. One of the budget bills, Assembly Bill 114, lays the groundwork for such a measure, setting terms for a retroactive \$2 billion school repayment should voters reject taxes or the ballot proposal never materialize.

The latest deficit was as large as \$26.6 billion in February. Since that time, lawmakers and Brown balanced the budget with a roughly even mix of cuts and tax windfall, as well

as a smaller amount of fund shifts and internal borrowing. They are relying on about \$11.8 billion in unanticipated tax growth, an amount nearly equal to the \$12 billion that Brown originally wanted over 18 months through his tax extensions on vehicles, sales and income.

The budget plan did involve deep cuts to the state's neediest, a point that has been overlooked because of the two-step way in which Democrats solved the budget this year.

Lawmakers passed the bulk of their spending cuts in March, most on a majority vote without Republican support. The March reductions hit virtually every program that subsidizes the state's poor. It included a \$1.5 billion reduction in Medi-Cal spending, a nearly \$1 billion cut in welfare-to-work and a \$178 million reduction in SSI/SSP payments to low-income elderly and disabled.

Higher education also got hit hard. The state cut the University of California and California State University systems each by \$500 million in March and another \$150 million in June. Both systems have implemented tuition hikes. Lawmakers also raised community college fees by \$10 per unit. Further cuts could come if the state falls short of its optimistic revenue projections for the next fiscal year.

A smaller, but highly visible cut, will result in the closure of up to 70 state parks.

Democrats solved the \$9.6 billion remainder of the problem with a grab bag of changes. Those include: a \$4 billion optimistic revenue projection backed by "trigger" cuts; nearly \$3 billion in delayed payments to schools; a \$1.7 billion restructuring of redevelopment agencies; additional cuts to higher education and courts; and fee increases on rural homeowners and drivers.

Majority-party lawmakers reached that compromise with Brown only after a spirited battle with the governor after he vetoed their first budget two weeks ago. Brown's veto led to Controller John Chiang withholding legislators' pay, though the two executives rejected the Democratic budget for different reasons.

The biggest change in the final budget was that Democrats removed some dubious solutions, such as the sale of state buildings and taking \$1 billion from First 5 commissions. They also took out a quarter-cent local sales tax increase, both because it was legally risky on a majority vote and would have undermined Brown's pledge not to raise taxes without a vote of the people.

They replaced those ideas with the \$4 billion optimistic revenue projection. They said that was not a gimmick because it was backed by \$2.5 billion in cuts that would "trigger" if the money never materializes.

Kevin Yamamura, Sacramento Bee, 6/30/11

For more detailed information about the State Budget, see *Attachment A*, the CSAC Budget Action Bulletin.

In a related matter, the Controller released the June Cash Update on July 11, 2011 which noted that revenues were above previous year estimates by \$440 million but that they were below the \$1.2 additional needed in the recently enacted Budget by \$350 million.

The Department of Finance released their July Finance Bulletin last week, which noted that preliminary General Fund cash exceeded the May Revision by \$499 million for June and that revenues are below the newly enacted budget by \$230 million.

The recently enacted budget does include triggers if certain thresholds are not met by December 2011. At that time the Director for the Department of Finance would review the figures and decide what, if any, trigger would be pulled.

In other news, State Treasurer Bill Lockyer will try to borrow about \$5 billion for a brief period later this month to prepare for a possible federal "disruption," his office said Thursday.

Lockyer had originally planned to borrow the same amount of money later this year in order to ensure California has enough cash to pay its bills. But his office believes that absent a federal deal to raise the debt ceiling, the state could suffer from a "cash flow disruption and market turmoil" that would leave it unable to cover all operating costs.

To preempt such a problem, the treasurer will sell about \$5 billion in short-term notes to private investors on July 26, using that money as a bridge to a separate \$5 billion borrowing later this year. If federal officials reach a deal on the debt ceiling by July 26, Lockyer can avoid the bridge loan.

California borrows billions each fiscal year to pay its bills until the bulk of tax payments flow to the state in big collection months like April.

Lockyer relied on a \$6.7 billion interim loan last October to help manage California's cash needs. In that deal, J.P. Morgan and Goldman Sachs accounted for nearly 70 percent of the funding, earning a 1.4 percent interest rate.

REALIGNMENT UPDATE

CSAC staff met with the Controller's Office and Department of Finance last week to discuss cash flow. At that meeting counties were informed that sales tax revenues will not begin to be deposited in the Local Revenue fund 2011 (which funds realignment) until August 24, 2011. This is because vendors submit the sales tax funds monthly and then the Board of Equalization does a true up on the 24th of each month. This means that funds for the various subaccounts will not have funds until early September. The CSAC Realignment Implementation Planning Group (RIPG) is discussing this issue, among others, twice a week in order to provide specific language before the Legislature returns on August 15th.

The RIPG is also beginning to discuss protections to be placed into statute. Since the constitutional amendment has not been passed, we are discussing what could be placed into statute to provide counties protections. The most protection we could hope for in statute is a poison pill since placing the protections in statute does not provide long-term relief due to the fact that the Legislature could amend it at any time.

Additional details about Realignment implementation can be found in:

Attachment A: CSAC Budget Action Bulletin #5

Attachment B: Brief Summary of Key Provisions in AB 109 & AB 117*

Attachment C: Allocation/Caseload Information on AB 109/AB 117 (Criminal Justice Realignment)

Attachment D: County-by-county allocations



**2011-12 State Budget
Week of June 27, 2011**

June 29, 2011

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 No. 5**

Late last night, the Legislature finalized action on the 2011-12 state budget, sending eight new bills and some previously approved bills to the Governor for his consideration. The package was approved on a majority-vote basis, largely along party lines. The budget plan includes the Governor's proposal to realign many public safety and health and human services to counties, along with funding to do so. Regrettably, the Legislature did not take action to provide the constitutional protections counties were seeking. The Governor, however, has continued his commitment to constitutional protections at a later date and trailer bill language approved last night reinforces that commitment.

This *Budget Action Bulletin* represents our initial review of the budget and accompanying trailer bills; please understand that these bills were only just available in print this morning. Expect additional information from CSAC as more details become available. A list of trailer bills is provided at the end of this document.

Realignment

Realignment Financing. 2011 Realignment is funded with a dedicated portion of state sales tax revenue and Vehicle License Fees (VLF). A few measures include components of realignment financing, recognizing that additional work to refine the financing structure will take place over the remainder of the legislative session.

AB 118 outlines the financial structure for allocating funds to a variety of accounts (programs) for realignment. It establishes the Local Revenue Fund 2011 (Fund) for purposes of receiving revenues and continuously appropriates funds from that account

to counties. Counties are also directed to create local accounts to receive these funds. Specific allocations by program are, for the most part, prescribed in the statute and, in some instances, capped at a specific dollar amount.

In addition, AB 118 directs the deposit of revenues associated with 1.0625 percent of the state sales tax rate to be deposited in the Fund.

AB 118 also establishes a reserve account should revenues come in higher than anticipated. Funds will be allocated from that reserve account to entitlement programs (Foster Care, Drug Medi-Cal, and Adoption Assistance). The realignment trailer bill is silent as to what happens if revenues come in lower than expected.

Intent language in the bill directs two additional steps in the future to implement realignment more permanently: first, that the Legislature intends that new allocation formulas be developed using appropriate data and information for the 2012-13 fiscal year and each fiscal year thereafter. Second, that the Legislature intends for sufficient protections be in place to provide ongoing funding and mandate protection for the state and local government.

SB 89 also contains a variety of provisions related to financing the realigned programs, including the dedication of a portion of VLF to the Fund. Specifically, SB 89 dedicates the amount of VLF remaining after the allocation to 1991 realignment programs to the Local Law Enforcement Services Account in the Fund for allocation to local agencies. This revenue comes from two sources: freed up VLF previously dedicated to DMV administration and VLF that was previously dedicated to cities and the County of Orange for general purpose use. The estimated total amount of VLF revenue now dedicated to realignment is \$453 million.

Also related to realignment, AB 114, the education trailer bill, includes language that the new 1.0625 percent of the state sales tax is not "General Fund Revenues" for purposes of calculating the Proposition 98 guarantee. Further, the bill indicates that this section is operative only if one or more ballot measures approved before November 17, 2012 that authorizes the dedication of state revenue to realignment and provides funding to school districts and community college districts in an amount equal to that which would have been provided if the revenues had been "General Fund Revenues". If not, the state must provide funding to school districts and community college districts in an amount equal to what they would have received had realignment not occurred.

Realignment Financing Summary

Program	2011-12	2012-13	2013-14	2014-15
Court Security	\$496.4	\$496.4	\$496.4	\$496.4
Local Public Safety Subventions	489.9	489.9	489.9	489.9
Local Jurisdiction of Lower-level Offenders and Parole Violators				
Local Costs	239.9	581.1	759.0	762.2
Reimbursement of State Costs	956.7	0.0	0.0	0.0
Realign Adult Parole				
Local Costs	127.1	276.4	257.0	187.7
Reimbursement of State Costs	262.6	0.0	0.0	0.0
Mental Health Services				
EPSDT	0.0	629.0	629.0	629.0
Mental Health Managed Care	0.0	183.7	183.7	183.7
Existing Community Mental Health Programs	1,083.6	1,119.4	1,119.4	1,119.4
Substance Abuse Treatment	183.6	183.6	183.6	183.6
Foster Care and Child Welfare Services	1,567.2	1,567.2	1,567.2	1,567.2
Adult Protective Services	55.0	55.0	55.0	55.0
Existing Juvenile Justice Realignment	97.1	104.1	103.2	103.3
Unallocated Revenue Growth*	0.0	339.0	624.5	1,063.9
Total	\$5,559.1	\$6,024.8	\$6,467.9	\$6,841.3
VLF Funds	\$453.4	\$453.4	\$453.4	\$453.4
1.0625% Sales Tax	\$5,105.7	\$5,571.4	\$6,014.5	\$6,387.9

*This amount will be subject to discussion and is intended to cover county costs and reimburse reasonable state costs.

2011 Realignment Accounts Summary

LOCAL REVENUE FUND 2011	
Accounts	Subaccounts
1. Trial Court Security Account	
2. Local Community Corrections Account	
3. Local Law Enforcement Services Account	
4. Mental Health Account	
5. District Attorney and Public Defender Account	
6. Juvenile Justice Account	<ul style="list-style-type: none"> ▪ Youthful Offender Block Grant Subaccount ▪ Juvenile Reentry Grant Subaccount
7. Health and Human Services Account	<ul style="list-style-type: none"> ▪ Adult Protective Services Subaccount ▪ Foster Care Subaccount ▪ Child Welfare Subaccount ▪ Adoptions Subaccount ▪ Adoption Assistance Program Subaccount ▪ Child abuse prevention Subaccount ▪ Women and Children's Residential Treatment Services Subaccount ▪ Drug Court Subaccount ▪ Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount ▪ Drug Medi-Cal Subaccount
8. Reserve Account	

Health and Human Services Realignment. The health and human services programs included in the Governor's realignment plan will be realigned in 2011-12 and 2012-13. The health and human services realignment is effective July 1, 2011. The following chart details which programs realign in which fiscal year:

2011-12	2012-13
Foster Care	Mental Health Managed Care
Community Mental Health (1991 Realignment)	Early Periodic Screening, Diagnosis and Treatment (EPSDT)
Child Welfare Services	
Adoptions	
Adoption Assistance Program	

2011-12	2012-13
Child Abuse Prevention Intervention and Treatment (CAPIT)	
Adult Protective Services	
Drug Medi-Cal	
Perinatal Drug Services	
Drug Courts	
CalWORKs	
Non-Drug Medi-Cal Services	

Please note that the 2011 Realignment changes the funding source – not the allocation – for the community mental health programs that were realigned in 1991.

AB 118 contains the provisions that move the funding for community mental health programs from 1991 realignment into 2011 realignment. The funds that would have otherwise been deposited into the Mental Health Subaccount are directed to be deposited into the Social Services Subaccount. AB 118 specifies that these new funds will be used for an increased county share of CalWORKs grants. The measure does not specify how the funds get distributed to the Social Services Subaccount or what the new county share of CalWORKs grants will be. Presumably, this further specification will be part of the implementing legislation. Our understanding from conversations with the Administration is that their intent is for a statewide share of CalWORKs grants – not a county-by-county share.

Allocations

The allocations for health and human services programs are based on what the state would have otherwise expended for those programs in 2011-12.

Cash Advances

The state advances cash to counties for administration and grants for many of the health and human services programs slated for realignment on July 1. Those cash advances have already been sent to counties. The state will need to pay itself back for the July advances out of the 2011 realignment fund.

1991 Realignment. SB 89 contains language to ensure that the delay in sending out VLF notices does not impact the 1991 realignment accounts in 2010-11. When DMV stopped mailing out notices that were due on or after July 1, 2011, people that would have paid them in the current fiscal year (even though they weren't due until July) are not paying them, so there is a shortfall. This issue is particularly problematic for 1991 realignment because what is received in current year becomes the base in the next year.

VLF is allocated to counties based on monthly receipts. The delay in sending out DMV notices would create a base shortfall of several hundred million dollars for 2010-11 and artificial growth for 2011-12. In realignment, base revenues are distributed differently than growth and each year's base plus growth equals the following year's base; therefore, the artificial growth in 2011-12 would permanently change how VLF is distributed in future years.

The measure contains language that allows the Controller to calculate the difference between VLF collected in 2009-10 and 2010-11 and directs him to deposit that amount as if it had been received in 2010-11.

AB 109 Public Safety Realignment Implementation. AB 117 enacts several key changes to AB 109, which, as counties will recall, provides a framework for the adult offender population shifts – low-level offenders, new population supervised locally under “post-release community supervision,” and a local revocation process. (See additional information below on the juvenile justice realignment.) Further, AB 118 creates and funds a Community Corrections Grant Program, as required in AB 109, making operative the provisions of public safety realignment.

The key technical and substantive changes contained in AB 117 are noted below:

- Delays the implementation/operative date of AB 109 to October 1, 2011.
- Delays the court’s responsibility for handling the parole revocation process for state parolees until July 1, 2013; however, the court will assume responsibility for imposing sanctions on state inmates placed on Post Release Community Supervision (PRCS) on October 1, 2011. (The Board of Parole Hearings will continue to be responsible for the revocation hearing function for state parolees through 2012-13.)
- Requires counties to inform the California Department of Corrections and Rehabilitation (CDCR) by August 1, 2011 as to the designated supervising entity (or entities, if a county intends to employ a hybrid model) for inmates discharged from prison and placed onto the PRCS program, including appropriate the local points of contact.
- Eliminates the existing sunset in Penal Code Section 4011.10 that provides that where a medical contract does not exist between a county and a private hospital, a hospital may not charge counties more than 110 percent of average actual costs as reported to Office of Statewide Health Planning and Development (OSHPD) for emergency treatment provided to county jail inmates. Further, the section is amended to extend this cap on hospital costs to non-emergency care provided to county jail inmates.

ACTION

- Adds Penal Code Section 4115.55 to authorize counties to contract with public community correctional facilities to house county jail inmates; this authority would sunset in three years.

We would note that we are continuing to work through the specifics of AB 117 and will provide additional updates on its provisions in the coming days and weeks. Further, we anticipate that additional technical clean-up to AB 109 will be necessary before the 2011 legislative session ends.

Public Safety Realignment Allocations. CSAC will be working to furnish counties with additional details on program-specific allocations for public safety realignment as quickly as possible. AB 118 makes clear that allocation formulas apply only to the first year of realignment; methodologies for 2012-13 and beyond are open to review and revision. Of particular note in the near-term:

- AB 118 outlines the county shares for AB 109 programmatic allocation; these shares are consistent with the allocation formula shared with counties earlier this month. Note that with delayed implementation of AB 109, 2011-12 programmatic funding will be \$354.3 million. The smallest of counties that benefit from the minimum grant will each receive approximately \$77,000 in 2011-12.
- AB 118 outlines a separate allocation (using the same designated county shares developed for the programmatic aspects of AB 109, described above) for the \$12.7 million designated for district attorney and public defender responsibilities in 2011-12 associated with the local revocation process for those on PRCS. AB 118 further provides for equal distribution to the district attorney and public defender offices at the local level.

One-time startup/training funds. The main budget bill, SB 87, also provides counties with a one-time appropriation of \$25 million, distributed using the AB 109 allocation formula, to cover costs associated with hiring, retention, training, data improvements, contracting costs, and capacity planning pursuant to each county's AB 109 implementation plan. Additionally, each county will receive a one-time grant (depending on county size) for purposes of supporting the CCP in developing its implementation plan. The Corrections Standards Authority will administer these grants, which will be distributed based on population, as follows:

County population	CCP planning grant
Up to 200,000	\$100,000
200,001 to 749,999	\$150,000
Over 750,000	\$200,000

Finally, there will be additional financial support to provide for statewide training on both the technical aspects of AB 109 as well as best community correctional practices as counties explore ways to manage new offender populations locally.

Juvenile Justice Realignment. Given that additional time was needed to establish a construct and contracting model to facilitate this piece of realignment, AB 117 eliminates placeholder language previously enacted in AB 109, effectively removing the shift of responsibilities for the remaining youthful offenders at Division of Juvenile Justice (DJJ). We anticipate further work in the coming months to address this remaining piece. In the meantime, a provision in SB 92 would require – only if “trigger cuts” are necessitated – that counties pay, on an annual basis, \$125,000 per youthful offender committed to a state juvenile detention facility.

Community Corrections Partnership (CCP) Executive Committee. The composition and duties of the CCP and its Executive Committee, as previously enacted in AB 109, were further revised in AB 117. These changes resulted from negotiations among stakeholders in recognition of the responsibilities assigned to the CCP to develop and present an AB 109 implementation plan to the board of supervisors. The changes are noted below:

- Recasts the CCP Executive Committee to include the following seven members: 1. chief probation officer as chair; 2. presiding judge or designee; 3. district attorney; 4. public defender; 5. sheriff; 6. a chief of police; and 7. one of the following: the head of the county department of social services, mental health, or alcohol and substance abuse programs, as designated by the board of supervisors.
- Specifies that the executive committee vote on the final AB 109 implementation plan that is to be presented to the county board of supervisors.
- Provides that the county board of supervisors can reject the AB 109 implementation plan as submitted by the CCP with a four-fifths vote of the board; if the plan is rejected it is referred back to the entire CCP for revision.
- Gives the board of supervisors the flexibility to appoint a designee (other than the CAO or a board member) to the 14-member CCP.

Two additional points regarding the revised CCP structure: 1) the board of supervisors retains exclusive authority for allocating funds; the role of the CCP and its Executive Committee is to develop an implementation (not a spending or allocation) plan for the adult offender population shifts; and 2) the CCP and its Executive Committee is subject to provisions of the Brown Act. Counties should seek the guidance of their county counsel as they convene meetings of their CCP and Executive Committee.

Local Public Safety Subventions. As covered in an earlier section, the budget provides alternative funding for the local public safety programs previously supported through the dedication of 0.15 percent of the Vehicle License Fee. However, counties should note one detail: AB 118 dedicates \$489.9 million to the newly established Local Law Enforcement Services Account, approximately \$15 million less than the expected funding amount. AB 121 contains a related “trigger cut” associated with the funding for the Vertical Prosecution Grant Program. If the trigger is not pulled, those grant awards would be funded out of the California Emergency Management Agency budget.

Other Aspects of Public Safety Realignment. As outlined previously, the budget also funds other public safety aspects of realignment as conceived in the Governor’s overarching structure. Funding through the 2011 realignment also will support all of the following:

- **Court security.** Funding to support court security (\$496.4 million in 2011-12) will come directly to counties through the 2011 realignment, with an expectation of a dollar-for-dollar dedication of resources to support county sheriffs’ service to the courts. (The two counties that maintain a marshal system will continue to receive funding through the judicial branch for court security purposes.) AB 118 prohibits administrative charges to the court security account. Counties should note that there will be additional resources available to support court security services associated with the local revocation process for the PRCS population; those funds have yet to be allocated.
- **Previously realigned juvenile justice components.** Both the Youthful Offender Block Grant and DJJ juvenile parole reimbursement (AB 1628, signed in 2010) will be funded through the current allocation methodology through 2011 realignment funding.

Restructuring of Corrections Standards Authority (CSA). SB 92 renames and restructures the Corrections Standards Authority effective July 1, 2012. The current CSA will be replaced by a newly composed Board of State and Community Corrections (the Board), which will operate outside of the California Department of Corrections and Rehabilitation (CDCR). Beginning July 1, 2012, the newly formulated Board will assume all the authority now vested with the CSA, as well as the functions and duties that now reside with the California Council on Criminal Justice (CCCJ) and Office of Gang and Youth Violence Policy. Those latter two entities will be dissolved June 30, 2011, pursuant to SB 92.

The mission of the Board will be to provide statewide leadership on the adult and juvenile criminal justice systems as well as gang violence and to provide technical assistance to promote effective partnerships at the local and state level. The Board will

also have the responsibility to collect from each county's CCP its AB 109 implementation plan within two months of the plan's adoption by the county board of supervisors.

The composition of the Board will be somewhat leaner, reduced from the current CSA structure of 19 members to 12 members. Each member will serve terms of three years and are to be appointed by the Governor and confirmed by the Senate, unless noted otherwise. Board membership is constructed as follows:

- Secretary of CDCR, who will serve as chair;
- Director of Division of Adult Parole Operations for CDCR;
- County sheriff with detention facility capacity of 200 or less inmates;
- County sheriff with detention facility capacity over 200 inmates;
- County supervisor or county administrative officer;
- Chief probation officer from a county with a population over 200,000;
- Chief probation officer from a county with a population under 200,000;
- A judge appointed by the Judicial Council;
- A chief of police;
- A community provider of rehabilitative treatment or services for adult offenders, appointed by the Speaker of the Assembly;
- A community provider or advocate focusing on at-risk youth and juvenile offenders to be appointed by the Senate Committee on Rules; and
- A public member.

Trigger Cuts

Counties will be particularly interested in the so-called "trigger cuts" mechanism, by which the state will enact mid-year budget reductions should state revenues not achieve anticipated targets. By December 15, 2011, the Director of Finance will determine whether revenues meet the forecast. The Director may use the Department of Finance forecast or the Legislative Analyst's Office forecast, whichever is higher. SB 73 and AB 121 accomplish the trigger reductions, some of which may impact counties directly.

SB 73 contains additional statutory direction on how the cuts to In-Home Supportive Services (IHSS), Developmental Services and Medi-Cal Managed Care would be effectuated. The measure contains detailed provisions on the appropriation of the 20 percent reduction in authorized hours for IHSS recipients. SB 73 also establishes an IHSS Care Supplement application for recipients who believe he or she is at serious risk of out-of-home placement due to the reduction in hours. The state will develop an assessment tool for counties to use to determine who is at risk of out-of-home placement.

Trigger Cuts Summary

Tier 0	
If the State receives \$3 - \$4 billion of the \$4 billion projected revenues, there will not be additional cuts. Any shortfall will be rolled into 2012-13.	
TOTAL	\$0
Tier 1	
If the State receives \$2 - \$3 billion of the projected revenues, nearly \$530 million in cuts will go into effect:	
▪ University of California	\$100 million
▪ California State University	\$100 million
▪ 20 percent reduction in authorized hours for In-Home Supportive Services recipients	\$100 million
▪ Department of Developmental Services unallocated reduction	\$100 million
▪ \$10/unit fee hike for community colleges	\$30 million
▪ Across-the-board cut to child care funding	\$23 million
▪ Department of Corrections and Rehabilitation	\$20 million
▪ Reduction to California State Library for library grants	\$16 million
▪ Medi-Cal Managed Care Plan payment reductions	\$15 million
▪ Vertical Prosecution grants	\$15 million
▪ Anti-fraud grants provided to counties for the IHSS program	\$10 million
TOTAL	\$529 million
Tier 2	
If the State receives \$0 - \$2 billion of the projected revenues, up to \$1.9 billion in cuts will go into effect, proportionate to revenues:	
▪ Reduction to K-12 schools that allows districts to drop seven classroom days. The school year would be reduced to 168 days – down from 180 days three years ago.	\$1.5 billion
▪ Elimination of school bus transportation	\$248 million
▪ Reduction to community colleges	\$72 million
TOTAL	\$1.82 billion

Other Non-realignment Budget Issues

Some components of the majority-vote budget previously approved by the Legislature (and not mentioned otherwise in this *Budget Action Bulletin*) are maintained in this version. Those include:

- \$150 million cut each to the University of California, California State University
- \$200 million in “Amazon tax” online tax enforcement

ACTION

- \$2.8 billion in deferrals to K-12 schools and community colleges

Other components of that package are expressly NOT included:

- \$1.2 billion from selling state buildings
- \$900 million from “Single Flip”
- \$1 billion from First Five Commissions
- \$540 million deferral to University of California
- \$700 million in federal funds for Medi-Cal errors

The new budget package includes some new items:

- Moves about \$1 billion in child care programs (non-preschool) outside of Proposition 98 guarantee
- \$448 million unallocated reduction to Medi-Cal and Healthy Families
- \$36 million cut in Department of Justice
- \$11.5 million in water fees to pay for the State Water Resources Control Board

ADMINISTRATION OF JUSTICE

Outside of the realignment-related aspects of the budget, the other justice-related budget item of note relates to additional reductions to the courts. The main budget bill, SB 87, reflects two additional, deep cuts to the judicial branch affecting both operations and court construction. There is a \$150 million reduction to the judicial branch, with explicit authority to give the Judicial Council maximum flexibility to apply the reduction across programs and funds. Secondly, SB 87 takes just over \$300 million from the Immediate and Critical Needs Account of the state courthouse construction fund. This sweep is expected to have an as-yet unknown impact on project timelines. The Administrative Office of the Courts will be evaluating these impacts and communicating with courts and counties about delays that might result.

AGRICULTURE AND NATURAL RESOURCES

SB 87, the main budget bill, approved a \$50 million reduction to California Department of Forestry and Fire Prevention’s (CAL FIRE’s) budget, to be backfilled with new revenues from a State Responsibility Area (SRA) Fee to be paid by homeowners within the SRA.

In addition, SB 87 includes language that would direct CAL FIRE to convene a working group, consisting of legislative staff, Department Executive staff, a representative from the Department of Finance, and at least two fire chiefs – one from Northern California and one from Southern California and from both rural and urban districts. The purpose of the working group would be to discuss options for future funding, realignment and

possible changes to the State's management of wildland firefighting. The bill dictates that the group shall meet no less than three times before the end of the year. Finally, SB 87 assumes \$12.8 million in savings to CAL FIRE's Fire Protection Program resulting from the department's risk-reduction strategy reviews.

ABX1 29, passed by the Legislature on June 15, 2011, includes the SRA proposal. This bill would impose an annual \$150 fire prevention fee on structures located in the SRAs.

Other resource-related items included in the budget bill are: a cut of \$155 million in energy efficiency programs funded by the Gas Consumption Surcharge Tax; approved cuts of \$11 million to State Parks and \$10 million to Off-Highway Vehicle Parks; and, \$11 million in savings from new water quality fees.

GOVERNMENT FINANCE AND OPERATIONS

Redevelopment. ABX1 26 and ABX1 27 have been signed by the Governor. Counties will recall that the Legislature previously approved these measures that provide for the elimination of redevelopment agencies and the subsequent ability for a redevelopment agency to continue under certain circumstances. Please see our previous [Budget Action Bulletin](#) for more information.

HEALTH AND HUMAN SERVICES

As noted above, the final and full 2011-12 budget picture can only be seen by cobbling together a series of bills passed on both June 15 and June 28. We attempt to delineate which enacted policies are contained in which trailer bills below.

Also, for a full discussion of the enacted realignment proposal, please see the Realignment section in the beginning of this document.

Mental Health Services for Special Education Students, AB 3632

The June 28 budget includes the Governor's proposal to eliminate the mandate on counties to provide mental health services to special education students (AB 3632). The education trailer bill (AB 114) and budget bill (AB 87) contain the pertinent language and were sent to the Governor yesterday. As of July 1, schools will be responsible for funding mental health services for special education students. The budget rebench Proposition 98 with an additional \$222 million to reflect this change. The budget also includes \$80 million in 2010-11 to partially backfill for the AB 3632 funding Governor Schwarzenegger vetoed last fall. Additional language surrounding the elimination of the AB 3632 mandate on counties can also be found in AB 114, the education trailer bill passed on June 28.

CalWORKs

The June 28 budget includes the restoration of \$90 million to prevent additional grant cuts for safety net and child only cases that exceed 60-months and restores \$50 million of the single allocation cut.

Healthy Families Shift to Medi-Cal

The final June 28 budget continues to assume savings from the Governor's proposal to shift all children in the Healthy Families Program (HFP) to the Medi-Cal Program, but appears to assume a longer transition period for HFP children into Medi-Cal. The budget documents indicate the Legislature scored \$22 million in savings (rather than \$30 million). Please note that there is no trailer bill language associated with the proposal. It appears the details of the transition will move in a bill through the policy committee process.

Medi-Cal

The major Medi-Cal provisions include the following:

- \$448 million unallocated reduction to Medi-Cal and HFP. No detail is available.
- Includes a fee on the intergovernmental transfers used by counties to operate Medi-Cal manage care plans. The fee would be equal to 20 percent of the transferred funds to offset state General Fund costs by \$34.2 million in 2011-12. (Provisions are in AB 102, which was signed by the Governor today.)
- Authorizes the Department of Health Care Services to obtain federal approval to transfer federal funds from within the Health Care Coverage Initiative portion of the Medicaid Waiver ("Bridge to Reform" Medicaid Section 1115 Demonstration Waiver) to the Safety Net Care Pool to be expended for uncompensated care provided by the State (AB 102). In order to achieve the full \$400 million in savings, the state is proposing to use surplus certified public expenditures (CPEs) from public hospitals on a volunteering basis in the current year. The budget includes \$98 million in General Fund savings to reflect the use of the local CPEs.
- Assumes \$320 million in savings from extending the hospital fee for one year (SB 90, Statutes of 2011).

In-Home Supportive Services

The June 28 budget restores \$10 million General Fund for IHSS anti-fraud activities pursuant to approved county plans. These funds would be eliminated under trigger cut provisions

First 5

The Legislature's June 28 budget does not rely on a \$1 billion First 5 fund shift to the state to pay for Medi-Cal services to children. However, AB 99, the bill passed in March

requiring local First 5 Commissions to send \$950 million to the state by June 30, 2012, remains in effect.

Child Care

The June 28 package restores approximately \$200 million in child care cuts by taking the following actions:

- Restores the 10 percent Standard Reimbursement Rate cut to the Title V contracts.
- Reduces contracts by 11 percent – instead of 15 percent.
- Restores funding for child care services for 11- and 12-year olds.
- Restores the changes to family fees, which would have increased fees by 10 percent.

Section 1115 Medicaid Waiver – Low-income Health Programs (LIHP)

The Legislature passed SB 92 yesterday, and it contains language regarding state inmate participation in the county LIHPs. This language has been modified somewhat since it first appeared in a legislative bill (AB 1066), and clarifies the liability of the Department of Corrections for costs incurred by LIHPs for enrolled inmates.

Maddy Funds

The March budget bill (SB 69) had referenced a reduction of \$55 million General Fund by shifting a portion of Maddy Funds to the State to offset General Fund support within the Medi-Cal Program. However, the necessary statutory changes to affect this change *did not occur* in trailer bill language and the funding is restored, accordingly.

LEADER

The June 28 budget authorizes a 1-year, \$14 million “reversion” of funding from Los Angeles County’s Eligibility, Automated Determination, Evaluation and Reporting Replacement (LEADER Replacement) system (SB 87).

STAY TUNED FOR THE NEXT BUDGET ACTION BULLETIN!

If you would like to receive the Budget Action Bulletin electronically, please e-mail Stanicia Boatner, CSAC Senior Legislative Assistant at sboatner@counties.org. We’re happy to accommodate you!

ACTION

2011-12 Budget and Trailer Bills

Bills sent to Governor on 6/28	Description
SB 87	Enacts main 2011-12 budget bill
SB 89	Directs \$453 million into the Local Law Enforcement Services Account of the 2011 Local Revenue Fund to partially support 2011 Realignment Fund by <ol style="list-style-type: none"> 1. Freeing up \$300 million in VLF revenues previously dedicated to DMV administration by making a corresponding \$12 registration fee increase 2. Redirecting 25.1% of existing VLF revenue (0.65 rate) that previously went to cities and the County of Orange
AB 114	Makes various statutory changes to K-12, higher education and child care programs associated with the 2011-12 budget; includes \$1.8 billion in Proposition 98 cuts that are triggered if mid-year revenues come in below projections.
SB 92	Makes various statutory changes to public safety and correctional programs, including the creation of the Board of Community Corrections, a successor agency to the existing Corrections Standards Authority established as an entity separate from the Department of Corrections and Rehabilitation.
AB 118	Directs approximately \$5 billion (1.0625% of the state rate) of state sales tax to support 2011 Public Safety Realignment. Creates the Community Corrections Grant Program for purposes of funding and making operative the provisions of AB 109. Provides for the allocations for various realigned programs, including AB 109.
AB 117	Makes various technical changes to AB 109, including: <ol style="list-style-type: none"> 1. Moving operative date to October 1, 2011; 2. Revising the composition of the Community Corrections Partnership Executive Committee; 3. Maintaining state administrative hearings for state parole revocation process through June 30, 2013; and 4. Eliminating the realignment of DJJ population to counties (expected to be addressed at a later date).
AB 121	Gives the Department of Finance authority to make up to \$2.5 billion in additional expenditure reductions ("trigger cuts") if revenue falls short of projections in December 2011.
SB 73	Makes various statutory changes needed to implement \$200 million in health and human services reductions that are part of the \$2.5 billion in trigger cuts outlined in AB 121

**Brief Summary* of Key Provisions in AB 109 & AB 117:
2011 Public Safety Realignment
Updated July 2011**

Main components

- Defines local custody for non-violent, non-serious, non-sex offenders
- Makes changes to state parole and creates local "post-release community supervision"

Local planning process

- Expands role and purpose of the Community Corrections Partnership (CCP), which was previously established in Penal Code §1230
- Requires CCP to develop and recommend to the board of supervisors an **implementation plan** for 2011 public safety realignment
- Creates an Executive Committee from the CCP members comprised of:
 - Chief probation officer (chair)
 - Chief of police
 - Sheriff
 - District Attorney
 - Public Defender
 - Presiding judge of the superior court (or his or her designee)
 - A representative from either the County Department of Social Services, Mental Health, or Alcohol and Substance Abuse Programs, as appointed by the County Board of Supervisors
- The implementation plan is deemed accepted by the County Board of Supervisors unless the Board rejects the plan by a four-fifths vote.

→ *The meetings of the CCP and its Executive Counties are subject to the Brown Act. Counties are advised to consult with counsel regarding the application of the open meeting law in this regard.*

Timeframe

- All provisions are **prospective** and applied on October 1, 2011
 - AB 118 provides the statutory framework, allocation methodology and revenue to implement public safety realignment
- **No state prison inmates will be transferred to county jails.**

Local custody

- Revises the definition of felony to include specified lower-level crimes that would be punishable in jail or another local sentencing option for more than one year.
- Maintains length of sentences.
- Time served in jails instead of prisons:
 - Non-violent offenders
 - Non-serious offenders
 - Non-sex offenders
- Enhanced local custody and supervision tools
 - Alternative custody tools for county jails
 - Home detention for low-level offenders
 - Local jail credits mirror current prison credits (day-for-day)
 - Broaden maximum allowable hospital costs for jail inmates and remove sunset date.

State custody

- Convictions/priors for following offenses require state prison term:
 - Prior or current serious or violent felony as described in PC 1192.7 (c) or 667.5 (c)
 - The defendant is required to register as a sex offender pursuant to PC 290
- Other specified crimes (approximately 60 additional exclusions from "low-level" definition) will still require term in state prison

**Brief Summary of Key Provisions in AB 109 & AB 117:
2011 Public Safety Realignment
July 2011**

Contracting back

- Counties permitted to contract back with the state to send local offenders to state prison.
- Authorize counties to contract with public community correctional facilities (CCFs).
- Contracting back *does not* extend to parole revocations.

Post-release (county-level) community supervision

- Prospectively, county-level supervision for offenders upon release from prison will include:
 - Current non-violent offenders (irrespective of priors)
 - Current non-serious offenders (irrespective of priors)
 - Sex offenders
- County-level supervision *will not include*:
 - 3rd strikers
 - Individuals with a serious commitment offense
 - Individuals with a violent commitment offense
 - High risk sex offenders as defined by CDCR
- Board of Supervisors designates a county agency to be responsible for Post Release Supervision and provide that information to CDCR by August 1, 2011.
- CDCR must notify counties as to who is being released on post-release supervision at least one month prior to their release.
- CDCR has no jurisdiction over any person who is under post-release community supervision
- No person shall be returned to prison except for **persons previously sentenced to a term of life** (and only after a court order).

Post-release revocations

- Revocations are capped at 180 days with day-for-day credit earning.
- Authorizes discharging individuals on post-release community supervision who have no violations for six months.

Ongoing state parole

- CDCR continues to have jurisdiction over all offenders on state parole prior to July 1, 2011 implementation
- State parole will continue for the following:
 - The offender's committing offense is a serious or violent felony as described in PC §§1192.7(c) or 667.5(c);
 - The offender has been convicted of a third strike;
 - The person is classified as a high risk sex offender; or
 - The person is classified as a Mentally Disordered Offender (MDO).

Parole revocations

- Prospectively, the parole revocation process continues under Board of Parole Hearings (BPH) until July 1, 2013.
- Parole revocations will be served in county jail and not to exceed 180 days.
- Contracting back to the state for revocations is not an option.
- Only persons previously sentenced to a term of life can be revoked to prison.
- For the remaining low level offenders on parole after implementation of realignment, parole has the authority to discharge after six months if no violations have occurred.

Juvenile Justice

- AB 109 limited the future juvenile court commitments to state juvenile detention (Division of Juvenile Justice or DJJ); this provision was removed in AB 117. Consequently, there are no changes to the state juvenile justice system in realignment.



July 8, 2011

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TO: Chairs, County Boards of Supervisors
County Administrative Officers

FROM: Paul McIntosh
CSAC Executive Director

RE: Allocation/Caseload Information on AB 109/AB 117 (Criminal Justice Realignment)

This memo and attached materials are being furnished to assist counties as they undertake the implementation of [AB 109](#)¹, the 2011 public safety realignment measure that shifts responsibility for certain adult offender populations to counties.

Items covered in this memo include:

- 2011-12 allocation details for (1) AB 109 adult population shifts; (2) district attorney/public defender responsibilities associated with local revocation process; (3) one-time start-up/training funds and (4) one-time Community Correction Partnership (CCP) planning grants;
- Average Daily Population projections by county at full implementation of AB 109;
- August 1 deadline to designate county entity(ies) responsible for post-release community supervision;
- Application of the Brown Act to the CCP and its Executive Committee; and
- Requirement to establish Local Revenue Fund and related realignment subaccounts.

2011-12 Allocations

The attached Excel spreadsheet details county-by-county allocations for four distinct aspects of 2011 public safety realignment:

1. **AB 109 adult population shifts** – COLUMN 1 in the attached spreadsheet shows the per-county allocation associated with the programmatic aspects of AB 109. The estimated funding level for these activities statewide in 2011-12 is \$354.3 million, adjusted to reflect nine months of operation given the October 1, 2011 implementation date specified in AB 117. These funds are intended to cover all aspects of the adult population shifts: the transfer of the low-level offender population, counties' new supervision responsibilities for state prison inmates released to post-release community supervision (PRCS), and sanctions – to include incarceration – for those on PRCS who are revoked.

¹ Chapter 15, Statutes of 2011, as subsequently revised by [AB 117](#) (Chapter 39, Statute of 2011).

Allocation/Caseload Information on AB 109/AB 117 (Criminal Justice Realignment)
Page 2 of 4

2. **District attorney/public defender revocation costs** – COLUMN 2 in the attached spreadsheet details the per-county allocation associated with the revocation hearings for those on PRCS in 2011-12.² These funds, allocated on the same formula as the AB 109 programmatic costs, are to be divided equally between the local district attorney and public defender offices to cover costs associated with revocation hearings (Government Code 30025(f)(5)).
3. **One-time allocation for AB 109 start-up costs** – COLUMN 3 in the attached spreadsheet details the per-county allocation associated with a one-time state General Fund appropriation of \$25 million. These funds are intended to help cover counties' costs associated with hiring, retention, training, data improvements, contracting costs, and capacity planning pursuant to each county's AB 109 implementation plan. Funds are allocated on the same formula as the AB 109 programmatic costs.
4. **One-time grant for CCP planning** – COLUMN 4 in the attached spreadsheet details each county's one-time grant, awarded based on population "bands," for purposes of assisting each county's CCP in developing its AB 109 implementation plan. Grants will be administered through the Corrections Standards Authority and will be awarded in full within 30 days of the enactment of the 2011-12 state budget. CCP planning grants are distributed as follows:

County population	Grant level
Up to 200,000	\$100,000
200,001 to 749,999	\$150,000
Over 750,000	\$200,000

Furthermore, each county must provide the Corrections Standards Authority with a copy of its approved AB 109 implementation plan ***within 60 days of its approval*** by the county board of supervisors.

Average Daily Population (ADP) projections by county at full implementation

Tab 2 of the attached spreadsheet details the Department of Finance's projections by county of the population impacts resulting from the implementation of AB 109 at full rollout. It is important to note all of the following:

1. These estimates reflect full implementation (Year 4 of realignment), given that the provisions of AB 109 are applied prospectively.
2. These population figures are expressed as an Average Daily Population (ADP), which reflect one inmate in one bed for one year. ADP does not represent the numbers of discrete individuals moving in and out of the system, but instead captures annual bed/slot numbers, given that a single bed or slot can be occupied by more than one person over the period of a year.

² Recall that pursuant to changes enacted in AB 117, the revocation process for state parolees will remain with the Board of Parole Hearings through June 30, 2013. On and after July 1, 2013, the entire revocation process – including for state parolees – will become a local responsibility.

Allocation/Caseload Information on AB 109/AB 117 (Criminal Justice Realignment)
Page 3 of 4

3. These figures were revised by Department of Finance at May Revision to adjust for changes in state prison population estimates and to reflect additional crimes that were statutorily excluded from the definition of low-level offender.

The AB 109 allocation formula was based, in part, on the ADP figures identified in Tab 2.

Designation of County Entity for Post-Release Community Supervision Responsibilities

AB 117 (Chapter 39, Statutes of 2011) requires counties to notify the Department of Corrections and Rehabilitation (CDCR) *on or before August 1, 2011* as to the county agency (or agencies) designated to supervise offenders released onto PRCS. (Recall that this population is prison inmates who, beginning October 1, 2011, will be released from state detention onto county-level supervision rather than onto state parole.)

We understand that some counties are considering employing a hybrid supervision model that would involve more than one county department in PRCS. CDCR needs the supervising agency information for all relevant county departments so that it can furnish counties with details regarding state prison inmates who will be released onto PRCS 30 days prior to release.

By August 1, each county is asked to designate by email the PRCS supervising entity or entities and the contact information for a single point of contact per agency (name, title, agency, address, email address and phone number) to CDCR. Those details should be emailed to:

Erin M. Sasse
Chief, External Affairs
California Department of Corrections and Rehabilitation
erin.sasse@cdcr.ca.gov

Please note "[County name]: PRCS supervising entity" in the subject line of the email.

Application of the Brown Act to the CCP and its Executive Committee

County counsel indicate that the Community Corrections Partnership (Penal Code Section 1230(b)(2)) and its Executive Committee (Penal Code Section 1230.1) are subject to the Brown Act. Government Code Section 54952 (a) sets forth the definition of a legislative body within the Brown Act. That definition includes "any other local body created by state or federal statute." Since the CCP and its Executive Committee are established by statute, each is considered a legislative body under the Brown Act, and the requirements of the Act are therefore applicable. We advise counties to seek guidance of counsel as the meetings of the CCP and its Executive Committee are convened.

Allocation/Caseload Information on AB 109/AB 117 (Criminal Justice Realignment)
Page 4 of 4

Requirement to establish County Local Revenue Fund 2011 (and other accounts)

AB 118, the budget trailer bill that creates the funding framework for all aspects of 2011 Realignment, requires the county or city and county treasurer to create the **County Local Revenue Fund 2011**. (See Government Code Section 30025(f)(1)). Within the County Local Revenue Fund 2011, each county must also establish a:

- Local Community Corrections Account
- Trial Court Security Account
- District Attorney and Public Defender Account
- Juvenile Justice Account
- Health and Human Services Account,
- Supplemental Law Enforcement Account

It is imperative that the County Local Revenue Fund 2011 and specified accounts are created as quickly as possible so that counties are able to receive 2011-12 allocations.

Other materials

We also are including an updated summary of the key elements of AB 109; a previous version had been shared with counties in late May. The attached version attempts to capture the key changes enacted last week in AB 117 that amend various aspects of AB 109.

Next steps

We will continue to communicate with counties on issues associated with public safety realignment in the coming weeks and months. We recognize the breadth and complexity of the work that is ahead for all of us and want to be a resource to assist counties during this period of transition and implementation. It is anticipated that additional technical and substantive changes to the funding structure are necessary to operationalize 2011 Realignment in 2011-12, so we will keep you advised as well regarding relevant legislation.

Should you have any questions on AB 109 implementation or other matters covered in this memo, please contact Elizabeth Howard Espinosa (eespinosa@counties.org 916/650-8131) or Rosemary McCool (rmccool@counties.org or 916/650-8116) of my staff.

cc: County Legislative Coordinators
County Criminal Justice Analysts
County Caucus

2011-12 AB 109 Allocations

	[1] 2011-12 Allocation for AB 109 PROGRAMS	[2] 2011-12 Allocation for AB 109 DA/PD Activities (revocation)	[3] 2011-12 allocation for training, retention purposes (one-time)	[4] 2011-12 allocation for Comm Corrections Partnership planning (one-time) *
ALAMEDA	\$9,221,012	\$330,530	\$650,650	\$200,000
ALPINE	\$76,883	\$2,756	\$5,425	\$100,000
AMADOR	\$543,496	\$19,482	\$38,350	\$100,000
BUTTE	\$2,735,905	\$98,069	\$193,050	\$150,000
CALAVERAS	\$350,757	\$12,573	\$24,750	\$100,000
COLUSA	\$214,352	\$7,684	\$15,125	\$100,000
CONTRA COSTA	\$4,572,950	\$163,919	\$322,675	\$200,000
DEL NORTE	\$221,438	\$7,938	\$15,625	\$100,000
EL DORADO	\$1,210,643	\$43,396	\$85,425	\$100,000
FRESNO	\$8,838,368	\$316,814	\$623,650	\$200,000
GLENN	\$331,271	\$11,875	\$23,375	\$100,000
HUMBOLDT	\$1,526,679	\$54,724	\$107,725	\$100,000
IMPERIAL	\$1,296,384	\$46,469	\$91,475	\$100,000
INYO	\$190,968	\$6,845	\$13,475	\$100,000
KERN	\$10,834,140	\$388,353	\$764,475	\$200,000
KINGS	\$2,862,035	\$102,591	\$201,950	\$100,000
LAKE	\$820,913	\$29,426	\$57,925	\$100,000
LASSEN	\$384,770	\$13,792	\$27,150	\$100,000
LOS ANGELES	\$112,558,276	\$4,034,688	\$7,942,300	\$200,000
MADERA	\$1,688,240	\$60,516	\$119,125	\$100,000
MARIN	\$1,304,178	\$46,749	\$92,025	\$150,000
MARIPOSA	\$165,458	\$5,931	\$11,675	\$100,000
MENDOCINO	\$993,812	\$35,624	\$70,125	\$100,000
MERCED	\$2,498,524	\$89,560	\$176,300	\$150,000
MODOC	\$76,883	\$2,756	\$5,425	\$100,000
MONO	\$100,267	\$3,594	\$7,075	\$100,000
MONTEREY	\$3,846,989	\$137,897	\$271,450	\$150,000
NAPA	\$1,051,917	\$37,706	\$74,225	\$100,000
NEVADA	\$515,152	\$18,466	\$36,350	\$100,000
ORANGE	\$23,078,393	\$827,253	\$1,628,450	\$200,000
PLACER	\$2,986,395	\$107,048	\$210,725	\$150,000
PLUMAS	\$153,766	\$5,512	\$10,850	\$100,000
RIVERSIDE	\$21,074,473	\$755,421	\$1,487,050	\$200,000
SACRAMENTO	\$13,140,278	\$471,018	\$927,200	\$200,000
SAN BENITO	\$547,748	\$19,634	\$38,650	\$100,000
SAN BERNARDINO	\$25,785,600	\$924,293	\$1,819,475	\$200,000
SAN DIEGO	\$25,105,698	\$899,922	\$1,771,500	\$200,000
SAN FRANCISCO	\$5,049,838	\$181,013	\$356,325	\$200,000
SAN JOAQUIN	\$6,785,908	\$243,243	\$478,825	\$150,000
SAN LUIS OBISPO	\$2,200,557	\$78,880	\$155,275	\$150,000
SAN MATEO	\$4,222,902	\$151,371	\$297,975	\$150,000
SANTA BARBARA	\$3,878,876	\$139,040	\$273,700	\$150,000
SANTA CLARA	\$12,566,312	\$450,444	\$886,700	\$200,000
SANTA CRUZ	\$1,662,730	\$59,601	\$117,325	\$150,000
SHASTA	\$2,988,875	\$107,137	\$210,900	\$100,000
SIERRA	\$76,883	\$2,756	\$5,425	\$100,000
SISKIYOU	\$445,001	\$15,951	\$31,400	\$100,000
SOLANO	\$3,807,662	\$136,487	\$268,675	\$150,000
SONOMA	\$3,240,428	\$116,154	\$228,650	\$150,000
STANISLAUS	\$6,010,700	\$215,456	\$424,125	\$150,000
SUTTER	\$1,167,419	\$41,847	\$82,375	\$100,000
TEHAMA	\$1,212,415	\$43,459	\$85,550	\$100,000
TRINITY	\$144,554	\$5,182	\$10,200	\$100,000
TULARE	\$5,657,817	\$202,806	\$399,225	\$150,000
TUOLUMNE	\$598,767	\$21,463	\$42,250	\$100,000
VENTURA	\$5,696,790	\$204,203	\$401,975	\$200,000
YOLO	\$2,974,703	\$106,629	\$209,900	\$150,000
YUBA	\$1,005,858	\$36,055	\$70,975	\$100,000
TOTAL	\$354,300,000	\$12,700,000	\$25,000,000	\$7,850,000

* Allocation based on population

County population	Grant level
Up to 200,000	\$100,000
200,001 to 749,999	\$150,000
Over 750,000	\$200,000

Average Daily Population at Full Rollout (Year 4) of AB 109 by County (Department of Finance estimates)

County	Low-level (N/N/N) Offenders			Postrelease	
	Total Inmates N/N/N	Short-term Inmates N/N/N w/no Prior S/V	Long-term Inmates N/N/N w/no Prior S/V	Community Supervision	RTC ADP
	no Prior S/V ADP 1, 2, 5	w Sentence Length < 3 Years 1, 2, 3, 5, 6	w Sentence Length > 3 Years 1, 2, 4, 5, 6	Population Totals 1	30-Day ALOS 1, 7
Alameda	267	181	86	848	132
Alpine	2	2	-	-	-
Amador	53	35	18	43	6
Butte	268	161	108	181	36
Calaveras	21	12	8	25	5
Colusa	23	16	6	9	1
Contra Costa	104	60	44	318	56
Del Norte	11	2	9	20	5
El Dorado	68	45	23	81	10
Fresno	518	357	161	971	218
Glenn	28	18	10	19	3
Humboldt	137	108	29	126	15
Imperial	90	53	37	107	11
Inyo	15	7	7	15	3
Kern	1,019	784	236	1,040	154
Kings	321	201	120	185	39
Lake	73	39	34	75	11
Lassen	32	19	13	26	6
Los Angeles	8,342	5,767	2,576	9,791	530
Madera	111	67	44	150	24
Marin	66	27	39	53	8
Mariposa	13	9	5	11	2
Mendocino	75	38	37	50	8
Merced	171	100	71	214	42
Modoc	2	1	1	3	1
Mono	3	2	1	7	1
Monterey	308	176	132	309	34
Napa	70	44	26	69	7
Nevada	23	16	7	17	6
Orange	1,464	1,038	427	1,750	220
Placer	251	133	118	153	25
Plumas	9	7	3	12	1
Riverside	1,601	990	611	1,683	262
Sacramento	895	505	390	1,203	208
San Benito	52	30	22	23	4
San Bernardino	2,301	1,638	663	2,521	348
San Diego	1,821	1,043	778	2,038	256
San Francisco	164	114	50	421	61
San Joaquin	450	311	138	639	126
San Luis Obispo	140	88	52	136	22
San Mateo	208	139	70	351	33
Santa Barbara	294	181	112	288	37
Santa Clara	693	402	291	1,067	115
Santa Cruz	78	72	6	69	17
Shasta	326	147	178	201	40
Sierra	1	1	-	1	-
Siskiyou	34	12	21	23	8
Solano	278	162	116	363	53
Sonoma	231	116	115	164	21
Stanislaus	540	316	224	426	66
Sutter	103	67	35	108	21
Tehama	154	94	60	50	13
Trinity	9	8	1	9	1
Tulare	520	292	228	388	70
Tuolumne	47	13	33	33	4
Ventura	380	210	170	363	60
Yolo	277	130	147	215	37
Yuba	94	64	30	88	19
Total Projected:	25,651	16,673	8,978	29,550	3,525
TOTAL	58,726				
1 Numbers are based upon full implementation.					
2 Numbers have been adjusted for excluded crimes.					
3 Numbers reflect sentence lengths 3 years or less.					
4 Numbers reflect sentence lengths above 3 years. Population serving longer than 3 years will be significantly less due to day for day credit earning.					
5 Judicial decisions could decrease this population dramatically.					
6 This population is a subset of the total low level offender population.					
7 Assumes 30-Day Average Length of Stay for Locally Supervised Violators and State Parole Violators.					

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

TO: Legislation Committee
Supervisor Karen Mitchoff, Chair
Supervisor John Gioia, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: July 22, 2011

SUBJECT: **Agenda Item #5: 2011 State Legislative Items**

RECOMMENDATION

RECEIVE report from staff and CONSIDER forwarding recommendations on various bills to the Board of Supervisors.

REVIEW the attached listing of bills of interest to the County.

BACKGROUND

Staff of the County Administrator's Office works in collaboration with our state and federal advocates to identify proposed legislation that would impact County operations, services, and/or programs. When a bill comes to our attention either through our legislation tracking services, various associations, advisory body members, department staff, or a Board member, staff first looks to the County's adopted State and Federal platforms for consistency with policy direction. If there is no clear policy direction in the adopted Platforms, the proposed legislation is presented to the Legislation Committee or appropriate committee of the Board prior for consideration and recommendation to the full Board of Supervisors.

At this time, the Legislature is on a summer recess. They will reconvene on August 15.

The following bills are presented for action or information purposes to the Legislation Committee:

- a. **AB 134 (Dickinson): Sacramento Regional County Sanitation District --SUPPORT.** (See Attachment A—Bill Text and Support in Concept Letter.)

Summary: *Authorizes the Sacramento Regional County Sanitation District to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that the district discharges into the Sacramento River and recovers for reuse. Authorizes the State Water Resources Control Board to grant a permit to appropriate that treated wastewater upon terms and conditions determined by the board. Requires the board to comply with specified related requirements.*

This bill:

1. Allows the Sacramento Regional County Sanitation District (SRCSD) to file an application with the SWRCB for a permit to appropriate an amount of water equal to the amount of treated wastewater discharged, less carriage losses, for diversion out of the Sacramento River or Sacramento-San Joaquin Delta.
2. Clarifies that any permit granted by the SWRCB will be subject to the terms and conditions authorized under applicable law.
3. Declares a special law is necessary due to the unique problems applicable to full utilization of the waters of the Sacramento River into which the SRCSD discharges treated wastewater.

According to the author, "This legislation would provide an additional procedural option for [Sac Regional] to realize the benefit of its treated wastewater discharges. Depending on the outcome of its anticipated permit application to the State Board to appropriate water up to an amount equal in volume to its discharge, [Sac Regional] could potentially market that water to willing purchasers, thereby offsetting part of what has been estimated to be nearly \$2.1 billion in treatment plant upgrades that will be necessary to comply with recent regulatory actions taken by the Central Valley Regional Water Quality Control Board ('Regional Board')."

Six Southern California water agencies submitted a letter stating "Although several of our previous concerns have been addressed in amendments to the bill, we remain opposed due to the precedent it creates as other wastewater dischargers would be encouraged to seek similar authorization to appropriate their effluent discharges. In addition, we are concerned that the 'market opportunities' the bill would provide to SRCSD can actually serve as a disincentive for water conservation in the region."

This legislation may be aligned with our Water Platform policy of Regional Self-Sufficiency: *Regional Self-Sufficiency: All export regions should be implementing all water supply options available to them to reduce stress on the Delta as a limited resource.* An argument could be made that the project would add to the region's water supply options, thereby reducing the stress on the Delta.

It could also be argued that the bill furthers the Platform policy related to water quality: *Water Quality, Water Quality and Delta Outflow: Protection and improvement of water quality, quantity and outflow, determination and assurance of adequate water for the delta ecosystem and examination of the State and Federal project operations (including potential for reduced exports) are recommended here.*

Supervisor Piepho recommends that the Legislation Committee consider recommending that the Board of Supervisors support the bill. The County supported the bill in concept on April 15, 2011. (See attached.)

STATUS:

AB 134 is still on the Senate floor. It can be taken up at any time when the Legislature returns on August 15. It was not amended in the Senate, so unless it is amended on the floor when the Legislature returns, if it is approved by the Senate, it will go straight to the Governor's desk.

b. AB 946 (Butler): Property Tax Administration: Loan Program — SUPPORT. (See Attachment B—Bill Text.)

Summary: *Reauthorizes the State-County Property Tax Administration Program to allow counties to elect to participate in the program to receive a loan in each fiscal year from the 2011-12 fiscal year to the 2015-16 fiscal year. Requires the State Assessors' Association to report to specified legislative committees regarding participating counties..*

AB 946, by Assembly Member Betsy Butler, was amended on Tuesday to restart the State-County Property Tax Administration Program, affectionately known as PTAP.

Under the program, counties could obtain loans to enhance the property tax administration system, not supplant current funding. Enhancements would include improving the performance, efficiency, and automation of the systems and reducing backlogs related to assessment appeals, Proposition 8 declines in value, new construction, ownership changes, and supplemental rolls. The program would make a maximum of \$80 million available statewide, and each county would be eligible for a loan up to a specified amount determined by their proportion of statewide local assessments.

The previous PTAP program was very successful, and CSAC will be working with Assessors and the author to ensure that the new program is designed to achieve the same success while also protecting other county interests.

The Legislature enacted the State-County Property Tax Administration Loan Program in 1995 to ensure that counties have sufficient resources in the Assessor's Office to assess the value of properties, and therefore collect future property taxes (AB 818, Vasconcellos, Chapter 914, Statutes of 1995).

Because local property taxes are the first source of revenue for schools, more property tax revenue reduces state general fund obligations to fund schools under Proposition 98. Additionally, county assessors' offices had been subject to severe budget cuts resulting from the Legislature shifting property tax revenues from counties to the Education Revenue Augmentation Fund shifts in the 1992-93 and 1993-94 fiscal years, and did not have the resources to assess all property that had been newly constructed or changed ownership. The Program provided loans in specified amounts to counties for fiscal years 1995-96 until 2001-02, which repaid them at the end of the year out of the enhanced revenues produced by the additional assessment resources provided by the loans.

This bill reauthorizes the State-County Property Tax Administration Program to allow eligible counties to participate in the program to receive new "loans" in updated amounts for fiscal years 2011-12 until 2015-16. This bill revises the contents of the agreement between counties and the Department of Finance, which administers the program, and requires the California Assessors' Association to summarize reports required by individual counties. This bill also deletes obsolete provisions from the existing statute.

According to the author's office, without funding from the State, collectable property tax revenue far in excess of the \$60 million allocated 10 years ago by Property Tax Administrative Program (PTAP) will remain uncollected. Over time, the impact of reduced funding for Assessors' offices are compounding and California's property tax administration is returning to the chaos of the early 1990's when County Assessors had billions of dollars of "unworked assessments." As always, the time and cost to resolve these backlogs far exceeds the cost of timely enrollment. Moreover they are not just leaving revenue uncollected it is also creating problems for property owners who are faced with paying property tax bills for multiple years.

Contra Costa County Assessor, Gus Kramer, supports this bill and recommends that the Legislation Committee also consider a recommendation of support to the Board of Supervisors.

STATUS: Senate Rules Committee

c. AB 438 (Williams): County Free Libraries: Withdrawal: Use of Contractors — SUPPORT (See Attachment C—Bill text)

Summary: Imposes specified requirements if the board of trustees, common council, or other legislative body of a city or the board of trustees of a library district intends to withdraw from the county free library system and operate the city's or district's library or libraries with a private contractor that will employ library staff to achieve cost savings, unless the library or libraries are funded only by the proceeds of a special tax imposed by the city or district..

Background and Existing Law

Exactly one century ago, the Legislature authorized counties to establish county free library systems (SB 289, Hans, 1911). Before Proposition 13 (1978), a county could levy a separate property tax rate to support its library system. Nearly 30 county free libraries had separate rates. A county could extend the property tax rate to parcels in a city that wanted to join the library system and would cease to levy the rate within a city that withdrew from the system.

After Proposition 13, the Legislature divided the remaining property tax revenues among local governments. Although they were not separate institutions, state law treated county free libraries as if they were special districts because they had their own property tax rates before Proposition 13. The county free libraries received shares of the property tax revenues and they could receive money from the Special District Augmentation Fund (AB 8, L. Greene, 1979). In general, to withdraw from a county library system, a city must negotiate the amount of property tax revenues, if any, that it will receive from the county library system. Different procedures apply to city withdrawals from county free library systems in Los Angeles and Riverside counties (AB 1998, Mountjoy, 1996 and AB 927, Thompson, 1997).

Instead of participating in a county free library system, a city can provide library services to its residents in several other ways: by operating its own libraries, through a library district, or by contracting with another public agency or private firm. For charter cities, contracting arrangements with private firms can be governed by their charters. General law cities must follow the standards and procedures in the state statutes. While general law cities' specific statutory authority to contract for services is limited, court opinions have recognized general law cities' authority to enter into contracts to carry out necessary functions, including those expressly granted and those implied by necessity.

State law requires state departments that contract for personal services to follow specific criteria: a clear demonstration of cost savings, a clear definition of costs, ensuring that work will not be contracted out solely on the basis of lower pay or benefits, and justification of savings based on the contract's size and duration.

State law requires school and community college districts to comply with the same standards that apply to state departments (AB 1419, Alarcon, 2002).

Riverside County and the Cities of Camarillo (Ventura County), Moorpark (Ventura County), Redding (Shasta County), and Santa Clarita (Los Angeles County) contract with a private corporation, Library Systems and Services, Inc. (LSSI), for library services. In response to some cities' recent efforts to contract with LSSI, some library advocates and labor unions want the conditions that apply to state, school district, and community college district service contracts to apply to any city that intends to withdraw from a county free library system and contract with a private firm for library services.

Proposed Law

If the legislative body of a city or the board of trustees of a library district intends to withdraw from the county free library system and operate the city or district's library with a private contractor that will employ library staff to achieve cost savings, Assembly Bill 438 imposes requirements relating to: Public notice, Demonstrated cost savings, Wages and benefits, Employee displacement, Cost fluctuations, Contract scope and duration, Competitive bidding, Staff qualifications and hiring, Economic risk, Eligible contractors, Contract termination, Public interest, Contractor disclosure and performance measurement

AB 438 specifies that its requirements do not apply if the city or district library or libraries are funded only by the proceeds of a special tax imposed by the city or district, pursuant to state law.

I. Public notice. AB 438 requires the legislative body of the city or the board of trustees of the library district to publish a notice of the contemplated action, giving the date and place of the meeting at which the contemplated action is proposed to be taken. The notice must be published at least once a week for four consecutive weeks before the city or library district acts.

II. Demonstrated cost savings. AB 438 requires the legislative body of a city or the board of trustees of a library district to clearly demonstrate that the contract will result in actual overall cost savings to the city or library district, provided that, in comparing costs, all of the following occur: The city or library district's additional cost of providing the same services as proposed by the contract must be included. These additional costs include the salaries and benefits of additional staff that would be needed and the cost of additional space, equipment, and materials needed to perform the necessary functions of the library.

The city or library district's indirect overhead costs must not be included unless those costs can be attributed solely to the function in question and would not exist if that function was not performed by the city or library district. "Indirect

overhead costs" means the pro rata share of existing administrative salaries and benefits, rent, equipment costs, utilities, and materials.

The cost of a contractor providing a service for any continuing city or library district costs that would be directly associated with the contracted function must be included. Continuing city or library district costs include costs for inspection, supervision, and monitoring.

III. Wages and benefits. AB 438 prohibits city or library district officials from approving a contract solely on the basis that savings will result from lower contractor pay rates or benefits. Contracts are eligible for approval if the contractor's wages are at the industry's level and do not undercut city or library district pay rates.

IV. Employee displacement. AB 438 prohibits a contract from causing the displacement of city or library district employees. Displacement includes layoff, demotion, involuntary transfer to a new classification, involuntary transfer to a new location requiring a change of residence, and time base reductions. Displacement does not include changes in shifts or days off, nor does it include reassignment to other positions within the same classification and general location or employment with the contractor, so long as wages and benefits are comparable to those paid by the city or library district.

V. Cost fluctuations. AB 438 requires that a contract's overall cost savings must be large enough to ensure that the savings will not be eliminated by cost fluctuations that could normally be expected during the contracting period.

VI. Contract scope and duration. AB 438 requires that the overall cost savings of a contract must clearly justify the scope and duration of the contract.

VII. Competitive bidding. AB 438 requires that a contract must be awarded through a publicized, competitive bidding process.

VIII. Staff qualifications and hiring. AB 438 requires a contract to include specific provisions pertaining to the qualifications of the staff that will perform the work under the contract, as well as assurances that the contractor's hiring practices meet applicable nondiscrimination standards.

IX. Economic risk. AB 438 requires that the potential for future economic risk to the city or library district from potential contractor rate increases must be minimal.

X. Eligible contractors. AB 438 requires a contract to be with a "firm," which means a corporation, limited liability company, partnership, nonprofit organization, or sole proprietorship.

XI. Contract termination. AB 438 requires a contract to provide that it may be terminated at any time by the city or library district without penalty if the contractor fails to perform and notice is provided within 30 days of termination.

XII. Public interest. AB 438 prohibits the potential economic advantage of the contract from being outweighed by the public's interest in having a particular function performed directly by the city or library district.

XIII. Contractor disclosure and performance measurement. If the contract is for library services in excess of \$100,000 annually, AB 438 requires: A city or library district must require a contractor to disclose the following information as part of its bid, application, or answer to a request for proposal:

- A description of all charges, claims, or complaints filed against the contractor with any federal, state, or local administrative agency during the prior 10 years.
- A description of all civil complaints filed against the contractor in any state or federal court during the prior 10 years.
- A description of all state or federal criminal complaints or indictments filed against the contractor, or any of its officers, directors, or managers, at any time.
- A description of any debarments of the contractor by any public agency or licensing body at any time.

The city or library district must include in the contract specific, measurable performance standards and provisions for a performance audit by the city or library district, or an independent auditor approved by the city or library district, to determine whether the performance standards are being met and whether the contractor is in compliance with applicable laws and regulations. The bill prohibits a city or library district from renewing or extending the contract before receiving and considering the audit report.

The contract must include provisions for an audit by the city or library district, or an independent auditor approved by the city or library district, to determine whether and to what extent the anticipated cost savings have been realized. The bill prohibits a city or library district from renewing or extending the contract prior to receiving and considering the audit report.

Assembly Bill 438 declares that it does not preclude a city, library district, or local government from adopting more restrictive rules regarding the contracting of public services.

The County Librarian supports this bill and recommends that the Legislation Committee consider a recommendation of Support to the Board of Supervisors.

STATUS: LOCATION: Senate Third Reading File

SUPPORT: Central Coast Alliance United for a Sustainable Economy (co-source) Ventura Reader's Book Group (co-source) American Library Association Student Chapter at UCLA Assistant Director, Public Services for the County of Los Angeles Public Library California Professional Firefighters City of Arcata Councilmember, Shane Brinton City of Artesia Councilmember, Michele Diaz City of Irvine Councilmember, Steven Choi Community Coalition Concerned Citizens Coalition of Stockton Democratic Alliance for Action, Santa Clarita Democratic Party of the San Fernando Valley Friends of Bell Foundation Friends of the Artesia Library, Treasurer Friends of the Hollydale Library Friends of the Huntington Park Library Friends of the Nevada County Libraries Los Angeles Alliance for a New Economy Los Angeles County Democratic Party Los Angeles Youth Council Chapter The Multi-Taskers Montebello Friends of the Library Santa Clara Valley Democratic Club Santa Clarita Organization for Planning and the Environment Santa Clarita Valley Fair Election Committee

OPPOSITION: Association of California Cities, Orange County, California Contract Cities Association, California Chamber of Commerce, Cities of Artesia, Bellflower, Beverly Hills, Brea, Camarillo, Carlsbad, Cerritos, Chino, Cloverdale, Costa Mesa, Culver City, **Danville**, Diamond Bar, Galt, Goleta, Fillmore, Healdsburg, Highland, Holtville, Huron, Imperial Beach, Inglewood, Irvine, La Verne, Lake Elsinore, Lakewood, Lathrop, Lemoore, Livermore, Livingston, Lodi, Lynwood, Manteca, Merced, Montclair, Moreno Valley, Moorpark, Mt. Shasta, Murrieta, Norwalk, Palmdale, Paradise, Rancho Cordova, Redding, Rosemead, San Clemente, San Leandro, **San Pablo**, Santa Clarita, Santa Maria, Santa Rosa, Selma, Signal Hill, Simi Valley, South El Monte, Temecula, Torrance, Tracy, Tulare, Union City, Visalia, Vista, Wasco, West Hollywood, and Windsor, City of Arcata Councilmember, Mark Wheatley, Friends of Redding Library, Friends of the Camarillo Library, Howard Jarvis Taxpayers Association, League of California Cities, Library Systems & Services, LLC Mayor of Fresno, Ashley Swearingin, Mayor of Pico Rivera, David Armenta, Mayor of Redwood City, Jeff Ira, Shasta Public Library Foundation

- d. **SB 214 (Wolk): Infrastructure Financing Districts: Voter Approval**
— **SUPPORT** (See Attachment D—Bill Text and Yolo Support Letter.)

Summary: *Revises provisions governing the public facilities that may be financed. Eliminates the requirement of voter approval to issue bonds to finance infrastructure facilities. Authorizes the legislative body to create an infrastructure financing district, adopt a financing plan, and issue the bonds by resolutions.*

Authorizes a district to finance specified actions and projects. Prohibits the district from providing financial assistance to a vehicle dealer or big box retailer.

SB 214, by Senator Lois Wolk, would bring Infrastructure Financing Districts (IFDs) more in line with redevelopment districts by removing the voter approval currently needed for cities and counties to create IFDs.

IFDs allow the reallocation of existing tax revenues to improve a designated area, and specifically allows local governments to use their property tax increment to pay for public works projects. Current law, which requires a two-thirds voter approval to create an IFD, discourages local governments from using this creative option to fund much needed infrastructure projects. SB 214 still requires approval of every affected taxing jurisdiction including the City Council or Board of Supervisors to approve a plan for the IFD thus making it a public process that allows for community input into the program.

Given the fact that there has been a significant underinvestment in transportation infrastructure across the state over the past few decades and that the major sources of transportation funding are no longer sufficient to maintain our current system, let alone modernize it, SB 214 offers a solution to allow local governments more flexibility to make transportation investments in their communities.

According to the author "SB 214 makes it easier for local agencies to use IFDs to pay for public projects, without impacting school district's share of property tax or the state's general fund. In a fiscally distressed economic climate, local officials need a flexible financing tool that is rigorous and responsible. Currently, existing law perversely incentivizes locals to pursue less accountable financing mechanisms."

Cities and counties can create IFDs and issue bonds to pay for community scale public works: highways, transit, water systems, sewer projects, flood control, child care facilities, libraries, parks, and solid waste facilities. To repay the bonds, IFDs divert property tax increment revenues from other local governments for 30 years. However, IFDs are prohibited from diverting property tax increment revenues from schools.

For several years, local officials were reluctant to form IFDs because they worried about the constitutionality of using tax increment revenue from property that was not within the redevelopment project area. When a 1998 Attorney General's opinion allayed those concerns, the City of Carlsbad formed an IFD in 1999 to fund the public works for a new hotel located adjacent to the Legoland theme park. That small project is the only example of local officials' use of the 1990 IFD law. The broader use of IFDs may attract more attention and the appellate courts may be asked to determine whether it is constitutional to divert property tax increment to IFDs.

Public officials continue to search for ways to raise the capital they need to invest in public works projects, like public transit facilities, infill development, or clean water. One concept recognizes that expanded public structures can boost the value of nearby property. Higher property values produce higher property tax revenues. Property tax increment financing captures those property tax increment revenues. When redevelopment officials use property tax increment financing to eradicate blight, state law does not require voter approval. When local officials use IFDs to capture property tax increment revenues, state law requires a two-thirds approval.

Recognizing these barriers, this bill removes key impediments to IFDs, such as the voting requirements to form and bond the IFD.

In addition, the bill extends the term of the IFD bonds from 30 to 40 years, allowing for a longer debt repayment period lowering monthly payments. Also, to increase transparency, this bill includes measures of programmatic and fiscal accountability, requiring IFDs to annually report its progress and expenditures to its affected taxing entities and landowners.

Since the creation of IFD law, there have been multiple bills that have tailored IFD law to specific local circumstances. In 1999 the Legislature created a parallel law for IFDs to stimulate development and international trade in the "border development zone," about 400 square miles next to the Mexico border [SB 207 (Peace), Chapter 773, Statutes of 1999]. However, San Diego officials have yet to use this authority. In 2005, the Legislature passed SB 1085 (Migden), Chapter 213, Statutes of 2005, which provided for changes and additions to the IFD law to enable the City and County of San Francisco to finance needed public infrastructure improvements to specified waterfront properties. This authority was expanded even further for San Francisco last year in AB 1199 (Ammiano), Chapter 664, Statutes of 2010.

This bill contains provisions that allow an IFD to be formed in an area that is or was previously in a redevelopment project area. Current law expressly prohibits this. The Legislature may wish to consider if the Legislature chooses not to end redevelopment agencies out right then should we really be allowing the overlap of an IFD and a redevelopment agency since they both are funded through tax increment?

This bill allows an IFD to finance the costs of projects that implement and SCS; however, SB 375 (Steinberg) also authorized regional planning agencies to create an alternative planning strategy (APS) in lieu of an SCS. The Legislature may wish to ask the author to amend the bill to allow for projects in an APS to also be financed by an IFD.

Support arguments: Supporters argue that this bill creates a more flexible development tool to finance needed public works projects. Given the "opt-in" nature of IFDs tax increment financing, more local governments will have a voice in if their growth in property tax is allocated, a luxury currently not provided to them under redevelopment law.

Opposition arguments: Opposition could say that by removing the voter approval requirements for the creation of an IFD and the issuance of tax allocation bonds, this will remove any input or direct voter oversight. Moreover, with the removal of the voting requirement the measure is creating more of a redevelopment type agency without the requirement of making a finding of blight.

Staff recommends that the Legislation Committee consider a recommendation of Support to the Board of Supervisors.

STATUS: Assembly Third Reading File

e. **Any other legislation currently pending which may affect the County**

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Attached to this report is information about various bills in which the County may have an interest or on which the County has already taken a position. (*Attachment E.*)

AMENDED IN ASSEMBLY APRIL 15, 2011

AMENDED IN ASSEMBLY MARCH 23, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 134

Introduced by Assembly Member Dickinson
(Coauthor: Assembly Member Huber)
(Principal coauthor: Senator Steinberg)
(Coauthor: Senator Wolk)

January 12, 2011

An act to add Section 1486 to the Water Code, relating to water resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 134, as amended, Dickinson. Appropriation of water: Sacramento Regional County Sanitation District.

Under existing law, the State Water Resources Control Board administers a water rights program pursuant to which the state board grants permits and licenses to appropriate water.

Existing law requires the owner of a wastewater treatment plant to obtain the approval of the state board prior to making any changes in the point of discharge, place of use, or purpose of use of treated wastewater, and requires the state board to review the proposed changes in accordance with prescribed procedures.

This bill would authorize the Sacramento Regional County Sanitation District to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that the district discharges into the Sacramento River, as specified. The bill would authorize the state board to grant a permit to appropriate that

treated wastewater upon terms and conditions determined by the state board. *The bill would require the board, prior to granting a permit pursuant to these provisions, to comply with permit, approval, and review requirements and other laws applicable to the appropriation of water.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the Sacramento Regional County Sanitation District.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. The Legislature finds and declares all of the~~
2 ~~following:~~

3 ~~(a) The people of the State of California have a primary interest~~
4 ~~in the development of facilities to produce recycled water to~~
5 ~~supplement existing surface water and groundwater supplies and~~
6 ~~to assist in meeting the future water requirements of the state.~~

7 ~~(b) It is the intent of the Legislature that the state expeditiously~~
8 ~~undertake all possible steps to encourage the development of water~~
9 ~~recycling facilities so that recycled water may be made available~~
10 ~~to meet the growing water supply needs of the state.~~

11 ~~(c) It is in the best interest of the people of the State of~~
12 ~~California, in enacting this act, to provide an additional means for~~
13 ~~the Sacramento Regional County Sanitation District to realize the~~
14 ~~benefit of its production and discharge of high-quality recycled~~
15 ~~water, and to provide a potential revenue stream to offset the high~~
16 ~~costs associated with upgrades to the sanitation district's~~
17 ~~wastewater treatment plant, to meet new wastewater treatment~~
18 ~~requirements under the national pollutant discharge elimination~~
19 ~~system permit issued by the California Regional Water Quality~~
20 ~~Control Board, Central Valley.~~

21 ~~SEC. 2.~~

22 ~~SECTION 1.~~ Section 1486 is added to the Water Code, to read:

23 1486. (a) The Sacramento Regional County Sanitation District,
24 and any successor thereto, with respect to treated wastewater
25 produced by the sanitation district that meets the requirements of
26 the California Regional Water Quality Control Board, Central
27 Valley, *as may be amended or modified*, and that is discharged

1 into the Sacramento River, may file an application for a permit to
2 appropriate *an amount of water* up to the amount of treated
3 wastewater that is discharged into the Sacramento River, less
4 diminution by seepage, evaporation, transportation, or other natural
5 causes between the point of discharge from the wastewater
6 treatment plant and the point of diversion out of the Sacramento
7 River or the Sacramento-San Joaquin Delta.

8 (b) Upon application for a permit to appropriate water pursuant
9 to subdivision (a), the board may grant the permit subject to the
10 terms and conditions as in the board's judgment are necessary for
11 the protection of the rights of any legal user of the water.

12 (c) *Prior to the board granting a permit under subdivision (b),*
13 *the board shall comply with the provisions of Part 2 (commencing*
14 *with Section 1200) of Division 2, and other applicable law, and*
15 *may impose terms and conditions authorized thereunder.*

16 (e)

17 (d) Water appropriated in accordance with this section may be
18 sold or utilized for any beneficial purpose.

19 ~~SEC. 3.~~

20 *SEC. 2.* The Legislature finds and declares that a special law
21 is necessary and that a general law cannot be made applicable
22 within the meaning of Section 16 of Article IV of the California
23 Constitution because of the unique problems applicable to the full
24 utilization of the waters of the Sacramento River and the
25 Sacramento-San Joaquin Delta, into which treated wastewater
26 discharged by the Sacramento Regional County Sanitation District
27 flows.

The Board of Supervisors

County Administration Building
651 Pine Street, Room 106
Martinez, California 94553

John Gioia, 1st District
Gayle B. Uilkema, 2nd District
Mary N. Piepho, 3rd District
Karen Mitchoff, 4th District
Federal D. Glover, 5th District

Contra Costa County



David Twa
Clerk of the Board
and
County Administrator
(925) 335-1900

April 15, 2011

The Honorable Roger Dickinson
State Capitol Room 3126
Sacramento, CA 95814

**RE: AB 134 (Dickinson): Appropriation of Water: Sacramento Regional
County Sanitation District – SUPPORT IN CONCEPT**

Dear Assembly Member Dickinson:

As Chair of the Contra Costa County Board of Supervisors, I write to express our support in concept for your bill, AB 134. This bill would enable the Sacramento Regional County Sanitation District to sell the District's high-quality recycled wastewater to downstream users, contingent on the issuance of a permit from the State Water Resources Control Board.

We are aware that state water regulators last December directed the District to construct new treatment facilities at its wastewater treatment plant to limit ammonia levels discharged into the Delta. These upgrades will make a direct and lasting contribution to achieving the state's co-equal goals of Delta ecosystem restoration and a reliable water supply for California.

AB 134 addresses a fundamental principle that is important to Contra Costa County and to the Delta Counties Coalition in which we participate -- that the costs of restoring the Delta to benefit those who live and work outside the Delta should not be borne disproportionately by Delta residents. The bill provides the Sacramento Regional County Sanitation District with the opportunity to generate revenue from the sale of its high quality water to offset the costs of complying with state permit requirements. We believe the Sanitation District's request in AB 134 to apply for another state permit for this purpose to offset the cost to its ratepayers is reasonable and appropriate.

Contra Costa County's Delta water policies also support increased water conservation. Consequently, we share the concern of the Water Parks and Wildlife Committee staff that legislation should not provide incentives for a water seller to increase water use in order to maximize revenue. We support consideration of an amendment recognizing

the need for increased conservation in the Sacramento region and limit the total volume of wastewater that could be subject to appropriation under this bill.

For these reasons, Contra Costa County supports the bill in concept.

Thank you for your efforts to protect the Delta as a place where our constituents live and work.

Sincerely,

A handwritten signature in blue ink that reads "Gayle B. Ulkema". The signature is fluid and cursive, with the first name being the most prominent.

GAYLE B. UILKEMA
Chair, Board of Supervisors

cc: Assembly Member Jared Huffman, Chair, Assembly Water, Parks and Wildlife Committee
Members, Assembly Water, Parks and Wildlife Committee
Consultants, Assembly Water, Parks and Wildlife Committee
Contra Costa County Legislative Delegation
Members, Board of Supervisors
L. DeLaney, County Administrator's Office
M. Avalon, Flood Control District
S. Goetz, Deputy Director, Conservation & Development Dept.
C. Christian, Nielsen, Merksamer, Parrinello, Gross & Leoni
P. Kutras, Delta Counties Coalition

AMENDED IN SENATE JULY 12, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 946

Introduced by Assembly Member Butler

February 18, 2011

An act to amend Section ~~279~~ 95.31 of the Revenue and Taxation Code, relating to ~~taxation~~ *local government finance*.

LEGISLATIVE COUNSEL'S DIGEST

AB 946, as amended, Butler. Property tax ~~exemption: principal residence: veterans and their unmarried surviving spouses.~~ *administration: loan program.*

Existing property tax law ~~provides, pursuant to the authorization of the California Constitution, for the exemption from property taxation of the principal residence of a disabled veteran, a veteran's spouse, and the unmarried surviving spouse, in the case in which the veteran has, as a result of a service-connected disease or injury, died while on active duty in military service. Existing law provides when that property becomes eligible for that exemption and also provides when that eligibility terminates~~ *authorized an eligible county, as defined, upon the recommendation of the assessor and by resolution of its board of supervisors, to elect to participate in the State-County Property Tax Administration Program, pursuant to which a participating county received, in specified fiscal years, a loan from the state, as specified, for the purposes of providing supplemental funding for that county's local administration of the ad valorem property tax.*

This bill would ~~make technical, nonsubstantive changes that would consolidate the provisions relating to the date when property becomes eligible for the disabled veterans' exemption, and would make other~~

~~conforming changes. This bill would also make other clarifying changes, including clarifying that the exemption terminates for a unmarried surviving spouse of a disabled veteran when that surviving spouse remarries~~ *reauthorize the State-County Property Tax Administration Program to allow eligible counties, as defined, to elect to participate in the program to receive a loan in each fiscal year from the 2011–12 fiscal year to the 2015–16 fiscal year, inclusive. This bill would also require the California Assessors' Association to report to the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget regarding participating counties, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 95.31 of the Revenue and Taxation Code
2 is amended to read:
3 95.31. (a) (1) Notwithstanding any other ~~provision of law,~~
4 any eligible county may, upon the recommendation of the county
5 assessor, and by resolution of the board of supervisors of that
6 county adopted not later than ~~December~~ *February* 1 of the fiscal
7 year for which it is to first apply, elect to participate in the
8 State-County Property Tax Administration Loan Program.
9 (2) ~~Except as specified in paragraph (3), for~~ *For* the purposes
10 of this section, an eligible county shall mean a county in which
11 additional property tax revenue allocated to school entities would
12 reduce the amount of General Fund moneys apportioned to school
13 entities. However, eligibility shall be terminated when, in
14 combination with resources in the Educational Revenue
15 Augmentation Fund, additional property tax revenues allocated to
16 school entities will not result in a reduction in the General Fund
17 apportionments.
18 (3) ~~Notwithstanding paragraph (2), both the County of Solano~~
19 ~~and the County of San Benito shall be deemed eligible counties~~
20 ~~that may, upon the recommendation of the county assessor, and~~
21 ~~by resolution of the board of supervisors of the county adopted on~~
22 ~~or before March 31, 1996, elect to participate in the State-County~~
23 ~~Property Tax Administration Loan Program.~~
24 (4) ~~Notwithstanding paragraph (1), any county in which a new~~
25 ~~assessor is elected in 1998 may, upon the recommendation of the~~

1 county assessor, and by resolution of the board of supervisors of
 2 the county adopted on or before January 31, 1999, elect to
 3 participate in the State-County Property Tax Administration Loan
 4 Program commencing with the 1998-99 fiscal year.

5 (b) (1) In each fiscal year from the ~~1995-96~~ 2011-12 fiscal
 6 year to the ~~2001-02~~ 2015-16 fiscal year, inclusive, an eligible
 7 county participating in the State-County Property Tax
 8 Administration Loan Program may receive a loan for up to the
 9 amount listed in paragraph (3). The loan shall be repaid by June
 10 30 of the fiscal year following the year in which the loan is made.
 11 However, at the discretion of the Director of Finance, the loan may
 12 be renewed once for an additional 12-month period at the request
 13 of the participating county board of supervisors. ~~For the Counties~~
 14 ~~of Fresno, Orange, San Benito, and Solano any loan agreement~~
 15 ~~signed on or before July 31, 1996, shall be deemed a loan~~
 16 ~~agreement for the 1995-96 fiscal year for the purposes of this~~
 17 ~~section. For any county in which a new assessor is elected in 1998,~~
 18 ~~any loan agreement signed on or before January 31, 1999, shall~~
 19 ~~be deemed a loan agreement for the 1998-99 fiscal year for the~~
 20 ~~purposes of this section.~~

21 (2) If an eligible county elects to participate in the State-County
 22 Property Tax Administration Loan Program, it shall enter into a
 23 contractual agreement with the Department of Finance. At a
 24 minimum, the contractual agreement shall include the following:

25 (A) The loan amount, as determined by the Director of Finance.

26 (B) Repayment provisions, including the interception of Motor
 27 Vehicle License Fee Account moneys apportioned pursuant to
 28 Section 11005 to repay the General Fund.

29 (C) A listing of the proposed use of the additional resources
 30 including, but not limited to:

31 (i) Proposed new positions.

32 (ii) Increased automation costs.

33 (D) ~~An~~ Commencing in the 2012 fiscal year, an agreement to
 34 provide to the Department of Finance, by March 31 of the fiscal
 35 year in which the loan is made, a report projecting the impact of
 36 the increased funding in the current and subsequent fiscal year.

37 (E) An agreement to provide the Department of Finance an
 38 audit report detailing the county's basis for satisfying the terms
 39 of the loan agreement. The report shall be provided by October 1
 40 of the fiscal year following the year in which the loan is made.

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1 (F) An agreement to use the funds for the purposes stated, and,
 2 should any portion of the funds be diverted to a different,
 3 unapproved use, to return an amount equal to the diverted funds
 4 to the state regardless of whether or not other terms of the
 5 agreement are satisfied.

6 (3) Upon request of the Department of Finance, the Controller
 7 shall provide a loan to the following counties for up to the amount
 8 specified by the Director of Finance, not to exceed the following
 9 amounts:

10	Jurisdiction	Amount
11	Alameda	\$ 2,152,429
12		3,597,414.49
13	Alpine	3,124
14		50,000.00
15	Amador	80,865
16		84,884.74
17	Butte	381,956
18		339,221.56
19	Calaveras	109,897
20		125,711.59
21	Colusa	53,957
22		50,000.00
23	Contra Costa	2,022,088
24		2,661,514.92
25	Del Norte	36,203
26		50,000.00
27	El Dorado	302,795
28		500,178.71
29	Fresno	1,165,249
30		1,070,650.34
31	Glenn	59,197
32		50,000.00
33	Humboldt	210,806
34		200,082.72
35	Imperial	231,673
36		194,085.89
37	Inyo	100,080
38		76,218.55
39		

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1	Kern	1,211,318
2		1,380,856.07
3	Kings	138,653
4		156,128.75
5	Lake	117,376
6		126,266.06
7	Lassen	54,699
8		50,000.00
9	Los Angeles	13,451,670
10		19,541,022.69
11	Madera	212,991
12		202,353.21
13	Marin	790,490
14		1,033,995.76
15	Mariposa	46,476
16		50,000.00
17	Mendocino	160,435
18		185,211.95
19	Merced	298,004
20		309,114.75
21	Modoc	24,022
22		50,000.00
23	Mono	47,778
24		108,273.73
25	Monterey	795,819
26		911,532.24
27	Napa	366,020
28		495,016.41
29	Nevada	234,292
30		307,121.22
31	Orange	6,826,325
32		7,643,925.87
33	Placer	628,047
34		1,042,694.84
35	Plumas	80,606
36		70,809.37
37	Riverside	2,358,068
38		3,896,893.30
39	Sacramento	1,554,245
40		2,308,128.57

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1	San Benito	90,408
2		111,129.49
3	San Bernardino	2,139,938
4		3,114,103.20
5	San Diego	5,413,943
6		7,108,480.10
7	San Francisco	1,013,332
8		2,735,297.69
9	San Joaquin	818,686
10		1,023,588.01
11	San Luis Obispo	736,288
12		729,247.75
13	San Mateo	2,220,001
14		2,631,042.86
15	Santa Barbara	926,817
16		1,114,551.00
17	Santa Clara	4,213,639
18		5,546,096.80
19	Santa Cruz	565,328
20		609,524.84
21	Shasta	342,399
22		285,322.39
23	Sierra	7,383
24		50,000.00
25	Siskiyou	91,164
26		76,546.32
27	Solano	469,207
28		754,150.47
29	Sonoma	1,035,049
30		1,246,693.76
31	Stanislaus	866,155
32		673,145.07
33	Sutter	147,436
34		149,209.53
35	Tehama	97,222
36		86,231.96
37	Trinity	24,913
38		50,000.00
39	Tulare	501,907
40		499,088.04

1	Tuolumne	126,067
2		120,823.06
3	Ventura	1,477,789
4		1,904,605.02
5	Yolo	278,309
6		373,673.88
7	Yuba	88,968
8		88,041.89
9		

10 (4) The Department of Finance shall consider any or all of the
 11 following items in determining the extent to which a county has
 12 satisfied the terms and repaid the loan, pursuant to the contract, as
 13 offered under this part:

14 (A) County performance as indicated by the State Board of
 15 Equalization's sample survey required pursuant to Section 15640
 16 of the Government Code.

17 (B) Performance measures adopted by the California Assessors'
 18 Association.

19 (C) Reduction of backlog of assessment appeals and Proposition
 20 8 declines in value.

21 (D) County compliance with mandatory audits required by
 22 Section 469.

23 (E) Reduction of backlogs in new construction, changes in
 24 ownership, and supplemental roll.

25 (F) Other measures, as determined by the Director of Finance.

26 (5) The Director of Finance shall notify the Controller of any
 27 participating county that fails to comply with the terms of the
 28 agreement, including the repayment of the loan. When the
 29 Controller receives notice from the Director of Finance, the
 30 Controller shall make an apportionment to the General Fund on
 31 behalf of the participating county in the amount of that required
 32 payment for the purpose of making that payment. The Controller
 33 shall make that payment only from moneys credited to the Motor
 34 Vehicle License Fee Account in the Transportation Tax Fund to
 35 which the participating county is entitled at that time under Chapter
 36 5 (commencing with Section 11001) of Part 5 of Division 2, and
 37 shall thereupon reduce, by the amount of the payment, the
 38 subsequent allocation or allocations to which the county would
 39 otherwise be entitled under that chapter.

1 (c) (1) Funds appropriated for purposes of this section shall be
2 used to enhance the property tax administration system by
3 providing supplemental resources. Amounts provided to any county
4 as a loan pursuant to this section shall not be used to supplant the
5 current level of funding. In order to participate in the State-County
6 Property Tax Administration Loan Program, a participating county
7 shall maintain a base staffing, including contract staff, and total
8 funding level in the county assessor's office, independent of the
9 loan proceeds provided pursuant to this act, equal to the levels in
10 the ~~1994-95~~ 2011-12 fiscal year exclusive of amounts provided
11 to the assessor's office pursuant to Item 9100-102-001 of the
12 Budget Act of 1994. ~~However, in a county in which the 1994-95~~
13 ~~funding level for the assessor's office was higher than the 1993-94~~
14 ~~level, the 1993-94 fiscal year staffing and funding levels shall be~~
15 ~~considered the base year for purposes of this section. Commencing~~
16 ~~with the 1996-97 fiscal year, if a county was otherwise eligible~~
17 ~~but was unable to participate in this program in the 1995-96 fiscal~~
18 ~~year because it did not meet the funding level and staffing~~
19 ~~requirements of this paragraph, that county shall maintain a base~~
20 ~~staffing, including contract staff, and total funding level in the~~
21 ~~county assessor's office equal to the levels in the 1995-96 fiscal~~
22 ~~year.~~

23 (2) Prior to the assessor's recommendation for participation in
24 the State-County Property Tax Administration Loan Program, the
25 assessor shall consult with the county tax collector, and any other
26 county agency directly involved in property tax administration, to
27 discuss the needs of the program for the duration of the contractual
28 agreement.

29 (d) A participating county may establish a tracking system
30 whereby a work or function number is assigned to each appraisal
31 or administrative activity. That system should provide statistical
32 data on the number of production units performed by each
33 employee and the positive and negative change in assessed value
34 attributable to the activities performed by each employee.

35 (e) Notwithstanding Section 95.3, no amount of funds provided
36 to an eligible county pursuant to this section shall result in any
37 deduction from those property tax administrative costs that are
38 eligible for reimbursement pursuant to Section 95.3.

1 (f) At the request of the Department of Finance, the board shall
2 assist the Department of Finance in evaluating contracts entered
3 into pursuant to this section.

4 (g) *On or before December 1, 2013, the California Assessors’*
5 *Association shall provide to the Senate Committee on Budget and*
6 *Fiscal Review and the Assembly Committee on Budget a report*
7 *summarizing the reports provided by participating counties.*

8 ~~SECTION 1. Section 279 of the Revenue and Taxation Code~~
9 ~~is amended to read:~~

10 ~~279. (a) Subject to the provisions regarding cancellations and~~
11 ~~the limitation periods on refunds, property becomes eligible for~~
12 ~~the disabled veterans’ property tax exemption, as described in~~
13 ~~Section 205.5, as of:~~

14 ~~(1) The effective date of a disability rating, as determined by~~
15 ~~the United States Department of Veterans Affairs, that qualifies~~
16 ~~the claimant for the exemption.~~

17 ~~(2) The date a qualified claimant purchases a property that~~
18 ~~constitutes the principal place of residence, provided residency is~~
19 ~~established within 90 days of purchase.~~

20 ~~(3) The date a qualified claimant establishes residency at a~~
21 ~~property owned by the claimant or the spouse, as specified in~~
22 ~~subdivision (a) of Section 205.5.~~

23 ~~(4) The date the veteran died, as a result of a service-connected~~
24 ~~injury or disease, in the case where the unmarried surviving spouse~~
25 ~~is the claimant.~~

26 ~~(b) A claim for the disabled veterans’ property tax exemption~~
27 ~~filed by a qualified claimant, once granted, shall remain in~~
28 ~~continuous effect unless any of the following occurs:~~

29 ~~(1) Title to the property changes.~~

30 ~~(2) The owner does not occupy the dwelling as his or her~~
31 ~~principal place of residence.~~

32 ~~(A) If the claimant is confined to a hospital or other care facility~~
33 ~~but principally resided at a dwelling immediately prior to that~~
34 ~~confinement, the claimant will be deemed to occupy that same~~
35 ~~dwelling as his or her principal place of residence on the lien date,~~
36 ~~provided that the dwelling has not been rented or leased as~~
37 ~~described in Section 205.5.~~

38 ~~(B) If a person receiving the disabled veterans’ exemption is~~
39 ~~not occupying the dwelling because the dwelling was damaged in~~
40 ~~a misfortune or calamity, the person will be deemed to occupy that~~

1 same dwelling as his or her principal place of residence, provided
2 the person's absence from the dwelling is temporary and the person
3 intends to return to the dwelling when possible to do so. Except
4 as provided in subparagraph (C), when a dwelling has been totally
5 destroyed, and thus no dwelling exists, the exemption provided
6 by Section 205.5 is not applicable until the structure has been
7 replaced and is occupied as a dwelling.

8 (C) A dwelling that was totally destroyed in a disaster for which
9 the Governor proclaimed a state of emergency, that qualified for
10 the exemption provided by Section 205.5 and has not changed
11 ownership since the disaster, will be deemed occupied by the
12 person receiving a disabled veterans' exemption provided the
13 person intends to reconstruct a dwelling on the property and occupy
14 the dwelling as his or her principal place of residence when it is
15 possible to do so.

16 (3) The property is altered so that it is no longer a dwelling.

17 (4) The veteran is no longer disabled as defined in Section 205.5.

18 (5) The unmarried surviving spouse claimant remarries.

19 (e) The assessor of each county shall verify the continued
20 eligibility of each person receiving a disabled veterans' exemption,
21 and shall provide for a periodic audit of, and establish a control
22 system to monitor, disabled veterans' exemption claims.

AMENDED IN SENATE JULY 12, 2011
AMENDED IN SENATE JUNE 27, 2011
AMENDED IN ASSEMBLY JUNE 1, 2011
AMENDED IN ASSEMBLY MAY 27, 2011
AMENDED IN ASSEMBLY APRIL 4, 2011
AMENDED IN ASSEMBLY MARCH 29, 2011
AMENDED IN ASSEMBLY MARCH 16, 2011
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 438

**Introduced by Assembly Member Williams
(Coauthor: Assembly Member Fuentes)**

February 14, 2011

An act to amend Sections 19104 and 19116 of, and to add *and repeal* Section 19104.5 ~~to~~ *of*, the Education Code, relating to libraries.

LEGISLATIVE COUNSEL'S DIGEST

AB 438, as amended, Williams. County free libraries: withdrawal: use of private contractors.

Existing law provides that the county boards of supervisors may establish and maintain, within their respective counties, county free libraries pursuant to specified provisions of law. Existing law provides that the board of trustees, common council, or other legislative body of any city or the board of trustees of any library district may, on or before January 1st of any year, notify the county board of supervisors that the

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city or library district no longer desires to be a part of the county free library system, as specified.

This bill would impose specified requirements if the board of trustees, common council, or other legislative body of a city or the board of trustees of a library district intends to withdraw from the county free library system and operate the city's or library district's library or libraries with a private contractor that will employ library staff to achieve cost savings, unless the library or libraries are funded only by the proceeds of a special tax imposed by the city or library district. These requirements, *until January 1, 2014*, would include, but not be limited to, publishing notice of the contemplated action in a specified manner, clearly demonstrating that the contract will result in actual overall cost savings to the city or library district, ~~prohibiting the contract from causing the displacement of city or library district employees,~~ and imposing specified requirements on contracts for library services in excess of \$100,000 annually. The bill would also provide that its provisions do not preclude a city, library district, or local government from adopting more restrictive rules regarding the contracting of public services.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19104 of the Education Code is amended
2 to read:
3 19104. (a) The board of trustees, common council, or other
4 legislative body of a city or the board of trustees of a library district
5 may, on or before January 1 of any year, notify the county board
6 of supervisors that the city or library district no longer desires to
7 be a part of the county free library system. The notice shall be
8 accompanied by a statement complying with the requirements of
9 Chapter 8 (commencing with Section 54900) of Part 1 of Division
10 2 of Title 5 of the Government Code. The clerk of the board of
11 supervisors shall file the statement with the county assessor and
12 the State Board of Equalization. Thereafter the city or library
13 district shall cease to participate in the benefits of the county free
14 library system, and the property situated in the city or library
15 district shall not be liable for taxes for county free library purposes.

1 (b) If the board of trustees, common council, or other legislative
2 body of a city or the board of trustees of a library district intends
3 to withdraw from the county free library system and operate the
4 city's or the district's library or libraries with a private contractor
5 that will employ library staff to achieve cost savings, the
6 requirements of Section 19104.5 shall apply, unless the library or
7 libraries are funded only by the proceeds of a special tax imposed
8 by the city or *library* district pursuant to Article 3.5 (commencing
9 with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title
10 5 of the Government Code.

11 SEC. 2. Section 19104.5 is added to the Education Code, to
12 read:

13 19104.5. (a) If the board of trustees, common council, or other
14 legislative body of a city or the board of trustees of a library district
15 intends to withdraw from the county free library system and operate
16 the city's or the district's library or libraries with a private
17 contractor that will employ library staff to achieve cost savings,
18 all of the following requirements shall apply:

19 (1) At least once a week for four consecutive weeks prior to
20 taking any action, the board of trustees, common council, or other
21 legislative body of the city or the board of trustees of the library
22 district shall publish, in a newspaper designated by it and circulated
23 throughout the city or library district, notice of the contemplated
24 action, giving the date and place of the meeting at which the
25 contemplated action is proposed to be taken.

26 (2) The board of trustees, common council, or other legislative
27 body of a city or the board of trustees of a library district shall
28 clearly demonstrate that the contract will result in actual overall
29 cost savings to the city or library district, provided that, in
30 comparing costs, all of the following occur:

31 (A) The city or library district's additional cost of providing the
32 same services as proposed by the contract shall be included. These
33 additional costs shall include the salaries and benefits of additional
34 staff that would be needed and the cost of additional space,
35 equipment, and materials needed to perform the necessary functions
36 of the library.

37 (B) The city or library district's indirect overhead costs shall
38 not be included unless those costs can be attributed solely to the
39 function in question and would not exist if that function was not
40 performed by the city or library district. For purposes of this

1 subparagraph, “indirect overhead costs” means the pro rata share
2 of existing administrative salaries and benefits, rent, equipment
3 costs, utilities, and materials.

4 (C) The cost of a contractor providing a service for any
5 continuing city or library district costs that would be directly
6 associated with the contracted function shall be included.
7 Continuing city or library district costs shall include, but not be
8 limited to, costs for inspection, supervision, and monitoring.

9 ~~(3) The contract shall not be approved solely on the basis that~~
10 ~~savings will result from lower contractor pay rates or benefits.~~
11 ~~Contracts shall be eligible for approval if the contractor’s wages~~
12 ~~are at the industry’s level and do not undercut city or library district~~
13 ~~pay rates.~~

14 ~~(4) The contract shall not cause the displacement of city or~~
15 ~~library district employees. Displacement includes layoff, demotion,~~
16 ~~involuntary transfer to a new classification, involuntary transfer~~
17 ~~to a new location requiring a change of residence, and time base~~
18 ~~reductions. Displacement does not include changes in shifts or~~
19 ~~days off, nor does it include reassignment to other positions within~~
20 ~~the same classification and general location or employment with~~
21 ~~the contractor, so long as wages and benefits are comparable to~~
22 ~~those paid by the city or library district.~~

23 ~~(5) The overall cost savings of the contract shall be large enough~~
24 ~~to ensure that the savings will not be eliminated by private sector~~
25 ~~and city or library district cost fluctuations that could normally be~~
26 ~~expected during the contracting period.~~

27 ~~(6) The amount of the overall cost savings of the contract shall~~
28 ~~clearly justify the scope and duration of the contract.~~

29 ~~(7)~~

30 (3) The contract shall be awarded through a publicized,
31 competitive bidding process.

32 ~~(8)~~

33 (4) The contract shall include specific provisions pertaining to
34 the qualifications of the staff that will perform the work under the
35 contract, as well as assurances that the contractor’s hiring practices
36 meet applicable nondiscrimination standards.

37 ~~(9) The potential for future economic risk to the city or library~~
38 ~~district from potential contractor rate increases shall be minimal.~~

39 ~~(10)~~

1 (5) The contract shall be with a firm. For purposes of this
2 paragraph, a “firm” means a corporation, limited liability company,
3 partnership, nonprofit organization, or sole proprietorship.

4 ~~(11)~~

5 (6) The contract shall provide that it may be terminated at any
6 time by the city or library district without penalty if the contractor
7 fails to perform and notice is provided within 30 days of
8 termination.

9 ~~(12) The potential economic advantage of the contract shall not
10 be outweighed by the public’s interest in having a particular
11 function performed directly by the city or library district.~~

12 ~~(13)~~

13 (7) If the contract is for library services in excess of one hundred
14 thousand dollars (\$100,000) annually, all of the following shall
15 occur:

16 (A) The city or library district shall require the contractor to
17 disclose all of the following information as part of its bid,
18 application, or answer to a request for proposal:

19 (i) A description of all charges, claims, or complaints filed
20 against the contractor with any federal, state, or local administrative
21 agency during the prior 10 years.

22 (ii) A description of all civil complaints filed against the
23 contractor in any state or federal court during the prior 10 years.

24 (iii) A description of all state or federal criminal complaints or
25 indictments filed against the contractor, or any of its officers,
26 directors, or managers, at any time.

27 (iv) A description of any debarments of the contractor by any
28 public agency or licensing body at any time.

29 (B) The city or library district shall include in the contract
30 specific, measurable performance standards and provisions for a
31 performance audit by the city or library district, or an independent
32 auditor approved by the city or library district, to determine
33 whether the performance standards are being met and whether the
34 contractor is in compliance with applicable laws and regulations.
35 The city or library district shall not renew or extend the contract
36 prior to receiving and considering the audit report.

37 (C) The contract shall include provisions for an audit by the
38 city or library district, or an independent auditor approved by the
39 city or library district, to determine whether and to what extent the
40 anticipated cost savings have actually been realized. The city or

1 library district shall not renew or extend the contract before
2 receiving and considering the audit report.

3 (8) *The term of the contract shall not be more than two years*
4 *from the date on which the board of trustees, common council, or*
5 *other legislative body of a city or the board of trustees of a library*
6 *district approves the contract.*

7 (b) This section does not preclude a city, library district, or local
8 government from adopting more restrictive rules regarding the
9 contracting of public services.

10 (c) *This section shall remain in effect only until January 1, 2014,*
11 *and as of that date is repealed, unless a later enacted statute, that*
12 *is enacted before January 1, 2014, deletes or extends that date.*

13 SEC. 3. Section 19116 of the Education Code is amended to
14 read:

15 19116. (a) (1) Sections 19104 and 19105 are not applicable
16 to the withdrawal of a city or library district from the county free
17 library system in Los Angeles County or Riverside County. The
18 legislative body of a city or the board of trustees of a library
19 district, whose jurisdiction is within the County of Los Angeles
20 or the County of Riverside, may notify the board of supervisors
21 for Los Angeles County or Riverside County, as appropriate, that
22 the city or library district no longer desires to be a part of the
23 county free library system. The notice shall state whether the city
24 or library district intends to acquire property pursuant to
25 subdivision (c). The board of supervisors shall transmit a copy of
26 the notice to the Los Angeles County Assessor or Riverside County
27 Assessor, as appropriate, the Los Angeles County Auditor or
28 Riverside County Auditor, as appropriate, and the State Board of
29 Equalization.

30 (2) If the city's legislative body or the library district's board
31 of trustees intends to withdraw from the county free library system
32 and operate the city's or the district's library or libraries with a
33 private contractor that will employ library staff to achieve cost
34 savings, the requirements of Section 19104.5 shall also apply,
35 unless the library or libraries are funded only by the proceeds of
36 a special tax imposed by the city or *library* district pursuant to
37 Article 3.5 (commencing with Section 50075) of Chapter 1 of Part
38 1 of Division 1 of Title 5 of the Government Code.

39 (b) When a city or library district files a notice pursuant to
40 subdivision (a), it shall remain a member of the county free library

1 system until July 1 of the base year or the date on which property
2 is transferred pursuant to subdivision (c), whichever date is later.
3 Upon ceasing to be a member of the county free library system,
4 the city or library district shall not participate in any benefits of
5 the county free library system, and shall assume the responsibility
6 for the provision of library services within its jurisdiction. Unless
7 otherwise agreed by July 1 of the base year in writing by the Board
8 of Supervisors of Los Angeles County or the Board of Supervisors
9 of Riverside County, as appropriate, and the withdrawing city or
10 library district, an amount of property tax revenue equal to the
11 property tax revenues allocated to the county free library pursuant
12 to Article 2 (commencing with Section 96) of Chapter 6 of Part
13 0.5 of Division 1 of the Revenue and Taxation Code in the fiscal
14 year prior to the base year and that were derived from property
15 situated within the boundaries of the withdrawing entity shall be
16 allocated to and used to maintain library services by the
17 withdrawing entity in the base year and, adjusted forward, in each
18 fiscal year thereafter at the same time allocations are made pursuant
19 to Article 2 (commencing with Section 96) of Chapter 6 of Part
20 0.5 of Division 1 of the Revenue and Taxation Code. This
21 subdivision shall not apply to property tax revenues that have been
22 pledged to repay bonded indebtedness of the county free library
23 system.

24 (c) If there are one or more county library facilities within the
25 territorial boundaries of the withdrawing entity at the time the
26 withdrawing entity provides notice pursuant to subdivision (a),
27 the withdrawing entity shall have the right to acquire any or all of
28 those facilities from the county and the county shall, no later than
29 July 1 of the base year, transfer to the withdrawing entity each
30 facility to be acquired and the personal property therein related to
31 the provision of library services. If the facility or personal property
32 was purchased with bond proceeds or other forms of indebtedness,
33 acquisition shall only take place if the withdrawing entity assumes
34 any remaining indebtedness and in no way impairs the repayment
35 thereof. If the withdrawing entity opts not to acquire any facilities
36 or personal property, the county at its discretion may dispose of
37 the facilities or personal property or convert the use of those
38 facilities or personal property, including transferring collections
39 and other personal property to other sites and converting facilities
40 to other purposes. If the withdrawing entity opts to acquire any

1 facilities or personal property, the acquisition prices shall be as
2 follows unless otherwise provided for by statute or contract:

3 (1) Each county library facility which, for purposes of this
4 section, shall include the real property upon which the facility is
5 located and any fixtures therein and shall not include computer
6 systems and software, shall be transferred for the lesser of:

7 (A) No cost, if the facility was donated to the county by the
8 withdrawing entity.

9 (B) The price paid to the withdrawing entity by the county for
10 the facility, if the county bought the facility from the withdrawing
11 entity. However, if the county constructed capital improvements
12 to the facility after it was bought from the withdrawing entity, the
13 county's total out-of-pocket costs for the capital improvement
14 excluding any costs for routine repairs, restoration, or maintenance,
15 shall be added to the price.

16 (C) The fair market value of the facility. However, if any portion
17 of the facility was donated to the county by the withdrawing entity
18 or if any moneys were donated by the withdrawing entity toward
19 the county's construction or acquisition of the facility or any
20 portion thereof, the value of the donation shall be subtracted from
21 the fair market value.

22 (2) Any personal property within the facility related to the
23 provision of library services, including books and resource
24 materials, computer systems and software, furniture, and
25 furnishings, shall be transferred for the lesser of:

26 (A) No cost, if the property was donated to the county by the
27 withdrawing entity.

28 (B) The fair market value of the personal property. However,
29 on or before the March 1 preceding the July 1 of the base year, the
30 county librarian may designate collections of resource books and
31 materials that are unique in, and integral to, the county free library
32 system to be special collections. The special collections shall be
33 acquired by the withdrawing entity only upon mutually agreeable
34 terms and conditions.

35 (d) If a facility transferred pursuant to subdivision (c) serves
36 residents of surrounding jurisdictions, the board of supervisors
37 governing the county free library system may require, as a
38 condition of transferring the facility, that the library services
39 provided by the withdrawing entity to its residents also be available
40 on the same basis to the residents of the surrounding jurisdictions.

1 However, if the withdrawing entity contributes to the provision of
2 library services from other city funds, or through taxes,
3 assessments, or fees of its residents, the withdrawing entity may
4 provide additional services to its residents. If the requirement to
5 provide regional services is imposed and, unless otherwise agreed
6 in writing by the county and the withdrawing entity by July 1 of
7 the base year, an amount of property tax revenues equal to the
8 property tax revenues derived from property situated in the
9 surrounding jurisdictions that were, in the fiscal year before the
10 base year, allocated to the county free library system pursuant to
11 Article 2 (commencing with Section 96) of Chapter 6 of Part 0.5
12 of Division 1 of the Revenue and Taxation Code shall be allocated
13 to and used to maintain library services by the withdrawing entity
14 in the base year and, adjusted forward, in each fiscal year thereafter
15 at the same time other allocations are made pursuant to Article 2
16 (commencing with Section 96) of Chapter 6 of Part 0.5 of Division
17 1 of the Revenue and Taxation Code. This subdivision shall not
18 apply to property tax revenues that have been pledged to repay
19 bonded indebtedness. If a surrounding jurisdiction subsequently
20 provides notice of its intent to withdraw from the county free
21 library system pursuant to subdivision (a), on the date the
22 surrounding jurisdiction ceases to participate in the benefits of the
23 county free library system pursuant to subdivision (b), the
24 withdrawing entity shall no longer be required to make library
25 services available to the residents of the surrounding jurisdiction
26 and property tax revenues derived from property situated in the
27 surrounding jurisdiction shall no longer be allocated to the
28 withdrawing entity pursuant to this subdivision.

29 (e) For purposes of this section, the following terms are defined
30 as follows:

31 (1) "Base year" means the fiscal year commencing on the July
32 1 following the December 2 following the date of the notice given
33 pursuant to subdivision (a) of this section.

34 (2) "Fair market value" means:

35 (A) Any value agreed upon by the withdrawing entity and the
36 county.

37 (B) If no agreement as to value is reached by the March 1
38 preceding the July 1 of the base year, the value assigned by an
39 appraiser agreed upon by the withdrawing entity and the county.

1 (C) If no agreement as to the appointment of an appraiser is
2 reached pursuant to subparagraph (B) by the April 1 preceding the
3 July 1 of the base year, the value assigned by an appraiser agreed
4 upon between the withdrawing entity's appraiser and the county's
5 appraiser.

6 (D) If no agreement as to the appointment of an appraiser is
7 reached pursuant to subparagraph (C) by the May 1 preceding the
8 July 1 of the base year, the value assigned by a state-certified
9 appraiser designated by the withdrawing entity. The designated
10 appraiser shall provide the appraisal in writing to the county no
11 later than the June 1 preceding the July 1 of the base year.

12 (E) The withdrawing entity shall reimburse the county for any
13 appraisal costs the county incurs in determining the fair market
14 value pursuant to this section.

15 (3) "Surrounding jurisdictions" means cities and library districts
16 that are adjacent to the withdrawing entity and tax rate areas in
17 unincorporated areas of the county that are wholly or partially
18 within the withdrawing entity's sphere of influence, that are within
19 the county free library system, and that have no facility within
20 their territorial boundaries providing library services at the time
21 the withdrawing entity provides notice pursuant to subdivision (a).

AMENDED IN ASSEMBLY JUNE 21, 2011

AMENDED IN SENATE APRIL 25, 2011

SENATE BILL

No. 214

Introduced by Senator Wolk
(Coauthor: Assembly Member Williams)

February 8, 2011

An act to amend Sections 53395, 53395.3, 53395.4, 53395.5, 53395.6, 53395.7, 53395.10, 53395.11, 53395.12, 53395.14, 53395.19, 53395.20, 53396, 53397.1, and 53397.2 of, and to repeal Sections 53395.21, 53395.22, 53395.23, 53395.24, 53395.25, 53397.4, 53397.5, 53397.6, and 53397.7 of, the Government Code, relating to infrastructure financing districts.

LEGISLATIVE COUNSEL'S DIGEST

SB 214, as amended, Wolk. Infrastructure financing districts: voter approval: repeal.

(1) Existing law authorizes a legislative body, as defined, to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon voter approval.

This bill would *revise the provisions governing the public facilities that may be financed. The bill would* eliminate the requirement of voter approval and authorize the legislative body to create the district, adopt the plan, and issue the bonds by resolutions. The bill would authorize a district to finance specified actions and projects and prohibit the district from providing financial assistance to a vehicle dealer or big box retailer, as defined.

(2) Existing law requires that an infrastructure financing plan created by a legislative body include a date on which the district will cease to

exist, which shall not be more than 30 years from the date on which the ordinance forming the district is adopted.

This bill instead would specify that the date on which the district would cease to exist would not be more than 40 years from the date on which the legislative body adopted the resolution adopting the infrastructure financing plan. The bill would also impose additional reporting requirements after the adoption of an infrastructure financing plan.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 53395 of the Government Code is
2 amended to read:

3 53395. (a) The Legislature finds and declares that the state
4 and federal governments have withdrawn in whole or in part from
5 their former role in financing infrastructure, including highways
6 and interchanges, sewage treatment and water reclamation works,
7 water supply and treatment works, flood control and drainage
8 works, schools, libraries, parks, parking facilities, open space, and
9 seismic retrofit and rehabilitation of public facilities.

10 (b) The Legislature further finds and declares that the methods
11 available to local agencies to finance public works often place an
12 undue and unfair burden on buyers of new homes, especially for
13 public works that benefit the broader community.

14 (c) The Legislature further finds and declares that the absence
15 of practical and equitable methods for financing public works leads
16 to a declining standard of public works, a reduced quality of life
17 and decreased safety for affected citizens, increased objection to
18 otherwise desirable development, and excessive costs for
19 homebuyers.

20 (d) The Legislature further finds and declares that because
21 California's disadvantaged communities, as defined in Section
22 75005 of the Public Resources Code, may not be beneficiaries of
23 quality public works, these communities are neglected and, thus,
24 isolated from and deprived of the basic facilities needed for public
25 health and safety.

26 (e) The Legislature further finds and declares that it is equitable
27 and in the public interest to provide alternative procedures for

1 financing public works and services needed to meet the needs of
2 new housing, disadvantaged communities, and other development
3 projects.

4 SEC. 2. Section 53395.3 of the Government Code is amended
5 to read:

6 53395.3. (a) A district may finance (1) the purchase,
7 construction, expansion, improvement, seismic retrofit, or
8 rehabilitation of any real or other tangible property with an
9 estimated useful life of 15 years or longer which satisfies the
10 requirements of subdivision (b), (2) may finance planning and
11 design work which is directly related to the purchase, construction,
12 expansion, or rehabilitation of that property, and (3) the costs
13 described in Sections 53395.5; and 53396.5. A district may only
14 finance the purchase of facilities for which construction has been
15 completed, as determined by the legislative body. The facilities
16 need not be physically located within the boundaries of the district.
17 A district shall not finance routine maintenance, repair work, or
18 the costs of ongoing operation or providing services of any kind.
19 A district shall not compensate the members of the legislative body
20 of the city for any activities undertaken pursuant to this chapter.

21 (b) The district shall finance only *structural or nonstructural*
22 public capital facilities, including, but not limited to, all of the
23 following:

24 (1) Highways, interchanges, ramps and bridges, arterial streets,
25 parking facilities, and transit facilities.

26 (2) Sewage treatment and water reclamation plants and
27 interceptor pipes.

28 (3) Facilities *and watershed lands used* for the collection and
29 treatment of water for urban uses.

30 (4) ~~Flood control levees and~~ *management, including levees,*
31 *bypasses, dams, retention basins, and drainage channels.*

32 (5) Child care facilities.

33 (6) Libraries.

34 (7) Parks, recreational facilities, ~~and open space~~ *open space,*
35 *and habitat restoration.*

36 (8) Facilities for the transfer and disposal of solid waste,
37 including transfer stations and vehicles.

38 (c) The district may finance any actions necessary to implement
39 the Polanco Redevelopment Act (Article 12.5 (commencing with

1 Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health
2 and Safety Code).

3 (d) The district may finance any projects that implement a
4 sustainable communities strategy prepared pursuant to Section
5 65074.

6 (e) Any district which constructs dwelling units shall set aside
7 not less than 20 percent of those units to increase and improve the
8 community's supply of low- and moderate-income housing
9 available at an affordable housing cost, as defined by Section
10 50052.5 of the Health and Safety Code, to persons and families of
11 low- and moderate-income, as defined in Section 50093 of the
12 Health and Safety Code.

13 SEC. 3. Section 53395.4 of the Government Code is amended
14 to read:

15 53395.4. (a) A district shall not provide any form of financial
16 assistance to a vehicle dealer or a big box retailer, or a business
17 entity that sells or leases land to a vehicle dealer or big box retailer,
18 that is relocating from the territorial jurisdiction of one local agency
19 to the territorial jurisdiction of another local agency but within the
20 same market area, as those terms are used in Section 53084.

21 (b) A district may finance only the facilities authorized in this
22 chapter to the extent that the facilities are in addition to those
23 provided in the territory of the district before the district was
24 created. The additional facilities may not supplant facilities already
25 available within that territory when the district was created but
26 may supplement those facilities as needed to serve new
27 developments.

28 (c) A district may include areas which are not contiguous.

29 SEC. 4. Section 53395.5 of the Government Code is amended
30 to read:

31 53395.5. It is the intent of the Legislature that the establishment
32 of a district should not ordinarily lead to the removal of existing
33 dwelling units. If, however, any dwelling units are proposed to be
34 removed or destroyed in the course of private development or
35 public works construction within the area of the district, the
36 legislative body shall do all of the following:

37 (a) Within four years of the removal or destruction, cause or
38 require the construction or rehabilitation, for rental or sale to
39 persons or families of low or moderate income, of an equal number
40 of replacement dwelling units at affordable housing cost, as defined

1 in Section 50052.5 of the Health and Safety Code, within the
2 territory of the district if the dwelling units removed were inhabited
3 by persons or families of low or moderate income, as defined in
4 Section 50093 of the Health and Safety Code.

5 (b) Within four years of the removal or destruction, cause or
6 require the construction or rehabilitation, for rental or sale to
7 persons of low or moderate income, a number of dwelling units
8 which is at least one unit but not less than 20 percent of the total
9 dwelling units removed at affordable housing cost, as defined in
10 Section 50052.5 of the Health and Safety Code, within the territory
11 of the district if the dwelling units removed or destroyed were not
12 inhabited by persons of low or moderate income, as defined in
13 Section 50093 of the Health and Safety Code.

14 (c) Provide relocation assistance and make all the payments
15 required by Chapter 16 (commencing with Section 7260) of
16 Division 7 of Title 1, to persons displaced by any public or private
17 development occurring within the territory of the district. This
18 displacement shall be deemed to be the result of public action.

19 (d) Ensure that removal or destruction of any dwelling units
20 occupied by persons or families of low or moderate income not
21 take place unless and until there are suitable housing units, at
22 comparable cost to the units from which the persons or families
23 were displaced, available and ready for occupancy by the residents
24 of the units at the time of their displacement. The housing units
25 shall be suitable to the needs of these displaced persons or families
26 and shall be decent, safe, sanitary, and otherwise standard
27 dwellings.

28 SEC. 5. Section 53395.6 of the Government Code is amended
29 to read:

30 53395.6. Any action or proceeding to attack, review, set aside,
31 void, or annul the creation of a district, adoption of an infrastructure
32 financing plan, including a division of taxes thereunder, shall be
33 commenced within 30 days after the date the legislative body
34 adopted the resolution adopting the infrastructure financing plan
35 pursuant to Section 53395.20. Consistent with the time limitations
36 of this section, such an action or proceeding with respect to a
37 division of taxes under this chapter may be brought pursuant to
38 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
39 the Code of Civil Procedure, except that Section 869 of the Code
40 of Civil Procedure shall not apply.

1 SEC. 6. Section 53395.7 of the Government Code is amended
2 to read:

3 53395.7. An action to determine the validity of the issuance
4 of bonds pursuant to this chapter may be brought pursuant to
5 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
6 the Code of Civil Procedure. However, notwithstanding the time
7 limits specified in Section 860 of the Code of Civil Procedure, the
8 action shall be commenced within 30 days after the date the
9 legislative body adopted the resolution authorizing the issuance
10 of the bonds pursuant to Section 53397.1, if the action is brought
11 by an interested person pursuant to Section 863 of the Code of
12 Civil Procedure. Any appeal from a judgment in that action or
13 proceeding shall be commenced within 30 days after entry of
14 judgment.

15 SEC. 7. Section 53395.10 of the Government Code is amended
16 to read:

17 53395.10. A legislative body of a city may designate one or
18 more proposed infrastructure financing districts pursuant to this
19 chapter. Proceedings for the establishment of a district shall be
20 instituted by the adoption of a resolution of intention to establish
21 the proposed district and shall do all of the following:

22 (a) State that an infrastructure financing district is proposed to
23 be established under the terms of this chapter and describe the
24 boundaries of the proposed district, which may be accomplished
25 by reference to a map on file in the office of the clerk of the city.

26 (b) State the type of public facilities proposed to be financed
27 by the district. The district may only finance public facilities
28 authorized by Section 53395.3.

29 (c) State the need for the district and the goals the district
30 proposes to achieve by financing public facilities.

31 (d) State that incremental property tax revenue from the city
32 and some or all affected taxing entities within the district may be
33 used to finance these public facilities.

34 (e) Fix a time and place for a public hearing on the proposal.

35 SEC. 8. Section 53395.11 of the Government Code is amended
36 to read:

37 53395.11. The legislative body shall direct the clerk to mail a
38 copy of the resolution of intention to create the district to each
39 owner of land within the district and to each affected taxing entity.

1 SEC. 9. Section 53395.12 of the Government Code is amended
2 to read:

3 53395.12. The legislative body shall direct the clerk to post a
4 copy of the resolution of intention to create the district in an easily
5 identifiable and accessible location on the legislative body's
6 Internet Web site.

7 SEC. 10. Section 53395.14 of the Government Code is amended
8 to read:

9 53395.14. After receipt of a copy of the resolution of intention
10 to establish a district, the official designated pursuant to Section
11 53395.13 shall prepare a proposed infrastructure financing plan.
12 The infrastructure financing plan shall be consistent with the
13 general plan of the city within which the district is located and
14 shall include all of the following:

15 (a) A map and legal description of the proposed district, which
16 may include all or a portion of the district designated by the
17 legislative body in its resolution of intention.

18 (b) A description of the public facilities required to serve the
19 development proposed in the area of the district including those
20 to be provided by the private sector, those to be provided by
21 governmental entities without assistance under this chapter, those
22 public improvements and facilities to be financed with assistance
23 from the proposed district, and those to be provided jointly. The
24 description shall include the proposed location, timing, and costs
25 of the public improvements and facilities.

26 (c) A finding that the public facilities provide significant benefits
27 to an area larger than the area of the district.

28 (d) A financing section, which shall contain all of the following
29 information:

30 (1) A specification of the maximum portion of the incremental
31 tax revenue of the city and of each affected taxing entity proposed
32 to be committed to the district for each year during which the
33 district will receive incremental tax revenue. The portion need not
34 be the same for all affected taxing entities. The portion may change
35 over time.

36 (2) A projection of the amount of tax revenues expected to be
37 received by the district in each year during which the district will
38 receive tax revenues, including an estimate of the amount of tax
39 revenues attributable to each affected taxing entity for each year.

1 (3) A plan for financing the public facilities to be assisted by
2 the district, including a detailed description of any intention to
3 incur debt.

4 (4) A limit on the total number of dollars of taxes which may
5 be allocated to the district pursuant to the plan.

6 (5) A date on which the district will cease to exist, by which
7 time all tax allocation to the district will end. The date shall not
8 be more than 40 years from the date the legislative body adopted
9 the resolution adopting the infrastructure financing plan pursuant
10 to Section 53395.20.

11 (6) An analysis of the costs to the city of providing facilities
12 and services to the area of the district while the area is being
13 developed and after the area is developed. The plan shall also
14 include an analysis of the tax, fee, charge, and other revenues
15 expected to be received by the city as a result of expected
16 development in the area of the district.

17 (7) An analysis of the projected fiscal impact of the district and
18 the associated development upon each affected taxing entity.

19 (e) If any dwelling units occupied by persons or families of low
20 or moderate income are proposed to be removed or destroyed in
21 the course of private development or public works construction
22 within the area of the district, a plan providing for replacement of
23 those units and relocation of those persons or families consistent
24 with the requirements of Section 53395.5.

25 (f) The goals the district proposes to achieve by financing public
26 facilities.

27 SEC. 11. Section 53395.19 of the Government Code is amended
28 to read:

29 53395.19. (a) The legislative body shall not enact a resolution
30 forming a district and providing for the division of taxes of any
31 affected taxing entity pursuant to Article 3 (commencing with
32 Section 53396) unless a resolution approving the plan has been
33 adopted by the governing body of each affected taxing entity which
34 is proposed to be subject to division of taxes pursuant to Article
35 3 (commencing with Section 53396) has been filed with the
36 legislative body at or prior to the time of the hearing.

37 (b) In the case of an affected taxing entity that is a special district
38 which provides fire protection services and where the county board
39 of supervisors is the governing authority or has appointed itself as
40 the governing board of the district, the plan shall be adopted by a

1 separate resolution approved by the district's governing authority
2 or governing board.

3 (c) Nothing in this section shall be construed to prevent the
4 legislative body from amending its infrastructure financing plan
5 and adopting a resolution forming the infrastructure financing
6 district without allocation of the tax revenues of any affected taxing
7 entity that has not approved the infrastructure financing plan by
8 resolution of the governing body of the affected taxing entity.

9 SEC. 12. Section 53395.20 of the Government Code is amended
10 to read:

11 53395.20. (a) At the conclusion of the hearing required by
12 Section 53395.17, the legislative body may adopt a resolution
13 adopting the infrastructure financing plan, as modified, and
14 approving the formation of the infrastructure financing district in
15 a manner consistent with Section 53395.19, or it may abandon the
16 proceedings.

17 (b) No later than June 30 of each year after the adoption of the
18 infrastructure financing plan, the legislative body shall direct the
19 clerk to mail an annual report to each owner of land within the
20 district and each affected taxing entity. The legislative body shall
21 direct the clerk to post this annual report in an easily identifiable
22 and accessible location on the legislative body's Internet Web site.
23 The annual report shall contain all of the following:

24 (1) A summary of the district's expenditures.

25 (2) A description of the progress made towards the district's
26 adopted goals.

27 (3) An assessment of the status regarding completion of the
28 district's public works projects.

29 (c) If the district fails to provide the annual report required by
30 subdivision (b), the district shall not spend any funds to construct
31 public works projects until the annual report is submitted.

32 (d) If the district fails to produce evidence of progress made
33 towards achieving its adopted goals for five consecutive years, the
34 district shall not spend any funds to construct any new public works
35 projects; provided, however, the district may complete any public
36 works projects that it had started. Any excess property tax
37 increment revenues that had been allocated for new public works
38 projects shall be reallocated to the affected taxing entities.

39 SEC. 13. Section 53395.21 of the Government Code is
40 repealed.

1 SEC. 14. Section 53395.22 of the Government Code is
2 repealed.

3 SEC. 15. Section 53395.23 of the Government Code is
4 repealed.

5 SEC. 16. Section 53395.24 of the Government Code is
6 repealed.

7 SEC. 17. Section 53395.25 of the Government Code is
8 repealed.

9 SEC. 18. Section 53396 of the Government Code is amended
10 to read:

11 53396. Any infrastructure financing plan may contain a
12 provision that taxes, if any, levied upon taxable property in the
13 area included within the infrastructure financing district each year
14 by or for the benefit of the State of California, or any affected
15 taxing entity after the effective date of the resolution adopted
16 pursuant to Section 53395.20 to create the district, shall be divided
17 as follows:

18 (a) That portion of the taxes which would be produced by the
19 rate upon which the tax is levied each year by or for each of the
20 affected taxing entities upon the total sum of the assessed value
21 of the taxable property in the district as shown upon the assessment
22 roll used in connection with the taxation of the property by the
23 affected taxing entity, last equalized prior to the effective date of
24 the resolution adopted pursuant to Section 53395.20 to create the
25 district, shall be allocated to, and when collected shall be paid to,
26 the respective affected taxing entities as taxes by or for the affected
27 taxing entities on all other property are paid.

28 (b) That portion of the levied taxes each year specified in the
29 adopted infrastructure financing plan for the city and each affected
30 taxing entity which has agreed to participate pursuant to Section
31 53395.19 in excess of the amount specified in subdivision (a) shall
32 be allocated to, and when collected shall be paid into a special
33 fund of, the district for all lawful purposes of the district. Unless
34 and until the total assessed valuation of the taxable property in a
35 district exceeds the total assessed value of the taxable property in
36 the district as shown by the last equalized assessment roll referred
37 to in subdivision (a), all of the taxes levied and collected upon the
38 taxable property in the district shall be paid to the respective
39 affected taxing entities. When the district ceases to exist pursuant
40 to the adopted infrastructure financing plan, all moneys thereafter

1 received from taxes upon the taxable property in the district shall
2 be paid to the respective affected taxing entities as taxes on all
3 other property are paid.

4 SEC. 19. Section 53397.1 of the Government Code is amended
5 to read:

6 53397.1. The legislative body may, by majority vote, authorize
7 the issuance of bonds pursuant to this chapter by adopting a
8 resolution.

9 SEC. 20. Section 53397.2 of the Government Code is amended
10 to read:

11 53397.2. The resolution adopted pursuant to Section 53397.1
12 shall contain all of the following information:

13 (a) A description of the facilities to be financed with the
14 proceeds of the bond issue.

15 (b) The estimated cost of the facilities, the estimated cost of
16 preparing and issuing the bonds, and the principal amount of the
17 bond issuance.

18 (c) The maximum interest rate and discount on the bond
19 issuance.

20 (d) A determination of the amount of tax revenue available or
21 estimated to be available, for the payment of the principal of, and
22 interest on, the bonds.

23 (e) A finding that the amount necessary to pay the principal of,
24 and interest on, the bond issuance will be less than, or equal to,
25 the amount determined pursuant to subdivision (d).

26 (f) The issuance of the bonds in one or more series.

27 (g) The date the bonds will bear.

28 (h) The denomination of the bonds.

29 (i) The form of the bonds.

30 (j) The manner and execution of the bonds.

31 (k) The medium of payment in which the bonds are payable.

32 (l) The place or manner of payment and any requirements for
33 registration of the bonds.

34 (m) The terms or call of redemption, with or without premium.

35 SEC. 21. Section 53397.4 of the Government Code is repealed.

36 SEC. 22. Section 53397.5 of the Government Code is repealed.

37 SEC. 23. Section 53397.6 of the Government Code is repealed.

38 SEC. 24. Section 53397.7 of the Government Code is repealed.

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COUNTY OF YOLO

Board of Supervisors

District 1, **Michael H. McGowan**
District 2, **Don Saylor**
District 3, **Matt Rexroad**
District 4, **Jim Provenza**
District 5, **Duane Chamberlain**

625 Court Street, Room 204 • Woodland, CA 95695
(530) 666-8195 • FAX (530) 666-8193
www.yolocounty.org

County Administrator, **Patrick S. Blacklock**
Deputy Clerk of the Board, **Julie Dachtler**

March 11, 2011

The Honorable Lois Wolk
California State Senate
State Capitol, Room 5114
Sacramento, CA 95814

RE: Senate Bill 214 - Infrastructure Financing Districts - SUPPORT

Dear Senator Wolk,

The Yolo County Board of Supervisors supports your bill, SB 214, which streamlines the process for creating infrastructure financing districts (IFDs), extends the term of IFDs from 30 to 40 years and makes other modernizing improvements to this underutilized economic development tool. This legislation will make it easier for local governments to implement IFDs and invest in infrastructure vital to stimulating local economic growth and development.

Yolo County secured \$124,000 in grant funding from U.S. Economic Development Administration to study infrastructure deficiencies and develop facility master plans to guide sewer and water upgrades for community services districts in Esparto, Knights Landing, Madison and Yolo. A streamlined process for IFDs could help finance infrastructure improvements necessary for targeted economic development in these existing unincorporated communities, consistent with the goals of the Yolo County 2030 General Plan and smart growth principles.

Thank you for authoring this important legislation. If you or your staff have any questions about this position, please contact the Board of Supervisors at (530) 666-8195 or Petrea Marchand at (530) 666-8128 or petrea.marchand@yolocounty.org.

Sincerely,

MATT REXROAD, Chair
Yolo County Board of Supervisors

cc: Assemblyman Jim Nielsen
Assemblymember Mariko Yamada

**Contra Costa County
Legislation Tracking Report 7-22-11**

CA AB 129	<p>AUTHOR: Beall [D] TITLE: Local Government: Fines and Penalties: Assessments FISCAL COMMITTEE: no URGENCY CLAUSE: no INTRODUCED: 01/11/2011 LAST AMEND: 06/14/2011 DISPOSITION: Pending LOCATION: Senate Third Reading File SUMMARY: Authorizes a city, county, or city and county to, after notice and public hearing, specially assess any fines or penalties not paid after demand by the city, county, or city and county against real property owned by the person owing those fines and penalties where the fines or penalties are related to ordinance violations on the real property upon which the fines or penalties would be specially assessed, and the ordinance violations constitute a public nuisance or threat to public health and safety. STATUS: 06/23/2011 In SENATE. Read second time. To third reading.</p>
CA AB 147	<p>AUTHOR: Dickinson [D] TITLE: Subdivisions FISCAL COMMITTEE: no URGENCY CLAUSE: no INTRODUCED: 01/14/2011 LAST AMEND: 05/31/2011 DISPOSITION: Pending LOCATION: Assembly Unfinished Business - Concurrence in Senate Amendments SUMMARY: Amends the Subdivision Map Act which authorizes a local agency to require the payment of fees as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges or major thoroughfares. Authorizes a local ordinance to require payment of a fee subject to the Mitigation Fee Act, as a condition of approval of a final map or permit for purposes of defraying the actual transportation facilities cost. STATUS: 07/14/2011 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence. (23-16) NOTES: Our legislative initiative</p>
CA AB 153	<p>AUTHOR: Skinner [D] TITLE: Board of Equalization: Administration: Retailer FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 01/18/2011 LAST AMEND: 06/27/2011 DISPOSITION: Pending LOCATION: Senate Governance and Finance Committee</p>

SUMMARY:

Amends the Sale and Use Tax Law. Includes in the definition of a retailer engaged in business in the state any retailer entering into agreements under which a person or persons refer potential purchasers through the use of the Internet to the retailer, under specified conditions. Provides that a retailer entering certain agreements to purchase advertising is not a considered a retailer engaged in business in the state. Includes an entity affiliated with a retailer under federal income tax law.

STATUS:

06/27/2011 From SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.

06/27/2011 In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.

CA AB 296

AUTHOR: Skinner [D]
TITLE: Building Standards: Cool Pavement
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/09/2011
LAST AMEND: 06/21/2011
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Establishes the Cool Pavements Research and Implementation Act. Requires the Department of Transportation to implement one or more cool pavement pilot projects, to submit a report to the Legislature with an analysis of the various costs of pavement surfaces and the results of the projects, and to make available on the Internet Web site a Cool Pavements Handbook. Requires considering the incorporation of the specifications proposed in the handbook in the Green Building Code.

STATUS:

07/11/2011 In SENATE Committee on APPROPRIATIONS: To Suspense File.

NOTES: BOS supported on 5/24/11

CA AB 329

AUTHOR: Dickinson [D]
TITLE: County Employees' Retirement
FISCAL COMMITTEE: no
URGENCY CLAUSE: yes
INTRODUCED: 02/10/2011
ENACTED: 06/13/2011
DISPOSITION: Enacted
LOCATION: Chaptered
CHAPTER: 26
SUMMARY:

Authorizes the board of supervisors of the County of Sacramento, by resolution, if authorized by a mutually agreed upon and negotiated memorandum of understanding with a bargaining unit that represents safety members, to require safety employees of that bargaining unit and unrepresented safety employees to receive a specified pension calculation that is based upon the average annual compensation earnable during a specified 3-year period.

	STATUS:	
	06/13/2011	Signed by GOVERNOR.
	06/13/2011	Chaptered by Secretary of State. Chapter No. 26
CA AB 340	AUTHOR:	Furutani [D]
	TITLE:	County Employees' Retirement
	FISCAL COMMITTEE:	no
	URGENCY CLAUSE:	no
	INTRODUCED:	02/10/2011
	LAST AMEND:	06/22/2011
	DISPOSITION:	Pending
	LOCATION:	Assembly Unfinished Business
	SUMMARY:	Relates to county employee retirement. Prohibits the use of a variety of payments and compensation and payments for unused leave time earned or payable in a specified period for the purpose of enhancing a member's retirement benefit. Requires the retirement board to establish a procedure to determine which elements were paid for retirement purposes, and to notify the member and employer. Relates to local compensation reports, penalties for not timely enrolling eligible members, and reinstatement procedures.
	STATUS:	
	07/11/2011	In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence. (35-0)
	NOTES:	County retirement system reform bill
CA AB 348	AUTHOR:	Buchanan [D]
	TITLE:	Highways: Safety Enhancement-Double Fine Zone
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/10/2011
	LAST AMEND:	07/07/2011
	DISPOSITION:	Pending
	COMMITTEE:	Senate Appropriations Committee
	HEARING:	08/15/2011 10:00 am
	SUMMARY:	Provides for the designation of a specified segment of county highway known as Vasco Road in Alameda County and Contra Costa County as a Safety Enhancement-Double Fine Zone upon the approval of the boards of supervisors of those counties. Imposes specified duties on local governing bodies regarding that double fine zone, including to prepare a report on the effectiveness of the zone.
	STATUS:	
	07/11/2011	Re-referred to SENATE Committee on APPROPRIATIONS.
	NOTES:	Our bill for Vasco DFZ
CA AB 392	AUTHOR:	Alejo [D]
	TITLE:	Ralph M. Brown Act: Posting Agendas
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/14/2011
	LAST AMEND:	04/14/2011
	DISPOSITION:	Pending

LOCATION: Assembly Appropriations Committee
SUMMARY:
Requires the legislative body of a local agency, at least 72 hours before a regular meeting of that body, to post the agenda and staff generated reports that relate to an agenda item for the open session of that regular meeting. Requires the legislative body to post the agenda and the writings on its internet web site or in a public location if the body has not web site.
STATUS:
05/27/2011 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
NOTES: Sent to County Counsel. Watch. To Leg Com 5/16.

CA AB 400 **AUTHOR:** Ma [D]
TITLE: Employment: Paid Sick Days
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/14/2011
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:
Provides that an employee who works in California for 7 or more days in a calendar year is entitled to paid sick days. Prohibits an employer from discriminating against an employee who requests paid sick days. Requires employers to satisfy posting and notice and recordkeeping requirements. Authorizes the Labor Commissioner to impose administrative fines. Exempts employees covered by a collective bargaining agreement that provides for paid sick days.
STATUS:
05/27/2011 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
NOTES: BOS opposed 5/3/11

CA AB 438 **AUTHOR:** Williams [D]
TITLE: County Free Libraries: Withdrawal: Use of Contractors
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/14/2011
LAST AMEND: 07/12/2011
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:
Imposes specified requirements if the board of trustees, common council, or other legislative body of a city or the board of trustees of a library district intends to withdraw from the county free library system and operate the city's or district's library or libraries with a private contractor that will employ library staff to achieve cost savings, unless the library or libraries are funded only by the proceeds of a special tax imposed by the city or district.
STATUS:
07/12/2011 In SENATE. Read second time and amended. To third reading.
NOTES: To Leg Com for support on 7/28

CA AB 455 **AUTHOR:** Campos [D]
TITLE: Public Employment: Local Public Employee Organizations
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/15/2011
LAST AMEND: 03/31/2011
DISPOSITION: To Governor
LOCATION: To Governor
SUMMARY:
Provides that when a local public agency has established a personnel commission or merit commission to administer personnel rules or a merit system, the governing board of the public agency would appoint a specified percentage of the members of the commission, and that the recognized employee organization would nominate the same percentage of members for appointment.
STATUS:
07/11/2011 *****To GOVERNOR.
NOTES: BOS Opposed on 5/3/11

CA AB 502 **AUTHOR:** Bonilla [D]
TITLE: Land Use: General Plan: Housing Element
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/15/2011
LAST AMEND: 04/04/2011
DISPOSITION: Pending
LOCATION: Assembly Local Government Committee
SUMMARY:
Authorizes Contra Costa County and the City of Concord to establish the Concord Naval Weapons Station Reuse Authority to plan for, finance, and manage the transition of the property formerly known as the Concord Naval Weapons Station from military to civilian use.
STATUS:
04/04/2011 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
04/04/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
NOTES: BOS supported on 5/3/11

CA AB 506 **AUTHOR:** Wieckowski [D]
TITLE: Local Government: Bankruptcy: Neutral Evaluation
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/15/2011
LAST AMEND: 07/12/2011
DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY:
Expresses the intent of the Legislature to enact legislation that would provide an alternative dispute resolution procedures that cities, counties, and special districts may use before they seek financial relief through the provisions of Chapter 9 of the federal Bankruptcy Code.

STATUS:
07/12/2011 In SENATE. Read second time and amended. Re-referred to Committee on RULES.
NOTES: BOS Opposed on 5/24/11

CA AB 509 **AUTHOR:** Skinner [D]
TITLE: Federal Earned Income Tax Credit: Notification
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/15/2011
LAST AMEND: 06/21/2011
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/15/2011 10:00 am
SUMMARY:
Requires state departments and agencies that serve individuals qualified for the federal earned income tax credit to notify program recipients that they may be eligible for the credit in a specified manner. Requires state departments and agencies that do not directly communicate with persons who may qualify for the credit to communicate indirectly through agencies or districts serving those persons.
STATUS:
06/29/2011 From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS. (6-3)
NOTES: BOS supported on 6/28.

CA AB 646 **AUTHOR:** Atkins [D]
TITLE: Local Public Employee Organizations: Impasse Procedures
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/16/2011
LAST AMEND: 06/22/2011
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/15/2011 10:00 am
SUMMARY:
Amends provisions that govern collective bargaining of local represented employees and delegate jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the duties and rights of local public agency employers and employees. Authorizes the employee organization to request the matter be submitted to a factfinding panel if a mediator is unable to effect a settlement within a specified time period. Provides procedures for the submission of an agency's last, best, and final offer.
STATUS:
06/27/2011 From SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS. (3-2)
NOTES: BOS Opposed on 5/24/11

CA AB 674 **AUTHOR:** Bonilla [D]
TITLE: Vehicles: Registration Fees

FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 04/06/2011
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:

Extends the authorization for programs, funded from the fees charged for the registration of commercial motor vehicles, that enhance the capacity of local law enforcement to provide fingerprint identification of individuals who may be involved in driving under the influence of alcohol or drugs, vehicular manslaughter, other vehicle-related crimes, and other crimes committed while operating a motor vehicle.

STATUS:

07/13/2011 In SENATE. Read second time. To third reading.
NOTES: AM Bonilla requested support. Sheriff recommends. BOS 4/5/11

CA AB 710

AUTHOR: Skinner [D]
TITLE: Local Planning
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 07/12/2011
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:

Prohibits a city or country from requiring a minimum parking standard greater than one parking space per 1,000 square feet of nonresidential improvements and one parking space per unit of residential improvements for any new development project in transit sensitive areas. Provides for nonapplication if certain requirements are met.

STATUS:

07/12/2011 In SENATE. Read second time and amended. To third reading.
NOTES: BOS "Oppose Unless Amended' on 4/5/11

CA AB 720

AUTHOR: Hall [D]
TITLE: Public Contracts: Construction Cost Accounting
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 07/12/2011
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:

Revises a provision in existing law that specifies a board of supervisors or a county road commissioner is not prohibited from using alternative procedures governing county highway contracts to limit their use in maintenance, emergency work and road construction. Amends existing law which authorizes public projects with a specified monetary threshold to be performed by public employees by force

account, negotiated contract, or purchase order. Increases the threshold. Relates to bidding thresholds.

STATUS:

07/12/2011 In SENATE. Read second time and amended. To third reading.

NOTES: PW recommends Oppose. To BOS on 4/12. Sent letter 4/15.

CA AB 792

AUTHOR: Bonilla [D]
TITLE: Health Care Coverage: Health Benefit Exchange
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 06/30/2011
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/15/2011 10:00 am
SUMMARY:

Requires the disclosure of information on health care coverage through the Health Benefit Exchange by health care service plans, health insurers, employers, or other entities, and the EDD, upon an initial claim for disability benefits, or upon the filing of a petition for dissolution of marriage, nullity of marriage, legal separation, or adoption. Requires health care service plans and insurers to, upon the failure to renew coverage, provide information to the Exchange. Provides for automatic enrollment.

STATUS:

07/05/2011 From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS. (3-2)

NOTES: AM Bonilla requested support. HSD supports. To BOS 4/5/11

CA AB 861

AUTHOR: Hill [D]
TITLE: California Stroke Registry
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 05/27/2011
DISPOSITION: Pending
LOCATION: Senate Health Committee
SUMMARY:

Establishes the California Stroke Registry, to be administered by the State Department of Health to serve as a centralized repository for stroke data to promote quality improvement for acute stroke treatment. Requires that the program be implemented only to the extent funds from federal or private sources are made available for this purpose.

STATUS:

07/06/2011 In SENATE Committee on HEALTH: Not heard.
NOTES: BOS supported on 5/3/11

CA AB 902

AUTHOR: Alejo [D]
TITLE: Taxation: Property Tax Delinquency and Sales

FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:

Amends existing law that requires a tax collector, in the case of the proposed tax sale of property that is the primary residence of the last known assessee, to make a reasonable effort to contact the owner-occupant of the property to be sold. Requires the actual and reasonable costs incurred by the tax collector in attempting to make contact to be established by the board of supervisors. Requires the tax collector to collect a fee for costs in obtaining information and mailing notices.

STATUS:

06/30/2011 In SENATE. Read second time. To third reading.
NOTES: BOS supported 6/7. Recommendation from TT.

CA AB 913

AUTHOR: Feuer [D]
TITLE: Hazardous Waste: Source Reduction
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 06/13/2011
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:

Requires the Department of Toxic Substances Control to develop, as part of its hazardous waste source reduction program, a Green Business Program that provides support and assistance to local government programs that provide for voluntary certification of small businesses that adopt environmentally preferable business practices, including increased energy efficiency, reduced greenhouse gas emissions, promotion of water conservation, and reduced waste generation.

STATUS:

07/12/2011 In SENATE. Read second time. To third reading.

CA AB 931

AUTHOR: Dickinson [D]
TITLE: Environment: CEQA Exemption
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 07/12/2011
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/15/2011 10:00 am
SUMMARY:

Amends existing law, the California Environmental Quality Act, that exempts infill housing projects meeting a community level environmental review that was adopted or certified within a certain number of years. Provides that an exemption under the act for residential units includes a project that may be used for neighborhood-serving goods, services, or retail uses to a level that does not exceed a specified percentage of the total building square footage of the project.

	STATUS:	
	07/12/2011	In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
	NOTES:	Our CEQA exemption bill
CA AB 946	AUTHOR:	Butler [D]
	TITLE:	Property Tax Administration: Loan Program
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/18/2011
	LAST AMEND:	07/12/2011
	DISPOSITION:	Pending
	LOCATION:	Senate Rules Committee
	SUMMARY:	Reauthorizes the State-County Property Tax Administration Program to allow counties to elect to participate in the program to receive a loan in each fiscal year from the 2011-12 fiscal year to the 2015-16 fiscal year. Requires the State Assessors' Association to report to specified legislative committees regarding participating counties.
	STATUS:	
	07/14/2011	Re-referred to SENATE Committee on RULES.
	NOTES:	To Leg Com for support on 7/28
CA AB 1053	AUTHOR:	Gordon [D]
	TITLE:	Local Government: Penalties and Fees
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/18/2011
	LAST AMEND:	07/12/2011
	DISPOSITION:	Pending
	COMMITTEE:	Senate Appropriations Committee
	HEARING:	08/15/2011 10:00 am
	SUMMARY:	Provides an increase in fees for fetal death or death record and a certified copy of a birth certificate. Removes the authorization to adjust the fee using a specified method. Declares that the increased fee would more accurately reflect the true cost of providing those documents. Raises the registration fee for a petition filed to make a minor a ward of the court when the minor is represented by appointed counsel.
	STATUS:	
	07/12/2011	In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
	NOTES:	BOS supported on 5/3/11
CA AB 1066	AUTHOR:	Perez J [D]
	TITLE:	Medi-Cal: Demonstration Project Waivers
	FISCAL COMMITTEE:	no
	URGENCY CLAUSE:	yes
	INTRODUCED:	02/18/2011
	ENACTED:	07/13/2011
	DISPOSITION:	Enacted

LOCATION: Chaptered
CHAPTER: 86
SUMMARY:

Distinguishes which provisions of the Medi-Cal Hospital or Uninsured Care Demonstration Project Act apply to the successor demonstration project. Renames the Coverage Expansion and Enrollment Demonstration project as the Low Income Health Program (LIHP). Provides that the Department of Health Care Services shall authorize local LIHPs. Provides that LIHP health care services may be provided to certain eligible individuals.

STATUS:

07/13/2011 Signed by GOVERNOR.
 07/15/2011 Chaptered by Secretary of State. Chapter No. 86
NOTES: Sending letter of support, per Dr. Walker request.

CA AB 1178

AUTHOR: Ma [D]
TITLE: Solid Waste: Place of Origin
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 07/13/2011
DISPOSITION: Pending
LOCATION: Senate Second Reading File
SUMMARY:

Prohibits an ordinance enacted by a city or county, including an ordinance enacted by initiative of the local entities voters, from otherwise restricting or limiting the importation of solid waste into a privately owned solid waste facility in that city or country based on place of origin. Provides this prohibition does not require such facility to accept certain waste, does not allow the facility to abrogate certain agreements, does not prohibit such facility to guarantee permitted capacity.

STATUS:

07/14/2011 Withdrawn from SENATE Committee on APPROPRIATIONS. To second reading.
NOTES: DCD staff removes recommendation of Oppose.

CA AB 1220

AUTHOR: Alejo [D]
TITLE: Land Use and Planning: Cause of Actions: Time Limits
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 04/25/2011
DISPOSITION: Pending
LOCATION: Senate Third Reading File
SUMMARY:

Relates to actions or proceedings against local zoning and planning decisions of a legislative body to encourage or facilitate the development of affordable housing. Authorizes a certain notice to be filed any time within a specified number of years after a specified action pursuant to existing law. Provides that in any action brought against a city, county, or city and county to challenge the adequacy of a housing element if a court makes certain findings.

STATUS:

06/16/2011 In SENATE. Read second time. To third reading.

NOTES: To BOS to OPPOSE on 6/28

CA AB 1296 **AUTHOR:** Bonilla [D]
TITLE: Health Care Eligibility, Enrollment, And Retention Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 07/13/2011
DISPOSITION: Pending
COMMITTEE: Senate Appropriations Committee
HEARING: 08/15/2011 10:00 am
SUMMARY:
Enacts the Health Care Eligibility, Enrollment, and Retention Act. Requires the State Health and Human Services Agency to establish standardized single, accessible application forms and related renewal procedures for Medi-Cal, the Healthy Families Program, and the Exchange. Specifies the duties of the agency and the State Department of Health Care Services under the act. Requires providing specified information to the Legislature on policy changes needed for implementation.
STATUS:
07/13/2011 In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
NOTES: AM Bonilla requested our support. HSD supports. To BOS 4/5/11

CA AB 1323 **AUTHOR:** Gatto [D]
TITLE: Vehicles: Vehicle Theft Crimes: Investigative Costs
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 04/26/2011
DISPOSITION: Pending
LOCATION: Senate Public Safety Committee
SUMMARY:
Requires, in specified counties, in any case involving grand theft of an automobile which is prosecuted by a local entity and in which all expenditures incurred in connection with the sale of the property are incurred by a local entity, that, in lieu of the distribution to the local government general fund, the proceeds shall be deposited with the Controller to fund programs that enhance the capacity of local police and prosecutors to deter, investigate, and prosecute vehicle theft crimes.
STATUS:
06/14/2011 In SENATE Committee on PUBLIC SAFETY: Not heard.
NOTES: Staff is reviewing; providing comments to UCC

CA AB 1387 **AUTHOR:** Solorio [D]
TITLE: Rebuilding Communities and Rebuilding Lives Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 05/27/2011
DISPOSITION: Pending

LOCATION: Senate Appropriations Committee

SUMMARY:
Requires the Emergency Management Agency, subject to an appropriation of funds, to establish a Youthful Offender Reentry competitive grant program specifically targeting offenders who will be between 16 and 23 years of age upon their release from a local county juvenile facility, the Department of Corrections and Rehabilitation's Division of Juvenile Facilities, probation, or parole to assist in community reintegration upon release.

STATUS:
07/11/2011 In SENATE Committee on APPROPRIATIONS: To Suspense File.

NOTES: Staff is reviewing

CA SB 33

AUTHOR: Simitian [D]
TITLE: Elder and Dependent Adult Abuse
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 12/06/2010
LAST AMEND: 06/15/2011
DISPOSITION: Pending
LOCATION: Assembly Third Reading File
SUMMARY:
Amends provisions of the Elder Abuse and Dependent Adult Civil Protection Act that includes within the mandatory reporting requirements of suspected instances of elder or dependent adult abuse, requirements regarding mandating reports of suspected financial abuse, with certain exceptions, makes a failure to comply subject to civil penalty. Deletes the repeal date of those provisions.

STATUS:
07/07/2011 In ASSEMBLY. Read second time. To Consent Calendar.
07/07/2011 In ASSEMBLY. From Consent Calendar. To third reading.

NOTES: EHSD supports. Consistent with Platform. Sent support letter 3/21

CA SB 106

AUTHOR: Blakeslee [R]
TITLE: Special Elections
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/13/2011
LAST AMEND: 04/25/2011
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:
Provides that expenses authorized and necessarily incurred on or after January 1, 2009, and before April 19, 2011, for elections proclaimed by the Governor to fill a vacancy in the office of Senator or Member of the Assembly, or to fill a vacancy of Congressional members, shall be paid by the state.

STATUS:
05/26/2011 In SENATE Committee on APPROPRIATIONS: Held in committee.

NOTES: Sending support letter 3-3-11

CA SB 132	<p>AUTHOR: Lowenthal A [D] TITLE: School Facilities: State Planning Priorities FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 01/27/2011 LAST AMEND: 07/13/2011 DISPOSITION: Pending COMMITTEE: Assembly Appropriations Committee HEARING: 08/17/2011 9:00 am SUMMARY:</p> <p>Requires the Allocation Board to review the guidelines, rules, regulations, procedures, and policies for the acquisition of school sites and school facilities construction pursuant to the Greene Act to ensure they reflect the state planning priorities and to revise those guidelines, regulations, procedures, and policies. Requires the consideration of state planning priorities in recommending school locations. Requires the Governor's infrastructure plan to include specified information.</p> <p>STATUS: 07/13/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.</p> <p>NOTES: DCD reviewing and sending to TWIC</p>
CA SB 141	<p>AUTHOR: Price [D] TITLE: Elections: Payment of Expenses FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 01/31/2011 LAST AMEND: 03/17/2011 DISPOSITION: Pending LOCATION: Senate Appropriations Committee SUMMARY:</p> <p>Provides that expenses authorized and necessarily incurred for elections proclaimed by the Governor to fill a vacancy in the office of State Senator or Assembly Member, or to fill a vacancy in the office of United States Senator or Representative in the Congress, are to be paid by the state. Provides that the state shall pay only those additional expenses directly related to the election proclaimed by the Governor when combined with a local election.</p> <p>STATUS: 05/26/2011 In SENATE Committee on APPROPRIATIONS: Held in committee.</p> <p>NOTES: Steve Weir recommends we support. Sending support letter 3/21</p>
CA SB 214	<p>AUTHOR: Wolk [D] TITLE: Infrastructure Financing Districts: Voter Approval FISCAL COMMITTEE: no URGENCY CLAUSE: no INTRODUCED: 02/08/2011 LAST AMEND: 06/21/2011 DISPOSITION: Pending LOCATION: Assembly Third Reading File</p>

SUMMARY:

Revises provisions governing the public facilities that may be financed. Eliminates the requirement of voter approval to issue bonds to finance infrastructure facilities. Authorizes the legislative body to create an infrastructure financing district, adopt a financing plan, and issue the bonds by resolutions. Authorizes a district to finance specified actions and projects. Prohibits the district from providing financial assistance to a vehicle dealer or big box retailer.

STATUS:

07/01/2011 In ASSEMBLY. Read second time. To third reading.

CA SB 223

AUTHOR: Leno [D]
TITLE: Voter-Approved Local Assessment: Vehicles
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/09/2011
LAST AMEND: 07/11/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Authorizes the City and County of San Francisco to impose a voter-approved local assessment for specified vehicles if certain conditions are met. Requires the city and county to contract with the DMV to collect and administer the assessment. Requires the Franchise Tax Board to annually notify the department of estimated revenue losses resulting from taxpayers deducting the assessment under the Personal Income and Corporation Tax laws. Requires replacement of losses to the General Fund.

STATUS:

07/11/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

NOTES: Watch. To Leg Com 5/16.

CA SB 244

AUTHOR: Wolk [D]
TITLE: Land Use: Disadvantaged Unincorporated Communities
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/10/2011
LAST AMEND: 07/01/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Amends the Planning and Zoning Law, which requires adoption of plans for the development of a city or county and of land outside a city or county's boundaries. Requires reviews of land use elements to include an analysis of the presence of island, fringe, or legacy unincorporated communities. Requires a local agency formation commission to make certain determinations concerning public service needs, including sewers, water, and fire protection, in certain disadvantaged unincorporated communities.

STATUS:

07/01/2011 In ASSEMBLY. Read second time and amended. Re-referred

	NOTES:	to Committee on APPROPRIATIONS. Rich Seithel reviewing for DCD.
CA SB 262	AUTHOR: TITLE: FISCAL COMMITTEE: URGENCY CLAUSE: INTRODUCED: DISPOSITION: LOCATION: SUMMARY:	De Leon [D] Individual Retirement Accounts no no 02/10/2011 Pending Senate Rules Committee Makes findings and declarations of the Legislature that conclude that the state should create an additional retirement savings program for its workers to supplement existing savings options.
	STATUS:	02/24/2011 To SENATE Committee on RULES.
CA SB 304	AUTHOR: TITLE: FISCAL COMMITTEE: URGENCY CLAUSE: INTRODUCED: DISPOSITION: LOCATION: SUMMARY:	Kehoe [D] Elections: All-Mailed Ballot Elections: San Diego no no 02/14/2011 Pending Senate Elections and Constitutional Amendments Committee Authorize elections in San Diego County to be conducted wholly by mail until January 1, 2016, if specified conditions are satisfied. Provides that San Diego County conducts an all-mailed ballot election. Provides that the county would be required to report to the Legislature and to the Secretary of State regarding the success of the election.
	STATUS:	02/24/2011 To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
	NOTES:	Steve Weir recommends support
CA SB 373	AUTHOR: TITLE: FISCAL COMMITTEE: URGENCY CLAUSE: INTRODUCED: ENACTED: DISPOSITION: LOCATION: CHAPTER: SUMMARY:	DeSaulnier [D] Retirement: Contra Costa County no no 02/15/2011 07/07/2011 Enacted Chaptered 68 Deletes the termination date of existing law that authorizes the Contra Costa County Board of Supervisors to establish different retirement benefits for different bargaining units of safety employees represented by the Contra Costa County Deputy Sheriffs' Association, and the unrepresented groups of safety employees in similar job classification and the supervisors and managers of those employees, pursuant to a resolution making those provisions applicable to the county.

STATUS:	
07/01/2011	*****To GOVERNOR.
07/07/2011	Signed by GOVERNOR.
07/08/2011	Chaptered by Secretary of State. Chapter No. 68
NOTES:	Our sponsored bill

CA SB 394	<p>AUTHOR: DeSaulnier [D] TITLE: Healthy Schools Act of 2011 FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/16/2011 LAST AMEND: 05/09/2011 DISPOSITION: Pending LOCATION: Senate Appropriations Committee SUMMARY: Enacts the Healthy Schools Act of 2011. Requires all schoolsites to send at least one person to Department of Pesticide Regulation training.</p> <p>STATUS: 05/26/2011 In SENATE Committee on APPROPRIATIONS: Held in committee. NOTES: BOS supported on 5/3/11</p>
CA SB 429	<p>AUTHOR: DeSaulnier [D] TITLE: Programs: After School Education and Safety: Grants FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/16/2011 LAST AMEND: 06/29/2011 DISPOSITION: Pending COMMITTEE: Assembly Appropriations Committee HEARING: 08/17/2011 9:00 am SUMMARY: Provides that every school that establishes a before school program component pursuant to the the After School Education and Safety Program, or establishes a program with a before school program component pursuant to the program, is eligible to receive a supplemental grant to operate the program in excess of 180 school days or during any combination of summer, intersession, or vacation periods for a maximum of a specified percentage of the grant amount awarded. Relates to revised program requirements.</p> <p>STATUS: 06/29/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS. NOTES: BOS supported 5/3/11</p>
CA SB 520	<p>AUTHOR: Walters [R] TITLE: Public Employees' Retirement: Hybrid Plan FISCAL COMMITTEE: yes URGENCY CLAUSE: no INTRODUCED: 02/17/2011 LAST AMEND: 03/21/2011 DISPOSITION: Pending</p>

	LOCATION:	Senate Public Employment and Retirement Committee
	SUMMARY:	Requires the Public Employees' Retirement System Board of Administration to create a hybrid retirement plan for employees who become members after a specified date, that offers a defined contribution and defined benefit plan for service and a defined benefit plan for retirement for disability or death. Prohibits these plans from creating a vested property right for the member with respect to any employer contributions before retirement.
	STATUS:	
	03/24/2011	Re-referred to SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
CA SB 526	AUTHOR:	Walters [R]
	TITLE:	Public Employees' Retirement: Final Compensation
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/17/2011
	LAST AMEND:	03/21/2011
	DISPOSITION:	Pending
	LOCATION:	Senate Public Employment and Retirement Committee
	SUMMARY:	Requires, for persons first hired on and after a specified date, for the purpose of determining any pension or benefit with respect to a public entity defined benefit retirement system, that final compensation means the highest annual average compensation earnable by the person during a consecutive 36-month period of membership. Prohibits the inclusion of credit for accrued leave of any form or credit for overtime work in the calculation of compensation.
	STATUS:	
	03/24/2011	Re-referred to SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
	NOTES:	Staff is reviewing
CA SB 527	AUTHOR:	Walters [R]
	TITLE:	Public Employees' Organizations: Negotiation: Benefits
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/17/2011
	LAST AMEND:	03/21/2011
	DISPOSITION:	Pending
	LOCATION:	Senate Public Employment and Retirement Committee
	SUMMARY:	Excludes matters relating to pension benefits from the scope of representation of public employees by recognized employee organizations, and would thereby prohibit these employee organizations from negotiating pension benefits with public employers, except for the amount of employee contributions to the pension plans.
	STATUS:	
	03/24/2011	Re-referred to SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
	NOTES:	Staff is reviewing

CA SB 536 **AUTHOR:** DeSaulnier [D]
TITLE: Property Tax Revenue Allocations: Public Utilities
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/17/2011
LAST AMEND: 06/21/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:
Relates to assessments on the property of companies transmitting or selling gas or electricity. Requires that a specified amount of property tax revenues derived from certain property be allocated first to the county which the property is located to all of the school entities located in that county, 2nd to the East Contra Costa Fire Protection District, and 3rd to specified special districts, with the balance allocated to the redevelopment agency governing the project area in which the property is located.
STATUS:
06/29/2011 From ASSEMBLY Committee on LOCAL GOVERNMENT: Do
pass to Committee on APPROPRIATIONS. (6-1)
NOTES: Review for impact to Library and special districts

CA SB 595 **AUTHOR:** Wolk [D]
TITLE: Tidelands and Submerged Lands: Removal of Vessels
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 06/29/2011
DISPOSITION: Pending
LOCATION: Assembly Consent Calendar
SUMMARY:
Relates to the removal of vessel hazards. Removes the authority of the State Lands Commission to remove and store a vessel removed from a public waterway. Authorizes the commission to remove a vessel immediately and without notice. Authorizes the commission to remove and dispose of a vessel that has been placed on state lands without permission under certain conditions. Relates to deeming such vessels as abandoned property. Requires the funds from the sale be deposited in the General Fund.
STATUS:
07/14/2011 In ASSEMBLY. Read second time. To Consent Calendar.
NOTES: Sending letter of support. Consistent w Platform.

CA SB 653 **AUTHOR:** Steinberg [D]
TITLE: Local Taxation: Counties: School Districts
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 06/06/2011
DISPOSITION: Pending
LOCATION: Senate Third Reading File

SUMMARY:

Authorizes the governing board of any county or city and county, school district, community college district, and any county office of education subject to specified constitutional and voter approval requirements, to levy, increase, or extend a local personal income tax, transactions and use tax, vehicle license fee, and excise tax, including an alcoholic beverage tax, a cigarette and tobacco products tax, a sweetened beverage tax, and an oil severance tax. Requires reimbursing the state for lost revenue.

STATUS:

06/07/2011 In SENATE. Read second time. To third reading.

NOTES: Consider

CA SB 662

AUTHOR: DeSaulnier [D]

TITLE: Public Services

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 02/18/2011

LAST AMEND: 05/31/2011

DISPOSITION: Pending

LOCATION: Assembly Human Services Committee

SUMMARY:

Authorizes, contingent upon a specified finding, the Department of Finance and any county to enter into a contract to authorize the county to integrate specified public services. Requires the Legislature to ratify the contract by an enactment of a bill. Requires the county board of supervisory to ratify the contract. Provides the term of the contract. Requires the county to report to the department and the Legislature on the progress towards meeting the goals of the contract by the 5th year.

STATUS:

06/20/2011 To ASSEMBLY Committees on HUMAN SERVICES and PUBLIC SAFETY.

NOTES: BOS supported 5/3/11

CA SB 695

AUTHOR: Hancock [D]

TITLE: Medi-Cal: County Juvenile Detention Facilities

FISCAL COMMITTEE: yes

URGENCY CLAUSE: no

INTRODUCED: 02/18/2011

LAST AMEND: 05/23/2011

DISPOSITION: Pending

LOCATION: Assembly Appropriations Committee

SUMMARY:

Provides that Medi-Cal benefits may be provided to an individual awaiting adjudication in a county juvenile detention facility if he or she is eligible to receive benefits at the time he or she is admitted to the detention facility, or the individual is subsequently determined to be eligible and the county agrees to pay the state's share of expenditures and administrative costs for specified benefits. Provides for the continuation of benefits. Suspends benefits if the individual becomes an inmate.

STATUS:

07/06/2011 In ASSEMBLY Committee on APPROPRIATIONS: To Suspense

NOTES: File.
BOS supported on 6/28; Letter to Gov.

CA SB 703 **AUTHOR:** Hernandez E [D]
TITLE: Health Care Coverage: Basic Health Program
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 07/12/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:
Establishes a Basic Health Program to be administered by the Managed Risk Medical Insurance Board. Requires the board to enter into a contract with the federal government to implement the program. Sets forth the duties relative to the eligibility, premiums, and the selection of health plans. Permits enrollment beginning on a specified date. Creates a related trust fund subject to appropriation. Provides funding sources. Authorizes General Fund loans for the initial start-up expenses. Requires an evaluation.
STATUS:
07/12/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
NOTES: Sending letter of support, per Dr. Walker request

CA SB 718 **AUTHOR:** Vargas [D]
TITLE: Elder and Dependent Adult Abuse: Mandated Reporting
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 06/27/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:
Amends existing law requiring mandated reporters to report cases of elder abuse. Authorizes the required reports to be submitted through a confidential Internet reporting tool if the county or long-term care ombudsman implements such a system. Requires a county or long-term care ombudsman program that chooses to implement this system to report specified information to specified policy committees of the Legislature one year after full implementation .
STATUS:
06/27/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
NOTES: Sent to EHSD for review. Recommended "watch."

CA SB 744 **AUTHOR:** Wyland [R]
TITLE: Water Submeters: Testing
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011

LAST AMEND: 07/13/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Provides that any water submeter tested by equipment that is calibrated by tests traceable to specified standards shall be deemed to be sealed and approved for commercial use, provided that the submeter satisfies certain criteria. Provides that no submeter shall be considered to have been put into service prior to its installation if the submeter is to be used in a multiunit residential structure. Requires notification to the county sealer that a meter is placed in service. Provides for a civil penalty.

STATUS:

07/13/2011 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.

07/13/2011 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

NOTES: BOS opposed on 6/7/11

CA SB 776

AUTHOR: DeSaulnier [D]
TITLE: Local Workforce Investment Boards: Funding
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 06/15/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Requires local workforce investment boards to spend a certain percentage of available federal funds for adults and dislocated workers on direct client services, workforce training programs, supportive services, and other specified services in a manner consistent with federal law. Requires a local board that does not meet the expenditure requirements to provide the Employment Development Department with a corrective action plan regarding those expenditures.

STATUS:

06/22/2011 From ASSEMBLY Committee on LABOR AND EMPLOYMENT: Do pass to Committee on APPROPRIATIONS. (5-1)

NOTES: BOS Oppose Unless Amended on 6/28; letter sent

CA SB 810

AUTHOR: Leno [D]
TITLE: Single-Payer Health Care Coverage
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 05/10/2011
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Establishes the State Healthcare System. Creates State Healthcare Agency. Makes all residents eligible for specified health care benefits under the System,

which would, on a single-payer basis, negotiate for or set fees for health care services provided through the system and pay claims for those services. Creates the Healthcare Policy Board.

STATUS:

05/23/2011 In SENATE Committee on APPROPRIATIONS: Not heard.
NOTES: BOS supported on 5/3/11

CA SB 906

AUTHOR: DeSaulnier [D]
TITLE: Defendants: Incarceration
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 05/10/2011
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Prohibits the Department of Corrections and Rehabilitation, when notified by a prosecuting attorney or court that the 2 defendants are either codefendants or coconspirators in the commission of a violent felony, from housing those inmates within sight or sound of each other. Requires, to the extent possible, those inmates be housed in separate facilities.

STATUS:

05/26/2011 In SENATE Committee on APPROPRIATIONS: Held in
committee.
NOTES: SO reviewing

CA SB 930

AUTHOR: Evans [D]
TITLE: In-Home Supportive Services
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Relates to the county administered In-Home Supportive Services enrollment form. Deletes requirements pertaining to obtaining fingerprint images of IHSS recipients, and the requirement that the provider timesheet include spaces for provider and recipient fingerprints. Deletes requirements and prohibitions relating to the use of a post office box address by an IHSS provider.

STATUS:

06/28/2011 From ASSEMBLY Committee on HUMAN SERVICES: Do pass
to Committee on APPROPRIATIONS. (4-1)
NOTES: BOS supported 5/3/11

CA SB 931

AUTHOR: Vargas [D]
TITLE: Public Employee Organizations
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 04/25/2011

DISPOSITION: Pending
LOCATION: Assembly Third Reading File

SUMMARY:

Prohibits public agencies from using public funds to pay outside consultants or legal advisors for the purpose of counseling the public employer about way to minimize or deter the exercise of representation rights.

STATUS:

06/23/2011 In ASSEMBLY. Read second time. To third reading.
NOTES: CC recommends Watch.

CA SB 948

AUTHOR: Governance and Finance Cmt
TITLE: Property Taxation
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 04/01/2011
LAST AMEND: 06/30/2011
DISPOSITION: Pending
COMMITTEE: Assembly Appropriations Committee
HEARING: 08/17/2011 9:00 am
SUMMARY:

Relates to property tax assessor information provided to the tax collector regarding tax sales, property tax assessments and related protests, property tax collections and collectors, tax-defaulted property sales excess proceeds claims, public notice of tax-defaulted property sales, and mistaken property tax payment and excess property tax payment refunds.

STATUS:

07/06/2011 From ASSEMBLY Committee on REVENUE AND TAXATION:
Do pass to Committee on APPROPRIATIONS. (9-0)
NOTES: Sent to Assessor and Tax Collector

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

TO: Legislation Committee
Supervisor Karen Mitchoff, Chair
Supervisor John Gioia, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: July 22, 2011

SUBJECT: **Agenda Item #6: AB 117 and the Community Corrections Partnership (CCP)**

RECOMMENDATION

The County Administrator, Mr. David Twa, requested that this matter be brought to the Legislation Committee for consideration and action.

REPORT

Below is a letter from Nancy Watt, President of CAOAC, to Paul McIntosh, Executive Director of CSAC, expressing the organization's concerns about CAOs being removed from the Executive Committee of the Corrections Partnership Planning Process and requiring the Board of Supervisors to obtain a 4/5 vote to change the plan.

From: Watt, Nancy

Sent: Monday, June 27, 2011 3:32 PM

To: Paul McIntosh

Cc: Terry Schutten

Subject: Community Corrections Partnership composition and voting requirements

Dear Paul,

Following the CAO conference call last Thursday, the Executive Committee of CAOAC discussed two serious concerns regarding changes to the community corrections partnership plan. First, we are deeply concerned about the removal of the Chief Administrator (CAO). Secondly we are very troubled by the 4/5th vote requirement to change the plan.

While we understand the political forces at play in this discussion, we feel strongly that the lack of CAO participation at the Executive Committee level will result in a lack of overall balanced county vision. While each of the participants may be able to look beyond his or her role, no one else has the direct responsibility to balance the needs of

the county as a whole, both from a programmatic and a budgetary perspective. It is an inefficient and ineffective means of creating workable plans at the local level. Further, it potentially invites discord, political turmoil and frustration as plans are developed through much effort, then rejected for a lack of an overall balance or realistic funding plan that could (and should) have been included from the outset.

Secondly, the 4/5th vote requirement is extremely problematic. While it may contribute to more “ownership” of the plan by the members of the Executive Committee, and may make end runs on Supervisors by ‘rogue” members who are unable or unwilling to work to consensus more difficult; we believe it flies in the face of local discretion. Creation of a supermajority to reject the plan is essentially undemocratic and inflexible. Ironically, and though we are certainly not advocating this approach, the incentive to truly create consensus would have also (or at least) required a super-majority to adopt the plan. This super-majority requirement can be a significant hurdle to implementation and may lead to untenable stalemates. AB 109 has been sold, particularly by the Governor, as a step in the return of local control. This is a step in the wrong direction.

These factors, when considered together, create hurdles rather than incentives. We are committed to making the new criminal justice realignment work, but we must have meaningful input into the process and a reasonable means of achieving enactment by the Board. We understand the position that CSAC is in, having been involved in the negotiations. However, based on the serious concerns we are now expressing, we strongly urge you to reopen these issues and seek adjustments. We will also be asking the CAOs to share their concerns with their Board members.

Thank you for your support in this endeavor.

Sincerely,

Nancy Watt

President CAOAC

cc: All CAOs

The response from Mr. McIntosh is *Attachment A*. An excerpt from his response includes the following:

“The CAO, as you know, must be in a position to remain objective and provide the board of supervisors with unvarnished recommendations on matters that come before them. Having the CAO or a board member as part of the Executive Committee, and therefore casting a vote on the plan to be presented to the board of supervisors, would represent a conflict of interest to the CAO or board member and place them in a position that could compromise their independence. Rather, this approach seemed to capture the best of both worlds – the CAO is part of the planning process and can bring that global vision to that process but is also free to make contrary recommendations to the board of supervisors should they disagree with the ultimate plan adopted. Likewise with a member of the board of supervisors being part of the executive committee.”

“Some have commented that the 4/5 vote requirement to reject the plan submitted by the CCP limits local flexibility and discretion of the board of supervisors. While the dynamics of the planning process will differ from county to county, the goal was to force consensus within the CCP and the planning process and not provide an avenue for a participant to try to push their opinion outside of the CCP with the board of supervisors. A super majority makes an “end run” difficult, but still enables the board to reject the plan if the board disagrees with it. A 4/5 vote requirement is not unusual, but does place a higher level of focus on the planning process. It should be noted, as well, that counsel has opined that meetings of the CCP and the Executive Committee will be subject to the Brown Act and all discussions will be required to be conducted in a public meeting.”

Also attached, *Attachment B*, is a letter from Mark Stone, Chairperson of the Santa Cruz County Board of Supervisors, that has been sent to the Governor and the legislative leadership with regard to AB 109. Similar action by other California counties is urged.



MEMORANDUM

July 22, 2011

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

To: Members, Board of Supervisors
County Administrative Officers

From: Paul McIntosh
Executive Director

Re: AB 117 and the Community Corrections Partnership (CCP)

There continues to be a great deal of confusion and misunderstanding regarding the changes in the Community Corrections Partnership (CCP) encompassed in Assembly Bill 117 (Chapter 39, Statutes of 2011), passed as part of the 2011-12 budget. AB 117 did not change the make-up of the CCP, first formed in SB 678 in 2009, but does provide for revisions to the makeup of the CCP's Executive Committee, which originally was established in AB 109 (Chapter 15, Statutes of 2011).

The fourteen-member CCP in each county remains essentially unchanged and is comprised of the following (Penal Code Section 1230.1):

- Chief Probation Officer (Chair)
- Presiding Judge (or designee)
- County supervisor, CAO, or a designee of the BOS
- District Attorney
- Public Defender
- Sheriff
- Chief of Police
- Head of the County department of social services
- Head of the County department of mental health
- Head of the County department of employment
- Head of the County alcohol and substance abuse programs
- Head of the County Office of Education
- CBO representative with experience in rehabilitative services for criminal offenders
- Victims' representative

AB 117 requires the CCP to prepare an implementation plan that will enable the county to meet the goals of the public safety realignment. AB 117 is silent as to what those goals may be and provides counties with flexibility in how to address realignment. AB 117 does not abdicate the board of supervisor's authority over appropriations and does not enable the CCP to direct how realignment funds will be spent.

The seven-member CCP Executive Committee, as provided in AB 117, is comprised of the following:

Chief Probation Officer (Chair)

Presiding Judge (or designee)

District Attorney

Public Defender

Sheriff

A Chief of Police

The head of either the County department of social services, mental health, or alcohol and drug services (as designated by the board of supervisors)

Under AB 117, the CCP would develop an implementation plan and the Executive Committee would vote to approve the plan and submit it to the board of supervisors. The plan would be deemed accepted unless the board of supervisors voted via a 4/5 vote to reject the plan and send it back to the CCP. Concerns have been raised regarding why the CAO or board member is not part of the Executive Committee and why a 4/5 vote is required to reject the plan.

CSAC's role in the drafting of this component of AB 117 was as one of several stakeholders involved in the public safety realignment. While most of the county stakeholders maintained general agreement on realignment issues during each phase of negotiations in general, there were disparate opinions in how the planning process should unfold. CSAC felt strongly that the only way realignment will be successful is if the planning effort results in a significant shift away from a predominantly incarceration model and movement to alternatives to incarceration. Therefore, it was critical that the planning process be structured to encourage compromise in the CCP to reach the goals of the community in a manner acceptable to the board of supervisors.

The CAO, as you know, must be in a position to remain objective and provide the board of supervisors with unvarnished recommendations on matters that come before them. Having the CAO or a board member as part of the Executive Committee, and therefore casting a vote on the plan to be presented to the board of supervisors, would represent a conflict of interest to the CAO or board member and place them in a position that could compromise their independence. Rather, this approach seemed to capture the best of both worlds – the CAO is part of the planning process and can bring that global vision to that process but is also free to make contrary recommendations to the board of supervisors should they disagree with the ultimate plan adopted. Likewise with a member of the board of supervisors being part of the executive committee.

Some have commented that the 4/5 vote requirement to reject the plan submitted by the CCP limits local flexibility and discretion of the board of supervisors. While the dynamics of the planning process will differ from county to county, the goal was to force consensus within the CCP and the planning process and not

provide an avenue for a participant to try to push their opinion outside of the CCP with the board of supervisors. A super majority makes an "end run" difficult, but still enables the board to reject the plan if the board disagrees with it. A 4/5 vote requirement is not unusual, but does place a higher level of focus on the planning process. It should be noted, as well, that counsel has opined that meetings of the CCP and the Executive Committee will be subject to the Brown Act and all discussions will be required to be conducted in a public meeting.

AB 117 is not a perfect solution but it represents a negotiated agreement that will enable California's counties to move forward with the dramatic changes necessary to make realignment successful. Clearly the successful implementation of realignment will require a significant paradigm shift in our public safety communities. The successful model will not be an incarceration model, but one that seeks to divert and rehabilitate citizens, returning them to be productive members of our community. Hopefully, the construct of the CCP – that is intended to drive the local public safety community to a consensus about a "different way of doing business" - will ultimately lead to that approach.



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069
 (831) 454-2200 • FAX: (831) 454-3262 TDD: (831) 454-2123

JOHN LEOPOLD
 FIRST DISTRICT

ELLEN PIRIE
 SECOND DISTRICT

NEAL COONERTY
 THIRD DISTRICT

GREG CAPUT
 FOURTH DISTRICT

MARK W. STONE
 FIFTH DISTRICT

June 29, 2011

Governor Jerry Brown
 State Capitol
 Sacramento, CA 95814

Dear Governor Brown:

AB 109, the trailer bill that implements Public Safety Realignment, requires that each county's Community Corrections Partnership (CCP) shall recommend a local plan to each county Board of Supervisors. The original bill established an Executive Committee of each county's CCP, consisting of the Chief Probation Officer, a Chief of Police, the Sheriff, a County Supervisor or the Chief Administrative Officer (CAO) for the county, and the head of the County Department of Social Services, for the purpose of developing and presenting an implementation plan.

Since the passage of AB 109, certain changes have been suggested concerning both the make-up of the Executive Committee and the Board of Supervisors' approval process.

The newly constituted Executive Committee now excludes the Board (CAO) seat, and is comprised of the Chief Probation Officer, a Chief of Police, the Sheriff, the District Attorney, the Presiding Judge of the local Court, and a representative to be chosen by the Board of Supervisors from among the Director of Health Services, the Director of Human Services, or the Director of a County's Alcohol and Drug programs.

We are concerned about the removal of the participation of the Board or the CAO at the Executive Committee level. While the Executive Committee of the CCP recommends an implementation plan and does not develop or propose a budget, we feel strongly that the lack of Board or CAO member participation could result in a lack of overall county vision. While each of the participants may be able to look beyond his or her role, no one else has the direct responsibility to balance the needs of the County both from a programmatic and budgetary perspective.

June 29, 2011

Page 2

Even more importantly, there now appears to be a requirement for a 4/5ths vote if a Board of Supervisors wishes to reject a plan that has been submitted by the CCP's AB 109 Executive Committee. While there is only a requirement of a majority vote to accept a plan, the creation of a super-majority to reject the plan is essentially undemocratic and inflexible. This super-majority requirement can become a significant hurdle to implementation and will lead to a loss of local control which was envisioned by the original realignment plan.

These two factors create impediments rather than incentives to the commitment to making the new public safety realignment work. Therefore, I am writing on behalf of our Board to urge that you reject the requirement for a 4/5 majority vote for approval or disapproval of any Community Corrections Plan and reconsider the plan to exclude the Board or CAO from the Community Corrections Partnership Executive Committee.

Sincerely,



MARK W. STONE, Chairperson
Board of Supervisors

MWS:ted

cc: Members, County Administrative Officers Association of California
Chairpersons of the Board, All California Counties
Clerk of the Board

1382A6

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

TO: Legislation Committee
 Supervisor Karen Mitchoff, Chair
 Supervisor John Gioia, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: July 22, 2011

SUBJECT: **Agenda Item #7: Federal Issues Update**

RECOMMENDATION

ACCEPT the report on federal legislative matters.

WASHINGTON, D.C. UPDATE

It's a typical July in Washington, D.C., with the summer recess on the horizon and lawmakers anxious to escape the heat and humidity of the capital city. Standing between lawmakers and their August break, however, is the need to come to an agreement to **raise the federal debt limit by the fast-approaching deadline**. With little time remaining to work out a compromise package, Congress may need to defer part of its recess in order to settle on a new long-term plan that would reduce the deficit and raise the debt limit.

On July 19, the House passed a so-called "**Cut, Cap and Balance**" measure by a vote of 234-190. The bill (HR 2560) would require a balanced-budget constitutional amendment as a prerequisite for approval of a debt limit increase. It also would set fiscal year 2012 discretionary spending at \$1.019 trillion and cap annual spending at 19.9 percent of the gross domestic product (GDP) by fiscal year 2021.

The passage of "Cut, Cap and Balance" is seen largely as a symbolic vote allowing House GOP members to go on record opposing Democrats' reluctance to reduce spending. Senate Majority Leader Harry Reid (D-NV) is expected to schedule a vote on the bill, even though it has little chance of winning favor in the upper chamber. The president is likely to veto any debt reduction plan tied to a balanced budget amendment.

In other debt-related matters, Majority Leader Reid and Minority Leader Mitch McConnell (R-KY) are putting pressure on their Senate colleagues to support their blueprint for a **short-term debt limit solution**. Although the compromise package has yet to be formally unveiled, the outline reveals that the deal would authorize the president to raise the debt limit in three stages over the next year and a half. However,

the McConnell-Reid plan does not require spending cuts that would balance out the debt limit increase, which House Republicans have been strongly advocating.

Lawmakers from both sides of the aisle, as well as President Obama, have opposed the idea of a short-term deal in the past. Nevertheless, it appears that they might be warming to the proposal with a caveat that the plan would be a stepping stone toward a long-term solution. With the August 2 default deadline just 11 days away, many lawmakers from both sides of the aisle are becoming a bit antsy.

On a related matter, a plan to reduce the growing national deficit has recently gained momentum as the so-called “**Gang of Six**,” Senators Mark Warner (D-VA), Saxby Chambliss (R-GA), Mike Crapo (R-ID), Richard Durbin (D-IL), Kent Conrad (D-ND) and Tom Coburn (R-OK), unveiled their bipartisan package earlier this week. The plan, which encompasses many of the recommendations made by the president’s debt commission last year, would implement immediate cuts of \$500 billion and require Senate committees to identify and cut \$3.7 trillion over the next 10 years by significant spending reductions in entitlement programs and discretionary spending; it also proposed a series of revenue increases. The gang’s plan would also create a new committee aimed at reducing the deficit.

It should be noted that the plan would cut \$116 billion in health care spending over the next decade by overhauling the Medicare physician payment system, eliminating a provision in the health care reform law that pays for long-term care, modifying medical malpractice liability laws, and synchronizing health care spending to the GDP.

Although the unveiling of the “Gang of Six” plan coincides with the debt limit deadline, it is unlikely that it will be part of a finalized debt limit deal. Lawmakers would be hard-pressed to incorporate the Senate plan into the debt package. House GOP leadership are treading lightly with their reviews of the plan, cautiously offering positive remarks and noting that the plan appears to be a good start to a long-term deficit reduction solution.

State Criminal Alien Assistance Program

On July 13, the House Appropriations Committee cleared by voice vote its draft Commerce-Justice-Science (CJS) Appropriations bill after adding two policy riders to liberalize rules on firearms. Republicans fended off attempts by Democrats, who have criticized the bill, to restore funding for local law enforcement and other programs. Overall, the legislation would cut federal spending for CJS programs by six percent, or a \$3.1 billion reduction from the fiscal year 2011 funding level.

As expected, one of the first items of discussion among members during committee markup was the fact that the bill would eliminate funding for several local law enforcement and justice-related grant programs, including the State Criminal Alien Assistance Program (SCAAP). Several members of the California congressional

delegation who serve on the Appropriations Committee spoke out in strong support of SCAAP, including Representative Jerry Lewis (R-CA).

For his part, Representative Mike Honda (D-CA), who had readied a SCAAP restoration amendment, indicated that he was withdrawing his amendment based on assurances by CJS Appropriations Subcommittee Chairman Frank Wolf (R-VA) that SCAAP would be “addressed” in the bill. Representative John Carter (R-TX) also withdrew his SCAAP restoration amendment based on Wolf’s stated commitment to working with members to fund the program.

Looking ahead, restoring funding for SCAAP is going to come down to members working out an agreement – particularly with regard to finding an offset to pay for SCAAP spending – prior to the CJS bill reaching the House floor. As of this writing, House leadership is attempting to ready the legislation for floor consideration the week of August 1, which is the final week of legislative activity before Congress is slated to begin its month-long summer recess.

The draft measure would provide \$50.6 billion in discretionary spending, a 6 percent cut from current funding and 13 percent less than President Obama requested.

Programs that would face the most dramatic funding hits include state and local law enforcement grant programs, which would receive roughly 38 percent less than current funding, and legal services for the poor. The Legal Services Corporation would receive \$300 million, a 27 percent reduction.

The bill includes no funding for the Community Oriented Policing Services (COPS) program or the State Criminal Alien Assistance Program (SCAAP), which provides money to states and local governments for the cost of incarcerating undocumented immigrants who have committed crimes.

In addition, the legislation would eliminate funding for the James Webb Space Telescope, the successor to Hubble. The GOP’s push to terminate NASA’s next-generation space telescope has drawn Democratic opposition.

But some money for NASA and law enforcement grants may be reversed on the floor or in conference. Wolf signaled that funding for COPS and SCAAP eventually might be included, although he did not provide specific details. During the markup, Wolf said Jerry Lewis, R-Calif., “overwhelmingly” convinced him on SCAAP and said he would make it a priority.

*Excerpted from Anne L. Kim, CQ Staff
July 18, 2011*

Transportation Reauthorization

House Transportation and Infrastructure Committee Chairman John Mica (R-FL) recently unveiled details of his surface transportation reauthorization measure. According to Chairman Mica, funding for the bill would be strictly limited to the amount that can be supported by the Highway Trust Fund, which is about \$230 billion over six years. Mica's proposal also adheres to the constraints of the House's budget resolution (H Con Res 34), which places strict limits on program spending based on trust fund receipts.

Mica's measure would expand initiatives designed to promote private-public investment projects such as the Transportation Infrastructure Finance and Innovation Act (TIFIA). TIFIA would receive around \$6 billion over six years.

The bill also would consolidate 100 transportation programs into 30, and would give states more flexibility on how dollars are spent and more power to streamline and approve transportation projects. If all goes according to schedule, Mica is set to formally introduce his bill next week and begin consideration of the legislation the week of July 25.

On a related matter, Senators Boxer and Inhofe, Chair and Ranking Republican of the Senate Environment and Public Works Committee, released an outline on July 19 of their bill to extend the nation's highway programs. Unlike the House, where a single committee has jurisdiction over highway, transit, and highway safety programs, Senate EPW has jurisdiction (generally) over just the highway title of the bill.

Of note and in contrast to the outline released recently by House Transportation and Infrastructure Committee Chairman Mica, this is a bipartisan bill. It is only two years in duration, and it funds highway programs at existing levels. Of course, they must punt to the revenue-raising Senate Finance Committee to determine how our highway programs can continue being funded at these levels. Revenues into the highway trust fund must be increased by about one-third (or there could be a shift to general revenue funding, which would have substantial and negative implications to the contract authority nature of the programs) to support this level of funding.

It certainly appears that Chairman Mica will not release a text of his bill, let alone mark it up as he had earlier indicated, prior to the August recess.

See *Attachment A* for information about the bill from the Committee's website.

Clean Water Act – Section 404 Permitting

On Wednesday, July 6, Congressman Gary Miller (R-CA) officially introduced the Flood Control Facility Maintenance Clarification Act. The bipartisan legislation (HR 2427) would provide a narrow exemption for maintenance removal of sediment, debris, and

vegetation from flood control channels and basins under Section 404 of the Clean Water Act (CWA).

Under Section 404, counties, local flood control agencies, and similar local government agencies are required to obtain permits from the U.S. Army Corps of Engineers (Corps) for the discharge of dredged or fill material into navigable waters. The CWA also provides a permitting exemption for the maintenance of currently serviceable structures. However, the Corps has determined that this exemption does not apply to certain routine maintenance activities.

The narrow interpretation of the law adopted by the Corps has caused a number of unintended consequences, including drastically increasing the Corps' workload and creating a significant permitting backlog. The processing time for a 404 permit can take from one to three years and often comes with costly mitigation conditions attached. It also has hampered local agencies in their efforts to perform routine maintenance in a timely and responsive manner, leaving them open to undue liability for flood damage.

CSAC has worked closely with Congressman Miller on HR 2427 and has endorsed the legislation. Several Members of the California congressional delegation are original cosponsors of the bill.

FY 2012 Interior-Environment Appropriations

On a related matter, the House Interior-Environment Appropriations Subcommittee approved on July 7 its \$27.5 billion fiscal year 2012 spending measure, which includes significant budget cuts to the Environmental Protection Agency (EPA). Under the bill, EPA would receive \$7.1 billion, which is a \$1.5 billion cut from current levels and \$1.8 billion below the Obama administration's budget request.

A large chunk of the EPA cuts would come from the Clean Water and Drinking Water State Revolving Funds, which help finance state and local water infrastructure projects. In discussing the proposed reductions, Subcommittee Chairman Mike Simpson (R-ID) noted that the accounts received \$6 billion in stimulus funding and that nearly half of that money is still available and unobligated.

The spending measure also includes a policy rider that would bar the EPA from changing the definition of "navigable waters" under the CWA. The EPA, which earlier this year published for public comment an updated version of proposed guidance that describes how the agency will identify waters protected by the Act, has come under fire from a number of lawmakers who have criticized the agency for seeking to implement a dramatic federal jurisdictional grab through unilateral expansion of the CWA.

The spending bill also includes a provision that would delay EPA greenhouse gas regulations for one year and would limit the agency's authority over regulating coal ash from power plants.

On July 13, 2011, the House Appropriations Committee approved its Fiscal Year 2012 appropriations for Interior and Environment (H.R. 2584/H.Rpt. 112-151). The vote was 28-18. The bill makes appropriations for the Department of the Interior (except the Bureau of Reclamation and the Central Utah Project), the Environmental Protection Agency, and for other related agencies, including the Forest Service, the Indian Health Service, the Smithsonian Institution, and the National Foundation on the Arts and the Humanities.

The Committee recommends \$27,473,000,000 to fund the Department of the Interior, the Environmental Protection Agency, the U.S. Forest Service, the Indian Health Service, the Smithsonian Institution, and 18 other related agencies. This amount reflects a \$2,086,000,000 reduction in spending from the fiscal year 2011 Continuing Resolution and a \$3,816,290,000 reduction from the budget request. Overall spending is reduced by seven percent from fiscal year 2011 and 12 percent below the budget request. As a result, overall funding in this bill is essentially on par with levels established in fiscal year 2009.

Funding for the EPA was reduced by \$1.6 billion, or 16 percent, from the fiscal year 2010 enacted level in the fiscal year 2011 Continuing Resolution. An additional reduction of \$1.5 billion, or 18 percent, from the fiscal year 2011 enacted level is proposed in this bill putting overall funding for the EPA well below fiscal year 2006 enacted levels. Cuts to the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) account for almost \$1 billion of the reduction. California water agencies often use these two funds to finance a variety of infrastructure projects. The bill allocates \$689 million to the CWSRF and \$829 million to the DWSRF, together this is 30% reduction from FY 2011.

FY 2012 Energy and Water Appropriations

On July 15, 2011, the House passed H.R. 2354 (H.Rpt. 112-118), the Energy and Water appropriations for Fiscal Year 2012. The vote was 219-196.

The bill provides a total of \$30.6 billion, \$5.9 billion (19 percent) below the President's request and \$1 billion below the FY11 appropriations. The legislation provides the annual funding for the Department of Energy, as well as the Army Corps of Engineers, the Interior Department's Bureau of Reclamation, the Nuclear Regulatory Commission, and various regional water and power authorities. Unlike in previous years, the bill does not contain any earmarks.

The bill rescinds \$1 billion in unobligated funding previously appropriated for high-speed rail in order to provide emergency aid to areas in the Midwest hard hit by storms and floods. Rep. Jim Costa (Fresno) decried the offset, calling it "highway robbery, plain and simple." California's high-speed rail project would run through the San Joaquin Valley and Costa has been a champion of the project. He estimates that constructing the rail

system would generate almost 300,000 jobs and provide about 450,000 permanent jobs in the state once the project is completed.

For the Army Corps of Engineers, the bill provides \$4.8 billion, of which \$1.6 billion is for construction projects and \$2.4 million for operations and maintenance. This amounts to less than a two percent decrease from FY 2011. The appropriations bill also provides \$27 million in general funds for flood control and navigation projects. The Corps must provide a spending plan for these funds to Congress within 45 days of enactment. The Bureau of Reclamation's budget is \$971 million, including \$35.9 million for CALFED – a cut of almost 9% from FY11.

An amendment by Rep. Jeff Denham (Modesto) was also approved by voice vote. It prohibits funding to reintroduce salmon to the San Joaquin River.

The House also adopted an amendment by voice vote barring the use of any appropriated funds to implement the new standards to phase out the use of old incandescent light bulbs. The House failed to pass a bill earlier this week, H.R. 2417, that would have repealed the standards.

Two other amendments were also approved by voice vote, one that cuts \$6 million from Energy Efficiency and Renewable Energy, and transfers the funds to the Spending Reduction Account, and another that cuts \$200,000 from the same account and also transfers the funds to the Spending Reduction Account. Later, however, the House adopted an amendment that cuts \$10 million from Departmental Administration, and adds the funding to Energy Efficiency and Renewable Energy. The amendment passed on a vote of 212-210.

Finally, the House approved another amendment by voice vote, this one prohibiting funding to expand the authorized uses of the Harbor Maintenance Trust Fund.

CSAC Representative Testifies on Capitol Hill on Need for Fee-to-Trust Reform

On Tuesday, July 12, the House Natural Resources Committee's Indian and Alaska Native Affairs Subcommittee held a hearing on legislation (HR 1291/HR 1234) that would provide the secretary of the Department of Interior with authority to take land into trust for all Indian tribes. The bills, sponsored by Representatives Tom Cole (R-OK) and Dale Kildee (D-MI), would reverse the U.S. Supreme Court's ruling in *Carcieri v. Salazar*. In *Carcieri*, the Court ruled that the secretary's trust land acquisition authority is limited to those tribes that were under federal jurisdiction at the time of the passage of the Indian Reorganization Act of 1934.

Testifying at the hearing on behalf of CSAC and the National Association of Counties (NACo) was Susan Adams, President of the Marin County Board of Supervisors. In her remarks to the subcommittee, Supervisor Adams stated that a simple *Carcieri* fix, such as those embodied in HR 1291/HR 1234, would do nothing to repair the underlying

problems in the Bureau of Indian Affairs' fee-to-trust process. Under current law and regulations, tribes are not required to engage in good faith discussions regarding mitigation of impacts of tribal development or enter into enforceable mitigation agreements with local governments. Additionally, Adams stated that the Department of Interior does not provide sufficient notice regarding fee-to-trust applications and does not notify counties of requests for Indian lands determinations, which is a critical component of a gaming application.

Instead of advancing the narrowly constructed Cole/Kildee measures, Supervisor Adams called upon the subcommittee to work with California counties and counties from across the nation to develop a new fee-to-trust process that is founded on mutual respect and encourages local governments and tribes to work together on a government-to-government basis. Adams recommended that legislation provide the secretary of Interior clear direction to: 1) provide adequate notice to local government, 2) consult with local governments, 3) provide incentives for tribes and local governments to work together, and 4) provide for cooperating agreements that are enforceable.

Also testifying at the hearing was Cheryl Schmit, the founder and director of Stand Up for California, a statewide organization with a focus on gambling issues. Like Supervisor Adams, Ms. Schmit advocated for a programmatic fee-to-trust policy that includes objective standards.

For his part, Donald Mitchell, an attorney from Anchorage, AK, provided his expert legal and policy analysis of the pending legislation and related issues to the subcommittee. Among his recommendations, Mitchell stated that the subcommittee should take no action on HR 1291/HR 1234 until the Department of Interior provides to House Natural Resources Committee Chairman Doc Hastings (R-WA) information that Hastings requested two years ago. In 2009, Representative Hastings requested Interior Secretary Ken Salazar to provide the Committee with information regarding the consequences of the *Carcieri v. Salazar* decision; that information has not been furnished.

Mr. Donald Laverdure, principal deputy assistant secretary of Indian Affairs for the Department of Interior also testified at the hearing. Along with Mr. Laverdure, several tribal representatives urged Congress to pass *Carcieri* "fix" legislation as expeditiously as possible in order to provide assurances to Indian country regarding the trust status of land, to avoid costly litigation over tribal status, and to provide certainty with regard to the fee-to-trust process.

Property Assessed Clean Energy program

Representatives Nan Hayworth (R-NY), Mike Thompson (D-CA) and Dan Lungren (R-CA) unveiled legislation this past week to restart stalled Property Assessed Clean Energy (PACE) programs in California and across the country. Their bill – called the PACE Protection Act of 2011 (H.R. 2599) – was formally announced to the press via

conference call Wednesday afternoon. The three lead sponsors were joined on the call by Sonoma County Supervisor and Past President of NACo Valerie Brown, as well as Cliff Staton from a PACE advocacy organization known as PACENow.

The PACE Protection Act of 2011 would force the Federal Housing Finance Agency (FHFA) to rescind the guidance they sent out that blocked PACE, thus allowing counties and other local governments to once again offer PACE programs. It also defines PACE programs as property tax assessments rather than loans, as the regulators contend. Meanwhile, other provisions of the bill would limit or, in some cases, even eliminate any risk to Fannie Mae and Freddie Mac.

The budgetary impact of the PACE bill is not yet available; however the sponsors predict that the measure will have no impact on the federal budget. In fact, it may even register as a cost savings to the federal government. For now, the FHFA continues to maintain its reservations about PACE, and according to the bill sponsors, the agency has been unwilling to negotiate any type of agreement.

It is unclear when the House of Representatives will consider the legislation. As far as next steps, Hayworth, Thompson, and Lungren will now embark upon an “education campaign” among their colleagues in the House to counter expected resistance from the FHFA, Fannie Mae, and Freddie Mac. While there is currently no established timeframe, the sponsors of the legislation are hopeful there will be movement before the end of the year. Right now, they are concentrating on shoring up sponsorships from other members of the House, as well as support from local governments, home builders, and local chambers of commerce.

Eleven additional congressional representatives agreed to add their names as cosponsors, including the following California Democrats: Representatives Lois Capps, Doris Matsui, and Lynn Woolsey.

Provided by Waterman & Associates

The following is a memo prepared by our federal lobbyist, Alcalde & Fay, on the so-called “Gang-of-Six” Budget intended to accompany a debt ceiling increase. It has gained some currency as, at least, a starting point in resolving the matter

Released this week, the first piece of the agreement is \$500 billion in immediate cuts and new revenue. That mainly comes through a cap on discretionary spending and gradually moving the government's measure of inflation to “chained-CPI”, which ends up reducing Social Security benefits and raising taxes. It also repeals the CLASS Act, which does not save any money in the short-term but potentially saves a fair amount in the long term, lays down some new budgetary rules, and liquidates some federal property. However, this section represents only \$500 billion of the planned \$3.7 trillion overall. Specifically, the deal:

- Caps discretionary spending at unspecified levels through FY 2015 (that's for four fiscal years, FY12-FY15, but without any actual numbers);
- Adds a significant technical correction to the way inflation is measured through the Consumer Price Index;
- Makes two Social Security spending increases to partially mitigate the effects of the CPI change on low-income beneficiaries;
- Repeals the CLASS Act, a new long-term health care benefit created in the Affordable Care Act (*aka* it's part of "ObamaCare");
- Freezes Congressional pay and sells some government assets; and
- Makes unspecified budget process reforms.

Entitlements come next in the agreement. The proposal directs the Senate Finance Committee to achieve roughly \$300 billion in health savings to permanently fix the way Medicare pays doctors, and then the proposal pulls out another \$200 billion in health savings (or possibly \$85 billion, the charts are not entirely clear). The plan also directs the committee to "maintain the essential health services the poor and the elderly rely on." This is interpreted to mean that structural changes such as the Ryan Plan are off the table, but things like raising the Medicare eligibility age or increasing cost sharing are still available as revenue saving measures. Various other committees ranging from Armed Services to Energy then have to find about another \$250 billion.

Part 2A: Numbers

- Mandatory spending would be cut by either \$328 billion over 10 years, or \$445 billion over the same timeframe. The \$117 billion difference is confusing — the document provides two different numbers for savings from Medicare and Medicaid that differ by that much. Sen. Coburn has been quoted as saying the Gang "added another \$115 billion in health savings" in recent days. It is possible that this suggests the document is trying to have it both ways — include the higher figure that Sen. Coburn likes, and the lower figure that presumably Democrats prefer. One of the graphs shows the additional \$117 billion in health savings, but lightly shaded, again allowing the Gang to sell it both ways to different constituencies.
- A significant policy detail is that the Judiciary Committee would have to get savings from medical malpractice reform.
- Revenues would be set at a level that over the next ten years is \$1.5 trillion lower than current law, but \$2.3 trillion higher than current policy.

The following section covers tax reform that simplifies the code down to three brackets. Depending on how many loopholes and breaks the negotiators want to eliminate, the brackets will be between 8 and 12 percent for the lowest bracket, 14 and 22 percent for the middle bracket, and 23 and 29 percent for the top bracket. Notably, the Finance Committee is directed to leave the Earned Income Tax Credit and the Child Tax Credit untouched.

Part 2B: Recommended tax policies

The plan would require the Senate Finance Committee to report tax reform legislation within six months. That tax reform legislation would have to hit the revenue levels described above, and would also have the following tax reform policy parameters (with a caveat):

- Individual rates would be in three brackets: 8-12%, 14-22%, and 23-29%;
- AMT would be repealed;
- “Reform, not eliminate, tax expenditures for health, charitable giving, homeownership and retirement, and retain support for low-income workers and families;”
- “Retain the Earned Income Tax Credit and the Child Tax Credit, or provide at least the same level of support for qualified beneficiaries;”
- Corporate income would be taxed at a single rate between 23 and 29%; and
- Corporate income earned overseas would operate under a “competitive territorial tax system.”

There’s an important process point here. It’s fairly certain that the Gang’s plan is written to be implemented through a traditional budget resolution process which means that the agreed-to tax reform parameters are non-binding. A budget resolution cannot constrain the Senate Finance Committee and force it to change taxes in a particular way. The Committee’s sole authority is to set the numeric total for how much revenue is collected. A budget resolution could include all the above conditions, but the Finance Committee could ignore them without consequence (and traditionally has). Procedurally the Senate would first commit to the new revenue levels, and then later work on the details of tax reform.

Lastly, although some of the increased revenue is going to lower rates in each bracket, the reforms must raise more than \$1 trillion in new revenue — including \$133 billion for infrastructure. The plan also appears to build the expiration of the Bush tax cuts for income over \$250,000 into the baseline. So the total amount of revenue raised might be closer to \$2 trillion, if you’re counting against current tax rates. Of course, if you count against the expiration of the Bush tax cuts, it’s a tax cut of about \$1.5 trillion. Finally, as you can see, the plan also calls for revenue-neutral corporate tax reform.

Then the Budget Committee is charged with drawing up legislation to extend the caps on discretionary spending — which cover both defense and non-defense, and seems to cut more than \$1 trillion from projected spending — until 2021, and to draw up an enforcement mechanism that will kick in if deficit reduction isn’t on track come 2015. Come 2020, federal health spending is put on a global budget, with growth not to exceed GDP plus 1 percent.

Part 2C: Process changes

- Part 1 of the plan would establish discretionary spending caps for four years, through FY 2015. Part 2 would set caps through the end of the 10-year budget window in FY 2021, but again the numbers aren't specified.
- The Gang's plan would create an unspecified "trigger" mechanism if debt-to-GDP does not stabilize after 2015. The language makes it sound like a fast-track legislative process rather than an automatic sequester.
- The plan also creates a process to "require action by the Congress and the President" if total federal health care spending per beneficiary grows faster than GDP + 1%. The details of this process are similarly unspecified.

Finally, once all that's passed, the Finance Committee is asked to produce legislation making Social Security solvent for the next 75 years, and their product is assured certain procedural advantages. There's very little in the way of specifics here, but there's an odd line suggesting that if this effort fails, then the vote on the whole deficit-reduction plan is invalidated. That sounds incorrect but we are checking on this part of the plan.

Part 3: Social Security process

- The Gang's plan would "consider Social Security reform, if and only if the comprehensive deficit reduction bill has already received [60 votes]." While the Gang describes this as including Social Security reform in their plan, the "only if" means it is instead a new procedural barrier to reform. In effect, it says that Social Security reform may not be considered until and unless Part 2 has passed the Senate.
- It sets "75-year actuarial balance" as the test for measuring Social Security reform, a method significantly different than what is employed now and one which will reduce some benefits to recipients over time.
- It would set a 60-vote threshold for passing Social Security reform in the Senate. While there is in practice already a 60-vote threshold since a minority could filibuster a Social Security bill they didn't like, this slightly raises the bar by requiring 60 votes not just to vote to shut down a filibuster, but also to vote aye on final passage. This constitutes another new procedural hurdle to passing Social Security reform.
- If the Senate completes Part 2 and Part 3, the two bills would be combined and sent to the House as a single bill.

What this plan seems to be is a bipartisan deficit-reduction plan that hits the \$4 trillion target — or at least gets very close — and carries presidential support. It is unclear however whether this plan will be able to pass the Republican-controlled House where early signs indicate high levels of resistance to the framework. We will continue to monitor the progress of this plan and advise the County as needed.

Senator Boxer and Senator Inhofe Release Bipartisan Transportation Reauthorization
Bill Outline

MAP-21 will create jobs, accelerate economic recovery

Washington, DC - Today, Senator Barbara Boxer (D-CA), Chairman of the Environment and Public Works Committee (EPW), and Senator James Inhofe (R-OK), Ranking Member, released an outline for Moving Ahead for Progress in the 21st Century (MAP-21), a bipartisan proposal to reauthorize the nation's transportation programs for two years.

The proposal maintains funding at the current levels, includes significant reforms to make the nation's transportation programs more streamlined and efficient, and provides robust assistance for transportation projects under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to leverage state, local and private-sector funding.

Senator Boxer said: "We have worked together to develop MAP-21, which is a bipartisan proposal that modernizes and reforms our current transportation systems to help create jobs, jumpstart our economy, and build the foundation for long-term prosperity. This bill is an investment in America's future, because the nation's aging infrastructure has not kept up with needed improvements, and now our transportation systems are falling behind other countries. We will continue to work to move the transportation bill through the EPW Committee and the full Senate."

Senator Inhofe said: "Today I am pleased join Senator Boxer to announce that we have completed bipartisan negotiations on the highway policies that will be included in the next transportation bill. This is a tremendous step forward. Chairman Boxer has shown her willingness to work with us to produce a bill that should enjoy strong bipartisan support. Our next step is crucial: given the state of our economy, and the debate here in Congress, we must work with Chairman Baucus and Republicans on the Finance Committee to find a way to pay for this bill. I am confident that if we continue to work together as we have thus far, we can get the job done. Doing so is vital for jobs, the economy and our nation's infrastructure."

The current surface transportation bill expires on September 30, and many groups, ranging from the U.S. Chamber of Commerce to the AFL-CIO, have called for immediate action to reauthorize the nation's transportation programs. The Senate's approach is a clear rejection of the 34 percent cut in funding proposed by the House, which would result in 630,000 jobs in highways and transit being lost in 2012.

Specific highlights from key areas of the proposal include:

Funding

MAP-21 authorizes Federal-aid highway programs for 2-years while maintaining current spending levels. The goal of the Committee remains attaining the optimum achievable authorization depending on the resources available and in a way that does not increase the deficit and can achieve bipartisan support. In addition, MAP-21 eliminates earmarks.

Core Programs

MAP-21 continues to provide the majority of Federal resources to the states through core programs using funding formulas. However, the core highway programs have been consolidated from seven in SAFETEA-LU to five, as follows:

- The National Highway Performance Program
 - ✓ Consolidates the Interstate Maintenance program, the National Highway System program, and part of the Highway Bridge Program into a single program that focuses on the most critical 222,000 miles of roads in the nation.
 - ✓ Provides states with increased flexibility in their use of funds if they adequately maintain the condition of their Interstate system and bridges.
- The Transportation Mobility Program
 - ✓ Consolidates several existing programs to provide funds to states for projects on all Federal-aid highways and all bridges and tunnels.
 - ✓ Provides for the sub-allocation of some funds to metropolitan areas and to other areas of the State based on population.
- National Freight Program
 - ✓ Provides formula funds to states for projects to improve the movement of freight on highways, including freight intermodal connectors.
- Congestion Mitigation and Air Quality Improvement Program
 - ✓ Provides funds to states for projects and programs in air quality nonattainment and maintenance areas for ozone, carbon monoxide, and particulate matter, which reduce transportation related emissions.
 - ✓ Consolidates several existing programs to provide resources for additional transportation eligibilities.
- Highway Safety Improvement Program
 - ✓ Provides funds to states for infrastructure improvements on all public roads to achieve a significant reduction in traffic fatalities and serious injuries.
 - ✓ Improves data collection and analysis to allow states to more accurately focus funding on the most dangerous roads.

Consolidation

MAP-21 consolidates 87 programs under SAFETEA-LU to less than 30 programs. The activities for which dedicated funding has been removed have been consolidated into

the very broad core programs, leaving states with the flexibility to fund these activities as they see fit.

America Fast Forward

MAP-21 builds upon the success of the TIFIA program to help communities leverage their transportation resources through federal credit assistance. The TIFIA program provides direct loans, loan guarantees, and lines of credit to large and nationally or regionally significant transportation projects with a revenue stream at terms that are more favorable than those available in the private sector and that will leverage private and other non-federal investment in transportation improvements. MAP-21 increases the funding for the TIFIA program from \$122 million per year to \$1 billion per year. Other modifications include: increasing the maximum share of project costs from 33 percent to 49 percent; allowing TIFIA loans to be used to support a program of projects, and allowing upfront commitments of future TIFIA program dollars through the use of master credit agreements. In addition, MAP-21 sets aside \$100 million per year for projects in smaller cities and rural areas under lower interest rates. The Federal Highway Administration has stated that historically every Federal dollar spent through the TIFIA program can mobilize up to \$30 in transportation investments.

Performance

MAP-21 focuses the highway program on key outcomes, such as reducing fatalities, improving bridges, fixing roads, and reducing congestion, in order to ensure that taxpayers are receiving the most for their money. States will set their own targets for improving safety, road and bridge condition, congestion, and freight movement.

Accelerated Project Delivery

MAP-21 includes several provisions designed to reduce project delivery time and costs while protecting the environment. Examples of improvements include: expanding the use of innovative contracting methods; creating dispute resolution procedures; allowing for early right-of-way acquisitions; reducing bureaucratic hurdles for projects with no significant environmental impact; encouraging early coordination between relevant agencies to avoid delays later in the review process; and providing incentives for accelerating project delivery decisions within specified deadlines.

Planning

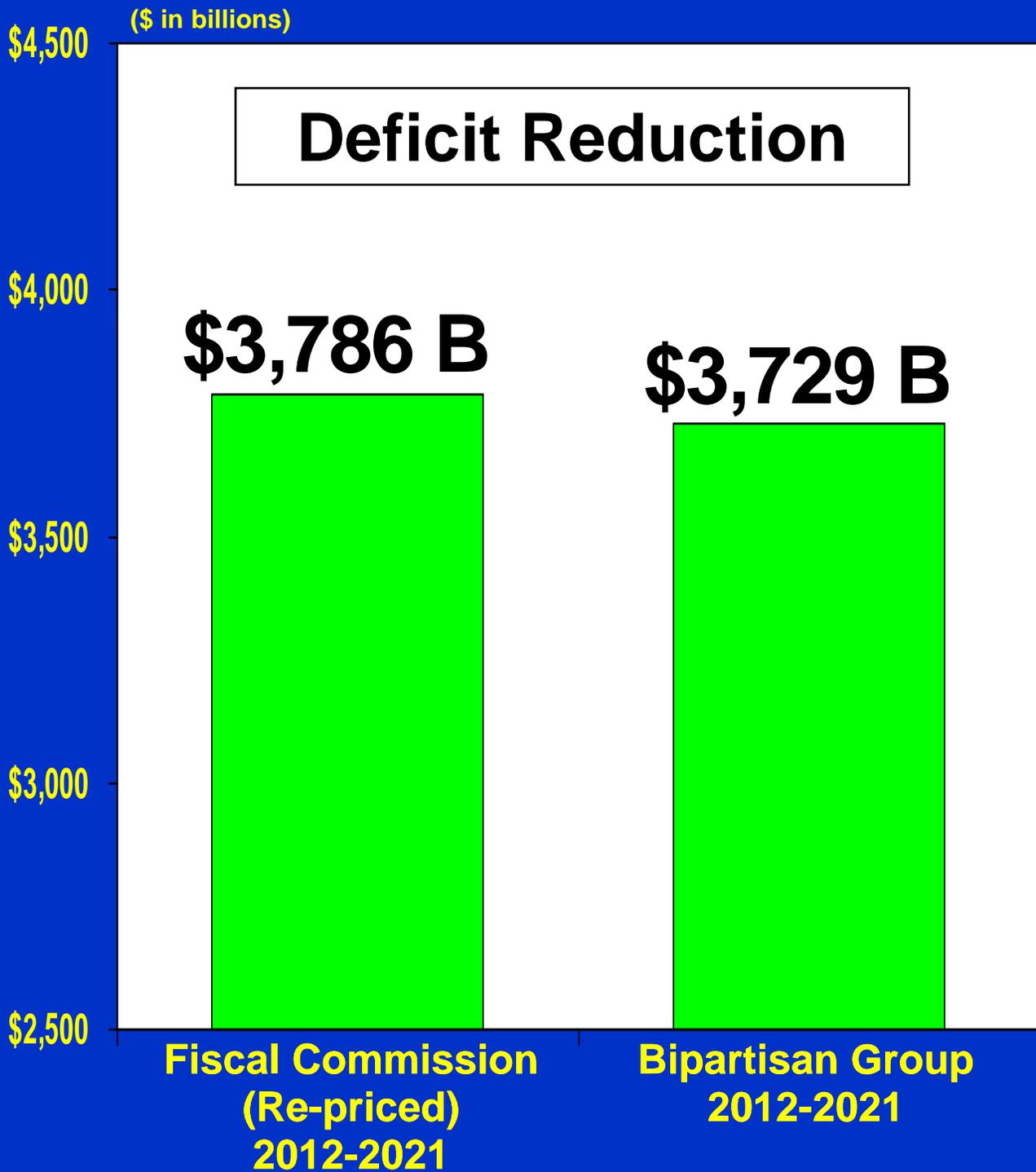
MAP-21 improves the Statewide and metropolitan planning processes to incorporate a more comprehensive performance-based approach to decision making. Utilizing performance targets will assist states and metropolitan areas in targeting limited resources on projects that will most improve the condition and performance of highways and bridges.

Other Programs

- Federal Lands and Tribal Transportation Programs
 - ✓ Provides funding for highway projects on Federal lands, tribal reservations, and roads that provide access to Federal lands.
 - ✓ Agencies receiving funding include the National Park Service, the Forest Service, the Bureau of Indian Affairs, the Bureau of Land Management, the Army Corps of Engineers, and the Fish and Wildlife Service.

- Research and Education
 - ✓ Funds research and development, technology deployment, and training and education activities to further innovation in highway and bridge construction and preservation.
 - ✓ Streamlines existing research programs to focus funding on key national research areas.

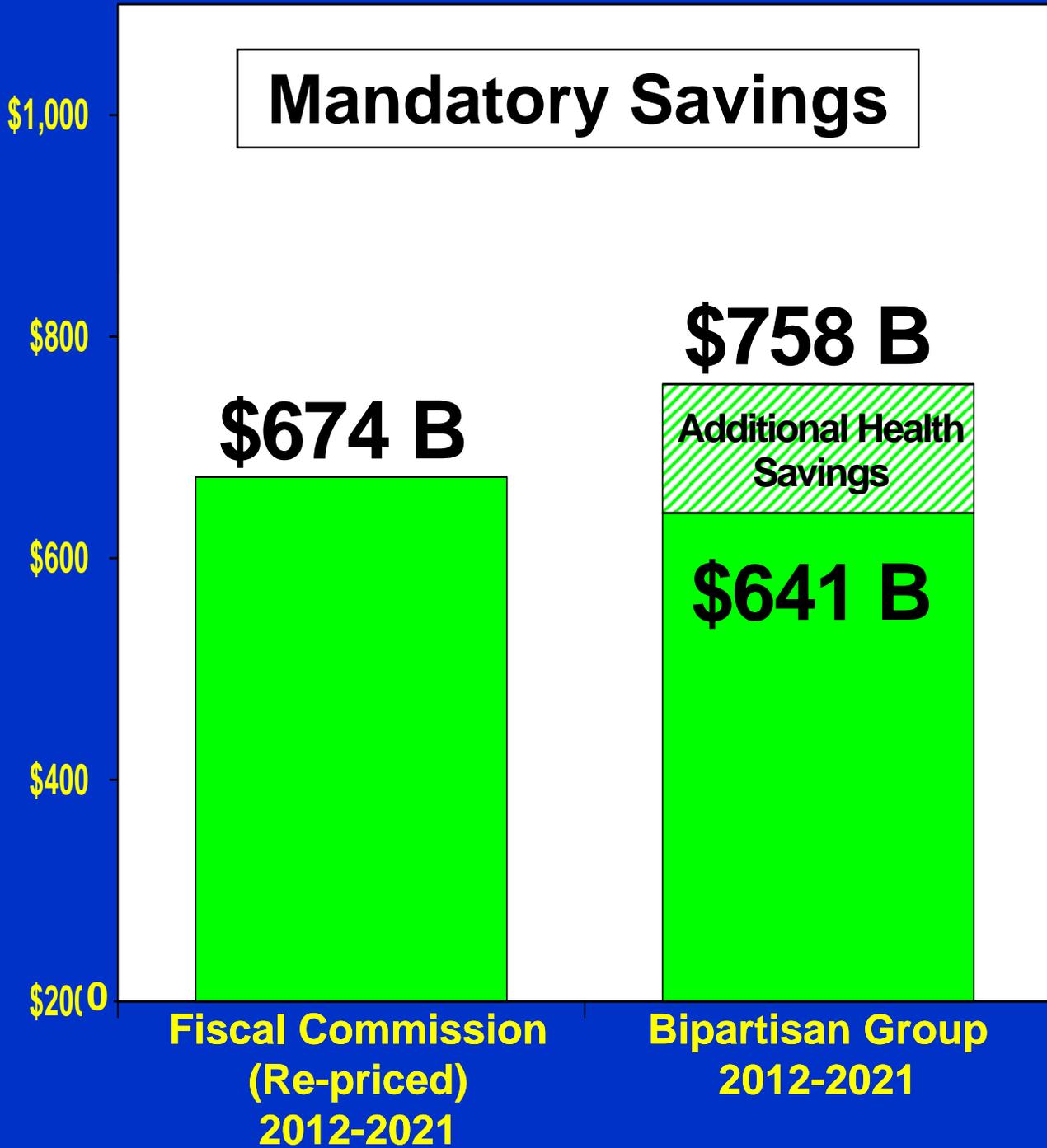
Fiscal Commission vs. Bipartisan Group



Note: Relative to plausible baseline; excludes Social Security. Fiscal Commission estimate from June 29, 2011, report from the Moment of Truth Project.

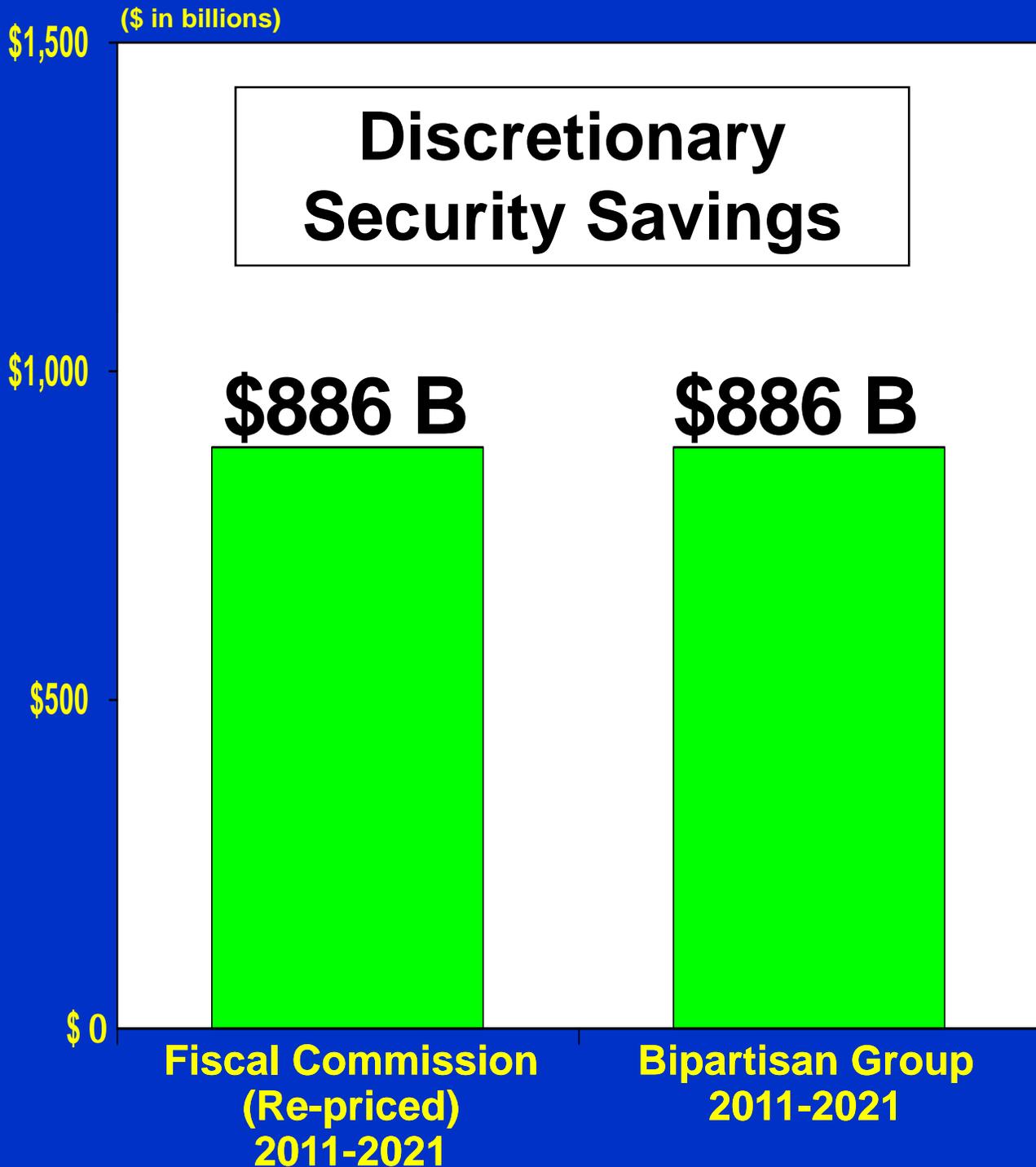
Fiscal Commission vs. Bipartisan Group

(\$ in billions)



Note: Relative to plausible baseline; excludes Social Security. Fiscal Commission estimate from June 29, 2011, report from the Moment of Truth Project.

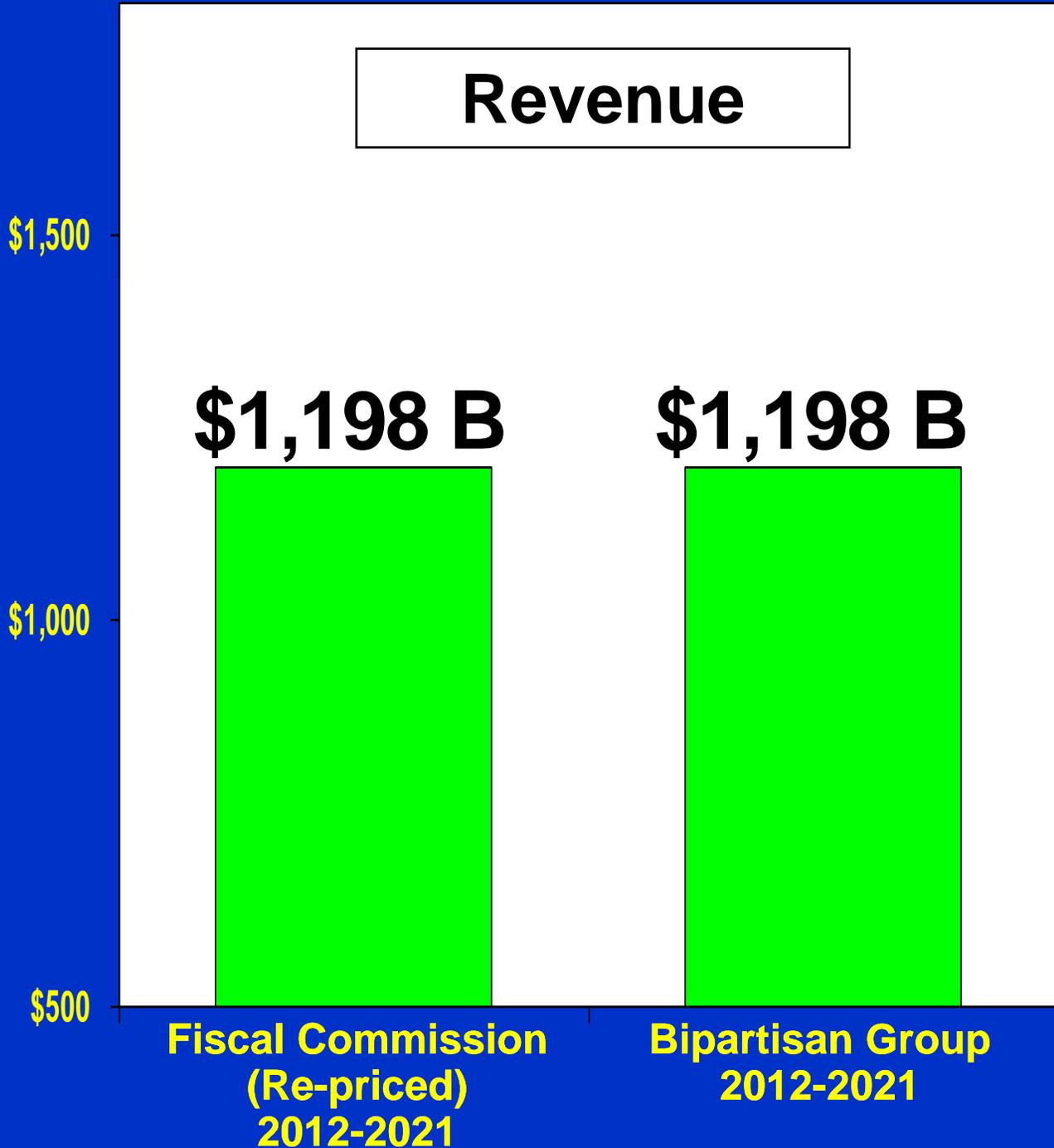
Fiscal Commission vs. Bipartisan Group



Note: Fiscal Commission estimate from June 29, 2011, report from the Moment of Truth Project.

Fiscal Commission vs. Bipartisan Group

(\$ in billions)



Note: Relative to plausible baseline; excludes Social Security. Fiscal Commission estimate from June 29, 2011, report from the Moment of Truth Project.

A Bipartisan Plan to Reduce Our Nation's Deficits

This bipartisan, comprehensive, and balanced plan consistent with the recommendations of the Bowles-Simpson fiscal commission that will:

- Slash our nation's deficits by **\$3.7 trillion/\$3.6 trillion** over ten years under CBO's March 2011 baseline, or **\$4.65 trillion/\$4.5 trillion** under the original fiscal commission baseline (which used the President's 2011 budget request as the starting point for discretionary spending).
- Stabilize our publicly-held debt by 2014.
- Reduce our publicly-held debt to roughly 70% of our economy by 2021.
- Impose unprecedented budget enforcement.

Enacting a \$500 billion down payment that would secure immediate deficit savings, while establishing a fast track process for the committees in Congress to specify further savings

- **Impose statutory discretionary spending caps through 2015.**
- **Implement numerous budget process reforms.**
- **Shift to the chained-CPI (a more accurate measure of inflation) government-wide starting in 2012, along with the following specifications for Social Security: (1) exempt SSI from the shift for five years, and then phase in the shift over the next five years; and (2) provide a minimum benefit equal to 125% of the poverty line for five years. *(According to CBO, the shift to chained-CPI would result in the annual adjustment growing, on average, about 0.25 percentage points per year slower than the current CPI.)***
- **Repeal the CLASS Act.**
- **Enact concrete policy changes that lock-in additional savings, including freezing Congressional pay and selling unused federal property.**
- **Require GAO and the Department of Labor to report to Congress on establishing a more effective unemployment insurance trigger.**

Enacting a comprehensive deficit reduction plan that includes discretionary and entitlement savings as well as fundamental tax reform

- **Require committees to report legislation within six months that would deliver real deficit savings in entitlement programs over 10 years as follows:**
 - **Finance would permanently reform or replace the Medicare Sustainable Growth Rate formula (\$298 billion) and fully offset the cost with health savings, would find an additional **\$202 billion/\$85 billion** in health savings, and would maintain the essential health care services that the poor and elderly rely upon.**
 - **Armed Services would find \$80 billion.**
 - **Health, Education, Labor, and Pensions would find \$70 billion.**
 - **Homeland Security and Government Affairs would find \$65 billion.**
 - **Agriculture would find \$11 billion while protecting the Supplemental Nutrition Assistance Program.**
 - **Commerce would find \$11 billion.**
 - **Energy would find \$6 billion and may propose additional policies to generate savings that would be applied to the infrastructure deficit or to reduce the deficit.**
 - **Judiciary would find an unspecified amount through medical malpractice reform.**

- **Require the Finance Committee to report tax reform within six months that would deliver real deficit savings by broadening the tax base, lowering tax rates, and generating economic growth as follows:**
 - **Simplify the tax code by reducing the number of tax expenditures and reducing individual tax rates, by establishing three tax brackets with rates of 8–12 percent, 14–22 percent, and 23–29 percent.**
 - **Permanently repeal the \$1.7 trillion Alternative Minimum Tax.**
 - **Tax reform must be projected to stimulate economic growth, leading to increased revenue.**
 - **Tax reform must be estimated to provide \$1 trillion in additional revenue to meet plan targets and generate an additional \$133 billion by 2021, without raising the federal gas tax, to ensure improved solvency for the Highway Trust Fund.**
 - **If CBO scored this plan, it would find net tax relief of approximately \$1.5 trillion.**
 - **To the extent future Congresses find that the dynamic effects of tax reform result in additional revenue beyond these targets, this revenue must go to additional rate reductions and deficit reduction, not to new spending.**
 - **Reform, not eliminate, tax expenditures for health, charitable giving, homeownership, and retirement, and retain support for low-income workers and families.**
 - **Retain the Earned Income Tax Credit and the Child Tax Credit, or provide at least the same level of support for qualified beneficiaries.**
 - **Maintain or improve the progressivity of the tax code.**
 - **Establish a single corporate tax rate between 23 percent and 29 percent, raise as much revenue as the current corporate tax system, and move to a competitive territorial tax system.**

- **Require the Budget Committee to report legislation within six months that would:**
 - **Extend discretionary caps and enforcement mechanisms through 2021.**
 - **Ensure Congressional action to reduce the deficit if the debt-to-GDP ratio after 2015 has not stabilized.**
 - **Review total federal health care spending starting in 2020 with a target of holding growth to GDP plus one percent per beneficiary and require action by Congress and the President if exceeded.**
 - **Achieve program integrity savings of \$26 billion in entitlement programs to curb fraud, abuse, and other wasteful spending government-wide.**
 - **Create a working group to provide updated budget concepts for CBO and OMB.**

- **Provide expedited floor consideration for a consolidated bill meeting these instructions:**
 - **If any committee fails to report entitlement program savings, impose across the board cuts to programs in that committee's jurisdiction as necessary to achieve the required savings. To protect programs that benefit low income families, exempt from across the board cuts those most in need.**
 - **Allow a group of at least five senators from each party to introduce a resolution in lieu of the non-reporting committee.**
 - **If a resolution receives 60 votes on the floor, those recommendations will be added to the comprehensive bill.**
 - **If the Senate does not agree to those recommendations, the comprehensive bill cannot come to the floor under the special procedures established in the first (down payment) bill.**
 - **Bar substitute floor amendments that upset the revenue/spending balance or any amendments that make the deficit worse, but place no other limits on debate or the substance of amendments.**
 - **Allow the Majority Leader and Minority Leader to limit debate and the number of amendments, or impose other substantive restrictions by agreement, so that the Leaders can manage the bill with a process that satisfies 60 Senators and the process cannot be held up by a small group on either side. If the Leaders cannot agree, the bill is considered under the regular order.**
 - **Hold any such comprehensive bill that receives 60 votes at the desk pending consideration of the Social Security bill.**

Enacting Social Security reform if the comprehensive deficit reduction plan has passed

- **Consider Social Security reform, if and only if the comprehensive deficit reduction bill has already received 60 votes.**
- **Reform must ensure 75-year solvency of the program and provide for a decennial review to ensure it remains solvent.
Any savings from the program must go towards solvency, not deficit reduction.**
- **If Finance fails to report Social Security reform meeting the instructions, allow a group of at least five senators from each party to introduce a resolution with recommendations that meet the committee's instructions.**
- **Bar substitute amendments that worsen the solvency of Social Security.**
- **Combine any qualifying Social Security reform bill that receives 60 votes on final passage to the comprehensive bill at the desk before being sent to the House as a single bill.**
- **Vitiate the vote on the deficit-reduction bill if the Social Security reform bill does not receive 60 votes.**