LEGISLATION COMMITTEE

Agenda

June 7, 2012
11:00 a.m. to 12:30 p.m.
651 Pine Street, Room 101, Martinez

Supervisor Mary N. Piepho, District III, Chair
Supervisor Karen Mitchoff, District IV, 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 for April 5, 2012 Meeting**

4. **2012 State Budget Update**– *Presenters: Lara DeLaney, Cathy Christian*

5. **2012 State Legislation of Interest**– *Presenters: Lara DeLaney, Cathy Christian*

   A. SB 1503 (Steinberg): In-Home Supportive Services Program
   B. SB 1220 (DeSaulnier): Housing Opportunity and Market Stabilization
   C. AB 1712 (Beall): Minors and Nonminor Dependents: Out-of-Home Placement
   D. ACA 18 (Swanson): Taxation: Parcel Tax
   E. AB 1442 (Wieckowski): Pharmaceutical Waste
   F. SB 1156 (Steinberg): Sustainable Communities Investment Authority

6. **Memo Outlining the Governor's Redesign Proposal for Childcare**– *Presenter: Camilla Rand, EHSD*

7. **Federal Issues**– *Presenters: Lara DeLaney*

8. **Federal Legislation of Interest: Earthquake Insurance Affordability Act - S. 637 (Feinstein & Boxer) and H.R. 3125 (John Campbell & 12 co-authors)**

9. **Adjourn to the next regular meeting scheduled for Wednesday, July 25, 2012 at 10:30 a.m. in room 108.**

☺ *The Legislation Committee will provide reasonable accommodations for persons with disabilities planning to attend Legislation Committee meetings. Contact the staff person listed below at least 72 hours before the meeting.*

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

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

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

Schedule of Upcoming BOS Meetings

June 26, 2012
July 10, 2012

Legislation Committee

Supervisor Mary N. Piepho, Chair
Supervisor Karen Mitchoff, Vice Chair

Record of Actions

April 5, 2012
Room 101, 651 Pine Street, Martinez

1. Introductions

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

2. Public Comment: None.

3. State Budget Update:

The County's state advocate, Cathy Christian, reported on the discussions surrounding the State budget with regard to the tax measure that the Governor and the California Federation of Teachers have crafted for the November 2012 ballot.

4. State Legislation of Interest:

After receiving the report from staff and our state lobbyist, the Committee made the following recommendations to the Board of Supervisors on the following bills:

SB 1003: Oppose Unless Amended. Take to Board on Short Discussion.
AB 1831: Watch. Take to Board on Short Discussion.
AB 890: Support.
SB 1387: Support.
AB 1640: Support.
AB 1691: Support.
AB 1709: Oppose.
SB 1363: Oppose.
AB 1436: Oppose.
AB 2304: Oppose.
AB 1901: Support.
AB 1592: Support.
AB 1827: Support.

The Committee adopted staff recommendations to "watch" the remainder of the bills included in the Committee report.

5. 2012 Redevelopment Successor Agency Legislation:

After receiving the report from staff, the Committee made the following recommendations to the Board of Supervisors on the following bills:

AB 1585: Support and request amendment.
SB 654: Support.
SB 1151: Support if amended to provide funding.
SB 986: Support.
SB 1156: No position. Staff to return with more information.
AB 1644: No position. Staff to return with more information.
SB 1220: Oppose.

The Committee adopted staff recommendations to "watch" the remainder of the bills included in the Committee report.

6. **Federal Issues and Federal Meetings Update**:

The federal lobbyist and Committee members reported on the outcome of their visits to Washington D.C. on March 5 and 6 and March 19-20 (for the Delta Counties Coalition).

7. Lobbyist Contracts:

The Committee recommended that the current contracts be extended until December 31, 2012 and that staff return with a schedule for completing the RFP process by that time.

8. Adjourned to May 3, 2011 (*subsequently cancelled*)

OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY

TO: Legislation Committee
Supervisor Mary N. Piepho, Chair
Supervisor Karen Mitchoff, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: June 3, 2012

SUBJECT: **Agenda Item #4: 2012 State Budget Update**

RECOMMENDATION

ACCEPT the report on the State budget and provide direction, as necessary.

REPORT

Legislators Hear May Revision Budget Proposals

Both houses of the Legislature convened hearings two weeks ago to act on the Governor's May Revision Budget proposal.

The Assembly Budget Subcommittee No. 1, chaired by Assembly Member Holly Mitchell, met on Wednesday, Thursday, and Friday. The Subcommittee left a number of the items open, including the realignment fiscal structure and programmatic trailer bills, public hospital budget items, and the Care Coordination Initiative. Friday's hearing on the Assembly side focused on the funding "superstructure" proposal for 2011 Realignment. Assemblymember Mitchell indicated that the language would be reviewed with an emphasis on defining state oversight, providing adequate base funding, and ensuring access to programs.

The Senate Budget Subcommittee No. 3, chaired by Senator Mark DeSaulnier, met on Monday, Tuesday and Thursday and heard items such as the Care Coordination Initiative, the Healthy Families Program shift to Medi-Cal, Medi-Cal copays, a seven percent across-the-board cut to the In-Home Supportive Services program, Realignment 2011 implementation, and a one-time reduction of $45 million for CalFresh Administration. Senator DeSaulnier raised concerns that the focus in the Realignment trailer bill was on the structure and not on the delivery of services and also indicated that just having a public hearing on a transfer of funds does not necessarily mean there is a discussion.

The Senate subcommittee kept most of the items open, meaning they did not vote on the issue and it may be resolved in the full Senate Budget Committee meetings. The Subcommittee did approach the onetime reduction of $45 million General Fund for CalFresh Administration and an extension of one-year of the match waiver. The Subcommittee also had a robust discussion on 2011 Realignment Implementation – but also left it open.

Once budget subcommittee hearings wrap up, the full budget committee of each house will begin meeting. At this time, there are 70 health and human services-related draft budget trailer bills.

Attachment A is a chart with the actions taken to date on issues of importance to counties. Most of the major issues remain unresolved and will probably be decided at the main budget hearings held by both houses the week of June 4th. The Legislature currently has no plans to convene a budget conference committee, indicating that the final negotiations will take place between the Governor and the leaders of each house.

The Governor's May Revision

You will recall that on May 14, Governor Brown updated his budget proposal, proposing **$15.7 billion** in cuts and revenues to bring the state's budget into balance. Under the plan, that balance would continue at least through 2015-16 and the state would be able, over the same period, to pay off the great majority of $33 billion in budgetary borrowing accumulated over the past decade of unrealistic spending plans.

The May Revise assumes that voters approve the Governor's ballot initiative planned for November, which includes temporary increases to the personal income and sales and use tax rates. The initiative would also constitutionally protect counties' 2011 realignment revenues. The Governor would include trigger cuts in the budget in case the measure should fail, cuts that would fall heavily on K-14 and higher education, both of which are otherwise largely spared deep cuts. The trigger cuts would also affect some public safety programs, such as park rangers, game wardens, and lifeguards at state beaches.

The Governor's plan includes steep cuts to many programs that counties administer, including CalWORKs ($879.9 million) and In-Home Supportive Services ($224.5 million). The state would begin charging counties for youthful offenders housed at DJJ under the proposed budget. However, it would grant an additional $500 million of lease revenue bond authority to help counties with local jails.

Counties would receive about $354 million in transportation funds, however, the plan would sweep Highway User Tax Account (HUTA) funds from gas taxes related to off-highway vehicles, 44 percent of which would otherwise go to local streets and roads.

The May Revision provides all promised money for 2011 Realignment. It also proposes a permanent funding structure for the realigned programs and changes the allocation for several programs from the January proposal based on updated information. Another change is that the Administration proposes allowing any two consenting counties to enter into a contract for the transfer of jail inmates.

Finally, the May Revise proposes a structure for dispersing the cash assets of former redevelopment agencies. The state anticipates a total General Fund benefit of $2 billion over the next two fiscal years from this dispersal. They also estimate General Fund savings of approximately $1.8 billion over two years due to increased property tax allocations to schools resulting from the dissolution of redevelopment agencies.

Here are the some brief highlights from the May Revision:

- ✓ **Realignment** funding continues with some adjustments for some of the Health and Human Services program base amounts.

- ✓ The major redesign and changes to the **CalWORKs** program are proposed again with some minor changes.

- ✓ The **Coordinated Care Initiative** proposal from the January Budget is continued with some changes including reducing the pilot counties from ten counties to eight counties, provides for a county-specific maintenance of effort to hold county expenditures down, and proposes that collective bargaining would be done at the state level at some future time.

- ✓ New charge for counties to pay for placements at **DJJ** which would begin on July 1, 2012 and affect all commitments. This replaces a previous proposal to eliminate DJJ.

- ✓ The **trigger cuts** are still proposed to be enacted if the initiative is not passed.

- ✓ **Reduces funding to hospitals and nursing homes**.

- ✓ Reduces **IHSS** hours by 7 percent.

- ✓ Reduces the cost of state employee compensation by 5 percent through a reduced workweek.

- ✓ Proposes a framework to transfer cash assets from RDA's to cities, counties and special districts to fund core public services.

For a complete summary of the Governor's May Revision, please see the attached CSAC Budget Action Bulletin, Attachment B.

LAO Analysis of the May Revision

The Legislative Analyst's Office released its analysis of the Governor's May Revision on May 18. The LAO's analysis notes that while the Governor's May Revision forecasts are reasonable, they are concerned that the Administration is overstating the amount of property tax revenues from former redevelopment agencies.

The LAO also notes the following on the various recommendations:

- **CalWORKs Redesign**. The LAO notes that while there are some improvements in the proposal, they still have significant concerns including the fact that it continues to underfund county responsibilities, as it includes a significant reduction to county single allocation funding.

- **Coordinated Care Initiative**. The LAO continues to have many of the same concerns about the complex and difficult implementation issues that still need to be addressed in

this proposal. This include the integration of IHSS as a managed care benefit, beneficiary outreach and enrolling, and setting rates paid to managed care plan. The LAO also notes concerns about the expansion of this proposals before the results from the 4 pilot counties have been evaluated.

- **DJJ - Fees to Counties**. The LAO analysis states that the proposal to increase fees charged to counties would result in counties bearing a greater share of the costs of local decisions to send juvenile offenders to state facilities, as well as potentially increase the incentive for counties to identify less costly alternatives for managing those offenders.

- **IHHS Cut.** The LAO states that while the proposed 7 percent reduction in hours is not as large as the 20 percent reduction from last year (under court injunction), it is uncertain at what point the reduction would be significant

Budget Action 2012
Updated 5/25/12

Item #	Subject	Proposal	Assembly Budget Action	Senate Budget Action	Status
HHS					
4260	Medi-Cal	Care Coordination Initiative: This would expand the four pilot counties to eight counties beginning in March 2013 to provide coordinated care to dual eligible population including the integration of Long Term Services and Supports and IHSS in later years.	Heard on 5/23 (Open, Assm Sub #1).	Heard on 5/21 (Open, Sen Sub #3).	Open
4260	Medi-Cal	Establish copayments for pharmacy and hospital visits similar to last year.	Heard on 5/23 (Open, Assm Sub #1).	Heard on 5/21 (Open, Sen Sub #3).	Open
4265	Public Health	Increase client share of costs in AIDS Drug Assistance Program. May Revise eliminates this for private insurance clients and delays implementation for 90 days.	Rejected cost sharing and adopted trailer bill language to strengthen consumer protections as they transition to LIHP (Assm Sub #1, 5/24).	Rejected cost sharing and adopted trailer bill language to strengthen consumer protections as they transition to LIHP (Sen Sub #3, 3/8).	Rejected
4265	Public Health - Lab Training	Eliminate the Public Health Lab Program.	Heard on 5/24 (Open, Assm Sub #1).	Adopted the elimination of the program (Sen Sub #3, 5/21). May consider alternatives in full budget committee.	Difference

Budget Action 2012
Updated 5/25/12

Item #	Subject	Proposal	Assembly Budget Action	Senate Budget Action	Status
4265	Public Hospitals	Eliminate $61.5 million in funding to public hospitals and shift $109 million in Safety Net Care Pool Funds for public hospitals to the state.	Heard on 5/23 (Open, Assm Sub #1).	Heard on 5/24 (Open, Sen Sub #3).	Open
4280	Healthy Families	Shift Healthy Families Program to Medi-Cal.	Rejected proposal to shift all of HFP to Medi-Cal (Assm Sub #1, 5/24).	Rejected proposal to shift all of HFP children to Medi-Cal and instead shift HFP children with incomes under 133 percent of the FPL beginning in October 2012. (Sen Sub #3, May 21).	Rejected entire shift; some difference on implementation.
4280	Healthy Families	Program rate reduction by 25.7 percent ($64.4 million).	Rejected (Assm Sub #1, 5/24).	Rejected (Senate Sub #3, 5/21).	Rejected
4440	State Hospitals	Increase bed rates to counties for civil commitments.	Heard on 4/9 (Open, Assm Sub #1).	Heard on 4/12 (Open, Sen Sub #3).	Open
5180	CalWORKS	Create two new programs: Basic and Plus which would have stricter time out rules (24 months) and work requirements. May Revise makes some minor changes.	Rejected majority of the CalWORKs proposal (Assm Sub #1, 2/29.	Heard on 5/22 (Open, Sen Sub #3).	Difference
5180	LEADER	Provide funding to the LEADER replacement system.	Approved funding (Assm Sub #1, 5/24).	Approved funding (Sen Sub #3, 5/22).	Approved
5180	IHSS	Eliminated domestic and related services for beneficiaries residing in a shared living arrangement.	Rejected Governor's proposal (Assm Sub #1, 4/11).	Heard on 3/15 (Open, Sen Sub #3).	Difference

Budget Action 2012
Updated 5/25/12

Item #	Subject	Proposal	Assembly Budget Action	Senate Budget Action	Status
5180	IHSS	20 percent reduction in service hours. (Injunction on this change).	Rejected Governor's proposal (Assm Sub #1, 4/11); Additional 7% cut heard on 5/24 (Open, Assm Sub #1).	Heard on 3/15 and 5/22 (Open, Sen Sub #3).	Difference
5180	Child Support	Suspend county share of child support collections in 2012-13 ($34.5 million).	Heard on 4/18 (Open, Assm Sub #1).	Heard on 5/10 (Open, Sen Sub #3).	Open
5180	Child Support	Reduce Local Child Support Agencies by $14.7 million.	Adopted unallocated reduction of $14.7 million (Assm Sub #1, 5/24).	Adopted unallocated reduction of $14.7 million (Sen Sub #3, 5/22).	Approved
Local Government					
8885	Mandates	Repeal 50 state mandates and suspend others.	Reject Governor's proposal to repeal mandates and refer to policy cmtes (Asm Sub #4, 3/13); Suspended all other mandates as budgeted except for Brown Act (Assm Sub #4, 3/13).	Rejected Governor's proposal to repeal mandates including animal adoption an local coastal plans (Sen Sub #2, 4/11). Adopted all suspensions except those previously acted upon in the subcommittees (Sen Sub #4, 5/21).	Difference
9210	Redevelopment	Trailer bill language regarding AB 26x1.	Heard on 5/23 (Open, Assm Sub #4).	Heard on 5/22 (Open, Sen Sub #4).	Open
Public Safety					
5696	DJJ	Charge counties $24,000 per inmate beginning on July 1, 2012; retroactive.	Heard on 5/24 (Open, Assm Sub #5).	Heard on 5/22 (Open, Sen Sub #5).	Open

Budget Action 2012
Updated 5/25/12

Item #	Subject	Proposal	Assembly Budget Action	Senate Budget Action	Status
5696	DJJ	Change age at DJJ from 25 to 23.	Adopted (Assm Sub #5, 5/24).	Adopted (Sen Sub #5, 5/22).	Approved
5227	Board of State and Community Corrections	Additional $500 million for local jail construction.	Adopted (Assm Sub #5, 5/24).	Adopted (Sen Sub #5, 5/24).	Approved
Realignment					
5496	Realignment	Continues funding for realignment programs.	Heard on 4/18 (Open).	Heard on 4/19 for CWS .	Open
5496	Realignment allocation	Proposes super structure.	Various hearings in Sub #1 on structure and CWS program (Open, Assm Sub #1); Heard on 5/25 (Open, Assm Sub #1).	Heard on 4/19 for CWS (Open, Sen Sub #3); Heard on 5/24 for CWS and Mental Health (Open, Sen Sub #3).	Open
Transportation					
2660	Transportation	Shift HUTA funding to the General Fund.	Heard on 5/23 (Open, Assm Sub #3).	Adopted shift with a sunset of 2 years (Senate Sub #2, 5/23).	Difference

2012-13 Governor's May Revision
Week of May 13, 2012

May 14, 2012

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

FROM: Paul McIntosh, CSAC Executive Director
Jim Wiltshire, CSAC Deputy Executive Director

RE: **Summary of the Governor's May Revision**

The Governor released his May Revision to the 2012-13 State Budget this morning, calling for "a modicum of stoicism" as he outlined how he proposes to rectify a $15.7 billion estimated deficit. The deficit is larger than his Administration predicted in January due to lower than expected revenues (-$4.3 billion loss), higher than expected school costs (-$2.4 billion loss), and decisions by the federal government and courts that blocked certain budget cuts (-$1.7 billion loss).

Governor Brown's proposed budget relies on voters approving his November statewide ballot initiative, and all of his May Revision materials (and therefore the information below) are based on the presumption that it will pass. Accordingly, the May Revision Budget would increase school funding from the current year by $5.2 billion (16 percent). Spending outside of Proposition 98 would decline by $2.4 billion (-4.5 percent), although that number excludes a $2.1 billion repayment of funds borrowed pursuant to Proposition 1A three years ago.

The May Revision includes severe trigger cuts should the ballot measure fail to pass so that the state can borrow money to meet its cash flow needs with intra-year financing. These trigger cuts of $6.1 billion would fall largely on schools, both K-14 ($5.5 billion) and higher education ($500 million). Other trigger cuts, some of which would affect programs of interest to counties, are detailed later in this *Budget Action Bulletin*.

The Governor's ballot measure would constitutionally protect the revenues shifted to counties to fund 2011 Realignment. It would also temporarily raise taxes; the sales and use tax would rise one quarter cent for five years and the personal income tax would,

for seven years, rise one, two, and three percent for joint filers making over $500,000, $600,000, and $1 million respectively (half of those amounts for single filers).

Finally, the Governor's budget would balance into future years, and the state would even be able to begin paying down the $33 billion in outstanding budgetary borrowing – called the "Wall of Debt" by Governor Brown – that it has regularly accumulated since the dot-com bust. The May Revision notes that the proposal, with "diligent fiscal management," would reduce this $33 billion to only $6.6 billion by the end of 2015-16.

Budget Balancing Proposals
($ in millions)

Expenditure Reductions	**50%**
Health and Human Services	
Medi-Cal	$1,219.2
CalWORKs	879.9
In-Home Supportive Services	224.5
Other HHS Programs	161.0
Education	
Proposition 98	1,497.9
Child Care	452.5
Cal Grant Program	291.7
Other Education	64.4
All Other Reductions	
Redevelopment Assets	1,405.0
State Mandates	828.3
Judiciary	544.0
Employee Compensation	401.7
Other Reductions	333.4
Expenditure Reductions	**$8,303.5**
Revenues	**35%**
Temporary Taxes	$5,579.8
Other Revenues	339.1
Revenues	**$5,918.9**
Other	**15%**
Loan Repayment Extensions	$1,158.3
Transfers and Loans from Special Funds	612.2
Additional Weight Fee Revenues	385.2
Unemployment Insurance Interest Payment	312.6
All Other	49.6
Other	**$2,517.9**

Total	$16,740.3

With Budget Balancing Solutions — General Fund
($ in millions)

	2011-12	2012-13
Prior Year Balance	-$2,844	-$2,535
Revenues and Transfers	$86,809	$95,689
Total Resources Available	**$83,965**	**$93,154**
Non-Proposition 98 Expenditures	$53,988	$53,658
Proposition 98 Expenditures	$32,512	$37,729
Total Expenditures	**$86,500**	**$91,387**
Fund Balance	**-$2,535**	**$1,767**
Reserve for Liquidation of Encumbrances	$719	$719
Special Fund for Economic Uncertainties	-$3,254	$1,048
Budget Stabilization Account	-	-
Total Available Reserve	**-$3,254**	**$1,048**

Revenue Sources — General Fund
($ in millions)

	2011-12	2012-13	$ Change	% Change
Personal Income Tax	$52,958	$60,268	$7,310	13.8%
Sales and Use Tax	18,921	20,605	1,684	8.9%
Corporation Tax	8,208	8,448	280	3.4%
Motor Vehicle Fees	92	27	-65	-70.7%
Insurance Tax	2,148	2,089	-59	-2.7%
Estate Taxes	-	45	45	-
Liquor Tax	331	337	6	1.8%
Tobacco Taxes	93	90	-3	-3.2%
Other	4,058	3,740	-318	-7.8%
Total	**$86,809**	**$95,689**	**$8,880**	**10.2%**

Expenditures by Agency — General Fund
($ in millions)

	2011-12	2012-13	$ Change	% Change
Legislative, Judicial, Executive	$2,541	$2,074	-$467	-18.4%
State and Consumer Services	619	689	70	11.3%
Business, Transportation & Housing	573	448	-125	-21.8%
Natural Resources	1,933	1,921	-12	-0.6%
Environmental Protection	51	46	-5	-9.8%
Health and Human Services	26,772	25,963	-809	-3.0%
Corrections and Rehabilitation	8,082	8,889	807	10.0%
K-12 Education	34,038	38,540	4,502	13.2%
Higher Education	9,770	9,516	-254	-2.6%
Labor and Workforce Development	354	342	-12	-3.4%
General Government:				
Non-Agency Departments	443	485	42	9.5%
Tax Relief/Local Government	544	2,531	1,987	365.3%
Statewide Expenditures	780	-57	-837	-107.3%
Total	**$86,500**	**$91,387**	**$4,887**	**5.6%**

REALIGNMENT

In the May Revision, the Administration is updating the funding allocations on a program-by-program basis with updated caseload information and proposing trailer bill language to create a permanent funding structure for 2011 Realignment. The trailer bill is expected to be l be released on the Department of Finance website later today. Once CSAC reviews the trailer bill language, we will provide counties with additional information.

Below is an updated funding chart. Compared to the program allocation and funding chart included in the January Budget, the 2011-12 and 2012-13 funding level for several programs has increased.

Note: Realignment information pertaining to public safety programs can be found in the Administration of Justice section of this *Budget Action Bulletin.*

2011 Realignment Funding
($ in millions)

Program	2011-12	2012-13	2013-14	2014-15
Court Security	$496.4	$496.4	$496.4	$496.4
Public Safety Programs	489.9	489.9	489.9	489.9
Local Jurisdiction for Lower-level Offenders and Parole Violators				
Local Costs	239.9	581.1	759.0	762.2
Reimbursement of State Costs	989.9	-	-	-
Realign Adult Parole				
Local Costs	127.1	276.4	257.0	187.7
Reimbursement of State Costs	262.6	-	-	-
Mental Health Services				
EPSDT	-	584.2	584.2	584.2
Mental Health Managed Care	-	196.7	196.7	196.7
Existing Community Mental Health Programs	1,083.6	1,120.6	1,120.6	1,120.6
Substance Abuse Treatment	183.6	183.6	183.6	183.6
Foster Care and Child Welfare Services				1,621.1
Adult Protective Services	55.0	55.0	55.0	55.0
Existing Juvenile Justice Realignment	97.1	98.8	98.8	98.8
Program Cost Growth	-	221.7	456.6	1,014.7
TOTAL	**$5,592.3**	**$5,889.8**	**$6,303.6**	**$6,810.9**
1.0625% Sales Tax	5,152.9	5,434.7	5,840.3	6,339.8
Vehicle License Fee Funds	439.4	455.1	463.6	471.1
TOTAL Revenues	**$5,592.3**	**$5,889.8**	**$6,303.6**	**$6,810.9**

The updated allocation chart reflects changes to the base for the following programs in 2011-12:

- The allocation for Substance Abuse Treatment programs has increased by $3.9 million, from $179.7 to $183.6 million. These funds will be included in the Behavioral Health Subaccount beginning in 2012-13.
- The allocation for Foster Care, Child Welfare and Adult Protective Services increased by $5.1 million from $1,562.1 million to $1,567.2 million. These funds will be included in the Protective Services Subaccount beginning in 2012-13.

Additional changes include:

- The 2011-12 allocation for Existing Community Mental Health Programs is $1,083.6 million, which represents the amount that will be allocated to the Mental Health Account pursuant to the formula in statute for 2011-12. This amount is greater than the $1,068.8 million that is now estimated to have been available for Mental Health in 2011-12 under 1991-92 Realignment.
- The 2012-13 allocation for Existing Community Mental Health Programs is $1,120.6 million, which represents the amount that is estimated to otherwise have been available for Mental Health in 2012-13 under 1991-92 Realignment. Although this is less than the $1,164.4 million reflected in the Governor's Budget, Mental Health programs have a dedicated growth account in the new ongoing funding structure. These programs will also continue to receive any Mental Health growth resulting from 1991-92 Realignment.
- The allocations for Early and Periodic Screening, Diagnosis and Treatment program and the Mental Health Managed Care program have increased by $48.1 million, from $732.8 to $780.9 million. Please recall that the 2012-13 funding level establishes the base for these programs and these programs will be included in the Behavioral Health Subaccount beginning in 2012-13.
- The allocation for Foster Care and Child Welfare Services now changes from year-to-year from 2012-13 through 2014-15. This reflects the costs for counties to expand foster care benefit eligibility up to age 21 as authorized by Chapter 559, Statutes of 2010 (AB 12) for a cumulative increase of $53.9 million. These funds are included in the Protective Services Subaccount and will be phased in over a three-year period beginning in 2012-13.

ADMINISTRATION OF JUSTICE

While the vast majority of local public safety programs now are funded through the 2011 realignment construct, several justice-related budget items of interest to counties are addressed in the Governor's May Revision, which are summarized below. Please note that overall 2011 Realignment funding issues are discussed in a separate section dedicated to that topic.

Division of Juvenile Justice

As counties will recall, the Governor proposed in his January 2012-13 budget the closure of the Division of Juvenile Justice (DJJ), beginning with ceasing intake of youthful offender commitments beginning January 1, 2013. In the May Revision, the Governor revises his juvenile justice proposal to keep DJJ available as a placement option for youthful offenders, but makes other proposed operational efficiencies and policy changes, which include:

- A new fee structure that would charge counties $2,000 per month ($24,000 annually) for each ward committed to the DJJ by a juvenile court; the fee would be charged beginning July 1, 2012, and would apply to all eligible youthful offenders regardless of commitment date;
- A change in the DJJ age jurisdiction from 25 to 23 years, applied prospectively;
- Termination of juvenile parole six months early (on January 1, 2013 instead of July 1, 2014); and,
- Reduction of administrative staffing levels within the California Department of Corrections and Rehabilitation (CDCR) headquarters and DJJ facilities.

With these changes, the trigger fee — that was part of the 2011-12 budget and originally scheduled to be levied against counties beginning January 1 of this year — will essentially be forgiven.

2011 Public Safety Realignment

It is anticipated that the trailer bill language related to the 2011 Realignment fiscal structure – not yet available at the time of this writing – will detail a county-by-county allocation related to both the AB 109 programmatic activities as well as the separately allocated funds to district attorneys and public defenders for new revocation activities associated with Realignment. Details on the recommended allocation formula, which would be in place for 2012-13 and 2013-14 (with a permanent formula to be determined), have been sent to county administrative officers statewide under separate cover.

In addition, we also anticipate that budget trailer bill language will include a provision that permits two consenting counties to enter into a contract for transfer of jail inmates. It is our understanding that the inmate transfer authority would be in place for three years to allow for review and evaluation of frequency and usage.

Finally, we anticipate that trailer bill language will be made public later today that recasts and revises statute governing the provision of court security services (Government Code Sections 69920-69927). These changes are necessitated by the change in the funding structure for court security.

Department of Corrections and Rehabilitation

Last month, CDCR released what is being called its “blueprint” plan to save billions of dollars over a four-year period as the department adjusts to its changing demographics as a result of realignment. In the May Revision, the Governor reiterates his commitment to following through on the CDCR blueprint. Of particular interest to counties is that the

state will be restructuring the delivery of its rehabilitation programs due to the reduction in the state's prison population. As a result of the 2011 criminal justice realignment, the state will be able to engage approximately 70 percent of its remaining population in rehabilitation programs by converting existing space into rehabilitative programming space.

Additionally, CDCR will be establishing reentry hubs within some of its institutions to better prepare inmates for reintegration back into the community. Further, as a result of the state reducing its prison population through realignment, the CDCR will return 10,000 inmates currently housed in out-of-state facilities to its 33 state prisons. Counties interested in viewing the complete blueprint can do so by visiting CDCR's website. Upon full implementation of realignment and implementation of this blueprint, CDCR will save over $1 billion annually.

Board of State and Community Corrections

Effective July 1, 2012, the Corrections Standards Authority (CSA) will be reconstituted as the Board of State and Community Corrections (BSCC). The BSCC will, in addition to other specified functions, assume the duties of the CSA and will take on a newly enhanced role to provide statewide leadership, coordination and technical assistance for the state and local jurisdictions as the two operate California's juvenile and adult corrections systems. Further, it will be the responsibility of the BSCC to guide state and local jurisdictions through the implementation stages of the 2011 criminal justice realignment.

The May Revision outlines funding to the BSCC, which includes $27.7 million in General Fund and $92.2 million in other funding sources. Other components of interest in the BSCC's proposed budget include:

- **AB 900 Phase III local jail construction funding** – The May Revision includes $500 million of additional lease revenue bond authority to assist counties in managing offender population in county jails. These funds are in addition to the current $1.2 billion already awarded to counties for Phase I and Phase II AB 900 local jail construction projects. The parameters and criteria surrounding the release of Phase III funds will be determined by the BSCC through a stakeholder process similar to the previous two phases.

- **Local subvention grants to city police departments** – The BSCC will develop a formula to award $20 million in state general funds (not tied to realignment funding) to local police departments in recognition of reductions to city police departments.

Judiciary
The Governor's May Revision signals intent to evaluate the effects of trial court funding reforms. Given that 15 years have passed since the enactment of the Trial Court Funding Act of 1997 (AB 233), the Administration proposes to establish a working group to analyze workload metrics and staffing standards, among other factors, in an effort to assess the effective statewide administration of the trial courts.

As for the judicial branch budget, the Governor's May Revision proposes a $544 million General Fund reduction, of which $419 million is one-time and $125 million is ongoing. However, in 2012-13, $540 million of the reduction would be offset using trial court reserves and delaying courthouse construction. The remaining $4 million in reductions would be achieved by permanent changes in retirement contributions for Administrative Office of the Court, supreme and appellate court, as well as Habeas Corpus Resource Center employees. Additional permanent reductions include $40 million that will be redirected from court construction funds to support trial court operations.

Department of Justice
The Governor proposes to reduce funding to the DNA Identification Fund by eliminating the $10 million general fund transfer to the fund. This elimination will be offset by an increase in the penalty assessment of $1 for every $10 in base fine.

AGRICULTURE AND NATURAL RESOURCES

Governor's Reorganization. As part of Governor Brown's Reorganization Plan, he submitted a comprehensive plan to the Little Hoover Commission (Commission) in May. The May Revision states that the Commission is expected to submit its findings and recommendations to the Legislature by May 22. The Governor's plan calls for the Emergency Management Agency to become an office directly reporting to the Governor; the Department of Resources, Recycling and Recovery (CalRecycle) to be transferred from the Natural Resources Agency to the California Environmental Protection Agency (EPA); and the Delta Stewardship Council to be transferred to the Natural Resources Agency.

Department of Food and Agriculture. The Governor's May Revision includes a permanent, unallocated reduction of $2.5 million to the Department of Food and Agriculture's budget. This builds on the $31 million General Fund reduction already adopted, which primarily affects various programs related to border control stations, pest prevention and food safety activities.

GOVERNMENT FINANCE AND OPERATIONS

Redevelopment

The May Revision assumes that local K-14 schools will receive an additional $818 million in property taxes in 2011-12, and $991 million in 2012-13. These gains offset the state's Proposition 98 obligation. The amounts are down from the $1.05 billion and $1.08 billion assumed in the January budget proposal. The declines from previous estimates are due to lower-than-expected property tax revenues and samples of obligated payment schedules of successor agencies. These are ongoing revenues.

ABX1 26, which dissolved redevelopment agencies, requires that unencumbered assets be distributed to taxing entities, but sets no deadline for doing so. The May Revision would create a framework for those distributions, and the Administration estimates that $2 billion would go to K-14 schools, $1.4 billion in 2012-13 and $600 million in 2013-14. Again, these funds would offset the state General Fund's Proposition 98 expenses. These are one-time revenues.

The May Revision also proposes to increase school funding by allowing K-14 schools to retain some of the money that would under current law otherwise offset the state's Proposition 98 guarantee. Specifically, schools could retain one percent of the increased property taxes and five percent of the distributed assets.

Dry-Period Financing

The Governor's January Budget proposed allowing charter schools to borrow money from county treasuries upon a showing of need. This benefit is currently granted only to entities that bank solely through the county treasury, like public schools. In those cases, the treasury is assured of repayment. Extending this to private entities, as many charter schools are, is both legally questionable and financially risky. The May Revision includes this provision, but it is not specific as to whether the lending would be optional or mandatory.

EMPLOYEE RELATIONS

State Employees. In his May Revision, Governor Brown proposes eliminating the use of retired annuitants and temporary employees for non-essential positions which are not critical to a department's core mission.

Additionally, the Governor proposes to score $830.1 million savings in state employee compensation by pursuing a four-day, 38-hour work week for most represented and unrepresented employees (about 214,000 positions). This would require re-opening existing labor contracts and/or amending them; the Administration hopes to negotiate these changes by July 1, 2012.

The Governor's May Revision includes an intention to further save state costs by continuing to pursue changes to current employees' and retirees' health coverage.

Unemployment Insurance Program. Counties will recall that due to a structural imbalance between revenues and benefit payments, the Unemployment Insurance (UI) Fund has been making benefit payments with borrowed federal funds since 2009. The UI Fund deficit is projected to be $11.7 billion at the end of 2012. Interest in the amount of $303.5 million was paid in September 2011 through a loan from the state's Unemployment Compensation Disability Fund. The Governor's January budget proposed to continue to borrow from the Disability Fund to pay the 2012-13 interest expense of $417 million; his May Revision includes this expense, but costs it at $412.6 million as the federal government has since lowered the interest rates on funds borrowed.

The Governor additionally proposes in his May Revision an increase of $4.3 billion in 2012-13 for UI benefit payments due to additional federal benefit adjustments and an increase of $16.9 million and redirection of $6.3 million UI Administration Fund in 2012-13 to provide continued support for the Unemployment Insurance Modernization Project, a federal incentive program offered through the American Recovery and Reinvestment Act that provided states with additional UI administration dollars to modernize information technology.

Reducing State Government. As mentioned above, , Governor Brown proposed eliminating or consolidating several employment-related boards and commissions in January and provided his blueprint for doing so to the Little Hoover Commission. The plan includes the creation of a "CalHR" department which would combine the State Personnel Board and the Department of Personnel Administration, and aligns the Public Employment Relations Board (PERB) with the Labor Workforce Development Agency. Again, the Commission is expected to submit its findings and recommendations to the Legislature by May 22.

HEALTH AND HUMAN SERVICES

The Governor's May Revision includes $1.2 billion in cuts to health and human services out of $8.3 billion total proposed cuts for the 2012-13 fiscal year. The California Health

and Human Services Agency's total budget for 2012-13 is $103.9 billion, of which $25.5 billion is state General Fund and $78 billion in federal and other funds.

Medi-Cal

Coordinated Care Initiative. The Governor proposes a number of changes to the Coordinated Care Initiative (CCI) in the May Revision. The Administration is proposing to phase-in long-term care benefits as each county transitions into managed care. The Administration is reducing the number of counties in phase one from 10 to 8 (Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara) and will delay implementation from January 1, 2013 to March 1, 2013. Sacramento and Contra Costa counties, along with the other counties with existing Medi-Cal managed care plans, will be in the second phase of CCI implementation in 2014.

Counties will continue to assess and authorize hours for the In-Home Supportive Services (IHSS) program. Consumers will continue to select and direct their provider. The Administration is proposing a county-specific maintenance of effort to hold county expenditures to the estimated level that would have been incurred absent the CCI. As CCI is implemented, collective bargaining will eventually transition to the state. The Administration does not provide additional detail about collective bargaining changes; the most recent trailer bill language leaves collective bargaining to local public authorities and does not address future changes.

The modified CCI proposal saves $663.3 million in 2012-13 (as in January the savings are from the Medi-Cal payment deferral) and $887 million when fully implemented. The CCI savings are contingent on securing a six-month stable enrollment period and 50 percent shared savings from the federal government.

Hospital Payment Changes. The Administration proposes to reduce supplemental payments to private hospitals, eliminate public hospital grants and eliminate increases to managed care plans for supplemental payments to designated public hospitals. All told, these changes save $150 million General Fund in 2012-13 and $75 million in 2013-14. The May Revision also proposes to delay the transition to a new diagnosis related group-based payment methodology for hospitals by six months (from January 1, 2013 to July 1, 2013).

Unexpended Federal Waiver Funds. The May Revision proposes to split unexpended federal funds from the Medi-Cal Section 1115 Bridge to Reform Waiver equally between the state and designated public hospitals. The proposal saves $100 million General Fund in 2012-13 and $9 million in 2013-14. The unexpended funds come from the funding available for the Low-Income Health Programs designated for persons with incomes over 133 percent of the federal poverty level. Subsequently, the unexpended funds

were earmarked to reimburse public hospitals for uncompensated care costs. The Administration is asking public hospitals to use their uncompensated care costs to draw down federal match and split the federal match with the state for the benefit of the state General Fund.

Non-Designated Public Hospital Payment Changes. Non-designated public hospitals have historically been funded similar to private hospitals (50 percent General Fund, 50 percent federal funds), rather than like designated public hospitals (no state General Fund; local funds are used to draw down federal match) for inpatient Medi-Cal fee-for-service. The Administration is proposing to align non-designated hospital funding with designated hospitals funding methodology for inpatient Medi-Cal fee-for-service. The proposal generates $75 million in General Fund savings in 2012-13 and ongoing. The Department of Health Care Services (DHCS) will be seeking additional federal funds for these hospitals through an amendment to the Section 1115 Bridge to Reform Waiver. Please note the non-designated public hospitals are primarily district hospitals.

Nursing Homes. The Administration is proposing to rescind the 2012-13 nursing home rate increase while continuing the collection of fee revenue. The state would retain the fee revenue for a General Fund benefit of $47.6 million. Existing law also requires DHCS to set aside one percent of nursing home payments for supplemental payments based on quality measures. The Administration is proposing to sweep the one percent for a General Fund benefit of $23.3 million.

First 5 Funding. The Administration is proposing that $40 million of state First 5 Commission funds be used for Medi-Cal services for children aged birth through 5. This decreases Medi-Cal General Fund dollars by $40 million.

Medi-Cal Caseload Adjustment. The Administration is projecting a decrease in Medi-Cal caseloads, which results in a $200 million General Fund savings in 2011-12 and $700 million General Fund in 2012-13.

Provider Payments. The Administration is adjusting the May budget to reflect court rulings that have prevented the implementation of provider payment reductions. The May Revision includes an additional $245.5 million in 2011-12 and $174.6 million in 2012-13.

Co-Payments. The federal government rejected the Administration's 2011-12 budget proposal to implement co-payments. The May Revision reflects the increased costs from the proposal not being implemented – $555.3 million in 2012-13.

Additionally, the Administration is proposing new co-payments of $15 for non-emergency emergency room visits and $1 and $3 pharmacy co-payments based on drug

status and how medications are dispensed to achieve $20.2 million in General Fund savings in 2012-13.

Healthy Families Program (HFP)

The May Revision continues to anticipate the shift of 875,000 Healthy Families Program (HFP) participants into Medi-Cal starting in October of this year. However, the savings anticipated have dropped from about $64 million to about $49 million. This is due to an increase in the estimated per-member per-month average cost of a Medi-Cal beneficiary from $76.86 to $83.91. This new estimate includes the costs for mental health managed care benefits for this population. Further, the Administration has been forced to drop its January budget proposal to increase premium and copayments in HFP to save $42 million because it was blocked by the federal government.

CalWORKs

The Administration makes some policy changes to its January proposal to "redesign" the CalWORKs program into two tracks, but the basic structure introduced in January remains, including:

- **CalWORKs Basic.** This track would serve as the entry-point for the welfare-to-work program and would be operational by October of this year. The eligibility time limit for this phase would be 24 months, with an assessment of the recipients' progress after 12 months. For six months following the October 2012 implementation of the CalWORKs Basic program, all currently aided eligible adults will be eligible for welfare-to-work services and child care. The budget has increased the county single allocation by $35.6 million to provide some of these services. Additionally, families who are sanctioned for more than three months would be disenrolled from the program.
- **CalWORKs Plus.** If a CalWORKs Basic participant maintains unsubsidized employment at specified levels (30 hours for adults and 20 hours for those with children under age 6), they would move to the CalWORKs Plus program. This program would become operational in April 2013, and reward participants with a higher grant level by allowing them to utilize a higher income disregard (first $200 earned and 50 percent of subsequent income). Participants would be eligible for this program for up to 48 months, and if they reach the time limit but continue to work specified amounts, they would retain the higher earned income disregard.

- **Child Only Grants.** The income support program of child only grants will continue under the name of Child Maintenance Program (CMP), but grants will

be cut by 27 percent, or about $70 a month, beginning in October of this year. Also, families on CMP will be subject to annual eligibility determinations and required to have children in the program seen annually by a doctor.

- **Work Participation**. Furthermore, under the proposed restructuring, low-income families who are CalFresh recipients or child care subsidies – but not on CalWORKs – and meet work participation requirements may receive $50 bonus payments.

The May Revision includes some changes to the above policy proposals, including counting any combination of state-allowable work activities in the first 24 months and federally allowable activities for up to 48 months toward work participation, instead of counting only paid employment. Further, the May Revise also abandons the proposal to retroactively count previously exempt and sanctioned months toward the adult recipient's 48-month time limit.

Child Care

In January, the Governor had proposed nearly $500 million in changes and reductions for subsidized child care programs in California. In the May Revision, the Governor remains committed to saving the state $452.5 million in child care costs, but has altered some of the above proposals, including:

- Allow education and training activities, not just paid employment, to count toward eligibility for child care services for up to two years. This will cost the state $180.1 million in 2012-13.
- Reduce reimbursement rates for voucher-based programs by $184.2 million by reducing the reimbursement rate ceiling from the 85th percentile to the 40th percentile of the private pay market. License-exempt providers would be reimbursed based upon 71 percent of the lowered licensed ceilings.

The new proposals will eliminate 29,600 child care slots, while the previous plan would have eliminated 54,800.

In Home Supportive Services (IHSS)

The Governor continues to focus on the IHSS program for state savings, noting in the May Revision that costs for IHSS are "…considerably higher than in the 2011 Budget Act." One aspect of this plan, CCI, is covered in the Medi-Cal section of this document. Other proposals include:

- **Reducing Hours by Seven Percent.** The May Revision includes a proposal to reduce total authorized IHSS hours by seven percent across the board to save $99 million General Fund in 2012-13. This would be effective August 1, 2012. This is on top of the 20 percent across-the-board reduction that the courts prevented the state from implementing in the fall of 2011. The seven percent reduction is proposed to be permanent and ongoing.
- **Eliminating Domestic Services.** The Governor is maintaining his January budget proposal to eliminate domestic services and related services for IHSS consumers living with other adults who are not participants in the IHSS program, unless those adults are found to be unable to perform such services. This reduction in domestic services also applies to children in the IHSS program who reside with their parents, and the state assumes budget savings of $164 million in the current year if implemented by July 1 of this year. This proposal would affect 254,000 IHSS recipients.

Please note that the Governor has been prevented from implementing the December 2011 IHSS 20-percent trigger cuts through a court injunction and Legislative action. The May Revision again includes a set-aside to fund the IHSS program in light of this reality.

Child Support

Suspend County Share. In January, the Governor asked to suspend the County share of child support collections and redirect it to the state's General Fund. He maintains that proposal in the May Revision for a state savings of $32 million General Fund in 2012-13.

Reduce Funding to Local Agencies. In his May Revision, the Governor also proposes to decrease the funding for Local Child Support Agencies (LCSAs) by $14.7 million in 2012-13 to save $5 million General Fund. This is a significant cut to local agencies, and, as a result, the Administration has said that the LCSA's will no longer be required to prepare cases for state hearings. They would, however, still have to continue their required complaint resolution process and refer cases for state administrative review.

Reduce Automation Funding. The Governor also wants to reduce funding for the California Child Support Automation System (CSSAS) again in 2012-13, this time by $1 million. The current 2011-12 budget reduced CCSAS funding by $5.5 million. The 2012-13 reduction would be achieved by sweeping remaining CCSAS reappropriation dollars, and would reduce the ongoing project maintenance and operations budget by $2.9 million.

Public Health

AIDS Drug Assistance Program. The Governor maintains his January budget proposal to increase the client share of cost for the AIDS Drug Assistance Program (ADAP), but with a significant change: private insurance clients would be exempted from the share of cost because it would exceed their out-of-pocket costs for private insurance. The Governor also proposes a 90-day implementation delay to make billing system modifications. With these changes, the ADAP cost-sharing proposal is estimated to save the state $10.7 million in 2012-13.

Further, the Governor anticipated a net increase in funding for ADAP due to a combination of factors, including a delay in ADAP clients enrolling in the county Low-Income Health Programs, increased federal Ryan White funding, a decrease in Safety Net Care Pool funds, and an increase in the projected drug rebate collection rate.

Mental Heath

The May Revision includes an increase of $15 million in the Mental Health Services Fund as part of a $60 million commitment toward the California Reducing Disparities Project in 2012-13.

LEADER Replacement System

The May Revision includes $36.5 million ($15.3 General Fund) in 2012-13 to replace the existing Los Angeles Eligibility, Automated Determination, Evaluation and Reporting System (LEADER).

HOUSING, LAND USE AND TRANSPORTATION

The Governor's May Revision would appropriate $708.5 million to counties and cities from new gasoline excise tax revenues, or the Highway User Tax Account (HUTA), pursuant to the Transportation Tax Swap (swap) and formerly Proposition 42 revenues. Counties are estimated to receive approximately $354 million. This amount is consistent with estimates DOF has provided since January. State highways would receive $901.7 million, specifically $193.2 million for the State Highway Operation and Protection Program (SHOPP) and $708.5 for the State Highway Improvement Program (STIP).

Also included in the Governor's May Revision is a proposal to take $312 million in the new HUTA for General Fund relief, which corresponds to the amount of the new gas tax collected on gasoline used for off-highway vehicles (OHV) since the enactment of the swap. Specifically, the State will have collected and retained $184 million through the

end of 2011-12 in new HUTA taxes associated with OHVs. The proposal would also take $128 million annually on a permanent basis beginning in 2012-13. According to the Governor's office, statute directs a portion of all HUTA to the Department of Parks and Recreation and the Department of Motor Vehicles for purposes of OHVs. Since the enactment of the swap, the State has retained these funds associated with the new HUTA and not made appropriations to these departments. The new HUTA that replaced the sales tax on gasoline under the swap was expected to be revenue neutral for transportation purposes. However, the Governor indicates that this portion of the new HUTA is not protected under the Constitution and therefore the State is taking this share of revenues for General Fund purposes. This money would otherwise be allocated as: 12 percent to SHOPP, 44 percent to STIP and 44 percent to local streets and roads.

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OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY

TO: Legislation Committee
Supervisor Mary N. Piepho, Chair
Supervisor Karen Mitchoff, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: June 3, 2012

SUBJECT: **Agenda Item #5: 2012 State Legislation of Interest**

RECOMMENDATION

ACCEPT the report on State legislation of interest and provide direction, as necessary.

REPORT

Staff is currently reviewing this year's regular session bills and evaluating their potential implications for County operations and infrastructure. The following is a list of key bills of interest which staff and our lobbyist are tracking.

Contra Costa County routinely takes positions on bills throughout the legislative session. When staff begins tracking a bill, the bill is referred to department staff for input and noted as such in our bill tracking system until a policy position is taken. Typically, bill positions are taken early in the year on bills for which the County has standing policy. These policy positions can be found in the 2012 State and Federal Legislative Platforms.

For bills that have been identified but for which we have no policy, staff refer the bills to the affected department(s) or to a policy committee of the Board of Supervisors for a policy recommendation and, ultimately, to the Board of Supervisors for a full position. Once a position (support, oppose, etc.) has been identified, protocol requires that the Chair of Board send a letter to the bill author and the Assembly and/or Senate Committee to which the bill is referred, to let them know of our concerns and position.

2012 Legislative Session

Now that Memorial Day is in the rear-view mirror and the Legislature's July Summer Recess is right around the corner, we can expect an avalanche of activity on bills this week. Friday is the deadline for the Legislature to pass measures out of their house of origin. Both houses will be tied up with floor sessions all week, and no committees will be meeting. The Senate will be working its way through approximately 160 measures, while the Assembly has about 225 on its plate.

With regard to pension reform, the Pension Reform Conference Committee held a hearing on April 13, 2012 in Chino, and the subject of the hearing was the '37 Act systems. Due to this additional hearing, the Conference report is not expected until August. While there have been over 20 bills introduced on pension reform, these bills will probably be held while the conference committee does their work.

The April hearing provided an overview of the '37 Act systems and an overview of the Ventura decision. There was also a panel on creative plan designs which included testimony from Supervisor Bill Campbell from Orange County regarding the Orange County system changes. The Committee members were very engaged and asked several questions of the panelists. Specifically, many of the members were trying to understand the Ventura decision and other court decisions to see what changes the Legislature could make that would not be unconstitutional. Most of this centered on which bonuses are considered pensionable (i.e. uniform allowance, car allowance, etc.).

The LAO also provided background on the pension benefits for local elected officials. CSAC and the League of California Cities also testified regarding the impacts of setting compensation lower than is allowed under statute. The Committee provided a handout with additional reforms that will be looked at and possibly included in the final conference committee report.

At the end of the hearing the Republican members (Senator Walters and Assemblymember Silva) raised concerns that the Conference Committee was not taking action fast enough and had not held a hearing or vote on the Governor's plan. In addition, there were concerns that the Democrats were holding private meetings and negotiations with the Governor. Assemblymember Furutani (Co-chair), indicated that he had not spoken to the Governor or his staff since October and that they are planning to have a conference report before the end of session. The Democratic members again reiterated that they wanted to be deliberate and take their time because it is such a complicated issue.

Contra Costa County's bill related to pension reform, SB 1494 (DeSaulnier), was introduced on February 24. Since bill introduction, a minor change to the introduced language was determined to be needed to reflect the parties' agreement about cost of living adjustments. The bill passed out of the Senate on May 14, and awaits hearing in the Assembly Committee on Public Employees, Retirement and Social Security on June 20, 2012.

On the Redevelopment front, the Budget Subcommittee hearing on the Redevelopment Trailer Bill was viewed as a positive sign by the League of CA Cities. Members of the committee expressed concerns with the direction of the trailer bill. Specifically, concerns relating to disapproved Recognized Obligation Payment Schedules (ROPS) by the Department of Finance (DOF) and a fair process to appeal decisions by DOF were expressed as concerns. The proposal was not voted on by the committee and held for hearing at another date, most likely in the next week.

As cities and counties continue to grapple with the complex task of unwinding redevelopment, nine cities have joined forces to file a multi-city lawsuit against the state. The cities argue that robbing cities of redevelopment money has left them in a tenuous position because they are unable to pay existing debts to redevelopment projects already underway. The heart of the litigation centers on disputing the authority of the DOF to decide what qualifies as acceptable

debt. The oversight boards created after redevelopment's dissolution are tasked with creating Recognized Obligation Payment Schedules (ROPS) in order to create a list of debt that is owed, but the DOF is holding up cash distributions to cities until it approves the lists and has the final say on what debts make the cut. (The Department of Finance has launched a new webpage to post the ROPS review letters.)

The lawsuit is urging a judge to prevent counties from holding up tax-redistribution payments to cities. In response to the suit, the DOF is pointing to parts of the law that state any "action (regarding the debt) shall not become effective until approved by the department." The cities are seeking a quick judicial decision because they argue payments must be made to creditors.

The League of CA Cities summarizes the suit as follows: "The lawsuit seeks a court order that property taxes be distributed to pay for each valid enforceable obligation and further seeks a court order that each auditor-controller set aside sufficient property tax to pay enforceable obligations that remain in dispute after June 1 until such disputes have been resolved."

The nine cities that filed the suit are Pasadena, Palmdale, Glendale, Culver City, Huntington Beach, National City, Imperial Beach, Palmdale, Inglewood and Hayward. A hearing was scheduled for May 30 in Sacramento Superior Court. A ruling, from Judge Timothy Frawley, prevents that blockage of distribution from happening.

Another lawsuit has been filed by the City of Hercules. Hercules v. Department of Finance is seeking a court order to set aside the DOF's rejection of a contract as an enforceable obligation and to prevent the diversion of funds that may be owed to the developer under the contract.

2012 Bills of Interest (as of May 29, 2012)

A. *SB 1503 (STEINBERG): IN-HOME SUPPORTIVE SERVICES PROGRAM*

DIGEST: This bill requires the Director of the Department of Social Services (DSS) and the Director of the Department of Health Care Services (DHCS) to convene a stakeholder group to design a plan for the integration of long-term services and supports (LTSS) programs, and requires the plan to include specified components.

The Governor's 2012-13 Budget proposes a "Coordinated Care Initiative" phased in over three years with the goal of improving beneficiary health outcomes and care quality while achieving substantial savings from the rebalancing of care delivery away from institutional settings and into people's homes and communities. The proposal consists of three major components: an expansion of mandatory enrollment of dual eligibles into Medi-Cal managed care; an expansion of geographic regions covered by Medi-Cal managed care, and an expansion of the scope of services covered within a Medi-Cal managed care plan (instead of fee-for-service [FFS]).

First, the Governor's Administration proposal would expand the existing four-county, dual-eligible demonstration project to up to 10 counties in 2013, by an additional 20 counties in 2014, and statewide in 2015. Under these pilots, dual-eligible individuals would be required to enroll in a Medi-Cal managed care plan for Medi-Cal services (instead of receiving services through FFS Medi-Cal), and would be passively enrolled for Medicare services (meaning individuals could "opt out" of managed care for Medicare services). Second, the proposal requires LTSS programs

(including IHSS) to be provided through managed care plans, instead of through FFS. Third, the proposal requires the geographic expansion of the mandatory enrollment of individuals into Medi-Cal managed care in the 28 counties that are still currently FFS.

This bill addresses the integration of LTSS programs into Medi-Cal managed care. Major LTSS programs that are part of Medi-Cal include IHSS, the Multi-Purpose Senior Services Program, Community-Based Adult Services (Community-Based Adult Services will be taking the place of the Adult Day Health Care Program), and SNFs. LTSS programs are generally provided through Medi-Cal FFS, while medical services, such as hospital and physician services, are provided through Medicare or Medi-Cal managed care.

One of the major LTSS programs is the IHSS program, which provides in-home care for persons who cannot safely remain in their own homes without such assistance. Under the IHSS program, approximately 365,000 in-home care workers provide care to approximately 445,000 recipients. In order to qualify for IHSS, a recipient must be aged, blind, or disabled and in most cases have income below the level necessary to qualify for the Supplemental Security Income/State Supplementary Program. County social workers perform an assessment to determine the number of hours and types of service to authorize an IHSS recipient to receive each month. Recipients are eligible to receive up to 283 hours per month of assistance with tasks such as bathing, housework, feeding, and dressing. The recipient is responsible for hiring and supervising a provider. IHSS is administered by DSS at the state level.

The Governor proposes a number of changes to the Coordinated Care Initiative (CCI) in the May Revision. The Administration is proposing to phase-in long-term care benefits as each county transitions into managed care. The Administration is reducing the number of counties in phase one from 10 to 8 (Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara) and will delay implementation from January 1, 2013 to March 1, 2013. Sacramento and Contra Costa counties, along with the other counties with existing Medi-Cal managed care plans, will be in the second phase of CCI implementation in 2014.

Counties will continue to assess and authorize hours for the In-Home Supportive Services (IHSS) program. Consumers will continue to select and direct their provider. The Administration is proposing a county-specific maintenance of effort to hold county expenditures to the estimated level that would have been incurred absent the CCI. As CCI is implemented, collective bargaining will eventually transition to the state. The Administration does not provide additional detail about collective bargaining changes; the most recent trailer bill language leaves collective bargaining to local public authorities and does not address future changes.

The modified CCI proposal saves $663.3 million in 2012-13 (as in January the savings are from the Medi-Cal payment deferral) and $887 million when fully implemented. The CCI savings are contingent on securing a six-month stable enrollment period and 50 percent shared savings from the federal government.

DISPOSITION:	Pending
LOCATION:	Assembly
VOTES:	04/25/2012 Senate Health Committee P 6-3
	05/07/2012 Senate Appropriations Committee P 5-2
	05/29/2012 Senate Floor P 25-13

See Attachment A for the Senate Floor analysis of SB 1503. Staff is presently monitoring this bill for its potential impacts on Contra Costa County and requests input from the Committee.

B. *SB 1220 (DeSaulnier): Housing Opportunity and Market Stabilization*

SB 1220, by Senator Mark DeSaulnier, would impose a fee of $75 on the recording of each real-estate related document, except for those documents recorded in connection with a transfer subject to documentary transfer tax, and directs the money to the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund.

The HOMeS Trust Fund would be used for the development, acquisition, rehabilitation, and preservation of homes affordable to low- and moderate-income households, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities. However, SB 1220 does not allocate funds to particular programs or uses. Instead, it leaves the decision on allocation to the Legislature each year as part of the budget process.

SB 1220 passed out of Senate Appropriations on May 24 but failed on the Senate Floor, 25-13.

DISPOSITION:	Failed
LOCATION:	SENATE
VOTES:	04/24/2012 Senate Transportation and Housing Committee P 6-2
	04/25/2012 Senate Governance and Finance Committee P 5-2
	05/24/2012 Senate Appropriations Committee P 5-2
	05/31/2012 Senate Floor F 25-13

C. *AB 1712 (Beall): Minors and Nonminor Dependents: Out-of-Home Placement*

AB 1712, by Assembly Member Jim Beall, is a technical clean up measure relating to 2010's Fostering Connections to Success Act, AB 12. The Act extended foster care services to youth up to age 21 and helps the state draw down additional foster care funding from the federal government.

AB 1712 was created with input from counties, foster family agencies, and myriad other stakeholders, all with a singular goal in mind: To make foster care services as accessible and efficient as possible for all youth and non-minor dependents that need them.

While the bill contains a number of very technical provisions, it also has an important provision that could make a substantial difference for youth participating in AB 12, depending on their date of birth. Because of the manner in which the original law was written, the AB 12 eligibility was phased in by age group, moving in 18-year-olds as of January 2012, 19-year-olds as of January 2013; and 20-year-olds as of January 2014 if funds allow.

Some youth who are already participating in AB 12 extended care are turning 19 during calendar year 2012 and are not able to remain in their placements, depending on their case circumstances and county that they live in. While some courts and counties have been able to allow some of their youth to remain in care, not every county has been able to provide this extension because associated funds were not built into the program's fiscal assumptions.

This provision has a small one-time cost associated with it. However, the bill also achieves savings in a number of ways that offset the cost associated with allowing these youth to remain in care for a few extra months before the January 2013 phase-in to age 20 takes effect. The author has submitted amendments to clarify that the bill closes this gap only for youth participating in AB 12 extended care who turn 19 during 2012, and that the bill is not otherwise eliminating the phase-in provisions of current law, which further reduces costs. The Brown Administration is proposing to extend care to age 21 on the regular phase-in schedule and build this funding into the County realignment base over the next three years, demonstrating the Governor's support for this program.

The Assembly Human Services Committee made technical amendments to AB 1712 on April 24 and passed the measure. AB 1712 passed out of the Assembly on May 30, 2012 and is pending in the Senate. CSAC supports this bill.

See Attachment B for CSAC letter of support for AB 1712 and Attachment C for the Assembly Floor analysis.

D. *ACA 18 (SWANSON): TAXATION: PARCEL TAX*

DIGEST: The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, and prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property.

This measure would alternatively condition the imposition, extension, or increase of a parcel tax by a city, county , or special district for the purpose of funding the maintenance or improvement of fire protection services or police protection services, or both, upon the approval of a majority of its voters voting on the proposition, and would also make conforming changes to related provisions.

The author notes that "since 2008, state and local governments have faced multi-billion dollar budget shortfalls. Local governments across the state have implemented cuts in core-public services including public safety to accommodate the falling revenues. As a result, firefighters and police officers faced a record number of layoffs. Fire departments are also increasingly relying on hiring freezes, reductions in salaries and benefits, and 'brown-outs,' a technique to eliminate permanent personnel and replace them with relief or overtime personnel. The risks posed by these cuts are passed on to the citizens, who have seen an increase in response time, fewer investigation and patrol units, and station closures. ACA 18 allows local communities to impose a parcel tax by a majority approval of the voters for the purpose of funding, maintaining or improving fire and police services."

Lowering the constitutional vote threshold for special taxes and bond indebtedness has been tried several times in past years. ACA 7 (Nation) from the 2005-06 legislative session would have lowered the constitutional vote requirement from two-thirds to 55% for any special tax. ACA 10 (Feuer) of 2008 would have created an additional exception to the 1% ad valorem property tax for transportation projects with 55% voter approval. There were several measures introduced in the 2009-10 session that would have revised constitutional voting thresholds for different

purposes, including ACA 10 (Torlakson), ACA 15 (Arambula), SCA 12 (Kehoe), ACA 9 (Huffman) and SCA 6 (Simitian), none of which were enacted.

Support arguments: The Peace Officers Research Association of California writes that "in these times of budget deficits, layoffs, and cutbacks, we need all options on the table for raising the funds necessary to keep our communities safe."

Opposition arguments: CalTax writes that "a two-thirds vote requirement on taxes ensures that no group or individual dominates quitter voices in a democracy. ACA 18 makes it easier for individuals or groups to exert their political will over the well-being of all individuals in a given jurisdiction."

This measure, a constitutional amendment, will require a two-thirds vote of each house. Since ACA 18 requires a two-thirds vote of the Legislature to pass, it very unlikely this bill would get off the Assembly Floor as no Republicans are voting for any tax increases. Unless there is some type of budget deal, this bill will not pass the Assembly. It could pass out of Assembly Revenue & Taxation Committee if all Democrats vote for it as they did in Assembly Local Government (Republicans voting no). Constitutional amendments are exempt from the legislative deadlines. However, if they are to go on the November ballot, they must be passed in time for the Secretary of State to print ballots (technically late June, but the Legislature can extend the ballot printing deadline). Assembly Revenue and Taxation has scheduled ACA 18 for a June 18 hearing.

DISPOSITION: Pending
LOCATION: Assembly Revenue and Taxation Committee

See Attachment D for a letter of support from Chief Louder for ACA 18.

E. *AB 1442 (WIECKOWSKI): PHARMACEUTICAL WASTE*

SUMMARY: Defines pharmaceutical waste for purposes of the Medical Waste Management Act. Authorizes a medical waste generator or parent organization that employs health care professionals who generate pharmaceuticals to apply to the enforcement agency for a pharmaceutical waste hauling exemption if the generator meets specified requirements. Authorizes such waste to be transported by specified entities to include the generator, health care professional, or a common carrier.

According to the author, "Under existing law, pharmaceutical drugs can be sent to health care facilities through standard common carriers, or standard shipping means. Unused drugs can sometimes be returned to the manufacturer for credit, via a common carrier. Expired and non-dispensable drugs must be shipped as "Medical Waste," requiring expensive hazardous waste shipping, instead of common carrier. This is unnecessarily expensive for pharmacies, hospitals, and other health care facilities, who are simply returning the exact same drug that was shipped to them by common carrier."

Regulation of pharmaceutical waste under the Medical Waste Management Act (MWMA): Pharmaceutical wastes that must be managed according to the MWMA are those that are classified as "California only hazardous waste" by Chapter 11, Title 22,

If a pharmaceutical waste meets the criteria of a California hazardous waste, it must be segregated in an appropriate container, properly labeled, stored, manifested, transported and incinerated at a regulated medical waste incinerator or destroyed through another method approved by the California Department of Public Health (CDPH). The MWMA prohibits a person from hauling medical waste unless the person is either a registered hazardous waste hauler or has an approved limited-quantity exemption.

It is common practice for pharmacies and other health care facilities to return unused pharmaceuticals to the manufacturer for credit or disposal. Health care facilities have the option of hiring reverse distributors to manage their unused and/or expired medication that could be returned to the manufacturer or wholesaler for credit. The reverse distributor determines which medications may be returned to the manufacturer or wholesaler for credit and arranges for disposal of unused medications that are waste. Once the unused pharmaceutical is determined to be ineligible for credit, it becomes waste and must be managed as such.

In California, reverse distributors are regulated by both the Board of Pharmacy (BOP) and the CDPH. The BOP regulates activities involving "dangerous drugs," as defined in Business and Professions Code (BPC) Section 4022, which includes prescription medications. Reverse distributors that intend to receive "outdated or nonsalable dangerous drugs," which could include potentially creditable drugs, must register with the BOP as "drug wholesalers" (BPC Sections 4040.5, 4043 and 4160). However, once a pharmaceutical is designated as "medical waste" pursuant to the MWMA, it is regulated by the CDPH (HSC Section 117690). For purposes of the MWMA, the term "pharmaceutical" isn't restricted to "dangerous drugs" as set forth in the BPC, but rather is intended to cover all pharmaceuticals, including both prescription and over-the-counter drugs (HSC Section 117747).

The MWMA requires that medical waste pharmaceuticals be sent to reverse distributors via a licensed hazardous waste hauler (HSC Section 118000). However, according to DPH's Self-Assessment Manual for Proper Management of Medical Waste, pharmaceuticals that have "intrinsic value" (such as outdated or otherwise unsalable pharmaceuticals that are returned for credit) are not considered "waste" and, thus, may be shipped to a reverse distributor via a common carrier. Therefore, under current law, whether or not a pharmaceutical is creditable determines whether it must be transported via a registered waste hauler or is authorized to be transported via common carrier. As is authorized under current law for outdated or otherwise unsalable creditable pharmaceuticals, this bill authorizes the transportation of outdated or otherwise unsalable non-creditable pharmaceuticals, which are designated as medical waste, via a common carrier.

DISPOSITION: Pending
LOCATION: SENATE

See Attachment E for a letter of support from the California Product Stewardship Council (CPSC) for AB 1442 and the Assembly Appropriations Committee analysis.

F. *SB 1156 (STEINBERG): SUSTAINABLE COMMUNITIES INVESTMENT AUTHORITY*

DIGEST: This bill authorizes a city and county that included the territory of a redevelopment agency to form a Sustainable Communities Investment Authority to carry out Community Redevelopment Law, using the assets of a former redevelopment agency as well as new revenues that the bill authorizes.

Senate Floor Amendments of 5/29/12 delete the authority for a city council to form a Sustainable Communities Investment Authority that receives only the city's share of tax increment revenue.

ANALYSIS: Until 2011, the Community Redevelopment Law allowed local officials to set up redevelopment agencies (RDAs), prepare and adopt redevelopment plans, and finance redevelopment activities. A redevelopment agency kept the property tax increment revenues generated from increases in property values within a redevelopment project area. As a redevelopment project area's assessed valuation grew above its base-year value, the resulting property tax revenues, the property tax increment, went to the RDA instead of going to the underlying local governments. When a redevelopment agency diverted property tax revenues from a school district, the State General Fund paid the difference.

Citing a significant State General Fund deficit, Governor Brown's 2011-12 budget proposed eliminating RDAs and returning billions of dollars of property tax revenues to schools, cities, and counties to fund core services. Among the statutory changes that the Legislature adopted to implement the 2011-12 Budget, AB 26X1 (Blumenfield), Chapter 5, Statutes of 2011-12 First Extraordinary Session, dissolved all RDAs.

This bill authorizes a city and county that includes territory of a former RDA to form a Sustainable Communities Investment Authority (Authority) to carry out the Community Redevelopment Law, as specified.

Specifically, this bill:

1. Authorizes the Authority to enter into financial and other agreements with community colleges, K-12 school districts, and private businesses to "facilitate the development and operation of articulated career technical education pathways."

2. Authorizes the Authority to adopt a redevelopment plan for a project area that would expire within 30 years of the first issuance of bonded indebtedness.

3. Places the specified limits on project area designations: (1) for regions within a metropolitan planning organization (MPO) with an adopted sustainable communities strategy (SCS) that has been accepted by the Air Resources Board, possible project areas may include transit priority areas identified in an SCS and for each jurisdiction, one small walkable community, as specified; or (2) sites that have land use approvals or other controls restricting the site to clean energy manufacturing and sites consistent with the SCS, if those sites are within the geographic boundaries of an MPO.

4. Authorizes a state or local public pension fund to invest in public infrastructure projects and private commercial and residential development undertaken by an Authority.

5. Authorizes an Authority to implement a local transactions and use tax, above the state's base 7.25 percent sales and use tax, provided that the resolution authorizing the tax designates the use of the proceeds of the tax.

6. Authorizes an Authority to issue bonds paid for with authority proceeds in order to carry out the provisions of this bill.

7. Authorizes an Authority to exercise the powers of an infrastructure financing district to divert property tax increment revenues and issue bonds to pay for public works.

8. Authorizes an Authority to finance infrastructure by issuing bonds and lending the proceeds for public works, working capital, and insurance programs as provided in the Marks-Roos Local Bond Pooling Act.

9. Statutorily redefines the term "district" as used in Article XVI, Section 16 of the California Constitution for purposes of calculating redevelopment tax increment, to exclude school districts and special districts.

10. Provides additional governance structures that allow cities to capture the full increment subject to county approval, or to capture only the city share of the increment.

11. Requires the adoption of a jobs plan, prevailing wage provisions, and developer prequalification provisions in connection with the establishment of a Sustainable Communities Investment Area.

DISPOSITION: Pending
LOCATION: ASSEMBLY

See Attachment F for a report on the bill from staff of the Department of Conservation and Development.

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The various other bills that staff is monitoring are listed on Attachment G.

2011 CA S 1503: Bill Analysis - Senate Floor - 05/10/2012

Item #5--Attachment A

BILL ANALYSIS

SENATE RULES COMMITTEE SB 1503
Office of Senate Floor Analyses
1020 N Street, Suite 524
(916) 651-1520 Fax: (916) 327-4478

THIRD READING

Bill No: SB 1503

Author: Steinberg (D), et al.

Amended: 4/9/12

Vote: 21

SENATE HEALTH COMMITTEE: 6-3, 4/25/12

AYES: Hernandez, Alquist, De Leon, DeSaulnier, Rubio, Wolk

NOES: Harman, Anderson, Blakeslee

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/7/12

AYES: Kehoe, Alquist, Lieu, Price, Steinberg

NOES: Walters, Dutton

SUBJECT: In-Home Supportive Services program

SOURCE: California United Homecare Workers SEIU California United Domestic Workers/AFSCME Local 3930

DIGEST: This bill requires the Director of the Department of Social Services (DSS) and the Director of the Department of Health Care Services (DHCS) to convene a stakeholder group to design a plan for the integration of long-term services and supports (LTSS) programs, and requires the plan to include specified components.

ANALYSIS:

Existing law:

1. Establishes the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services to permit them to remain in their own homes and avoid institutionalization.

2. Establishes a list of covered benefits under the Medi-Cal program, which includes hospital services, prescription drugs, physician services, skilled nursing facility (SNF) care, and personal care services.

3. Requires DHCS to seek federal approval to establish a pilot program in up to four counties for Medi-Cal beneficiaries who are dually eligible for Medicare and Medi-Cal, under which DHCS can require that dual eligibles are assigned as mandatory enrollees into Medi-Cal managed care plans.

This bill:

1. Requires the Director of DSS and the Director of DHCS to convene a stakeholder group to design a plan for the integration of programs, and requires the plan to include specified components.

2. Requires, prior to development of the plan, a process for receiving and including consumer input to be established. Requires the plan to do at least all of the following:

A. Build incentives into the health care delivery system so that home- and community-based services become the first option for long-term care, and specify that the purpose of these incentives is to ensure that a person who is able to receive long-term care at home receives it;

B. Adopt coordinated care models that integrate IHSS and other LTSS programs, including SNF, to ensure that consumer needs are met across the entire spectrum of care;

C. Specify that the overall intent of this integration is to improve consumer health and well-being, and to maximize the cost-effectiveness of health care delivery to consumers;

D. Maintain the key social model components of the IHSS program and refocus the health care delivery system to include the social model as a primary component of coordinated care delivery;

E. Maintain a consumer's right to hire, fire, and supervise his or her home care provider or providers to the extent the consumer is able;

F. Require that consumers who elect to be a part of an integrated care plan are authorized to participate on their own health care teams, and to be able to allow their home care providers to also be a part of their health care teams;

G. Ensure that home care providers have the tools they need to help consumers manage chronic conditions and prevent additional health care needs, including access to adequate training based on the wants and needs of the consumer; and

H. Specify that county social workers continue to assess and reassess consumers to determine their care needs and the number of care hours they receive.

Comments

Governor's budget proposal. The Governor's 2012-13 Budget proposes a Coordinated Care Initiative phased in over three years with the goal of improving beneficiary health outcomes and care quality while achieving substantial savings from the rebalancing of care delivery away from institutional settings and into people's homes and communities. The proposal consists of three major components: an expansion of mandatory enrollment of dual eligibles into Medi-Cal managed care; an expansion of geographic regions covered by Medi-Cal managed care, and an expansion of the scope of services covered within a Medi-Cal managed care plan (instead of fee-for-service [FFS]).

First, the Governor's Administration proposal would expand the existing four-county, dual-eligible demonstration project to up to 10 counties in 2013, by an additional 20 counties in 2014, and statewide in 2015. Under these pilots, dual-eligible individuals would be required to enroll in a Medi-Cal managed care plan for Medi-Cal services (instead of receiving services through FFS Medi-Cal), and would be passively enrolled for Medicare services (meaning individuals could "opt out" of managed care for Medicare services). Second, the proposal requires LTSS programs (including IHSS) to be provided through managed care plans, instead of through FFS. Third, the proposal requires the geographic expansion of the mandatory enrollment of individuals into Medi-Cal managed care in the 28 counties that are still currently FFS.

This bill addresses the integration of LTSS programs into Medi-Cal managed care. Major LTSS programs that are part of Medi-Cal include IHSS, the Multi-Purpose Senior Services Program, Community-Based Adult Services (Community-Based Adult Services will be taking the place of the Adult Day Health Care Program), and SNFs. LTSS programs are generally provided through Medi-Cal FFS, while medical services, such as hospital and physician services, are provided through Medicare or Medi-Cal managed care.

One of the major LTSS programs is the IHSS program, which provides in-home care for persons who cannot safely remain in their own homes without such assistance. Under the IHSS program, approximately 365,000 in-home care workers provide care to approximately 445,000 recipients. In order to qualify for IHSS, a recipient must be aged, blind, or disabled and in most cases have income below the level necessary to qualify for the Supplemental Security Income/State Supplementary Program. County social workers perform an assessment to determine the number of hours and types of service to authorize an IHSS recipient to receive each month. Recipients are eligible to receive up to 283 hours per month of assistance with tasks such as bathing, housework, feeding, and dressing. The recipient is responsible for hiring and supervising a provider. IHSS is administered by DSS at the state level.

FISCAL EFFECT:

Appropriation: No

Fiscal Com.: Yes

Local: No

According to the Senate Appropriations Committee, "Absorbable costs to convene the stakeholder group and develop plans. The two departments have already initiated an extensive stakeholder group to consider issues relating to the integration of LTSS pursuant to the dual-eligible demonstration project. The requirements of this bill should be absorbable within those efforts."

SUPPORT: (Verified 5/8/12)

California United Homecare Workers (co-source) SEIU California (co-source) United Domestic Workers/AFSCME Local 3930 (co-source)

Item #5--Attachment A

ARGUMENTS IN SUPPORT: This bill is jointly sponsored by United Domestic Workers/AFSCME Local 3930 (UDW/AFSCME), California United Homecare Workers and SEIU. UDW/AFSCME writes that this bill protects the IHSS benefit as an entitlement and its key social model components while providing fiscal incentives for home and community-based care over more costly and less desirable institutional care, while ensuring that home care providers have the appropriate tools and training necessary to care for California's most vulnerable population.

UDW/AFSCME states California's current system for delivering medical care and LTSS programs, including IHSS, to seniors and people with disabilities is fragmented. A lack of care coordination and misaligned financial incentives often result in high rates of avoidable hospitalization and institutionalization, hard to navigate bureaucratic structures, and escalating costs. UDW/AFSCME states there is a clear need to reduce fragmentation, increase access to necessary services, and create financial incentives that promote and prioritize home and community-based care. This bill aims to address these issues by integrating IHSS and other LTSS programs, including SNF care, into a coordinated care model that ensures that consumer needs are met across the entire spectrum of care.

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California State Association of Counties

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May 22, 2012

The Honorable Felipe Fuentes
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, California 95814

Re: AB 1712 (Beall): CalWORKs: Minors and Nonminor Dependents: Out of Home Placement
As Amended 4/26/12 – SUPPORT
Assembly Appropriations Committee

Dear Assembly Member Fuentes:

The California State Association of Counties (CSAC) has taken a SUPPORT position on AB 1712, a measure to clarify specific issues related to the implementation of the California Fostering Connections to Success Act.

Assembly Bill 1712 was created to clear ongoing technical hurdles associated with the landmark California's Fostering Connections to Success Act legislation of 2010, which raised the foster care age in California up to 21. Assembly Bill 1712 is the result of input from counties, foster family agencies, and myriad other stakeholders – all with a singular goal in mind: Make foster care services as accessible and efficient as possible for all youth and nonminor dependents who need them.

The measure, among other things, would classify Transitional Housing Placement Plus (THP+) Foster Care as a community care facility and streamline the background check administration for those facilities. It would make nonminor dependents eligible for the County-Appointed Special Advocate (CASA) program, and allow CalWORKs payments to be made to families who care for a California foster child regardless of their location. Additional provisions relate to making it easier to adopt children and streamline the payments for families and relatives that care for these children.

Assembly Member Beall's AB 1712 is an ambitious, but very much needed, attempt to ensure the continued implementation and success of the California's Fostering Connections to Success Act for the minors and nonminors who rely on these critical services. It is for these reasons that CSAC strongly supports AB 1712. Should you have any questions about our position, please do not hesitate to contact me at 327-7500, ext. 531 or kbrooks@counties.org or Farrah McDaid Ting, at 650-8110 or fmcdaid@counties.org. Thank you.

Sincerely,

As signed

Kelly Brooks-Lindsey
Legislative Representative

cc: The Honorable Jim Beall, Member, California State Assembly
Members, Assembly Appropriations Committee
Lisa Murawski, Consultant, Assembly Appropriations Committee
Julie Salley-Gray, Consultant, Assembly Appropriations Committee
Mary Bellamy, Assembly Republican Caucus
Lark Park, Deputy Legislative Secretary, Office of the Governor
Cathy Senderling-McDonald, County Welfare Directors Association

2011 CA A 1712: Bill Analysis - Assembly Floor - 05/30/2012

BILL ANALYSIS

ASSEMBLY THIRD READING

AB 1712 (Beall)

As Amended May 25, 2012

2/3 vote. Urgency

HUMAN SERVICES 5-0	APPROPRIATIONS 12-0
Ayes: Beall, Ammiano, Grove, Hall, Portantino	Ayes: Fuentes, Blumenfield, Bradford, Charles Calderon, Campos, Davis, Gatto, Ammiano, Hill, Lara, Mitchell, Solorio

SUMMARY: Makes various technical and clarifying changes to the California Fostering Connections to Success Act of 2010 (AB 12). Specifically,this bill:

1)Makes the nonminor dependents or youth participating in AB 12 (Beall and Bass), Chapter 559, Statutes of 2010, eligible for the court-appointed special advocate (CASA) program so that volunteer CASAs can provide designated services and support to youth under the jurisdiction of the juvenile court.

2)Allows 18 year-olds currently receiving extended AB 12 foster youth services who turn 19 in the current calendar year to continue to receive those services.

3)Exempts a parenting youth from referral by the county child welfare department to the local child support agency for the payment of child support while in foster care.

4)Clarifies that the social worker or probation officer should give notice of review hearings in dependency proceedings to nonminor dependents and any known siblings.

5)Includes Transitional Housing Program Plus - Foster Care (THP-Plus FC) within the definition of a community care facility for purposes of the Community Care Facilities Act.

6)Transfers the approval of THP-Plus FC providers serving nonminor dependents from the counties to the State Department of Social Services (DSS).

7)Declares this an urgency measure to take effect immediately upon signature of the Governor.

8)See Assembly Human Services Committee analysis for more information on this measure.

EXISTING LAW:

1)Establishes the California Fostering Connections to Success Act of 2010 (AB 12) which, among other provisions:

a) Provides a voluntary program for youth who meet specified work and education participation criteria for the extension of transitional foster care to eligible youth up to age 19 in 2012, age 20 in 2013, and upon appropriation by the Legislature, age 21 in 2014; and,

b) Conforms to federal revisions to the Kin-GAP program in order to allow for federal financial participation in the program.

2)Defines a "nonminor dependent" as, on or after January 1, 2012, a current or former foster child between the ages of 18 and 21 who is in foster care under the responsibility of the county welfare department, county probation department, or Indian Tribe and is participating in a transitional independent living plan.

3)Provides that a nonminor ages 18-21 shall continue to receive foster care assistance under certain conditions, including that the nonminor is otherwise eligible for Aid to Families with Dependent Children - Foster Care (AFDC-FC) benefits, has signed a mutual agreement, and when one or more of the following conditions exist:

a) The nonminor is working toward their high school education or an equivalent credential;

b) The nonminor is enrolled in a postsecondary institution or vocational education program;

c) The nonminor is participating in a program or activity designed to promote, or remove barriers to employment;

d) The nonminor is employed for at least 80 hours per month; or,

e) The nonminor is incapable of doing any of the activities described in a) through d) above, due to a medical condition, and that incapability is supported by regularly updated information in the case plan of the nonminor.

4)See Assembly Human Services Committee analysis for more information on existing law.

FISCAL EFFECT: According to the Assembly Appropriations Committee:

1)Costs for removing the phase-in for 19-year olds already in extended foster care will be approximately $1.6 million ($1.1 million General Fund (GF)) in 2012-13 and $260,000 ($175,000 GF) in 2013-14 for the administrative and grant costs associated with allowing the youth to remain in care.

2)GF savings of over $1 million in 2012-13, growing to over $15 million by 2016-17 due to the increased federal financial participation associated with expanding the definition of "kin" and allowing more families to move from non-related legal guardian status (NRLG) to the kinship guardianship program.

3)Up to $200,000 ($68,000 GF) per year in administrative savings in the child welfare program for every 25 non-minor dependents who leave the child welfare system through adult adoption or tribal customary adoption.

NOTE: Amendments taken in the Assembly Appropriations Committee substantially reduce the costs associated with paragraph one above regarding the removal of the phase-in for 19-year olds. Specifically, the amendments limit extended AB 12 foster youth services eligibility to 18-year olds who turn 19 in the 2012 calendar year and were previously receiving those services, rather than all otherwise former foster youth who are 19 years of age in 2012.

COMMENTS:

California Fostering Connections to Success Act of 2010: AB 12 (Beall and Bass) Chapter 559, Statutes of 2010, was a landmark piece of child welfare legislation in California opting the state into two provisions of the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 (Fostering Connections Act) (P.L. 110-351). Specifically, AB 12:

1)Re-enacted California's existing state and county-funded Kin-GAP program to align it with new federal requirements and allow the state to bring federal financial participation into our kinship guardian assistance program for the first time; and,

2)Provides transitional foster care support to qualifying foster youth ages 18 to 21, phased-in over three years, beginning in 2012.

The goal of AB 12 is to assist foster youth, or "nonminor dependents" as they are referred to in statute, in their transition to adulthood by providing them with the opportunity to create a case plan alongside their case worker tailored to their individual needs, which charts the course towards independence through incremental levels of responsibility. It is a voluntary program grounded in evidence of how the option of continued support to age 21 can counter the dismal outcomes faced by youth who are forced to leave the foster care system at age 18, including high rates of homelessness, incarceration, reliance on public assistance, teen pregnancy, and low rates of high school and postsecondary graduation.

In order to be eligible to continue foster care benefits up to age 21, a nonminor dependent youth must: continue under the jurisdiction of the juvenile court; sign a mutual agreement which commits both the nonminor and the placing agency to certain responsibilities; reside in an approved, supervised placement; work alongside their caseworker to prepare and participate in their transitional independent living case plan; and have their status reviewed every six months.

Need for this bill: According to the author, as AB 12 and its follow-up measure AB 212 (Beall), Chapter 459, Statutes of 2011, have been reviewed and assessed for implementation by various stakeholders following enactment, requests for needed clarifying and technical changes have emerged. As implementation has commenced and additional federal guidance has been received, the need for subsequent legislation has become clear and thus the need for this bill.

As AB 12 was initially enacted, it authorized the county to review and approve transitional housing program providers as an initial step in making available placements and services for youth. An urgency clause is necessary so that the transfer of the THP-Plus FC program to Community Care Licensing Division (CCLD) can be implemented as quickly as possible so these critical placements can be made available to youth and to avoid the numerous obstacles counties have in attempting to perform the approval.

Support: The California Coalition for Youth writes that about "80,000-95,000 homeless youth are currently living on the streets of California and about 60% of youth being served are either self-emancipating from a foster home or have been prior to this year aging out of the foster care system at eighteen without shelter. The bill will treat the THP-Plus Foster Care program as the State treats other residential care facilities and will promote consistency across the state for providers, without having each county potentially develop different requirements."

The County Welfare Directors Association (CWDA) writes that "[e]nsuring that AB 12 is properly implemented and that the affected youth have an opportunity to succeed in life is high on the list of priorities for our organization's membership. For these reasons CWDA is pleased to be a CO-SPONSOR" of AB 1712."

Aspiranet writes that this bill "provides clarification over inter-county transfers, allowance for adult adoptions of nonminor dependents, their rights to their records and other issues that have arisen as the state implements the extension of foster care. Most foster youth leaving the system do not have a good support system that would prevent them from becoming homeless or entering the criminal justice system, which further costs the state. We need to give them the best opportunity to succeed."

Analysis Prepared by: Chris Reefe / HUM. S. / (916) 319-2089

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Assembly
California Legislature

SANDRÉ R. SWANSON
ASSEMBLYMEMBER, SIXTEENTH DISTRICT

COMMITTEES
CHAIR, LABOR AND EMPLOYMENT
CHAIR, SELECT COMMITTEE ON STATE SCHOOL FINANCIAL TAKEOVERS
CHAIR, STATUS OF BOYS AND MEN OF COLOR IN CALIFORNIA
BUDGET
BUDGET SUBCOMMITTEE #2 ON EDUCATION FINANCE
ELECTIONS & REDISTRICTING
UTILITIES & COMMERCE
WORKFORCE INVESTMENT BOARD

SELECT COMMITTEES
BIOTECHNOLOGY
DELINQUENCY PREVENTION AND YOUTH DEVELOPMENT
HEALTHCARE WORKFORCE AND ACCESS TO CARE
PRESERVATION OF CALIFORNIA'S ENTERTAINMENT INDUSTRY
PORTS
PROCUREMENT

April 11, 2012

Fire Chief Daryl Louder
2010 Geary Road
Pleasant Hill, CA 94523

Re: Support request for ACA 18 (First Responders Initiative)

Dear Colleague:

I am writing to respectfully request your support for ACA 18, the First Responders Initiative.

City and county governments are facing serious budget deficits all across California. First Responder services in your area will unfortunately feel the full force of this crisis through imposed austerity measures and layoffs. Local governments simply cannot raise enough revenue to offset these insufficiencies.

ACA 18 fixes this problem.

Under existing state law, city, counties, and special districts may only impose a special tax with a 2/3 "supermajority" of voters. Consequently, police, fire, and emergency response services must jump through extensive political hurdles in order to receive adequate financing. Given our state's current economic challenges, these crucial services are in jeopardy in cities and counties that cannot secure a supermajority of voters.

ACA 18 would amend California's Constitution to authorize cities, counties, and special districts to impose special parcel taxes to fund the maintenance or improvement of fire and police services with only a majority vote. Do not let these essential services be compromised for the sake of a supermajority consensus.

This constitutional amendment recognizes the importance of these emergency services as well as the mechanisms that finance them. Support ACA 18 and save your local fire and police departments!

✓ Yes, please include me as a supporter for this bill.

Signature

Daryl Louder
Name (Please Print)

For additional information, please contact Angela R. Haywood at (916) 319-2016.
Please return to Room 6012 or fax to (916) 319-2116

2011 CA A 1442: Bill Analysis - Assembly Appropriations Committee - 04/18/2012

BILL ANALYSIS

Date of Hearing: April 18, 2012

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Felipe Fuentes, Chair

AB 1442 (Wieckowski) - As Amended: March 27, 2012

Policy Committee: Environmental Safety and Toxic Materials

Vote: 8-0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY

This bill authorizes a pharmaceutical waste hauling exemption that allows pharmaceutical waste to be transported according to requirements that are less stringent than those applicable to medical waste.

Specifically, this bill:

1) Defines pharmaceutical waste as any pharmaceutical that may no longer be sold or dispensed as a drug.

2) Creates new documentation requirements of medical waste generators who use a common carrier to transport pharmaceutical waste offsite for treatment and disposal.

3) Authorizes a medical waste generator to apply for an exemption from medical waste requirements so as to allow pharmaceutical waste to be transported by a common carrier.

FISCAL EFFECT

1) Annual special fund costs of approximately $280,000 (equivalent to three positions) in 2012-13 through 2014-15 to the Department of Public Health-the state agency that enforces medical waste transport-to coordinate with stakeholders statewide, oversee rulemaking process and develop regulations.

2) Annual special fund costs of approximately $159,000 (equivalent to two positions) to the department to review exemption requests and ensure compliance with documentation requirements.

COMMENTS

1) Rationale. The author notes that new pharmaceuticals, as well as unused pharmaceuticals, may be shipped by standard common carrier transport. The author further notes that current law classifies pharmaceutical waste, such as expired or otherwise unusable medications, as medical waste, which generally must be treated, for transport purposes, as hazardous waste. The author contends this stringent shipping requirement creates costs for hospitals, pharmacies and other medical facilities without increasing public health or safety.

2) Background. The California Medical Waste Management Act defines certain types of waste comprised of pharmaceuticals a biohazardous waste, which must be handled and transported as a hazardous waste, consistent with the California Hazardous Substances Act (CHSA). According to the Department of Toxic Substance Control, the state agency charged with implementing the CHSA, hazardous waste can be transported only by a registered hazardous waste hauler and compliant with stringent handling requirements. According to DPH, which enforces requirements on the transport of medical waste, there are nearly 11,000 entities in 28 counties that could apply for the exemption to medical waste transport requirement provided by this bill.

3) Support. This bill is supported by EXP Pharmaceutical Services (sponsor), the California Product Stewardship Council and several other organizations.

4) There is no formal opposition registered to this bill.

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081

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CPSC
California Product Stewardship Council SM

1822 21st Street, Suite #100
Sacramento, CA 95811
916-706-3420

www.CalPSC.org

March 2, 2012

The Honorable Bob Wieckowski
California State Assembly
State Capitol Room 4162
Sacramento, CA 95811

RE: AB 1442 (Wieckowski) Reverse Distribution of Pharmaceuticals – Support

Dear Assemblymember Wieckowski,

The California Product Stewardship Council (CPSC) is an organization of 126 California local governments and hundreds of business partners, interested non-profits and individuals who are working towards a single mission: To shift California's product waste management system from one focused on government-funded and ratepayer financed waste diversion to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote sustainability.

CPSC is pleased to support AB1442. Our organization is concerned about the challenge of pharmaceutical waste. Each year over $225 billion in medications are prescribed; and it is expected to grow to $550 billion by 2017. A 2002 study by the United States Geological Survey (USGS) found that 80% of streams in the U.S. have measurable concentrations of prescription drugs including steroids and hormones. We also know that 40% of prescribed drugs are not taken making it critical to have an effective recovery program to protect our water and food supply from unintended harmful effects on human health. Without convenient disposal options, people often leave expired or unused drugs in their home where they can be stolen by drug abusers, or are discarded by dumping them down drains, flushing them down toilets, and throwing them in the trash.

We have reviewed AB 1442 and believe the approach taken in health care facilities to ship all unwanted pharmaceuticals to permitted Medical Waste Transfer stations or treatment facilities via common carriers should be applied to pharmacies and other possible collection venues as AB 1442 allows. If reverse distribution via common carrier can be used, it will greatly reduce the cost to recover waste pharmaceuticals. We are also pleased to see the bill removes barriers for medical facilities to dispose of pharmaceuticals correctly to further protect water quality.

California needs a statewide pharmaceutical take-back program and we encourage pharmaceutical companies to help establish one. Until that happens, whether it is a local government supported take-back program or an independent pharmacy trying to help their customers manage unwanted medication, this bill will reduce the cost of proper pharmaceutical management.

Sincerely,

Heidi Sanborn

Heidi Sanborn, Executive Director

Cc: Caroll Mortensen, Director, CalRecycle

Attachment A: Who is CPSC

Department of Conservation & Development

30 Muir Road
Martinez, CA 94553-4601

Phone: 925-674-7830

Catherine Kutsuris
Director

Aruna Bhat
Deputy Director
Community Development Division

Jason Crapo
Deputy Director
Building Inspection Division

Steven Goetz
Deputy Director
Transportation, Conservation and Redevelopment Programs

To: Legislation Committee

From: Steven Goetz, Deputy Director – Conservation and Development Programs

Date: June 5, 2012

SUBJECT: Agenda Item #5F: SB 1156 (Steinberg), Sustainable Communities Investment Authority

RECOMMENDATION:

Support SB 1156 which calls for the formation of a Community Development and Housing Joint Powers Authority (Authority), on or after July 1, 2012 to carry out provisions of Community Redevelopment Law.

BACKGROUND:
The budget committees of the Assembly and Senate are reviewing various clean-up bills to amend provisions of the Redevelopment Dissolution Act and this is one of many initiatives being considered. A copy of the proposal in redline/strikeout format is included in the attached to this report.

The purpose of SB 1156 is to authorize the Authority to adopt a plan for sustainable community investment and to include in that plan a provision for the receipt of tax increment funds provided that specific requirements are met. It also establishes a new financing option for cities and counties. Additional amendments are expected to be added to this bill on or after July 1, 2012. Staff is in the process of reviewing this, as well as other bills, and will report back after July 1, 2012 with any new updates and developments on the formation of a Joint Powers Authority.

Staff recommends support for this bill due to the fact that it preserves low and moderate income housing funds, affordable housing programs, and establishes a mechanism to receive much needed tax increment dollars to accomplish some of the objectives that were being implemented by the former RDA.

Consequences of a Negative Action:
If no action is taken, the Board will not be able to influence the content of the Trailer Bill

AMENDED IN SENATE MAY 29, 2012

AMENDED IN SENATE MAY 25, 2012

AMENDED IN SENATE APRIL 30, 2012

AMENDED IN SENATE MARCH 29, 2012

SENATE BILL No. 1156

Introduced by Senator Steinberg

February 22, 2012

An act to add Part 1.86 (commencing with Section 34191.1) to Division 24 of the Health and Safety Code, and to amend Section 21094.5 of the Public Resources Code, relating to economic development, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1156, as amended, Steinberg. Sustainable Communities Investment Authority.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies. Existing law requires that the successor agency, among other things, wind down the affairs of the former redevelopment agency and dispose of assets and properties of the former redevelopment agency, as directed by an oversight board.

Existing law provides for various economic development programs that foster community sustainability and community and economic development initiatives throughout the state.

This bill would authorize the legislative bodies of the city and county of a sustainable communities investment area, as described, to form

~~after July 1, 2012,~~ a Sustainable Communities Investment Authority (authority) to carry out the Community Redevelopment Law, as amended, to increase, improve, and preserve the community's supply of low- and -moderate-income housing available at affordable housing cost. ~~The bill would specify the process by which the governing body of an authority may be formed.~~ The bill would authorize the authority to adopt a plan for a sustainable communities investment area and to include in that plan a provision for the receipt of tax increment funds provided that specified requirements are met.

The bill would establish prequalification requirements for construction contracts that will receive more than $1,000,000 from the Sustainable Communities Investment Authority and would require the Department of Industrial Relations to monitor and enforce compliance with prevailing wage requirements for specified projects. The bill would deposit moneys received by the department from developer charges related to the costs of monitoring and enforcement in the State Public Works Enforcement Fund. By depositing a new source of revenue in the State Public Works Enforcement Fund, a continuously appropriated special fund, the bill would make an appropriation.

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

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

SECTION 1. Part 1.86 (commencing with Section 34191.1) is added to Division 24 of the Health and Safety Code, to read:

PART 1.86. ECONOMIC DEVELOPMENT AND HOUSING PROGRAM

Chapter 1. General Provisions

34191.1. (a) The Legislature finds and declares that better economic development patterns in California can contribute to greater economic growth by reducing commuter times for employees, reducing the costs of public infrastructure, and reducing energy consumption. Better development patterns may also result in increased options in the type of housing available, more affordable housing, and a reduction in a household's combined housing and transportation costs.

(b) The construction industry has been one of the sectors hardest hit by the economic downturn of recent years. Creating incentives for construction can help restore construction jobs, which are essential for a restoration of prosperity.

(c) Economic development patterns can also help California attain some of its long-term strategic environmental objectives including reduced air pollution, greater water conservation, reduced energy consumption, and increased farmland and habitat preservation.

(d) Implementation of the growth plans identified by the metropolitan planning organizations in their sustainable communities strategies, and in particular the development of areas identified for transit priority projects, is essential if California is to achieve the multiple benefits that would result from economic development. Implementation of growth plans in transit priority areas requires redevelopment of existing developed areas.

(e) In addition to economic pressures from the current recession, development of transit priority projects remains challenging. Infrastructure is often old and inadequate. Sites may suffer from contamination that is expensive to remediate. The high construction costs in urban areas, particularly for multifamily dwellings, create an additional challenge. For these reasons, it is critical to restructure and refocus redevelopment in California to assist in achievement of these multiple benefits.

(f) At the same time, California cannot afford a redevelopment program that causes schools to lose revenue at a time when investing in education is also key to the state's economic prosperity. A growth plan for the state consistent with regional sustainable communities strategies must also provide that schools are able to play their full role in achieving the future of California.

(g) The elimination of redevelopment agencies has resulted in the loss of approximately one billion dollars ($1,000,000,000) annually in low- and moderate-income housing funds for communities throughout the state. Communities need alternative, permanent sources of revenue to support the continued production of affordable housing units. To this end, it is the intent of the Legislature to preserve the provisions of the Community Redevelopment Law, as it was proposed to have been amended by Senate Bill 450 of the 2011–12 Regular Session, to increase,

improve, and preserve affordable housing through a new economic development strategy for the state.

(h) The Legislature finds that a comprehensive strategy for the long-term economic development of the state must encourage the creation of workforce skills needed to attract and retain a high-wage workforce, in addition to public infrastructure requirements. Public investments in human capital are as vital to the long-term growth of the state's economy as investments in physical capital.

34191.2. For purposes of this part, "authority" or "Sustainable Communities Investment Authority" means the entity formed under Chapter 2 (commencing with Section 34191.10). That entity shall be regarded as an "agency" pursuant to Section 33003.

Chapter 2. Sustainable Communities Investment Authority

34191.10. (a) A Sustainable Communities Investment Authority may be formed after July 1, 2012, to carry out the provisions of the Community Redevelopment Law (Part 1.8 (commencing with Section 33000)), as it is amended by Senate Bill ___ of the 2011–12 Regular Session, to increase, improve, and preserve the community's supply of low- and -moderate-income housing available at an affordable housing cost. An authority may be formed as follows:

(1) If the sustainable communities investment area is within an incorporated ~~area, the~~ *area:*

(A) The legislative bodies of the city and county representing the geographic territory of a sustainable communities investment area may form a Sustainable Communities Investment Authority pursuant to this part ~~after July 1, 2012,~~ by entering into a joint powers authority under Chapter 5 (commencing with Section 6500) of Title 1 of the Government Code. ~~The governing board of the authority may be formed by any of the following proceedings:~~

~~(A)~~

(B) The legislative body of the city forms the governing board and establishes the parameters of the proposed economic development within a proposed sustainable communities investment area provided the economic development parameters are approved by the county.

~~(B)~~

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(C) A governing board is appointed for a sustainable communities investment area consisting of five appointees: two appointed by the city with geographic jurisdiction, two by the county with geographic jurisdiction, and one appointed by the affected special districts with each district having one vote to select an appointee.

~~(C) The legislative body of the city appoints the governing board and designates a sustainable communities investment area but restricts the authority so that it may receive only the city share of tax increment revenue.~~

(D) The legislative body of the city appoints the governing board and designates a sustainable communities investment area consisting of a single project and restricts the authority so that 100 percent of tax increment revenue is invested in the project. Designation of the sustainable communities investment area shall be subject to county approval.

(2) If the sustainable communities investment area is within an unincorporated area, the authority may be formed by the county board of supervisors or by the board of supervisors of a city and county.

(b) The authority may enter into financial and other agreements with community colleges, K-12 school districts, and private businesses to facilitate the development and operation of articulated career technical education pathways, as specified in Section 88532 of the Education Code.

Chapter 3. Financing

34191.15. An authority formed pursuant to this part may adopt a plan for a sustainable communities investment area pursuant to this section. Notwithstanding any other provision of this division, a determination shall not be required to be made regarding blight within the sustainable communities investment area, and an action shall not be required to be taken for the elimination of blight in connection with the creation of a plan for a sustainable communities investment area. The plan shall terminate on a specified date not to exceed 30 years from the date of the first issuance of bond indebtedness by the authority. A sustainable communities investment area shall include only the following areas:

(a) For areas within the geographic boundaries of a metropolitan planning organization where a sustainable communities strategy has been adopted by the metropolitan planning organization, and the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, has accepted the metropolitan planning organization's determination that the sustainable communities strategy would, if implemented, achieve the greenhouse gas emission reduction targets:

(1) Transit priority areas where a transit priority project, as defined in Section 21155 of the Public Resources Code, may be constructed, provided that if the sustainable communities investment area is based on proximity to a planned major transit stop or a high-quality transit corridor, the stop or the corridor must be scheduled to be completed within the planning horizon established by Section 450.322 of Title 23 of the Code of Federal Regulations. For purposes of this paragraph, a transit priority area may include a military base reuse plan that meets the definition of a transit priority area and it may include a contaminated site within a transit priority area.

(2) Areas that are small walkable communities, as defined in paragraph (4) of subdivision (e) of Section 21094.5 of the Public Resources Code, except that small walkable communities may also be designated in a city that is within the area of a metropolitan planning organization. No more than one small walkable community project area shall be designated within a city.

(b) Sites that have land use approvals, covenants, conditions and restrictions, or other effective controls restricting the sites to clean energy manufacturing, and that are consistent with the sustainable communities strategy, if those sites are within the geographic boundaries of a metropolitan planning organization. Clean energy manufacturing consists of the manufacture of components, parts, or materials for the generation of renewable energy resources or for alternative fuel vehicles.

34191.16. (a) Solely for purposes of Section 16 of Article XVI of the California Constitution, a plan for a sustainable communities investment area adopted pursuant to Section 34191.15 may include a provision for the receipt of tax increment funds according to Section 33670, provided that the local government with land use jurisdiction has adopted all of the following:

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(1) An analysis of the public service costs and revenue-generating impact of new development with respect to the provision of basic public services, including police, fire, and rescue services. The plan shall include a strategy for mitigating unfunded service impacts.

(2) A sustainable parking standards ordinance that restricts parking in transit priority project areas.

(3) A jobs plan. All entities receiving financial support from the authority shall incorporate into any and all agreements a jobs plan, which shall describe how the project will create construction careers that pay prevailing wages, living wage permanent jobs, and a program for community outreach, local hire, and job training. This plan shall also describe the project developer's commitment to offer jobs to disadvantaged California residents, including veterans of the Iraq and Afghanistan wars, people with a history in the criminal justice system, and single-parent families.

(4) For transit priority areas and small walkable communities within a metropolitan planning organization, a plan consistent with the use designation, density, building intensity, and applicable policies specified for the sustainable communities investment area in the sustainable communities strategy and that, for new residential construction, provides a density of at least 20 dwelling units per net acre and for nonresidential uses, provides a minimum floor area ratio of 0.75.

(5) Within small walkable communities outside a metropolitan planning organization, a plan for new residential construction that provides a density of at least 20 dwelling units per net acre and, for nonresidential uses, provides a minimum floor area ratio of 0.75.

(b) For areas referred to in paragraph (4) of subdivision (a), the authority shall obtain the metropolitan planning organization's concurrence that the plan is consistent with the use designation, density, building intensity, and applicable policies for the project area in the sustainable communities strategy.

(c) For purposes of Section 16 of Article XVI of the California Constitution and in the event a tax increment financing provision is included pursuant to subdivision (a), the terms "district" and "affected taxing entity" shall exclude a school district and special districts.

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34191.17. The authority shall approve any bond financing under this division.

34191.18. A state or local public pension fund system authorized by state law or local charter, respectively, including, but not limited to, the Public Employees' Retirement System, the State Teachers' Retirement System, a system established under the County Employees Retirement Law of 1937, Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3 of the Government Code, or an independent system, may invest capital in the public infrastructure projects and private commercial and residential developments undertaken by an authority.

34191.19. (a) An authority may exercise the full powers granted under Chapter 2.8 (commencing with Section 53395) of Part 1 of Division 2 of Title 5 of the Government Code and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code).

(b) An authority may implement a local transactions and use tax under Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, except that the resolution authorizing the tax may designate the use of the proceeds of the tax.

(c) An authority may issue bonds paid for with authority proceeds, which shall be deemed to be special funds to be expended by the authority for the purposes of carrying out this part.

Chapter 4. Prequalification Requirements

34191.20. All construction contracts in excess of one million dollars ($1,000,000) on projects that will receive more than one million dollars ($1,000,000) from the Sustainable Communities Investment Authority, including projects undertaken by private developers shall comply with the following prequalification process:

(a) The authority shall require that each prospective bidder complete and submit to the authority a standardized questionnaire and financial statement in a form specified by the authority, including a complete statement of the prospective bidder's financial ability and experience in performing public works. The questionnaire and financial statement shall be verified under oath

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by the bidder in the manner in which civil pleadings in civil actions are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection.

(b) The authority shall adopt and apply a uniform system of rating bidders on the basis of the completed questionnaires and financial statements, in order to determine the size of the contracts, if any, upon which each bidder shall be deemed qualified to bid.

(c) The questionnaire described in subdivision (a) and the uniform system of rating bidders described in subdivision (b) shall cover, at a minimum, the issues covered by the standardized questionnaire and model guidelines for rating bidders developed by the Department of Industrial Relations pursuant to subdivision (a) of Section 20101 of the Public Contract Code.

(d) For purposes of this section, bidders shall include all subcontractors performing work on a contract in excess of 3 percent of the total cost.

(e) A bid shall not be accepted from any person or entity who is required to submit a completed questionnaire and financial statement for prequalification pursuant to subdivision (a) but has not done so by the deadline set by the authority or who has not been prequalified by the authority prior to the deadline for submission of bids.

(f) This section shall not prevent an authority from establishing additional prequalification requirements.

34191.21. (a) (1) The Department of Industrial Relations shall monitor and enforce compliance with prevailing wage requirements for any project paid for in whole or part out of public funds, within the meaning of subdivision (b) of Section 1720 of the Labor Code, including funds of a Sustainable Communities Investment Authority and shall charge each awarding body or developer for the reasonable and directly related costs of monitoring and enforcing compliance with the prevailing wage requirements on each project.

(2) All moneys received by the department pursuant to this section shall be deposited in the State Public Works Enforcement Fund created by Section 1771.3 of the Labor Code.

(b) Paragraph (1) of subdivision (a) shall not apply to any project paid for in whole or part out of public funds if the awarding body or developer has entered into a collective bargaining agreement that binds all of the contractors performing work on the project

and includes a mechanism for resolving disputes about the payment of wages.

SEC. 2. Section 21094.5 of the Public Resources Code is amended to read:

21094.5. (a) (1) If an environmental impact report was certified for a planning level decision of a city or county, the application of this division to the approval of an infill project shall be limited to the effects on the environment that (A) are specific to the project or to the project site and were not addressed as significant effects in the prior environmental impact report or (B) substantial new information shows the effects will be more significant than described in the prior environmental impact report. A lead agency's determination pursuant to this section shall be supported by substantial evidence.

(2) An effect of a project upon the environment shall not be considered a specific effect of the project or a significant effect that was not considered significant in a prior environmental impact report, or an effect that is more significant than was described in the prior environmental impact report if uniformly applicable development policies or standards adopted by the city, county, or the lead agency, would apply to the project and the lead agency makes a finding, based upon substantial evidence, that the development policies or standards will substantially mitigate that effect.

(b) If an infill project would result in significant effects that are specific to the project or the project site, or if the significant effects of the infill project were not addressed in the prior environmental impact report, or are more significant than the effects addressed in the prior environmental impact report, and if a mitigated negative declaration or a sustainable communities environmental assessment could not be otherwise adopted, an environmental impact report prepared for the project analyzing those effects shall be limited as follows:

(1) Alternative locations, densities, and building intensities to the project need not be considered.

(2) Growth inducing impacts of the project need not be considered.

(c) This section applies to an infill project that satisfies both of the following:

(1) The project satisfies any of the following:

(A) Is consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy for which the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, has accepted a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.

(B) Consists of a small walkable community project located in an area designated by a city for that purpose.

(C) Is located within the boundaries of a metropolitan planning organization that has not yet adopted a sustainable communities strategy or alternative planning strategy, and the project has a residential density of at least 20 units per net acre or a floor area ratio of at least 0.75.

(2) Satisfies all applicable statewide performance standards contained in the guidelines adopted pursuant to Section 21094.5.5.

(d) This section applies after the Secretary of the Natural Resources Agency adopts and certifies the guidelines establishing statewide standards pursuant to Section 21094.5.5.

(e) For the purposes of this section, the following terms mean the following:

(1) "Infill project" means a project that meets the following conditions:

(A) Consists of any one, or combination, of the following uses:

(i) Residential.

(ii) Retail or commercial, where no more than one-half of the project area is used for parking.

(iii) A transit station.

(iv) A school.

(v) A public office building.

(B) Is located within an urban area on a site that has been previously developed, or on a vacant site where at least 75 percent of the perimeter of the site adjoins, or is separated only by an improved public right-of-way from, parcels that are developed with qualified urban uses.

(2) "Planning level decision" means the enactment or amendment of a general plan, community plan, specific plan, or zoning code.

(3) "Prior environmental impact report" means the environmental impact report certified for a planning level decision, as supplemented by any subsequent or supplemental environmental impact reports, negative declarations, or addenda to those documents.

(4) "Small walkable community project" means a project that is located in a small walkable community project area. A small walkable community project area means an area within an incorporated city that is not within the boundary of a metropolitan planning organization and meets all the following requirements:

(A) Has a project area of approximately one-quarter-mile diameter of contiguous land completely within the existing incorporated boundaries of the city.

(B) Has a project area that includes a residential area adjacent to a retail downtown area.

(C) The project area has an average net density of at least eight dwelling units per net acre or a floor area ratio for retail or commercial use of not less than 0.50. For purposes of this subparagraph: (i) "Floor area ratio" means the ratio of gross building area (GBA) of development, exclusive of structured parking areas, proposed for the project divided by the total net lot area (NLA); (ii) "gross building area" means the sum of all finished areas of all floors of a building included within the outside faces of its exterior walls; and (iii) "net lot area" means the area of a lot excluding publicly dedicated land, private streets that meet local standards, and other public use areas as determined by the local land use authority.

(5) "Urban area" includes either an incorporated city or an unincorporated area that is completely surrounded by one or more incorporated cities that meets both of the following criteria:

(A) The population of the unincorporated area and the population of the surrounding incorporated cities equal a population of 100,000 or more.

(B) The population density of the unincorporated area is equal to, or greater than, the population density of the surrounding cities.

O

Contra Costa County
Legislation Tracking Report
For Legislation Committee

CA AB 846

AUTHOR: Bonilla [D]
TITLE: Foster Youth: Identity Theft
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 06/07/2011
DISPOSITION: Pending - Carryover
LOCATION: Senate Appropriations Committee
SUMMARY:

Revises provisions requiring a county welfare department to request a consumer disclosure on behalf of a foster youth in order to ascertain whether the youth has been the victim of identity theft. Requires the department or the State Department of Social Services to ascertain whether the theft may have occurred under described circumstances. Provides that the matter may be referred to a governmental agency or nonprofit organization. Authorizes the agency or organization to take certain remedial actions.

STATUS:

08/25/2011 In SENATE Committee on APPROPRIATIONS: Held in committee.

NOTES: watch

CA AB 890

AUTHOR: Olsen [R]
TITLE: Environment: CEQA Exemption: Roadway Improvement
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/17/2011
LAST AMEND: 01/13/2012
DISPOSITION: Pending
LOCATION: Senate Environmental Quality Committee
SUMMARY:

Exempts from provisions of the California Environmental Quality Act concerning environmental impact reports a project or activity to repair, maintain, or make minor alterations to an existing roadway if the project or activity is initiated by a city or county to improve public safety, does not cross a waterway, and involves negligible or no expansion of existing use.

STATUS:

02/16/2012 To SENATE Committee on ENVIRONMENTAL QUALITY.

NOTES: To BOS for support on 4/24

CA AB 1436

AUTHOR: Feuer [D]
TITLE: Voter Registration
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/04/2012
LAST AMEND: 05/25/2012

DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Establishes the conditional voter registration for registrants whose information cannot be verified. Authorizes a unique identification number to be issued. Increases the maximum fine for election-related crimes for which no fine is prescribed. Requires the elections official to process an affidavit of registration if such registration is not deemed effective if the registrant meets all other eligibility requirements. Requires cancellation of any duplicate registrations that may arise.

STATUS:

05/31/2012 In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (47-26)

NOTES: Sent to Elections for review

CA AB 1442

AUTHOR: Wieckowski [D]
TITLE: Pharmaceutical Waste
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/04/2012
LAST AMEND: 03/27/2012
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Defines pharmaceutical waste for purposes of the medical Waste Management Act. Authorizes a medical waste generator or parent organization that employs health care professionals who generate pharmaceuticals to apply to the enforcement agency for a pharmaceutical waste hauling exemption if the generator meets specified requirements. Authorizes such waste to be transported by specified entities to include the generator, health care professional, or a common carrier.

STATUS:

05/30/2012 In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (78-0)

CA AB 1540

AUTHOR: Buchanan [D]
TITLE: Sacramento-San Joaquin Delta: Invasive Weeds
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/24/2012
DISPOSITION: Pending
COMMITTEE: Senate Natural Resources and Water Committee
HEARING: 06/12/2012 9:30 am
SUMMARY:

Designates the Department of Boating and Waterways as the lead agency in cooperating with other agencies in controlling South American Spongeplant (Limnobium laevigatum) in the delta, its tributaries, and the marsh.

STATUS:

05/17/2012 To SENATE Committee on NATURAL RESOURCES AND WATER.

NOTES: Consistent with Platform. Sending letter of support

03.02.12

CA AB 1550

AUTHOR: Bonilla [D]
TITLE: Vehicles: Veterans' Organizations License Plates: Fees
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/25/2012
LAST AMEND: 05/14/2012
DISPOSITION: Pending
COMMITTEE: Senate Transportation and Housing Committee
HEARING: 06/12/2012 1:30 pm
SUMMARY:

Increases the amount of additional fees for veterans' special license plates. Clarifies that this special plate program shall permit veterans to apply for plates that indicate their service and nonveterans to apply for plates that honor veterans. Requires the issuance of related decals.

STATUS:

05/14/2012	From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.
05/14/2012	In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.

CA AB 1557

AUTHOR: Skinner [D]
TITLE: Real Property: Maintenance of Foreclosed Property
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 01/26/2012
DISPOSITION: Pending
LOCATION: Assembly Banking and Finance Committee
SUMMARY:

Extends the operation of existing law that requires a legal owner to maintain vacant residential property purchased at a foreclosure sale, or acquired by that owner through foreclosure under a mortgage or deed of trust. Authorizes a governmental entity to impose civil fines and penalties, at specified amounts, for failure to maintain that property.

STATUS:

02/09/2012	To ASSEMBLY Committee on BANKING AND FINANCE.

NOTES: Watch

CA AB 1577

AUTHOR: Atkins [D]
TITLE: Parolee: Driver's Licenses
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/02/2012
DISPOSITION: Failed
LOCATION: ASSEMBLY
SUMMARY:

Requires the Department of Motor Vehicles, the Department of Corrections and Rehabilitation and county jails to adopt rules and enter into interagency agreements necessary to establish the identities of offenders for the purposes of

assisting offenders in obtaining a driver's license or identification card immediately upon the offender's release.

STATUS:

04/10/2012 From ASSEMBLY Committee on PUBLIC SAFETY without further action pursuant to JR 62(a).

NOTES: Sent to Realignment Stakeholders for review

CA AB 1580

AUTHOR: Bonilla [D]
TITLE: Health Care: Eligibility: Enrollment
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/02/2012
DISPOSITION: Pending
COMMITTEE: Senate Health Committee
HEARING: 06/06/2012 1:30 pm
SUMMARY:

Makes technical changes to provisions concerning the Medi-Cal program, the Healthy Families Program, the California Health Benefit Exchange, state health subsidy programs, and Medi-Cal eligibility determinations.

STATUS:

05/17/2012 Withdrawn from SENATE Committee on RULES.
05/17/2012 Re-referred to SENATE Committee on HEALTH.

NOTES: watch

CA AB 1585

AUTHOR: Perez J [D]
TITLE: Redevelopment
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/02/2012
LAST AMEND: 03/21/2012
DISPOSITION: Pending
LOCATION: Senate Governance and Finance Committee
SUMMARY:

Modifies the scope of the term enforceable obligation. Modifies provisions relating to the transfer of housing funds and responsibilities associated with dissolved redevelopment agencies. Provides that any amounts on deposit in the Low and Moderate Income Housing Fund of a dissolved redevelopment agency be transferred to specified entities. Provides that loan agreements entered into between an agency and the city, county, or city and county are deemed to be enforceable obligations.

STATUS:

04/19/2012 To SENATE Committees on GOVERNANCE AND FINANCE and TRANSPORTATION AND HOUSING.

NOTES: Staff recommends Support and Amend

CA AB 1592

AUTHOR: Olsen [R]
TITLE: Veterans: Benefits: Fee Waiver
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/06/2012
LAST AMEND: 03/26/2012

DISPOSITION: Pending
LOCATION: Senate Rules Committee
SUMMARY:

Authorizes the governing board of a county or city to grant financial assistance, relief and support to disabled veterans by waiving service-related fees charged by the county or city.

STATUS:

05/03/2012 To SENATE Committee on RULES.
NOTES: Sent to VS

CA AB 1640

AUTHOR: Mitchell [D]
TITLE: CalWORKs Benefits: Pregnant Mothers
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/13/2012
LAST AMEND: 05/25/2012
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Amends existing law regarding the Temporary Assistance for Needy Families block grant and the state Work Opportunity and Responsibility programs. Requires CalWORKs aid to be paid to a pregnant mother who is 18 years of age or younger at any time after verification of pregnancy, regardless of whether she is eligible for the Cal-Learn Program.

STATUS:

05/31/2012 In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (50-24)
NOTES: To BOS for support on 4/24

CA AB 1644

AUTHOR: Carter [D]
TITLE: Military Base Reuse and Preservation Act of 2012
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/13/2012
LAST AMEND: 03/29/2012
DISPOSITION: Pending
LOCATION: Assembly Local Government Committee
SUMMARY:

Enacts the State Military Base Reuse and Preservation Act of 2012. Makes findings and declarations relating to the granting of redevelopment powers to communities affected by federal military base closures. Requires a reuse plan to contain several elements relating to the economic, environmental, and low- and moderate-income housing impacts of the military base closure. Authorizes the reuse authority to acquire and dispose of real property and other assets adjacent to, or near, the former base.

STATUS:

03/29/2012 To ASSEMBLY Committee on LOCAL GOVERNMENT.
03/29/2012 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
03/29/2012 In ASSEMBLY. Read second time and amended.

	NOTES:	Re-referred to Committee on LOCAL GOVERNMENT. Staff requests direction from Leg Com
CA AB 1691	**AUTHOR:**	Lowenthal B [D]
	TITLE:	CalWORKs: Welfare-to-Work Activities
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/15/2012
	DISPOSITION:	Pending
	COMMITTEE:	Senate Human Services Committee
	HEARING:	06/12/2012 1:30 pm
	SUMMARY:	
	Includes as a core welfare-to-work activity English as a second language education.	
	STATUS:	
	05/03/2012	To SENATE Committee on HUMAN SERVICES.
	NOTES:	To BOS for support on 4/24
CA AB 1709	**AUTHOR:**	Mitchell [D]
	TITLE:	Juveniles: Jury Trial
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	no
	INTRODUCED:	02/15/2012
	LAST AMEND:	03/14/2012
	DISPOSITION:	Pending
	LOCATION:	Assembly Appropriations Committee
	SUMMARY:	
	Requires that a youth who is 16 years of age or older at the time of the commission of an offense that could be used as a future felony conviction under the Three Strikes law be entitled to a jury trial in the juvenile court. Requires the trial to proceed in the same manner as criminal court. Provides that the right to a jury trial does not affect the right of a detained minor to adjudication of the petition to declare him or her a ward of the court within 15 days of the filing of the petition.	
	STATUS:	
	05/25/2012	In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
	NOTES:	To BOS for OPPOSE
CA AB 1712	**AUTHOR:**	Beall [D]
	TITLE:	Minors and Nonminor Dependents: Out-of-Home Placement
	FISCAL COMMITTEE:	yes
	URGENCY CLAUSE:	yes
	INTRODUCED:	02/16/2012
	LAST AMEND:	05/25/2012
	DISPOSITION:	Pending
	LOCATION:	SENATE
	SUMMARY:	
	Relates to expanded foster care payments. Includes THP-Plus Foster Care within the definition of a community care facility. Makes nonminor dependents eligible for the court-appointed special advocate program. Relates to CalWORKs aid	

payments and foster care. Revises the definition of mutual agreement, by specifying the criteria of these agreements applicable to nonminor dependents who are in receipt of Kin-GAP and AFDC-FC payments. Provides for certain exemptions from liability for foster care payments.

STATUS:

05/30/2012 In ASSEMBLY. Read third time, urgency clause adopted. Passed ASSEMBLY. *****To SENATE. (76-0)

NOTES: CWDA sponsored bill. Should send to Leg Com.

CA AB 1783

AUTHOR: Perea [D]
TITLE: Public Contracts: Small Business Preferences
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2012
LAST AMEND: 04/10/2012
DISPOSITION: Pending
COMMITTEE: Senate Governmental Organization Committee
HEARING: 06/12/2012 9:30 am
SUMMARY:

Revises the small business public contracting certification procedure to provide that the Department of General Services has the sole responsibility for certifying and determining eligibility of small businesses. Provides local agencies have access to the department's list of certified small businesses. Includes a certified small business, certified at the state level, as a small business for local preference and goal purposes. Authorizes a local agency to set additional guidelines for local preferences.

STATUS:

05/17/2012 To SENATE Committee on GOVERNMENTAL ORGANIZATION.

NOTES: Sent to HR, Purchasing, CC for review

CA AB 1801

AUTHOR: Campos [D]
TITLE: Land Use: Fees
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/21/2012
LAST AMEND: 04/23/2012
DISPOSITION: Pending
COMMITTEE: Senate Governance and Finance Committee
HEARING: 06/13/2012 9:30 am
SUMMARY:

Amends existing law relating to fees for land use and building permits. Prohibits the total fees charged by a city, county, or city and county in association with an application for the installation of a solar energy system from exceeding the actual cost to the city, county, or city and county in providing the service for which the fees are charged.

STATUS:

05/24/2012 To SENATE Committee on GOVERNANCE AND FINANCE.

NOTES: Watch

CA AB 1808

AUTHOR: Williams [D]
TITLE: Meyers-Milias-Brown Act: Public Employees
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2012
DISPOSITION: Pending
LOCATION: Assembly Public Employees, Retirement and Social Security Committee
SUMMARY:

Amends the Meyers-Milias-Brown Act establishing procedures governing the resolution of disputes regarding wages, hours, and other terms and conditions of employment between public employers and public employer organizations. Expands the definition of public employee to include any person employed by an employer that is not a public agency, but with which a public agency shares or codetermines decisions governing essential employment conditions of that person.

STATUS:

03/01/2012 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

NOTES: Sent to HR for review

CA AB 1827

AUTHOR: Bonilla [D]
TITLE: Infrastructure Financing Districts
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 04/16/2012
DISPOSITION: Pending
LOCATION: Senate Governance and Finance Committee
SUMMARY:

Relates to infrastructure financing districts. Authorizes a military base reuse authority to form an infrastructure financing district for purposes of financing public facilities and issuing bonds. Authorizes such districts to finance homeless accommodation.

STATUS:

05/17/2012 To SENATE Committees on GOVERNANCE AND FINANCE and TRANSPORTATION AND HOUSING.

NOTES: To BOS for support on 4/24

CA AB 1828

AUTHOR: Bonilla [D]
TITLE: Land Use: Concord Naval Weapons Revise Authority
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
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:

03/05/2012 To ASSEMBLY Committee on LOCAL GOVERNMENT.

CA AB 1831

AUTHOR: Dickinson [D]
TITLE: Local Government: Hiring Practices
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 05/17/2012
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Prohibits a local agency from inquiring into or considering the criminal history of an applicant or including any inquiry about such history on any initial employment application. Authorizes an agency to inquire into or consider an applicant's criminal history after the applicant's qualifications have been screened it has been determined the applicant meets the employment requirements. Provides these provisions do not apply to a position requiring such history check or a law enforcement agency position.

STATUS:

05/29/2012 In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (41-34)

CA AB 1852

AUTHOR: Campos [D]
TITLE: Vital Records: Fees: Domestic Violence
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 04/23/2012
DISPOSITION: Pending
COMMITTEE: Senate Governance and Finance Committee
HEARING: 06/13/2012 9:30 am
SUMMARY:

Authorizes a county board of supervisors and certain city councils, upon making findings and declarations regarding domestic violence, to authorize an increase in the fees for certified copies of certain vital records. Requires the fees to be allocated by the county or city for purposes relating to domestic violence prevention, intervention, and prosecution.

STATUS:

05/03/2012 To SENATE Committee on GOVERNANCE AND FINANCE.
NOTES: Devorah is reviewing

CA AB 1880

AUTHOR: Lara [D]
TITLE: Pupil Safety: Teen Dating Abuse Prevention
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 04/10/2012
DISPOSITION: Pending
LOCATION: Assembly Appropriations Committee
SUMMARY:

Defines Teen dating abuse and a dating partner for purposes of the Interagency School Safety Demonstration Act. Requires a comprehensive school safety plan to include the development of procedures and policies to prevent and respond to teen dating abuse in middle and high schools. Requires a school site council to consult with specified entities in developing the procedures and policies. Requires contracting with trainers to provide training in teen dating abuse prevention.

STATUS:

05/25/2012 In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

NOTES: To BOS for support. Devorah Levine.

CA AB 1885

AUTHOR: Bonilla [D]
TITLE: County Employees' Retirement: Reciprocal Benefits
INTRODUCED: 02/22/2012
DISPOSITION: Pending
LOCATION: Senate Public Employment and Retirement Committee
SUMMARY:

Relates to the County Employees Retirement Law of 1937 and reciprocity of retirement benefits. Makes one-year reemployment provision applicable in all counties.

STATUS:

05/24/2012 To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

CA AB 1901

AUTHOR: Jones [R]
TITLE: Counties: Construction Projects: Design-Build
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 04/17/2012
DISPOSITION: Pending
LOCATION: Assembly Local Government Committee
SUMMARY:

Relates to existing law authorizing counties to use alternative procedures known as design-build for bidding on construction projects in the county. Revises the dollar limitation on this authorization so that it applies to projects in excess of a specified amount.

STATUS:

04/25/2012 In ASSEMBLY Committee on LOCAL GOVERNMENT: Failed passage.

04/25/2012 In ASSEMBLY Committee on LOCAL GOVERNMENT: Reconsideration granted.

NOTES: To BOS for support on 4/24

CA AB 1916

AUTHOR: Buchanan [D]
TITLE: State Parks: Operating Agreements: Mount Diablo Park
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 02/22/2012
LAST AMEND: 05/03/2012

DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Authorizes the Department of Parks and Recreation to enter into a restoration agreement with Save Mount Diablo, a nonprofit organization, for the purpose of restoring the beacon on top of the Summit Building in Mount Diablo State Park. Requires that the agreement comply with specified requirements.

STATUS:

05/25/2012 In ASSEMBLY. Read third time, urgency clause adopted. Passed ASSEMBLY. *****To SENATE. (70-0)

NOTES: Sent letter of support on 4.11.12 from Chair

CA AB 2096

AUTHOR: Perez V [D]
TITLE: Public Health Care: Medi-Cal: District Hospitals
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/23/2012
LAST AMEND: 04/18/2012
DISPOSITION: Pending
LOCATION: Assembly Health Committee
SUMMARY:

Requires the State Department of Health Care Services to request any additional federal funding identified in the recalculation of the successor demonstration project and make those funds available to district hospitals in an amount proportionate to the uncompensated care provided. Requires the department to encourage a local low-income health program contractors to permit district hospitals to utilize certified public expenditures or intergovernmental transfers to access federal funds for reimbursement.

STATUS:

04/18/2012 From ASSEMBLY Committee on HEALTH with author's amendments.

04/18/2012 In ASSEMBLY. Read second time and amended. Re-referred to Committee on HEALTH.

NOTES: Dr. Walker recommends Oppose. Consistent with Platform.

CA AB 2144

AUTHOR: Perez J [D]
TITLE: Infrastructure and Revitalization Financing Districts
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/23/2012
LAST AMEND: 04/16/2012
DISPOSITION: Pending
LOCATION: Senate Governance and Finance Committee
SUMMARY:

Expands the projects that a infrastructure and revitalization financing district may fund to include watershed land used for the collection and treatment of water for urban uses, flood management, levees, bypasses, open space, habitat restoration, brownfields restoration, environmental mitigation, purchase of land and property for development purposes, including commercial property, hazardous cleanup, former military bases, and specified transportation purposes. Imposes specified reporting requirements.

STATUS:

05/31/2012 To SENATE Committee on GOVERNANCE AND FINANCE.

NOTES: Watch

CA AB 2210

AUTHOR: Smyth [R]
TITLE: County Assessors: Notification
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/23/2012
LAST AMEND: 05/21/2012
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Requires a county assessor, upon the request by the board of supervisors to furnish an estimate of the assessed valuation of property within the county for the succeeding fiscal year, to estimate whether property valuations have decreased by 3% or more and, if so, to issue a written report. Requires the assessor to notify the board and the Department of Finance and all cities and affected school districts within the county.

STATUS:

05/30/2012 In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (74-0)

CA AB 2228

AUTHOR: Hayashi [D]
TITLE: Mental Health Services Act: Family Justice Centers
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: Assembly Health Committee
SUMMARY:

Requires the county mental health programs for children and for adults and seniors to include services that address the needs of crime victims who seek services at a family justice center, if the county has a family justice center.

STATUS:

03/12/2012 To ASSEMBLY Committee on HEALTH.

NOTES: Sent to Suzanne Tavano and Devorah Levine for input.

CA AB 2231

AUTHOR: Fuentes [D]
TITLE: Sidewalks: Repairs
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 05/31/2012
DISPOSITION: Pending
LOCATION: Assembly Local Government Committee
SUMMARY:

Provides that if a city, county, or city and county has an ordinance in place that requires the local entity to repair sidewalks, a repeal of the ordinance shall become effective only if the repealing ordinance is approved by voters on the measure in a consolidated or general election. Makes these provisions applicable

to charter entities.

STATUS:

05/31/2012	In ASSEMBLY. Reconsideration granted.
05/31/2012	In ASSEMBLY. Read third time and amended. To third reading.
05/31/2012	Re-referred to ASSEMBLY Committee on LOCAL GOVERNMENT.
NOTES:	TWIC recommending OPPOSE

CA AB 2299

AUTHOR:	Feuer [D]
TITLE:	Local Government: Public Safety Officials: Confidential
FISCAL COMMITTEE:	no
URGENCY CLAUSE:	no
INTRODUCED:	02/24/2012
LAST AMEND:	05/03/2012
DISPOSITION:	Pending
COMMITTEE:	Senate Governance and Finance Committee
HEARING:	06/13/2012 9:30 am

SUMMARY:

Authorizes the board of supervisors of a county to establish a program that requires the names of certain public safety officials to be redacted from any property record of principal residence that is disclosed to the public by that county. Authorizes a fee for participation.

STATUS:

05/24/2012	To SENATE Committees on GOVERNANCE AND FINANCE and JUDICIARY.
NOTES:	SW recommends Oppose.

CA AB 2312

AUTHOR:	Ammiano [D]
TITLE:	Controlled Substances
FISCAL COMMITTEE:	yes
URGENCY CLAUSE:	no
INTRODUCED:	02/24/2012
LAST AMEND:	05/25/2012
DISPOSITION:	Pending
LOCATION:	SENATE

SUMMARY:

Authorizes qualified patients and specified persons to cultivate, acquire, process, possess, transport, sell, and distribute marijuana for medical purposes without being subject to criminal action if they are in compliance with registration requirements. Relates to the production of a false physician's recommendation. Establishes the Medical Marijuana Regulation and Control Act and a related enforcement board. Provides procedures and requirements for registered dispensaries. Authorizes a related use tax.

STATUS:

05/31/2012	In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (41-30)
NOTES:	Watch

CA ACA 18

AUTHOR: Swanson [D]
TITLE: Taxation: Parcel Tax
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 04/30/2012
DISPOSITION: Pending
LOCATION: Assembly Revenue and Taxation Committee
SUMMARY:

Proposes an amendment to the Constitution to condition the imposition, extension, or increase of a parcel tax by a city, county, or special district for the purpose of funding the maintenance or improvement of fire protection services or police protection services, or both, upon the approval of a majority of its voters voting on the proposition. Makes conforming changes to related provisions.

STATUS:

05/09/2012 From ASSEMBLY Committee on LOCAL GOVERNMENT: Be adopted to Committee on REVENUE AND TAXATION. (6-2)

NOTES: Author requests support letter

CA SB 654

AUTHOR: Steinberg [D]
TITLE: Redevelopment
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/18/2011
LAST AMEND: 01/31/2012
DISPOSITION: Pending
LOCATION: Assembly Housing and Community Development Committee
SUMMARY:

Amends existing law related to redevelopment agencies and funds. Revises the definition of the term enforceable obligation. Modifies provisions relating to the transfer of housing funds and responsibilities associated with dissolved redevelopment agencies. Provides that any amounts on deposit in the Low and Moderate Income Housing Fund of a dissolved redevelopment agency be transferred to specified entities. Provides that agreements funding for projects loans are still valid.

STATUS:

04/16/2012 To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.

NOTES: Staff recommends support the bill and use of housing funds for their original intent.

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 - Carryover
LOCATION: Assembly Appropriations Committee
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:

08/17/2011 In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

NOTES: Sending letter of support, per Dr. Walker request

CA SB 970

AUTHOR: De Leon [D]
TITLE: Health Care Reform Eligibility, Enrollment & Retention
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 01/17/2012
LAST AMEND: 05/29/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Requires a county human services department to allow an applicant initially applying for, or renewing, health care coverage using the single state application developed pursuant to the Health Care Reform Eligibility, Enrollment, and Retention Planning Act, with the applicant's consent, to have his or her application information used to simultaneously initiate applications for CalWORKs and CalFresh, unless a certain determination is made. Requires a workgroup on other programs using the process.

STATUS:

05/31/2012 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (31-5)

NOTES: Watch

CA SB 986

AUTHOR: Dutton [R]
TITLE: Redevelopment: Bond Proceeds
FISCAL COMMITTEE: yes
URGENCY CLAUSE: yes
INTRODUCED: 01/31/2012
LAST AMEND: 05/29/2012
DISPOSITION: Pending
LOCATION: SENATE
SUMMARY:

Requires that unencumbered balances of funds that are derived from tax exempt bond proceeds be used in accordance with the requirements of this legislation. Requires that the proceeds of bonds issued by a former redevelopment agency must be used by the successor agency for the purposes for which the bonds were sold pursuant to an enforceable obligation that was entered into by the former agency. Provides for the disposition of bonds proceeds not subject enforceable obligation.

STATUS:

05/31/2012 In SENATE. Urgency clause failed adoption. (21-13)

NOTES: Staff requests direction from Leg Com

CA SB 996

AUTHOR: Public Employment & Retirement Cmt
TITLE: County Employees Retirement Law: Heart Trouble
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/06/2012
LAST AMEND: 03/26/2012
DISPOSITION: Pending
COMMITTEE: Assembly Public Employees, Retirement and Social Security Committee
HEARING: 06/20/2012 9:00 am
SUMMARY:

Amends the County Employees Retirement Law of 1937 that provides that if a safety member, a fireman member, or a member in active law enforcement who has completed a specified number of years of service develops heart trouble, that the trouble is presumed to arise out of an in the course of employment. Clarifies that the presumption is rebuttable.

STATUS:

04/19/2012 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

NOTES: Sent to HR & CC for review

CA SB 1003

AUTHOR: Yee [D]
TITLE: Local Government: Open Meetings
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/06/2012
LAST AMEND: 05/03/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Amends the Ralph M. Brown Act regarding open meetings. Authorizes the district attorney or any interested person to file an action to determine the applicability of the act to past actions of the legislative body. Prohibits an interested party from filing an action for alleged violation under the act unless certain conditions are met to include written notification of the legislative body involved. Provides that time frame for the legislative body to respond to the notification.

STATUS:

05/31/2012 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (23-12)

NOTES: Sent to CC for review. Watch.

CA SB 1060

AUTHOR: Hancock [D]
TITLE: CalWORKs Benefits: Lifetime Ban
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/13/2012
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee

SUMMARY:

Amends existing law that provides for the State Work Opportunity and Responsibility to Kids (CalWORKs) program. Provides that a person convicted of a drug-related felony shall be eligible to receive CalWORKs benefits if he or she meets certain conditions of eligibility.

STATUS:

05/24/2012 In SENATE Committee on APPROPRIATIONS: Held in committee.

NOTES: Watch

CA SB 1149

AUTHOR: DeSaulnier [D]
TITLE: Bay Area Regional Commission
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2012
LAST AMEND: 05/15/2012
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee

SUMMARY:

Creates the Bay Area Regional Commission to adopt public and community outreach policies and to review and comment on policies and plans relative to the transportation planning sustainable communities strategy of regional entities. Provides for the commission to seek modifications to the functional regional plan adopted by each regional entity in that regard. Provides the commission is responsible for ensuring that the strategy for the region is consistent with existing law. Regard bridge toll revenues.

STATUS:

05/21/2012 In SENATE Committee on APPROPRIATIONS: Not heard.

NOTES: To the BOS for consideration on 5/22

CA SB 1151

AUTHOR: Steinberg [D]
TITLE: Long Range Asset Management Plan
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/21/2012
LAST AMEND: 05/29/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:

Establishes a Sustainable Economic Development and Housing Trust Fund administered by a related authority, to serve as a repository of the unencumbered balances and assets of the former redevelopment agency. Requires an authority to prepare a long range asset management plan that governs the disposition and ongoing use of the fund. Requires an authority to submit the plan to the Department of Finance.

STATUS:

05/31/2012 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (22-15)

NOTES: Staff requests direction from Leg Com

CA SB 1156

AUTHOR: Steinberg [D]
TITLE: Sustainable Communities Investment Authority
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/22/2012
LAST AMEND: 05/29/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Authorizes legislative bodies of the city and county of a sustainable communities investment area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law regarding housing. Authorizes the authority to adopt plans for sustainable communities investment areas, including receipt of tax increment funds. Establishes requirements for construction contracts exceeding a specified amount. Requires compliance with prevailing wage requirements.

STATUS:

05/31/2012 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (21-15)

NOTES: Staff requests direction from Leg Com

CA SB 1220

AUTHOR: DeSaulnier [D]
TITLE: Housing Opportunity and Market Stabilization
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/23/2012
LAST AMEND: 05/25/2012
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY:

Enacts the Housing Opportunity and Market Stabilization Trust Fund Act of 2012. Imposes a fee to be paid at the time of the recording of every real estate instrument paper, or notice. Requires the revenues to be deposited in the fund. Provides the fund moneys may be expended for supporting affordable housing, administering housing programs, and the cost of periodic audits.

STATUS:

05/31/2012 In SENATE. Read third time. Failed to pass SENATE. (25-13)

NOTES: Monitor, potentially request amendment to disperse funds to local Housing Successor Agencies in lieu of HCD

CA SB 1335

AUTHOR: Pavley [D]
TITLE: Redevelopment and Brownfield Sites
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 04/30/2012
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Relates to dissolved redevelopment agencies and community development agencies and the designation of successor agencies. Authorizes a successor agency to retain property obtained by the former redevelopment agency for specified remediation or removal purposes of the release of hazardous substances at a brownfield site using available financing, funds, and grants, subject to approval of the oversight board. Requires use of existing asset disposition provisions.

STATUS:

05/24/2012 In SENATE Committee on APPROPRIATIONS: Held in committee.

NOTES: Staff is watching

CA SB 1337

AUTHOR: DeSaulnier [D]
TITLE: Zone 7 Water Agency Act
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 05/01/2012
DISPOSITION: Pending
LOCATION: Senate Appropriations Committee
SUMMARY:

Creates the Zone 7 Water Agency. Permits the Alameda County Local Agency Formation Commission to exclude some or all of its territory from a specified district. Authorizes the agency to continue to impose any special taxes based upon the assessed value or other special taxes, assessments, or charges imposed by or on behalf of the former zone. Authorizes the agency to impose new special taxes or levy assessments. Relates to the levy and collection of those taxes. Relates to the country treasurer.

STATUS:

05/07/2012 In SENATE Committee on APPROPRIATIONS: Not heard.

NOTES: we will be requesting the bill to be amended and will be requesting CC to review the language

CA SB 1363

AUTHOR: Yee [D]
TITLE: Juveniles: Solitary Confinement
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 04/09/2012
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY:

Provides a minor or ward who is detained in, or sentenced to, any juvenile facility, or other secure state or local facility shall not be subject to solitary confinement, unless the minor or ward poses an immediate and substantial risk or harm to others or to the security of the facility and all other less-restrictive options have been exhausted. Permits the use of solitary confinement only in accordance with guidelines. Requires certain evaluations by clinical staff. Relates to suicide prevention.

STATUS:

05/21/2012 From SENATE Committee on PUBLIC SAFETY without further

action pursuant to JR 62(a).

CA SB 1387

AUTHOR: Emmerson [R]
TITLE: Metal Theft
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 04/19/2012
DISPOSITION: Pending
LOCATION: Assembly Business, Professions and Consumer Protection Committee
SUMMARY:

Prohibits any junk dealer or recycler from possessing a fire hydrant, fire department connection, including, but not limited to, bronze or brass fittings or parts, a manhole cover or lid, or any part of that cover or lid, or a backflow device and connections to that device without a written certification on the letterhead of the agency or utility that owns or previously owned the material and that the entity has sold. Provides the application of an existing criminal fine to a violation of this prohibition.

STATUS:

05/25/2012 To ASSEMBLY Committees on BUSINESS, PROFESSIONS & CONSUMER PROTECTION and PUBLIC SAFETY.

NOTES: To BOS for support on 4/24

CA SB 1441

AUTHOR: Emmerson [R]
TITLE: Imprisonment: Sentences Punishable in State Prison
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Failed
LOCATION: SENATE
SUMMARY:

Requires a sentence to be served in state prison when the defendant is convicted of a felony otherwise punishable in a county jail and is sentenced to more than 3 years.

STATUS:

05/21/2012 From SENATE Committee on PUBLIC SAFETY without further action pursuant to JR 62(a).

CA SB 1462

AUTHOR: Leno [D]
TITLE: County Sheriffs: Release of Prisoners: Medical Release
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 05/25/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Authorizes the release of a prisoner from a county correctional facility after conferring with a physician if the sheriff determines that the prisoner would not

reasonably pose a threat to public safety and the prisoner is deemed to have a specified life expectancy. Authorizes the sheriff to request the court to grant medical probation or to resentence a prisoner to medical probation. Requires participating counties to pay the nonfederal share of the Medi-Cal costs for an eligible prisoner or probationer.

STATUS:

05/30/2012 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (23-15)

NOTES: Sent to CCP for review

CA SB 1472

AUTHOR: Pavley [D]
TITLE: Real Property: Blight
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 04/11/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY

SUMMARY:

Extends existing law that provides a civil fine for not maintaining vacant residential property purchased at a foreclosure sale or acquired by that owner through foreclosure. Prohibits an enforcement agency from commencing any nuisance abatement action or proceeding until a certain number of days after a person takes title to the property. Authorizes a court to require the owner of property to pay all unrecovered costs associated with receivership for failing to comply with the terms of an order or notice.

STATUS:

05/03/2012 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (36-0)

NOTES: Staff is watching

CA SB 1494

AUTHOR: DeSaulnier [D]
TITLE: County Employees' Retirement: Contra Costa County
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 03/29/2012
DISPOSITION: Pending
LOCATION: Assembly Public Employees, Retirement and Social Security Committee

SUMMARY:

Authorizes the Contra Costa County Board of Supervisors and the governing boards of districts, therein to negotiate with specified recognized employee organizations representing general members to subject new general members to a specified age formula, known as Tier Four.

STATUS:

05/25/2012 To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.

NOTES: Our bill

CA SB 1498

AUTHOR: Emmerson [R]

TITLE: Local Agency Formation Commission: Powers
FISCAL COMMITTEE: no
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
DISPOSITION: Pending
LOCATION: Senate Governance and Finance Committee
SUMMARY:

Authorizes the Local Agency Formation Commission to authorize a city or district to provide new or existing services outside its jurisdictional boundaries and outside its sphere of influence to support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing.

STATUS:

03/22/2012 To SENATE Committee on GOVERNANCE AND FINANCE.
NOTES: Watch

CA SB 1503

AUTHOR: Steinberg [D]
TITLE: In-Home Supportive Services Program
FISCAL COMMITTEE: yes
URGENCY CLAUSE: no
INTRODUCED: 02/24/2012
LAST AMEND: 04/09/2012
DISPOSITION: Pending
LOCATION: ASSEMBLY
SUMMARY:

Requires the Director of Social Services and the Director of Health Care Services to convene a stakeholder group to design a plan for the integration of long-term in-home supportive services and supports programs.

STATUS:

05/29/2012 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (25-13)

CA SJR 15

AUTHOR: DeSaulnier [D]
TITLE: Harbor Maintenance Tax: Trust Fund Surplus
INTRODUCED: 09/07/2011
DISPOSITION: Pending
COMMITTEE: Assembly Transportation Committee
HEARING: 06/11/2012 1:30 pm
SUMMARY:

Urges the President and Congress to significantly increase federal funding from the Harbor Maintenance Trust Fund surplus for navigational improvements and continued operational and maintenance dredging in those federal channels that serve California's ports.

STATUS:

04/26/2012 To ASSEMBLY Committee on TRANSPORTATION.
NOTES: Sending letter of support. Consistent with Fed Platform.

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OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY

TO: Legislation Committee
Supervisor Mary N. Piepho, Chair
Supervisor Karen Mitchoff, Vice Chair

FROM: Camilla Rand, Community Services Director

DATE: June 3, 2012

SUBJECT: **Agenda Item #6: Memo Outlining the Governor's Redesign Proposal for Childcare Services**

RECOMMENDATION

ACCEPT the report on the Governor's proposal to redesign childcare services and provide direction, as necessary.

REPORT

The 2012 May Revise presented by the Governor includes a proposal to shift the eligibility and payment functions for childcare services of the CalWorks alternative payment programs and Title V centers from the State Department of Education (SDE) to the county welfare departments (Department of Social Services (DSS)) through a newly-created block-granted voucher system effective the 2013-14 fiscal year. All eligible families will receive a voucher of payment to a provider of their own choice. Employment and Human Services Department (EHSD), as the County Welfare Department, would be charged with the administration of the realigned program.

Definitions:

- CalWorks Alternative Payment Program: a State- funded program that provides cash-aid and services to eligible families. Services are available to populations including families that have a child(ren) in the home who has been deprived of parental support or care because of the absence, disability or death of either parent; families with a child(ren) when both parents are in the home but the principal earner is unemployed; and needy caretaker relatives of a foster child(ren). There are three stages of CalWorks cash-aid.
    - Stage One: (Administered through DSS) This stage begins with a family's entry into the CalWORKs program. Clients leave Stage One after six months or when their situation is stable, and when there is a slot available in Stage Two or Three.

In this county, the program is currently administered through EHSD Workforce Services Bureau

- Stage Two: (Administered through SDE) This stage begins after six months or after a recipient's work or work activity has stabilized, or when the family is transitioning off of aid. Clients may continue to receive child care in Stage Two up to two years after they are no longer eligible for aid. This is currently administered through EHSD's Community Services Bureau.
- Stage Three: (Administered through SDE) This begins when a funded space is available and when the client has acquired the 24 months of child care, after transitioning off of aid (for former CalWORKs recipients). This is currently administered through the Childcare Council and Pace-App.

- Title V subsidized care and education: This childcare program is administered through the State Department of Education and dispersed to private and public agencies to provide center-based care. Services are offered to families who meet State defined eligibility and need criteria. There are several non-profit agencies in Contra Costa and public agencies, including EHSD's Community Services and West Contra Costa Unified School District that provide this service.

Many in early care and education as well as childcare advocacy organizations such as California Childcare Directors and Administrators Association (CCDAA) and California Alternative Payment Program Association (CAPPA) are strongly opposed to this proposal which is the basis for why the County Welfare Director's Association (CWDA) has not taken an official position on the proposal. It should also be noted that CWDA was not involved in or a previous proponent of this proposal which had been initially outlined in the Governor's January budget proposal. Although there are still areas requiring further clarification, EHSD has collected the research and outlined arguments both for and against this proposal as presented below.

Benefits and support of this proposal in Contra Costa County include:

1. EHSD is experienced and knowledgeable:

EHSD has long operated both Child Care Stage I and II currently and respectively through the Workforce Services and Community Services Bureaus and is currently only one of three Social Service agencies in the State to operate both in-house. EHSD is well poised to assume this responsibility from the State due to its strong operational and administrative knowledge of the programs; its knowledge around systems necessary to successfully contract Title V funds; well-established systems for monitoring and oversight of program activities; history of ongoing provision of training, technical assistance and professional

development to Title V contractors; and experience in supporting, providing oversight, and reporting on Title V activities.

2. A history of partnerships:

The governor's plan calls for continued partnerships in administering both CalWorks and Title V programs. EHSD's Community Services Bureau (CSB) is a current SDE Title V contractor, administering and operating $16 million in directly operated centers and childcare partners. CSB subcontracts approximately $10 million to thirteen community based childcare partners and therefore is already familiar with Title V program expectations and regulations, and SDE systems and expectations with regards to contracting, reporting and monitoring.

3. County connections:

EHSD staff is additionally well connected with current Title V contractors through Local Planning Council (LPC) and the LPC's State-Funded Program Administrators meetings, a forum for collaborative county-wide planning and information sharing. Over these years and through these connections strong, well-established relationships with current Title V contractors have been built and maintained. This strong community presence minimizes the potential impact this restructuring could have to the community and current Title V child care providers.

4. Streamlining**:**

Rates, administrative caps and systems would theoretically be streamlined and aligned as opposed to two very different systems currently in place with the DSS oversight of Stage I and the SDE oversight of Stages II and III and Title V centers. A streamlined system would reduce administrative and paperwork costs.

Challenges and opposition to this proposal include:

1. Quality care:

Creating a voucher system could reduce access to high-quality Title V centers. If parents are given parental choice through vouchers, there is no assurance of quality programs for children. Parental choice could include family and relatives. Although the Governor's May Revise addresses this concern by preserving the current infrastructure by allowing counties to deviate from the Title V allocation only up to 10 percent initially, this will be only a temporary allowance. While high-quality Title 5 centers would continue to contract directly with the State through the Department of Social Services at least initially, the May Revised Budget leaves open

the possibility that Department of Social Services could convert the contracted slots to vouchers in subsequent budget years.

2. Cost to administer:

Child Development Division, the current administrator of Title V child care programs, takes approximately less than 1% of the total child care budget to administer state child care programs. County plans would need to at least meet and not exceed this administrative cost in order to maintain the current level of Title V services within the county.

3. County services vary:

Different administration plans for each county may cause challenges in seamless provision of services to children and families State-wide. Contra Costa is committed to quality and provides quality services, but service delivery and knowledge of quality programs may vary from county to county.

4. Voucher challenges:

Under this proposal, parents would receive childcare vouchers, which would allow them to choose any friend or relative to provide care to their child. Contra Costa County may experience a loss of child care services due to the proposed eventual voucher system, which would place current Title V contractors at risk of closure due to their need for a guarantee of a contract to remain open for business. In some remote areas of the county there is only a single center offering subsidized services at this time; Title V center closure would eliminate services for that community.

5. Possible workforce reduction to current resource and referral agencies:

Two community-based organizations currently administer Stages II and III. This redesign could result in the loss of childcare slots and therefore a reduction in the workforce.

6. Stigma:

Moving the Title V subsidized child care program under the welfare “umbrella” risks stigmatizing the care provided and increasing the marginalization of recipient families.

7. Early Care and Education as a part of the bigger system:

The work of the Department of Education over the last decade and a half has been to increasingly align child development services as “education” rather than as what had long been termed “child care”. A move of Title V administration to Social Service agencies could jeopardize many years of work. Furthermore, the nationwide common core standards work and Federal Department of Education funding opportunities and expectations is predicated on a continuum of education from infancy to college and beyond with an ever-increasingly interlinking of standards, curricula, staff credentials, and measurements. To pull out this portion (0-5) is to risk perpetuating the achievement and understanding gap that Head Start and state subsidized early care and education have always sought to erase.

Summary: This proposal has significant policy and structural changes that will impact the delivery of services in Contra Costa County. There are strong arguments both in support and in opposition of the plan; however Employment and Human Services staff believe that with our strong management systems, commitment to quality program delivery and longstanding community partnerships with accredited centers, EHSD can and will continue to provide quality services to thousands of families throughout Contra Costa regardless of the department administering the funds to the community.

LAO
70 YEARS OF SERVICE

May 23, 2012

Overview of Governor's Child Care and Preschool Proposals

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Senate Budget and Fiscal Review Subcommittee No. 1 on Education

Hon. Carol Liu, Chair

May 23, 2012

Governor Proposes Notable Changes to Subsidized Child Care Policies

Overview of Governor's Subsidized Child Care Proposals

Policy	January	May
Work requirements	• Limits care to parents working at least 30 hours (20 hours for parents with young children). • Eliminates eligibility for parents attending training or educational programs. • Eliminates 46,000 slots.	• Maintains same hourly requirements for working parents as proposed in January. • Allows up to two years of eligibility for parents attending training or education programs. • Eliminates 21,000 slots.
Maximum voucher rates for licensed providers	• Reduces from the 85th percentile of the 2005 regional market rate (RMR) survey to the 50th percentile of the 2009 RMR survey. • Average reduction of 12 percent to 14 percent compared to current rates.	• Reduces to the 40th percentile of the 2005 RMR survey. • Average reduction of at least 30 percent compared to current rates.
Maximum voucher rates for license-exempt providers	• Maintains current funding rates. • Increases from 60 percent to 73 percent of lower licensed rates to leave dollar amounts flat.	• Reduces to 71 percent of even lower licensed rates. • Average reduction of at least 10 percent compared to current rates.
Standard Reimbursement Rate for Title 5 centers	• Reduces by 10 percent.	• Maintains January proposal.
Income eligibility threshold	• Lowers from 70 percent of state median income (SMI) to 200 percent of federal poverty level (or about 62 percent of SMI). • Eliminates 8,400 slots.	• Maintains January proposal.

May 23, 2012

May Revision Maintains Same Magnitude, Different Mix of Reductions

Proposed Funding Changes for Subsidized Child Care Programs

(In Millions)

	January	May	Change
Revised 2011-12	**$2,017**	**$2,017**	**—**
Limit eligibility to families meeting new work requirements	-$294	-$113	$180
Reduce Standard Reimbursement Rate for Title 5 centers	-68	-68	—
Reduce income eligibility ceiling	-44	-40	4
Reduce maximum rate for child care vouchers	-17	-207	-189
Technical/caseload adjustments	-9	-21	-16
CalWORKs Stage 3 caseload increase	5	19	15
County "ramp-up" for child care restructuring[a]	35	26	-9
Total Changes	**-$391**	**-$404**	**-$13**
Proposed 2012-13	**$1,626**	**$1,613**	**-$13**

[a] In CalWORKs Stage 1 budget.

Two Major Policy Changes Have Offsetting Fiscal Effects

- Overall reduction remains roughly $400 million.

May 23, 2012

LAO Assessment of May Revision Proposal

Acknowledges Importance of Education and Training

- Adopts LAO suggestion to expand eligibility criteria and preserve opportunities for low-income families to pursue education, but for a limited term.

Cuts Voucher Rates Too Deeply

- Magnitude of rate cut would severely restrict families' access to child care providers.
- Lack of available data likely to delay implementation and erode Governor's savings estimates.
- Recommend adopting more moderate reductions to voucher rates.

Continues Problematic January Proposals Affecting Title 5 Centers

- Proposal continues to treat preschool program inconsistently, drawing false distinction between Proposition 98 and non-Proposition 98-funded services. We continue to recommend funding all preschool slots within Proposition 98.
- Proposed Standard Reimbursement Rate (SRR) reduction would be untenable for many providers. We continue to recommend rejecting this reduction.

Legislature Has Additional Options for Making Reductions

- Eliminate care for older school-age children during traditional hours.
- Increase parent fees.
- Impose time limits for child care services.

May 23, 2012

May Revision Increases Funding for Preschool

Proposed Changes to Proposition 98-Funded Preschool Program

(In Millions)

	January	May	Difference
Revised 2011-12	**$368**	**$368**	**—**
Reduce Standard Reimbursement Rate by 10 percent	-$34	—	$34
Reduce income eligibility ceiling	-24	-$24	—
Increase slots	—	57	57
Technical adjustments	1	-1	-2
Total Changes	**-$58**	**$33**	**$90**
Proposed 2012-13	**$310**	**$400**	**$90**

☑ **Provides Additional $90 Million Compared to January Level**

- Restores SRR reduction.
- Maintains January proposal to lower income eligibility threshold to 200 percent of federal poverty level.
- Funds additional 7,900 slots compared to 2011-12.
- Draws explicit linkage between Transitional Kindergarten proposal and preschool funding restoration.

☑ **Unclear Rationale for Maintaining Lower Income Eligibility Criteria**

- Priority for preschool slots already reserved for lowest-income applicants. Proposal might affect some communities disproportionately.

☑ **Recommend Considering Preschool Expansion in Larger Budget Context**

- Consider interaction with preschool slots currently funded under General Child Care, as well as potential reductions to Proposition 98 funding level.

May 23, 2012

Transitional Kindergarten (TK)

May Revision Maintains January TK Proposal

- Would maintain change in kindergarten entrance date and repeal TK provisions, but allow districts to serve underage children in kindergarten on a case-by-case basis for the full year.

Lowers Savings Estimates From $224 Million to $92 Million

- Erosion in savings based on (1) holding districts harmless from funding losses associated with decline in average daily attendance (ADA) and (2) assuming districts that currently run TK programs would continue to do so under new waiver policy.

Savings Unlikely to Materialize Due to Proposed Waiver Policy

- Governor's waiver proposal would allow districts to expand TK programs for underage kindergarteners, thereby eliminating potential savings and possibly leading to *increased* costs if districts opt to enroll more four-year olds.

Recommend Adopting More Consistent Kindergarten Policy

- Recommend repealing TK, eliminating hold harmless provision for ADA decline, and limiting waiver eligibility only to *traditional* kindergarten for students born shortly after date cut-off.
- Estimate only $75 million savings in 2012-13, because assume many districts will opt to serve November-born children in kindergarten this fall.

May 23, 2012

May Revision Refines Child Care Restructuring Proposal

Still Would Consolidate Child Care Programs and Funding Into One Unified System

- Begins by consolidating funding for the California Work Opportunity and Responsibility to Kids (CalWORKs) Stage 2 and Stage 3 programs with the non-CalWORKs Alternative Payment program in 2012-13.
- Consolidates all child care programs and shifts administration to County Welfare Departments (CWDs) in 2013-14. Department of Social Services (DSS) would oversee all subsidized child care funding and services.

Makes a Number of Refinements to 2013-14 Proposal

- Specifies that child care funding for former and non-CalWORKs participants would be maintained in a separate county-level block grant, not part of counties' single funding allocation for CalWORKs services.
- For three years, would require each CWD to maintain contracts with Title 5 centers for the same number of slots that were funded in that county in 2012-13.
- Would allow for possibility of midyear transfer of some funding and responsibilities from the California Department of Education to DSS and CWDs in 2012-13.

OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY

TO: Legislation Committee
Supervisor Mary N. Piepho, Chair
Supervisor Karen Mitchoff, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: June 3, 2012

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

RECOMMENDATION

ACCEPT the report on federal legislative matters and direct follow-up as needed.

WASHINGTON, D.C. UPDATE

Members of Congress returned to Washington on Monday, May 7 following a one-week recess to face a packed legislative agenda. In the Senate, lawmakers spent much of the week tied up in a debate over how to proceed to legislation (S 2343) that would prevent a **student loan interest rate hike**. Although Democrats and Republicans agree that Congress should act by a July 1 deadline to extend the current 3.4 percent interest rate for one year, both parties remain gridlocked over how to pay for the extension. Without an agreement on the spending offset, Senate Majority Leader Harry Reid (D-NV) was forced to table the bill late Thursday evening.

In the House, lawmakers focused on several budgetary items this past week, including a controversial bill (**HR 5652**) that would **replace the automatic spending cuts** called for in last year's debt-limit law with a series of reductions in mandatory spending programs. After a highly partisan debate, the House cleared the bill on a 218 to 199 vote. It should be noted that the legislation will not be considered by the Democratic-controlled Senate – and is opposed by the Obama administration – and is therefore unlikely to become law.

Under the GOP bill, which is a companion to the budget resolution that the House adopted in March, discretionary spending in fiscal year 2013 would be cut by $19 billion. Additionally, the legislation would repeal nearly $100 billion in automatic spending cuts, known as a budget "sequester," and substitute them with more than $310 billion in targeted mandatory spending reductions over ten years.

Mandatory spending cuts include adjustments to Medicaid, such as extending for another year the Affordable Care Act cuts to the Disproportionate Share Hospital payment program, which supports safety net hospitals. Additionally, the House bill would cut the Supplemental Nutrition Assistance Program (SNAP) by phasing out on June 30, 2012 the 13 percent boost in benefits enacted under the American Recovery and Reinvestment Act (the benefit boost is currently

slated to expire on October 31, 2013). The measure also would eliminate the Social Services Block Grant (SSBG); California, which uses the funds to support services to persons with disabilities, as well as provide day care and foster care services, would lose $204 million in SSBG funding.

In other budget-related developments, the House approved on May 10 its fiscal year **2013 Commerce-Justice-Science (CJS)** spending package (**HR 5326**). Passage of the measure marks the first appropriations bill that has been cleared by either chamber in the 2012 session.

Debate on the CJS bill was marred by partisan bickering over a series of controversial amendments, several of which were adopted, that bar the use of federal funds for various agency activities. The addition of the policy riders will likely make for tense negotiations with the Senate later this year.

During House consideration of the legislation, lawmakers approved on a 206-204 margin an amendment that would increase funding for the **Community Oriented Policing Services (COPS)** program by $126 million. Under the amendment, COPS hiring program funding would be restored to fiscal year 2012 spending levels of $166 million.

At the committee-level, on Wednesday, May 9, the House Homeland Security Appropriations Subcommittee approved its fiscal year 2013 spending measure. Although the bill would cut the Department of Homeland Security (DHS) budget by $484 million, first responder programs would receive a boost. Under the bill, $2.8 billion would be provided for the Federal Emergency Management Agency's (FEMA) first responder grants, or an increase of $400 million over the fiscal year 2012 level.

In other news, the Senate Banking, Housing, and Urban Affairs Subcommittee on Economic Policy held a hearing on May 9 to discuss the reauthorization of the **National Flood Insurance Program (NFIP)**. The NFIP, which is currently operating under a short-term extension, is set to expire at the end of the month and is nearly $18 billion in debt since paying out massive claims for damage caused by hurricanes Katrina and Rita.

It should be noted that Senator David Vitter (R-LA) recently indicated that he intends to offer the Senate's five-year NFIP overhaul bill (**S 1940**) – which was approved by the Banking Committee late last year – as an amendment to any piece of legislation that comes to the Senate floor. Senator Vitter also recently introduced a bill (**S 2344**) that would extend the NFIP though the end of 2013; the extension measure is seen as a fall back in case Congress is unable to finalize a long-term flood insurance reform effort this year.

The House approved its own five-year NFIP overhaul bill (**HR 1309**) last July.

Transportation Reauthorization

The 47-member transportation reauthorization conference committee convened its much-anticipated first meeting on May 8. Conferees used the inaugural session to make opening statements and discuss their expectations for advancing a successor to the nation's surface

transportation law, known as SAFETEA-LU. For the most part, members expressed optimism that the committee would be able to work in a bipartisan fashion to produce a final bill that could be voted on by both chambers of Congress in the near future.

Chaired by Senate Environment and Public Works Committee Chairman Barbara Boxer (D-CA), the committee will be attempting to finalize a new highway and transit package before the current extension expires on June 30. Given the considerable number of issues that will need be reconciled before the deadline, however, reaching a timely agreement will be extremely challenging.

Moreover, there are several major controversial items that could bog down the conference negotiations, including debate over the Keystone XL oil pipeline. Language that would mandate approval of the cross-country pipeline was included in the House transportation measure, but is not included in the Senate's version. President Obama has issued a veto threat over the Keystone provision.

This particular conference committee is somewhat unusual in that conferees will need to reconcile the Senate's two-year, $109 billion reauthorization measure (S 1813) with a House-passed 90-day extension (HR 4348). Theoretically, conferees may only address issues that are included in one or both of the aforementioned bills, but House GOP leaders have indicated that they intend to use their stalled five-year reauthorization package (HR 7) as the basis for the negotiations.

CSAC, in partnership with the Regional Council of Rural Counties (RCRC), has weighed in on the debate by outlining in correspondence the top priorities for the associations. Additionally, CSAC is continuing to work with Chairman Boxer, conferees, and members of the California congressional delegation in an effort to ensure that the final transportation bill advances counties' priorities.

Army Corps of Engineers' Levee Vegetation Policy

Both the House and Senate Appropriations Committees recently approved their respective versions of the fiscal year 2013 Energy and Water (E&W) Development Appropriations legislation (**HR 5325/S 2465**). The bills provide, among other things, funding for federal water projects under the purview of the Army Corps of Engineers (Corps) and the Bureau of Reclamation. The measures also fund the Department of Energy.

The Committee Report that accompanies the Senate's E&W spending bill includes language submitted by Senator Feinstein stating that the Corps' initial research effort on levee vegetation indicates that minimal data exists on the scientific relationship between woody vegetation and levees. The Report also urges the Corps to continue to conduct additional scientific research on the topic and encourages the Corps to take seriously its requirements under the Endangered Species Act and to clarify how it will apply those considerations in the final vegetation variance policy.

The Senate Committee Report language comes on the heels of CSAC and other stakeholders

providing official comments to the Corps on the Agency's updated levee vegetation variance process. The Corps' variance process – as well as the underlying levee vegetation removal policy – remains highly controversial due to concerns regarding various cost and compliance issues.

On a related matter, during the House Appropriations Committee's consideration of its E&W spending measure, the panel adopted on a 29-20 vote an amendment that would bar the use of funds for the Corps to finalize guidance that would modify the definition of "navigable waters" under the Clean Water Act (CWA). The Corps and the Environmental Protection Agency (EPA) issued joint guidance last year that would significantly expand the scope of the CWA to give the Agencies authority to regulate additional waters. The guidance is currently under review at the White House Office of Management and Budget.

Notably, the House fiscal year 2012 E&W spending bill included a similar CWA rider. The provision, however, was stripped from the final fiscal year 2012 omnibus budget package.

RELATED ARTICLES

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Boxer Signals Progress in Conference Negotiations Over Highway Bill

By Nathan Hurst, CQ Staff

A Senate chairwoman has given lawmakers and lobbyists new reason for optimism that a conference report on a surface transportation reauthorization can be finished before a temporary extension expires June 30.

Environment and Public Works Chairwoman Barbara Boxer said Wednesday she had a productive conversation with House Speaker John A. Boehner, who told her he has urged House negotiators to complete the conference report in time for President Obama to sign it into law by the end of next month.

Boxer, D-Calif., called her talk with the Ohio Republican "the best news I've had in a long time."

If the conversation went as well as Boxer suggested, the discussion between the two lawmakers marked considerable progress from the state of affairs earlier this year, when Boxer said that Boehner and House Majority Leader Eric Cantor, R-Va., were not returning her telephone calls.

Despite partisan differences over House-backed provisions that would speed approval of the proposed Keystone XL oil pipeline and limit the EPA regulation of coal ash, Boxer said there are "no sticking points" that are creating an insurmountable hurdle for conferees.

Boehner said in a written statement he remains "hopeful that the negotiators can complete work on a conference agreement that includes Keystone and other energy measures to address high gas prices and create jobs; as well as meaningful infrastructure overhauls that ensure that taxpayer dollars are spent effectively and efficiently on roads and bridges across this country."

Aides are convening 10 working group meetings this week in an effort to settle a host of issues separating Republicans and Democrats on the comprehensive rewrite of surface transportation policy. Seventeen such staff meetings were held last week.

While Boxer declined to identify specific areas of agreement or disagreement — and aides have been careful to note that no agreement on any controversial provision is considered final until the conference agreement is complete — she elaborated on the May 22 assertion by Senate Majority Leader Harry Reid, D-Nev., that 80 percent of the work is done.

Boxer said the two-year, $109 billion surface transportation bill (S 1813) approved by her committee late last year will comprise most of the conference agreement. "Eighty percent of that bill is non-controversial," she said, noting that it contains highway spending formulas and program consolidations supported by lawmakers in both chambers.

Financing Dilemma

Still unresolved, however, is the question of how to pay for the bill, a problem that vexed House GOP leaders as they tried to build support for their own five-year, $260 billion highway proposal (HR 7). Tea party-backed fiscal conservatives balked at the cost of that bill, which relied on a series of offsets to make up the difference between the cost of transportation programs and the waning receipts of the Highway Trust Fund from fuel taxes.

Senate Finance Chairman Max Baucus, D-Mont., came up with a plan to cover most of the shortfall in the Senate bill, but his list of potential financing provisions has drawn criticism from conservatives in both chambers.

Boxer said Wednesday that Baucus and House Ways and Means Chairman Dave Camp, R-Mich., have found a "very sweet spot" to finance a bill that would please lawmakers in both chambers and both parties.

Federal transportation programs are operating under an extension (PL 112-102) that runs through June 30. The last full reauthorization (PL 109-59), enacted in 2005, expired in September 2009.

After House GOP leaders struggled to garner enough support to pass their own bill, they sent a 90-day extension (HR 4348) to conference with the Senate's bill, which won bipartisan support in a 74-22 vote in March.

First posted May 23, 2012 1:46 p.m.

A version of this article appeared in the May 24, 2012 print issue of CQ Today

House Republicans Square Off Over Transportation Spending
By Nathan Hurst and Anne L. Kim, CQ Staff
May 31, 2012 – 10:41 p.m.

The rift among House Republicans over transportation funding that forced House Speaker John A. Boehner to abandon his signature highway bill will be put on display next week, when the

caucus' conservatives plan to force a floor vote to restrict infrastructure spending.

The motion by Georgia Republican Paul Broun is expected to instruct House highway bill conferees to limit expenditures to $37.5 billion for fiscal 2013, the amount projected to be available in the Highway Trust Fund for that year. Such a restriction could force a spending cut of about one-third from current levels.

Broun decided not to offer his motion as scheduled on Thursday because there was an error dealing with fiscal 2012 that would have subjected the motion to a point of order, said Meredith Griffanti, Broun's communications director. That money has already been spent, so it can't be limited, she said.

Broun plans to offer a version of the motion next week that would deal only with fiscal 2013, she said.

Conservative groups, such as Heritage Action for America, threw support behind the initial motion, which is not binding on conferees but will test the strength of the GOP caucus' tea party-backed faction.

The effort also reflects tension between Majority Leader Eric Cantor, R-Va., and Boehner, an Ohio Republican. Cantor, who has aligned himself with the caucus' more conservative wing, added the motion to the schedule at Broun's request May 29, aides said.

GOP aides said neither Boehner nor Transportation and Infrastructure Chairman John L. Mica, R-Fla., was involved in Broun's motion to instruct, nor were they planning to urge members to vote either for or against the motion. A top GOP leadership aide said Boehner hasn't been negotiating directly with Senate Democrats on the conference, leaving that job instead to Mica.

Joshua L. Schank, president and CEO of the Eno Center for Transportation, characterized the vote as an admission by House Republicans that they don't really want a conference on the long-term highway bill to succeed.

"It takes an issue that could have been resolved in conference and makes it harder to resolve in conference," Schank said.

John Horsley, executive director of the American Association of State Highway and Transportation Officials, warned that "thousands of jobs will be lost unless the House and Senate can put politics aside and move forward on a highway and transit bill."

Senate Finance Chairman Max Baucus, D-Mont., and House Ways and Means Chairman Dave Camp, R-Mich., are trying to identify billions in offsets to help bridge the gap between the revenue produced by flagging excise taxes on motor fuels, truck sales and other fees and the authorized spending levels.

A strong vote among House Republicans for the Broun motion could encourage GOP conferees — particularly the tea party-oriented freshmen on the panel — to harden their positions and

complicate efforts to reach an agreement before current authorization (PL 112-102) expires at the end of June. Defeat of the motion would indicate broader support in the House for maintaining current surface transportation funding levels.

In the face of opposition from conservatives in his caucus, Boehner retreated earlier this spring from efforts to bring a five-year, $260 billion transportation proposal (HR 7) to the floor.

Last week, conference Chairwoman Sen. Barbara Boxer, D-Calif., expressed optimism about progress toward a conference report after she conferred with Boehner. But by this week, she was telling transportation lobbyists that the insistence by House Republicans on restraint for highway spending was a major stumbling block. She and other transportation-focused lawmakers have asked industry groups to pressure House Republicans to support a conference report, draft language of which is expected to be circulating for comment in the coming weeks.

But with just three legislative weeks with both chambers in session remaining ahead of the June 30 deadline, industry lobbyists say another extension is looking more likely.

Richard E. Cohen contributed to this story.

OFFICE OF THE COUNTY ADMINISTRATOR
CONTRA COSTA COUNTY

TO: Legislation Committee
Supervisor Mary N. Piepho, Chair
Supervisor Karen Mitchoff, Vice Chair

FROM: Lara DeLaney, Legislative Coordinator

DATE: June 3, 2012

SUBJECT: **Agenda Item #8: Federal Legislation of Interest: Earthquake Insurance Affordability Act - S. 637 (Feinstein & Boxer) and H.R. 3125 (John Campbell & 12 co-authors)**

RECOMMENDATION

ACCEPT the report on the Earthquake Insurance Affordability Act - S. 637 (Feinstein & Boxer) and H.R. 3125 (John Campbell & 12 co-authors) and direct follow-up as needed.

REPORT

The Earthquake Insurance Affordability Act (EIAA) is a bill introduced on Capitol Hill by its sponsors in the Senate, U.S. Senators Dianne Feinstein and Barbara Boxer (D-CA), and sponsors in the House of Representatives, John Campbell and others, designed to lower rates so more homeowners can afford earthquake insurance coverage. The federal bill would apply to all nonprofit, state-run earthquake insurance programs across America. The Earthquake Insurance Affordability Act (S. 637) was written as "a bill to establish a program to provide guarantees for debt issued by or on behalf of State catastrophe insurance programs to assist in the financial recovery from earthquakes, earthquake-induced landslides, volcanic eruptions, and tsunamis."

Recent severe earthquakes have underscored the need for California and its homeowners to be financially prepared, as the state has two-thirds of the earthquake risk faced by America. In fact, experts are almost certain a major earthquake will occur in California within the next 30 years. Despite these risks, less than 10% of households are covered by earthquake insurance, with most consumers claiming it is too expensive.

The EIAA would allow the California Earthquake Authority (CEA) to lower costs by allowing the federal government to guarantee bonds issued by CEA, in lieu of purchasing reinsurance, which currently accounts for 40% of its costs. This would save an estimated $100 million per year and allow the CEA to lower its rates by 20%, allowing more homeowners to afford earthquake insurance and speed economic recovery when the next “big one” hits.

In the event of a major earthquake, expenses to federal, state, and local governments would be mitigated with increased earthquake coverage. Furthermore, the EIAA will not cost taxpayers

any money, because the Treasury Department would charge the CEA for its guarantee, and could adjust the fee upward after a major disaster.

Even in the quake-famous state of California, only 10 percent of homeowners have supplemental earthquake coverage. It's generally considered too expensive for working families. Earthquake insurance policies typically carry a deductible calculated as a percentage of the replacement value of the home. For example, on a $500,000 home with a 10 percent deductible, the homeowner pays the first $50,000 in repair bills before the earthquake coverage kicks in.

This is not something just for California. It would apply to all states, including states in the New Madrid seismic zone and the seismically-active western states, as well as the East Coast states recently struck by a quake. There are active earthquake faults across the United States from coast to coast.

When an earthquake hits a great number of homes which have no earthquake insurance policy, who ends up covering the repairs and reconstruction? The U.S. government, or the American people. If earthquake insurance premiums are lowered, however, it is assumed that a greater numbers of homeowners will purchase an earthquake policy.

Nationwide, earthquakes are increasing at an alarming rate, occurring in places that have not felt a quake in modern memory. It is simply a fact of life in the 21st century, unfortunately. Earthquake preparedness is not only a California issue, it is now a nationwide American issue.

Senator Dianne Feinstein states: "We cannot prevent an earthquake, but we must do everything we can to prepare for one by ensuring homeowners have access to affordable earthquake insurance coverage."

Senator Barbara Boxer states: "I am proud to join with Senator Feinstein to introduce legislation that would help homeowners in California access affordable earthquake insurance, which is critical to helping residents and communities recover and rebuild after the devastation of an earthquake."

The Senate bill would authorize the U.S. Treasury Department to guarantee up to $5 billion in loans for insurers, such as the California Earthquake Authority, to borrow from private lenders.

The cost of the loan guarantees and the administration of the program would be covered by the participating state programs and will come at no cost to U.S. taxpayers.

The Earthquake Insurance Affordability Act has been referred to the U.S. Senate Banking, Housing, and Urban Affairs Committee.

See Attachment A for a copy of the bill. Attachment B is an overview of the EIAA. Attachment C is a letter of support from CSAC. Attachment D is a list of supporters for the bill.

Item #8--Attachment A

AUTHENTICATED
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INFORMATION
GPO

112TH CONGRESS
1ST SESSION

S. 637

To establish a program to provide guarantees for debt issued by or on behalf of State catastrophe insurance programs to assist in the financial recovery from earthquakes, earthquake-induced landslides, volcanic eruptions, and tsunamis.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 2011

Mrs. FEINSTEIN (for herself and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To establish a program to provide guarantees for debt issued by or on behalf of State catastrophe insurance programs to assist in the financial recovery from earthquakes, earthquake-induced landslides, volcanic eruptions, and tsunamis.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Earthquake Insurance Affordability Act".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Item #8--Attachment A

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.
Sec. 4. Eligible State programs.
Sec. 5. Establishment of debt-guarantee program.
Sec. 6. Effect of guarantee.
Sec. 7. Assessment at time of guarantee.
Sec. 8. Payment of losses.
Sec. 9. Full faith and credit.
Sec. 10. Budgetary impact; costs.
Sec. 11. Regulations.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) Major earthquakes are likely in the United
4 States. For example, the United States Geological
5 Survey predicts that there is a 99.7 percent chance
6 that a magnitude 6.7 earthquake will strike in Cali-
7 fornia in the next 30 years and that there is a 46
8 percent chance that a magnitude 7.5 earthquake will
9 strike in California in the next 30 years. Earth-
10 quakes can be caused by volcanic or tectonic events
11 and result in destructive shaking of the earth, fires,
12 landslides, volcanic eruptions, and tsunamis.

13 (2) Despite the known risk of earthquakes, rel-
14 atively few homeowners have earthquake insurance.
15 For example, in California, 88 percent of homes in-
16 sured for fire do not have earthquake insurance. In
17 the event of a catastrophic earthquake, the lack of
18 homeowner earthquake-insurance coverage will slow
19 recovery, create economic hardship, and increase the

1 risk of mortgage and other credit defaults and ad-
2 versely affect the Nation's banking system.
3 (3) It is important that States improve the af-
4 fordability, availability, and quality of earthquake in-
5 surance so that more homeowners will purchase cov-
6 erage. For example, California has created the Cali-
7 fornia Earthquake Authority to provide earthquake
8 insurance to homeowners through private-sector in-
9 surers.
10 (4) It is a proper role of the Federal Govern-
11 ment to help prepare and protect its citizens from
12 catastrophes such as earthquakes and to facilitate
13 consumer protection, victim assistance, and indi-
14 vidual and community recovery, including financial
15 recovery.
16 (b) PURPOSES.—The purposes of this Act are to es-
17 tablish a program—
18 (1) to promote the availability of private capital
19 to provide liquidity and capacity to State earthquake
20 insurance programs; and
21 (2) to expedite the payment of claims under
22 State earthquake insurance programs and better as-
23 sist the financial recovery from significant earth-
24 quakes by authorizing the Secretary of the Treasury
25 to guarantee debt for such purposes.

Item #8--Attachment A

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

3 (1) COMMITMENT TO GUARANTEE.—The term
4 "commitment to guarantee" means a commitment to
5 make debt guarantees to an eligible State program
6 pursuant to section 5.

7 (2) ELIGIBLE STATE PROGRAM.—The term "eli-
8 gible State program" means a State program that,
9 pursuant to section 4, is eligible to receive a debt
10 guarantee under this Act.

11 (3) INSURED LOSS.—The term "insured loss"
12 means any loss resulting from an earthquake, an
13 earthquake-related event, or fire following an earth-
14 quake that is determined by an eligible State pro-
15 gram as being covered by insurance made available
16 under that eligible State program.

17 (4) QUALIFYING ASSETS.—The term "quali-
18 fying assets" means the policyholder surplus of the
19 eligible State program as stated in the most recent
20 quarterly financial statement filed by the program
21 with the domiciliary regulator of the program in the
22 last quarter ending prior to an insured-loss trig-
23 gering event or events.

24 (5) RESIDENTIAL PROPERTY INSURANCE.—The
25 term "residential property insurance" means insur-
26 ance coverage for—

Item #8--Attachment A

1 (A) individually owned residential struc-
2 tures of not more than 4 dwelling units, individ-
3 ually owned condominium units, or individually
4 owned mobile homes, and their contents, located
5 in a State and used exclusively for residential
6 purposes or a tenant's policy written to include
7 personal contents of a residential unit located in
8 the State, but shall not include—
9 (i) insurance for real property or its
10 contents used for any commercial, indus-
11 trial, or business purpose, except a struc-
12 ture of not more than 4 dwelling units
13 rented for individual residential purposes;
14 or
15 (ii) a policy that does not include any
16 of the perils insured against in a standard
17 fire policy or any earthquake policy; or
18 (B) commercial residential property, which
19 includes property owned by a condominium as-
20 sociation or its members, property owned by a
21 cooperative association, or an apartment build-
22 ing.
23 (6) SECRETARY.—The term "Secretary" means
24 the Secretary of the Treasury.

Item #8--Attachment A

1 (7) STATE.—The term "State" means each of
2 the several States of the United States, the District
3 of Columbia, the Commonwealth of Puerto Rico, the
4 Commonwealth of the Northern Mariana Islands,
5 Guam, the United States Virgin Islands, American
6 Samoa, and any other territory or possession of the
7 United States.

8 **SEC. 4. ELIGIBLE STATE PROGRAMS.**

9 (a) ELIGIBLE STATE PROGRAMS.—A State program
10 shall be considered an eligible State program for purposes
11 of this Act if the State program or other State entity au-
12 thorized to make such determinations certifies to the Sec-
13 retary, in accordance with the procedures established
14 under subsection (b), that the State program complies
15 with the following requirements:

16 (1) STATE PROGRAM DESIGN.—The State pro-
17 gram is established and authorized by State law as
18 an earthquake insurance program that offers resi-
19 dential property insurance coverage for insured
20 losses to property, contents, and additional living ex-
21 penses, and which is not a State program that re-
22 quires insurers to pool resources to provide property
23 insurance coverage for earthquakes.

24 (2) OPERATION.—The State program shall
25 meet the following requirements:

Item #8--Attachment A

1 (A) A majority of the members of the gov-
2 erning body of the State program shall be pub-
3 lic officials or appointed by public officials.
4 (B) The State shall have a financial inter-
5 est in the State program.
6 (C) If the State has at any time appro-
7 priated amounts from the State program's
8 funds for any purpose other than payments for
9 losses insured under the State program, or pay-
10 ments made in connection with any of the State
11 program's authorized activities, the State shall
12 have returned such amounts to the State fund,
13 together with interest on such amounts.
14 (3) TAX STATUS.—The State program shall
15 have received from the Secretary (or the Secretary's
16 designee) a written determination, within the mean-
17 ing of section 6110(b) of the Internal Revenue Code
18 of 1986, that the State program either—
19 (A) constitutes an "integral part" of the
20 State that has created it; or
21 (B) is otherwise exempt from Federal in-
22 come taxation.
23 (4) EARNINGS.—The State program may not
24 provide for any distribution of any part of any net

1 profits of the State program to any insurer that par-
2 ticipates in the State program.
3 (5) LOSS PREVENTION AND MITIGATION.—
4 (A) MITIGATION OF LOSSES.—The State
5 program shall include provisions designed to en-
6 courage and support programs to mitigate
7 losses for which the State insurance program
8 was established to provide insurance.
9 (B) OPERATIONAL REQUIREMENTS.—The
10 State program shall operate in a State that—
11 (i) has in effect and enforces, or the
12 appropriate local governments within the
13 State have in effect and enforce, nationally
14 recognized building, seismic-design, and
15 safety codes and consensus-based stand-
16 ards; and
17 (ii) has taken actions to establish an
18 insurance rate structure that takes into ac-
19 count measures to mitigate insured losses.
20 (6) REQUIREMENTS REGARDING COVERAGE.—
21 The State program—
22 (A) may not, except for charges or assess-
23 ments related to post-event financing or bond-
24 ing, involve cross-subsidization between any
25 separate property-and-casualty insurance lines

1 offered under the State program pursuant to
2 paragraph (1);
3 (B) shall be subject to a requirement
4 under State law that for earthquake insurance
5 coverage made available under the State insur-
6 ance program the premium rates charged on
7 such insurance shall be actuarially sound; and
8 (C) shall make available to all qualifying
9 policyholders insurance coverage and mitigation
10 services on a basis that is not unfairly discrimi-
11 natory.
12 (b) ANNUAL CERTIFICATION.—The Secretary shall
13 establish procedures for initial certification and annual re-
14 certification as an eligible State program.
15 **SEC. 5. ESTABLISHMENT OF DEBT-GUARANTEE PROGRAM.**
16 (a) AUTHORITY OF SECRETARY.—The Secretary is
17 authorized and shall have the powers and authorities nec-
18 essary—
19 (1) to guarantee, and to enter into commit-
20 ments to guarantee, holders of debt against loss of
21 principal or interest, or both, on any debt issued by
22 eligible State programs for purposes of this Act; and
23 (2) to certify and recertify State catastrophe in-
24 surance programs that cover earthquake peril to be-

Item #8--Attachment A

1 come or remain eligible for the benefits of such a
2 debt-guarantee program.
3 (b) LIMIT ON OUTSTANDING DEBT GUARANTEE.—
4 The aggregate amount of debt covered by the Secretary's
5 guarantees and commitments to guarantee for all eligible
6 State programs outstanding at any time shall not exceed
7 $5,000,000,000, including interest.
8 (c) FUNDING.—
9 (1) APPROPRIATION OF FEDERAL PAYMENTS.—
10 Subject to subsection (b), there are hereby appro-
11 priated, out of funds in the Treasury not otherwise
12 appropriated, such sums as may be necessary to sat-
13 isfy debt guarantee commitments extended to eligible
14 State programs under this Act.
15 (2) CERTIFICATION FEE.—Upon certification or
16 recertification as an eligible State program under
17 section 4(a) or 4(b), a State program shall be
18 charged a certification fee sufficient in the judge-
19 ment of the Secretary at the time of certification to
20 cover—
21 (A) applicable administrative costs arising
22 from each certification or recertification, includ-
23 ing all pre-certification costs and a proportional
24 share of the costs arising from the administra-
25 tion of the program established under this Act,

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1 but in any event not to exceed one-half of 1
2 percent annum of the aggregate principal
3 amount of the debt for which the eligible State
4 program is issued a guarantee commitment;
5 and
6 (B) any probable losses on the aggregate
7 principal amount of the debt for which the eligi-
8 ble State program is issued a guarantee com-
9 mitment.
10 (3) RULE OF CONSTRUCTION.—Any funds ex-
11 pended or obligated by the Secretary for the pay-
12 ment of administrative expenses for conduct of the
13 debt-guarantee program authorized by this Act shall
14 be deemed appropriated at the time of such expendi-
15 ture or obligation from the certification and recer-
16 tification fees collected pursuant to paragraph (2).
17 (d) CONDITIONS FOR GUARANTEE ELIGIBILITY.—A
18 debt guarantee under this section may be made only if
19 the Secretary has issued a commitment to guarantee to
20 a certified, eligible State program. The commitment to
21 guarantee shall be in force for a period of 3 years from
22 its initial issuance and may be extended by the Secretary
23 for 1 year on each annual anniversary of the issuance of
24 the commitment to guarantee. The commitment to guar-
25 antee and each extension of such commitment may be

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1 issued by the Secretary only if the following requirements
2 are satisfied:
3 (1) The eligible State program submits to the
4 Secretary a report setting forth, in such form and
5 including such information as the Secretary shall re-
6 quire, how the eligible State program plans to repay
7 guarantee-eligible debt it may incur.
8 (2) Based on the eligible State program's report
9 submitted pursuant to paragraph (1), the Secretary
10 determines there is reasonable assurance that the el-
11 igible State program can meet its repayment obliga-
12 tion under such debt.
13 (3) The eligible State program enters into an
14 agreement with the Secretary, as the Secretary shall
15 require, that the eligible State program will not use
16 Federal funds of any kind or from any Federal
17 source (including any disaster or other financial as-
18 sistance, loan proceeds, and any other assistance or
19 subsidy) to repay the debt.
20 (4) The commitment to guarantee shall specify
21 and require the payment of the fees for debt guar-
22 antee coverage.
23 (5) The maximum term of the debt specified in
24 a commitment issued under this section may not ex-
25 ceed 30 years.

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1 (e) MANDATORY ASSISTANCE FOR ELIGIBLE STATE
2 PROGRAMS.—The Secretary shall upon the request of an
3 eligible State program and pursuant to a commitment to
4 guarantee issued under subsection (d), provide a guar-
5 antee under subsection (f) for such eligible State program
6 in the amount requested by such eligible State program,
7 subject to the limitation under subsection (f)(2).
8 (f) CATASTROPHE DEBT GUARANTEE.—A debt guar-
9 antee under this subsection for an eligible State program
10 shall be subject to the following requirements:
11 (1) PRECONDITIONS.—The eligible State pro-
12 gram shows to the satisfaction of the Secretary that
13 insured losses to the eligible State program arising
14 from the event or events covered by the commitment
15 to guarantee are likely to exceed 80 percent of the
16 eligible State program's qualifying assets available to
17 pay claims, as calculated on the date of the event
18 and based on the eligible State program's most re-
19 cent quarterly financial statement filed with its
20 domiciliary regulator.
21 (2) USE OF FUNDS.—Proceeds of debt guaran-
22 teed under this section shall be used only to pay the
23 costs of issuing debt and of securing or providing
24 claim-payment capacity for paying the insured losses
25 and loss adjustment expenses incurred by an eligible

1 State program. Such amounts shall not be used for
2 any other purpose.

3 **SEC. 6. EFFECT OF GUARANTEE.**

4 The issuance of any guarantee by the Secretary
5 under this Act shall be conclusive evidence that—

6 (1) the guarantee has been properly obtained;

7 (2) the underlying debt qualified for such guar-
8 antee; and

9 (3) the guarantee is valid, legal, and enforce-
10 able.

11 **SEC. 7. ASSESSMENT AT TIME OF GUARANTEE.**

12 To extent not satisfied by the fees collected under sec-
13 tion 5(c)(2), the Secretary shall charge and collect fees
14 for each guarantee issued in amounts sufficient in the
15 judgement of the Secretary at the time of issuance of the
16 guarantee to cover applicable administrative costs and
17 probable losses on the guaranteed obligations.

18 **SEC. 8. PAYMENT OF LOSSES.**

19 (a) IN GENERAL.—The Secretary agrees to pay to
20 the duly appointed paying agent or trustee (in this section
21 referred to as the "Fiscal Agent") for the eligible State
22 program that portion of the principal and interest on any
23 debt guaranteed under this Act that shall become due to
24 payment but shall be unpaid by the eligible State program
25 as a result of such program having provided insufficient

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1 funds to the Fiscal Agent to make such payments. The
2 Secretary shall make such payments on the date such
3 principal or interest becomes due for payment or on the
4 business day next following the day on which the Secretary
5 shall receive notice of failure on the part of the eligible
6 State program to provide sufficient funds to the Fiscal
7 Agent to make such payments, whichever is later. Upon
8 making such payment, the Secretary shall be subrogated
9 to all the rights of the ultimate recipient of the payment.
10 The Secretary shall be entitled to recover from the eligible
11 State program the amount of any payments made pursu-
12 ant to any guarantee entered into under this Act.

13 (b) ROLE OF THE ATTORNEY GENERAL.—The Attor-
14 ney General shall take such action as may be appropriate
15 to enforce any right accruing, and to collect any and all
16 sums owing, to the United States as a result of the
17 issuance of any guarantee under this Act.

18 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
19 tion shall be construed to preclude any forbearance for the
20 benefit of the eligible State program which may be agreed
21 upon by the parties to the guaranteed debt and approved
22 by the Secretary, provided that budget authority for any
23 resulting cost, as such term is defined under the Federal
24 Credit Reform Act of 1990, is available.

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1 (d) RIGHT OF THE SECRETARY.—Notwithstanding
2 any other provision of law relating to the acquisition, han-
3 dling, or disposal of property by the United States, the
4 Secretary shall have the right in the discretion of the Sec-
5 retary to complete, recondition, reconstruct, renovate, re-
6 pair, maintain, operate, or sell any property acquired by
7 the Secretary pursuant to the provisions of this Act.

8 **SEC. 9. FULL FAITH AND CREDIT.**

9 The full faith and credit of the United States is
10 pledged to the payment of all guarantees issued under this
11 Act with respect to principal and interest.

12 **SEC. 10. BUDGETARY IMPACT; COSTS.**

13 For purposes of section 502(5) of the Federal Credit
14 Reform Act of 1990, the cost of guarantees to be issued
15 under this Act shall be calculated by adjusting the dis-
16 count rate in section 502(5)(E) of such Act for market
17 risk.

18 **SEC. 11. REGULATIONS.**

19 The Secretary shall issue any regulations necessary
20 to carry out the debt-guarantee program established under
21 this Act.

○

The Earthquake Insurance Affordability Act (EIAA)

Empowering Homeowners / Protecting Taxpayers

The summer of 2011 saw our nation hit by tornadoes, earthquakes, and massive storms—they took lives and damaged homes and businesses across the nation.

And in a profound show of Nature's power, even the iconic Washington Monument was cracked by the East Coast earthquake in August—it was an event lasting less than a minute but created severe damage to the structure that compelled the U.S. Parks Service to hang a "closed to visitors" sign on the Monument entrance.

For more than 150 years now the Monument has been an eloquent symbol of our great nation's strength. But so damaged, it's a different kind of reminder: a visual one, which in our view symbolizes cracks in our country's readiness to recover after disasters strike. The recent passionate debate in Congress about disaster-relief funding further revealed just how deep those cracks run.

Without doubt, completing the disaster-relief and recovery-funding puzzle will require hard work and many different pieces. While the two of us may respectfully differ on the design and shape of many puzzle pieces, there is one on which we totally agree — the need for private-sector solutions to make homeowners' earthquake insurance more affordable and accessible again.

EIAA is an important part of fixing the cracks.

FACT: According to the U.S. Geological Survey, earthquakes pose a significant risk to 75 million Americans in 39 states.

FACT: Despite the imminent threat posed by a catastrophic earthquake, only about ten percent of homeowners have earthquake insurance. It is simply too expensive.

We can't prevent earthquakes, so we must increase access to affordable earthquake insurance – to help residents recover and rebuild without a federal bailout and without any kind of taxpayer subsidy.

That is where the Earthquake Insurance Affordability Act comes in.

SUMMARY OF THE LEGISLATION

At no cost to the federal government or federal taxpayers, EIAA would create a limited, committed federal guarantee to support post-earthquake bonds of highly qualified, actuarially sound state programs that offer residential earthquake insurance.

- EIAA supports families' voluntary access to fairly priced earthquake insurance.
- Qualified state programs could replace some (but by no means all) expensive reinsurance and fully maintain their existing capacity and financial strength.

Getting more homes insured cuts earthquake-recovery costs, which are huge.

After major natural disasters, there's pressure on the federal government to bail out families, communities, and states.

- Eighty percent of Californians live on or near a fault. Yet they're not ready for an earthquake—fewer than 10 percent of California households are covered by earthquake insurance.
- Across the nation more than 75 million people live in earthquake-vulnerable regions, but earthquake insurance for those homes is less available and more expensive every day.
- Most consumers believe earthquake insurance is simply too expensive.
- But earthquakes are expensive, too:
  - Federal taxpayers were on the hook for more than $9 billion after the 1994 Northridge quake, while California's taxpayers chipped in more than half a billion dollars more.
  - It would have been much more expensive for taxpayers had not so many households in 1994 had earthquake insurance for their homes. It was over 25% then—now it's 10%.

Lower-cost earthquake insurance will reduce federal taxpayers' risk.

- Without **affordable** earthquake insurance, federal bailout or taxpayer subsidy is certain.
- In California, the public, nonprofit California Earthquake Authority (CEA) is the state's largest earthquake insurer.
  - Its premiums are driven by the high cost of reinsurance.
  - CEA must spend 40 cents of every premium dollar to buy reinsurance.
  - Since it opened in 1996, the CEA has paid reinsurers $2.9 billion—reinsurers have paid CEA $250,000 for claims.

EIAA protects Federal taxpayers to speed recovery after the "big one" strikes.

- EIAA is simply a debt guarantee, extended only to highly qualified borrowers. It's not a loan. It's not a federal backstop.
- EIAA provides one thing: a committed, but strictly limited, federal guarantee of private-market, post-event debt.
- Bottom line—more homeowners will be able to afford earthquake insurance and more communities will recover more quickly—and with less federal assistance.

The EIAA will cost taxpayers zero: <u>All</u> fees and costs–without exception–are borne by the qualified state program. "The Congressional Budget Office has estimated that [EIAA] comes at no cost to the taxpayer." (Senator Dianne Feinstein, Congressional Record – March 17, 2011)

# # #

California State Association of Counties

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August 24, 2011

The Honorable Dianne Feinstein
United States Senate
Washington, DC 20510

RE: Support for the Earthquake Insurance Affordability Act (S. 637)

Dear Senator Feinstein:

On behalf of the California State Association of Counties (CSAC), I am pleased to inform you of our support of the Earthquake Insurance Affordability Act (S. 637). CSAC is an association that represents county government before the California Legislature, administrative agencies and the federal government. Representing all 58 of California's Counties, CSAC places a strong emphasis on educating the public about the value and need for county programs and services critical for healthy communities.

Recent catastrophic earthquakes in Japan, New Zealand and Haiti have served as painful reminders of California's vulnerability to similar devastation. In fact, the deadly tsunami that hit Japan also traveled 5,000 miles across the ocean and slammed into the Northern California, causing approximately $20 million worth of damages to Del Norte County.

No part of California is immune from earthquakes and although eighty percent of its residents currently live on or near a fault, fewer than 10 percent of California households are covered by earthquake insurance.

Californians need greater access to affordable earthquake insurance. The EIAA is a fiscally sound solution that empowers homeowners and protects taxpayers. It provides a limited guarantee that would significantly reduce insurance premiums by as much as 20 percent and allow more homeowners to afford earthquake insurance in California.

While we cannot prevent an earthquake, we can certainly prepare for one and the EIAA is a significant step in that direction.

It is for these reasons that we support the Earthquake Insurance Affordability Act. Should you have any questions regarding our position, please contact me at 916-327-7500 ext. 511.

Sincerely,

Karen Keene

Karen Keene
CSAC Senior Legislative Representative

cc: Glenn Pomeroy, Chief Executive Officer, California Earthquake Authority

Earthquake Insurance Affordability Act

Coalition List

Legislative Authors & Co-authors

Senator Dianne Feinstein
Senator Barbara Boxer
Congressman John Campbell
Congressman Howard Berman
Congressman Ken Calvert
Congresswoman Judy Chu
Congressman Jim Costa
Congressman Elton Gallegly
Congressman John Garamendi
Congressman Mike Honda
Congressman Jerry Lewis
Congressman Dan Lungren
Congresswoman Loretta Sanchez
Congressman Adam B. Schiff
Congresswoman Jackie Speier

Business Groups

Baldy View Chapter, Building Industry Association of Southern California
Building Industry Association of Southern California
California Asian Chamber of Commerce
California Association of REALTORS ®
California Building Industry Association (CBIA)
Calexico Chamber of Commerce
Cathedral City Chamber of Commerce
Greater Riverside Chambers of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles/Ventura Chapter, Building Industry Association of Southern California
Irvine Chamber of Commerce
Orange Chamber of Commerce
Orange County Association of REALTORS ®
Orange County Building Industry Association
Orange County Business Council
Orange County Taxpayers Association
Palm Desert Chamber of Commerce
Rancho Mirage Chamber of Commerce
Riverside County Building Industry Association
San Francisco Chamber of Commerce
South Orange County Regional Chamber of Commerce
Valley Industry and Commerce Association (VICA)

Stakeholders

Automobile Club of Southern California
Blue Cod Technologies
Mercury Insurance

Local Government

Mayor Antonio R. Villaraigosa, City of Los Angeles
Mayor Edwin M. Lee, City of San Francisco
Mayor Chuck Reed, City of San Jose
Mayor Jerry Sanders, City of San Diego
Mayor Jean Quan, City of Oakland
Mayor Michael F. Kotowski, City of Campbell
Mayor Eduardo Garcia, City of Coachella
Mayor Frank Scotto, City of Torrance
Mayor Robert A. Spiegel, City of Palm Desert
Mayor Stanley P. Thurston, City of Merced
Supervisor Greg Cox, San Diego County
Supervisor John Tavaglione, Riverside County
City of Laguna Woods
City of Rancho Mirage
California State Association of Counties (CSAC)
League of California Cities

Non-profit Organizations

American Red Cross

Consumer Groups

Consumer Watchdog
United Policyholders

Other

Governing Board, California Earthquake Authority
Alfred E. Alquist Seismic Safety Commission

www.EarthquakeRecovery.com

Updated April 19, 2012