

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 9/15/05
Department Name: CEO
Department No.: 012
Agenda Date: 10/18/05
Placement: Departmental
Estimate Time: 45 minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Micheal F. Brown
County Executive Officer

STAFF CONTACT: Jim Laponis, Deputy County Executive Officer
Lori Norton, Analyst X 3421

SUBJECT: Annual State Legislative Report and Renewal of Annual State Legislative Advocacy Contract with Governmental Advocates, Inc.

Recommendation(s):

That the Board of Supervisors:

- A. Receive the Annual State Legislative Report
- B. Authorize the County Executive Officer to extend the State Legislative Advocacy Contract with Governmental Advocates, Inc. (Cliff Berg), a non-local vendor, for the period of November 1, 2005 through October 31, 2006.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 1: An Efficient Government Able to Respond Effectively to the Needs of the Community.

Executive Summary and Discussion:

Since March 1995, the Board has contracted for State legislative advocacy services with Governmental Advocates, Inc. (Cliff Berg). Mr. Berg has proven to be a knowledgeable, hard working, and effective advocate whose expertise has been extremely valuable to our State legislative efforts.

It is recommended that on October 18, Mr. Berg present the Annual State Legislative Report to the Board. In addition, staff is asking the Board to consider authorizing the County Executive Officer to extend the purchasing contract with Governmental Advocates, Inc. for State legislative advocacy services. The

County's current agreement with Governmental Advocates expires on October 31, 2005; the proposed extension is for the period of November 1, 2005 to October 31, 2006.

For the past two years, the annual agreement with Mr. Berg has been for an amount not to exceed \$ 60,380. This total includes a monthly retainer of \$4,865 plus up to \$2,000 annually in reimbursable expenses.

For the period of November 2005 to October 2006, staff recommends the Board authorize the County Executive Officer, to increase the monthly retainer portion of the contract with Mr. Berg by two percent (2%), which would result in an increase in the monthly retainer to \$4,962. A 2% percentage increase is commensurate with the cost of living increase granted to County management (unrepresented) employees, and is consistent with the Board's past practice of providing for increases in the contract with Governmental Advocates, Inc. In addition, staff recommends the Board authorize the County Executive Officer to increase the allowable annual reimbursable expenses from \$2,000 to \$2,500 annually. The reimbursement expense amount has not been adjusted for at least 5 years. The recommended "up to" amount more accurately reflects the amount of reimbursable expenditures Governmental Advocates has experienced over the past few years and is insink with the adjustment for Health Insurance cost provided this year to County Employees.

Mandates and Service Levels:

The Legislative Program is not mandated.

Fiscal and Facilities Impacts:

The adopted budget for FY 05-06 includes funding for the renewal of the contract with Governmental Advocates, Inc. The Legislative Program budget is a cost center in the County Executive Office which is displayed on page D-16 of the adopted FY 2005-06 Budget. If the recommended actions are approved by the Board, the County Executive Office will extend the contract with Governmental Advocates in an amount not to exceed \$ 62,044 which includes a monthly retainer amount of \$4,962 and expense reimbursement up to \$2,500.

C: Cliff Berg, Governmental Advocates, Inc.

TO: Members, County Board of Supervisors
Santa Barbara County

FROM: Cliff Berg, Legislative Advocate
Monica Miller, Legislative Advocate

RE: Legislative Wrap-up for 2005 legislative Session

DATE: October 18, 2005

General Observations

The 2005 California legislative session ended on September 8, 2005 having done very little compared to the goals expressed in January. The Governor began the year by attempting to tackle many difficult issues such as teacher tenure, redistricting and public pension reform for public employees. There were 2,892 bills introduced by the Legislature with many focused on trying to fix the housing and infrastructure crisis in California. However, as the year progressed the Governor realized he was going to be unsuccessful at achieving his goals and decided he needed to go to the voters with his reform proposals. The year quickly changed courses when the special election was called and that became the main focus of the Legislature and the Governor. That decision quickly focused both the Republicans and the Democrats in the Legislature on posturing for most of the year but galvanized both parties to pass a nearly on-time budget. Many were hesitant to appear to the voters that they were holding up in the discussions and therefore concessions were made and the deal was done.

Budget

California had a nearly on-time budget this year, the first in at least the last several years. We focused on our top priority issues such as the Tidelands revenue sharing, restoration of Proposition 42 funds, In-Home Supportive Services, full funding of the juvenile justice/COPS program, among others. We have highlighted some of the areas that are of particular concern to Santa Barbara County below:

Early Vehicle License Fee Gap Loan Repayment

The passage of the state budget included a last-minute surprise for counties – full repayment of the Vehicle License Fee Gap loan a full year early. The budget contains \$1.186 billion for full early repayment of the VLF Gap loan, of which \$695 million is earmarked for counties. This loan was previously scheduled to be repaid by August 2006. The rationale behind the early payment was to take the pressure off the state's next fiscal year, when a number of other structural issues are likely to make it a very difficult to pass the budget.

Property Tax Administration Grant Program

Once the budget was signed many were surprised to see that the Property Tax Administration Grant Program, that was started in 1995-96, was eliminated for the next two years. It is our understanding that in the final budget meeting between the Governor and the bi-partisan leadership of both houses this program, which has produced hundreds of millions of dollars since its inception, was eliminated. The Property Tax Administration Grant Program was created during a period of declining revenue, when county assessors were facing significant backlogs in reappraisals as a result of a decline in home values. The \$60-million program was an attempt to shore up a system which was falling behind, and thus costing the state money since every property tax dollar that goes to schools is one less dollar out of the state's General Fund obligations to pay for education under Proposition 98. Unlike all other tax collection agencies, counties are precluded from recovering the full costs of administration from all parties who receive tax revenues. Cities and special districts pay their proportional share, but as a result of legislation passed in the early 1990s schools get their property tax revenues for free. Counties have been required to make up this difference, thus paying 72% of the costs of administering the program while receiving only 19% of the revenue. We worked to try to restore this program and there is a willingness to do this on the part of the Department of Finance and the Legislature, however they also believe that this is something we can focus on next January since the counties will not need to these funds until the next budget year. We will continue to follow this as it progresses and keep the Board apprised of any new details.

COPS and Juvenile Justice Funding

The 2005-06 budget contains \$100 million to maintain full funding of the Citizens' Option for Public Safety (COPS) program. However, similar to the Governor's May Revision proposal, the budget seeks to align the Juvenile Justice Crime Prevention Act (JJCPA) allocation to the fiscal year in which the funds are spent. You may recall that the originating legislation establishing the JJCPA program (AB 1913 by Assembly member Cardenas in 2000) attached the juvenile crime prevention and intervention funding initiative to the existing COPS program. In that first year, funds for juvenile justice programs — at that time totaling \$121.3 million — were allocated to counties shortly after AB 1913 was signed in fall 2000. The remainder of the 2000-01 fiscal year was dedicated to the multi-agency planning process and development of a comprehensive juvenile justice plan, which required review and approval of the Board of Corrections. As a result, JJCPA programs were not kicked off (and therefore funds not expended) until the 2001-02 fiscal year. Given that the initiative has been funded in every subsequent fiscal year, the JJCPA program, in effect, has been funded nearly a year in advance of actual program expenditures. Counties have been collecting interest income on the funds received in advance and are permitted to spend interest accruals on JJCPA programs. The compromise to deleting this program was contained in AB 146 (budget trailer bill) the language stated that in lieu of the \$100 million that would have maintained previous years' JJCPA funding levels, the interest counties would have accrued had a full year's

appropriation been made for 2005–06 (\$1.1 million) plus \$25 million. The total \$26.1 million appropriation for JJCPA will be made available beginning in the third quarter of the 2005–06 fiscal year, and, as specified in the trailer bill language, “reflects a one-time adjustment to the annual allocation for these grants based on the actual 2005-06 cash needs of an April 1, 2006, to March 31, 2007, grant cycle.”

In-Home Supportive Services

The Governor’s January budget deleted the funding for IHSS workers wages that were allocated to counties to allow them to go above minimum wage. Many counties that had entered into contractual relationships with their local unions anticipated these additional funds from the state. After we had many discussions with the Administration and the Legislature it was agreed, on a bi-partisan basis, that they would restore those dollars. The budget maintains the current arrangement for state participation in wages, thus rejecting the Governor’s proposal to reduce state participation in wages to minimum wage. Please note that because state General Fund revenues grew by more than 5 percent (from FY 2004-05 to FY 2005-06), it triggered a \$1 wage increase in state participation in wages. For 2005-06, the state will participate in wages up to \$10.50 and an additional \$.60 in benefits.

Medi-Cal Redesign/Hospital Financing

One of the big issues that the Legislature and the Administration were required to deal with from the Federal Government was the Medi-Cal Redesign. This was discussed over the course of the year conceptually, however nothing could be agreed to until the Hospital Financing Waiver was finalized. Late in the summer the Administration and the Federal Center for Medicaid Services (CMS) reached agreement. Part of that agreement entailed the state putting the Aged, Blind and Disabled into Medi-Cal Managed Care. This proposal was rejected earlier in the year by the budget sub-committees on health. When the final hospital piece was ready it was late in the session (September 7 to be exact) and both the Legislature and the Administration agreed that they needed additional time to craft an appropriate compromise. This issue will be dealt with over the fall and into next year. We will continue to keep you posted on any new information.

Mental Health Services for Special Education Pupils (AB 3632)

The Legislature made every effort to fully fund the AB 3632 program, after many long committee hearings there was a compromise reached to allow the program to continue to be funded. The details are listed below:

\$69 million of federal IDEA to be used “exclusively to support mental health services provided during the 2005-06 fiscal year by county mental health agencies....” This funding would be distributed to counties in the same amount as in the FY 2004-05 budget year.

\$60 million in FY 2005-06 goes to DMH to be allocated to the State Controller's Office to reimburse counties for their costs of providing mental health services to students pursuant to the two AB 3632 student mental health mandates (Services to Handicapped Students Program and Seriously Emotionally Disturbed Students Program).

\$31 million to Local Education Agencies distributed on an Average Daily Attendance (ADA) basis for pre-referral services pursuant to SB 1895. It is CSAC's understanding that the "deficiency" process would be in place to ensure that local governments are fully funded for their costs if it turns out the budget does not include sufficient funds for AB 3632. The budget bill does not include specific language on the deficiency process because as a matter of regular business the State Controller's Office would submit a deficiency to the Department of Finance if the amount in the line item were insufficient.

Proposition 42

As you know, Proposition 42, which passed in 2002 by over 70% of the vote, has never been funded, every year those funds have been diverted to the General Fund and this year began as no exception. The Governor's January budget diverted the funds back to the general fund with a commitment to repay those funds over the next 15 years. We worked with the Legislature and the Administration in an effort to get them to restore those funds. They finally agreed to restore those funds for this budget year while agreeing to pay back the last two years over the next 15 years in equal payments.

The \$678 million for Traffic Congestion Relief Projects (TCRP) is set in statute and would go towards the 141 Congestion Relief Projects already designated in statute. The balance of \$632 million from the \$1.3 billion would be allocated based on the existing formula: 40 percent to the State Transportation Improvement Projects (STIP); 20 percent to counties for local maintenance, rehabilitation and storm damage; 20 percent to cities for maintenance, rehabilitation and storm damage; and 20 percent to transit through the Public Transportation Authority (PTA). It should be noted that the \$1.3 billion represents an estimate, but Administration officials indicated that the actual revenues collected would be allocated through the Proposition 42 formulas. The actual revenue realized is of course dependent upon the price of gasoline and consumption, and may vary depending on those factors. Should additional monies be generated, the \$678 million would remain constant, while the formula categories could increase. Of particular interest to Santa Barbara is that local streets and roads monies are proposed to flow to cities and counties to help preserve the local system. This will be an estimated **\$1.6 million** for our county. The additional two years of proposition 42 dollars will be repaid under a current schedule of a 15-year schedule of equal payments. More than \$2 billion in Proposition 42 monies loaned in the previous two years would be affected by the change in repayment schedule. However, there is the potential that tribal gaming bonds may be sold prior to that timeline, which would trigger an earlier repayment of \$1.2 billion of Proposition 42 monies upon the sale of those bonds. Pending litigation continues to delay sale of these bonds. There was also an indication in the budget that repayment may be backfilled by General Fund revenues should the tribal bond monies be short of generating \$1.2 billion.

Undesignated Fees

The Governor's January budget proposed to continue, on an ongoing basis, counties' obligation to transfer \$31 million annually in undesignated fee revenue to support state trial court operation costs in excess of the amount of their statutorily defined maintenance of effort (MOE) under the Trial Court Funding Act of 1997. County and court representatives worked to develop a compromise solution to eliminate, over time, counties' obligation to transfer \$31 million to the state; simplify and untangle the court-county fee issues at the local level; resolve a second court related budget issue; and meet certain principles and assumptions on developing a long-term resolution jointly agreed to by CSAC (representing the counties) and the Administrative Office of the Courts. This compromise includes a graduated step down of counties' obligation to transfer \$31 million to the state, with the county obligation decreasing as follows:

- \$20 million in Year 1 (fiscal year 2005–06)
- \$15 million in Year 2 (fiscal year 2006–07)
- \$10 million in Year 3 (fiscal year 2007–08)
- \$5 million in Year 4 (fiscal year 2008–09)
- \$0 in years thereafter

Additionally, there is a mechanism to ensure that no county will be required to pay more than 90 percent of its 2004-05 proportional share of the \$31 million statewide obligation.

Coastal Grants

The County received several grants between 1997 and 2001 from the California Resources Agency's Coastal Resource Grant Program. This program was enacted by AB 1431 (Firestone & O'Connell, 1996) and funded for a five-year period through the state's budget process. Each year, the Resources Agency sought appropriation of funds for a three-year period to award new grants through the budget process. The agency then solicited grant proposals, and awarded grants to coastal counties and cities based on the merits of each proposal. The funds constituted a relatively small proportion of federal offshore oil/gas revenues that California received each year pursuant to Sec 8(g) of the Outer Continental Shelf Lands Act.

Last year the Resources Agency informed Santa Barbara that it will not include a request for grant extensions, but had suggested that coastal counties and cities may choose to request such extensions through their local representatives. Failure to extend existing grants would adversely impact coastal counties and cities, such as Santa Barbara County, who still have projects ongoing because we would lack funds to complete them. We were successful at getting the extension last year, and we began working early this year to ensure the same outcome. We worked closely with the budget committee and the Energy Department to get the budget extension language into the State budget for the second year. As such we were successful at saving the County over **\$1 million**.

Revenue Sharing

We worked closely with the budget committee chairs, sub-committee chairs and their staff to get the extension language into the state budget on the extension of the revenue sharing of tideland oil revenue. We were successful at getting the language into the budget bill and getting the Legislature to pass the bill with this extension language we received notice that the Governor had some serious concerns about this language. We organized a meeting with both the Governor and his staff to discuss this issue further; however, they continued to have concerns and asked if this was an issue that we could work on next year in the budget process. We agreed to work closely with his staff to extend this sunset in the 2006 legislative year.

Significant Legislation

AB 164 (Nava) – Disaster Relief

Status: Signed by the Governor, chapter 623, 2005.

This bill is sponsored by Santa Barbara County. The bill adds the severe storms, flooding, debris flows, and mudslides that occurred in the Counties of Kern, Los Angeles, Santa Barbara and Ventura in December 2004, January 2005, February 2005, and March 2005 (collectively, the Disasters), to the list of disasters eligible for full state reimbursement of local property tax losses, beneficial homeowners' exemption treatment, full state reimbursement of local agency costs under the Disaster Assistance Act (Act), and favorable net operating loss carryforward treatment. The bill is double-joined to SB 457 (Kehoe) to avoid chaptering problems when they are signed.

AB 1233 (Jones) Housing Element: Regional Housing Need

Status: Signed by the Governor, chapter 614, 2005.

Santa Barbara County opposed this bill. AB 1233 would require that any portion of a local government's share of the regional housing need that remains unprovided at the end of one planning period be carried over and added to the jurisdiction's share of the regional housing need in the subsequent planning period.

SB 326 (Dunn) - Land Use: Housing Element

Status: Signed by the Governor, chapter 598, 2005.

Santa Barbara County opposed this bill. Existing Planning and Zoning Law, requires a multifamily residential housing project to be a "permitted use" not subject to a conditional use permit on any parcel zoned for multifamily housing if certain requirements are met. SB 326 changes the term "multifamily residential housing" to "attached housing development," and defines "attached housing development" as a structure containing two or more dwelling units.

Housing Issues - CBIA/League of Cities

SB 1024 (Perata) – Infrastructure Bond

Status: Two-year bill.

This is the infrastructure bond that if it passes it will be placed on the November 2006 ballot. As you are aware there were three bonds that were introduced this legislative session that would pertain to Santa Barbara County. The first is SB 153 by Senator Chesbro and the second is AB 1269 by Assembly Member Fran Pavley. SB 153 was targeted towards parks and AB 1269 was targeted towards resources. SB 1024 is an infrastructure and resources bond. This is the only bond that is expected to get through next year and we understand that there is a deal with the Governor's office on this bond.

SB 832 (Perata) – CEQA Reform

Status: Two-year bill.

Santa Barbara County is watching this bill. The bill began as a California Environmental Quality Act (CEQA) reform bill but was expected to be the vehicle for the League of Cities and the California Building Industry Association (CBIA) legislative reform. It is also expected to be tied to SB 1024 by Senator Perata and will most likely remain a CEQA clean-up bill as we move forward.

SB 843 (Dunn) – Housing Elements

Status: Two-year bill.

This bill was introduced on one of the last days of the legislative session this year. This bill is another attempt on behalf of Senator Dunn to try to seek additional concessions against local governments for non-compliance of housing element law. In 2002 we successfully defeated SB 910 by Senator Dunn. After the HCD working group had completed its work and came to agreement, Senator Dunn introduced SB 744 which contained many of the issues that were not agreed to in the HCD working group, we defeated that bill in Assembly Housing Committee. SB 843, as introduced on September 7, would give a court the authority to levy a fine against a jurisdiction if they were found by HCD to be out of compliance with their housing element. This fine would be either \$5000 per month or \$.25 per month per person in the affected jurisdiction. These fines that are collected would then be deposited into the Housing Supply Account, which would be created by the passage of this bill in the Housing Rehabilitation Loan Fund. These funds could only be spent with the authority of the Legislature.

SB 44 (Kehoe) General Plans: Air Quality Element

Status: Two-year bill.

Santa Barbara County opposed this bill. SB 44 would require each city and county to adopt an air quality element as part of its general plan, or amend appropriate elements of the general plan to include data and analysis, comprehensive goals, policies, and feasible implementation strategies intended to contribute to and complement other entities to improve air quality. SB 44 would require local government to comply with these provisions during their next general plan update

SB 321 (Morrow) - Development fees

Status: Two-year bill.

Santa Barbara County watched this bill. SB 321 amends the Mitigation Fee Act by assigning local agencies the burden of producing evidence to establish that a mitigation

fee does not exceed the cost of the public facility, service, or regulatory activity before they establish, increase, or impose the fee.

SB 725 (Morrow) - Land Use Regulation: Compensation

Status: Two-year bill.

SB 725 provides that if a state or local public entity enacts or enforces a new land use regulation that restricts the use of private property or any interest therein and has the effect of reducing the fair market value of the property or interest by 25%, then the owner of the property or interest shall be paid just compensation.

The California Building Industry Association and the League of Cities have been in discussions for the last year regarding housing issues. These meetings began as high-level discussions with the goal to be more local control and less state bureaucracy. However, these discussions have not included other stakeholders. CSAC along with various environmental groups have been invited to the last several meetings but only as observers, not as participants. Housing and Community Development have also been brought into the discussions and there was proposed legislation put forward which Santa Barbara had serious concerns with; however the Administration directly had not signed off on it and therefore the legislation died. While we have seen a few different drafts nothing concrete has yet to be proposed. We will continue to work on this issue and keep you apprised of any new developments.

Critical Issues of concern to Santa Barbara County

AB 192 (Tran) Tort Claims Act

Status: Two-year bill.

Santa Barbara County supported this bill. AB 192 would limit the liability of public entities in actions for injury to \$250,000 per individual or \$500,000 per occurrence.

SB 256 (De la Torre) – PERS

Status: Signed by the Governor, chapter 708, 2005.

Santa Barbara County supported this bill. The Santa Barbara and Solano County Board of Supervisors, by resolution, ordinance, contract or contract amendment, may provide different retirement benefits for some safety member bargaining units within the safety classification and not for other employees within those classifications, as bargained by the County and the recognized employee organization or bargaining unit. The legislative precedent for this provision was created by AB 3008 (Chan) Chapter 662, Statutes of 2004 which allowed Alameda County to negotiate similar agreements for their safety employees.

AB 260 (Bermudez) – Fire response times

Status: Held on Assembly Appropriations suspense file.

Santa Barbara County took an oppose position on this bill. AB 260 would require the Chief Fire Official for each fire department to report information, including response time and staffing, to the State Fire Marshall. Annually, the information would be analyzed, compiled, and disseminated by the State Fire Marshall. The scope of

information analyzed and reported shall include, but not be limited to: Benchmarking to nationally recognized standards for fire protection and the average response time and staffing levels for each department in the every County and for each department in the State.

AB 702 (Koretz) - Nursing Education

Status: Signed by the Governor, chapter 611, 2005.

Santa Barbara County supported this bill. AB 702 would require the Office of Statewide Health Planning and Development to establish a statewide Registered Nurse Educator Scholarship Program to contract with colleges and universities to establish or expand related curriculum, and to provide education loans to registered nurses who are seeking a masters or doctorate degrees in nursing and who will commit to serving as registered nurse educators in California for a period of from 3 to 5 years upon completion of their studies.

AB 1090 (Matthews) – Solid Waste

Status: Two-year bill.

Santa Barbara County supported this bill. We will continue to monitor this issue next year. AB 1090 adds recovery, through recycling, composting, conversion technology, or other beneficial use technologies to the existing waste management priorities for the California Integrated Waste Management Board (CIWMB). AB 1090 also states that local jurisdictions may use conversion technologies to meet their 50% waste diversion mandates required by existing law.

AB 1248 (Umberg) – Booking fees

Status: Two-year bill.

Santa Barbara County opposed this bill. AB 1248 would remove felonies, DUI's, misdemeanor batteries, and serious sex crimes from the list of crimes for which the County can charge booking fees to Cities. The bill failed to get moved in its first committee because no one wanted to take sides between cities and counties.

ACA 16 (Gordon) – Reduce the voting threshold from 2/3 to 55% for taxes when it is for public safety

Status: two-year bill.

Santa Barbara supported this measure which moved through the process however the author will need to change or the issue may not be signed into law as the author passed away while in office. ACA 16 would allow a local government to impose, extend, or increase any special tax for the purpose of providing supplemental funding for the sheriff, police, or fire protection services, if that tax is submitted to the electorate and approved by a 55% (as opposed to the current 2/3 (67%) vote of the voters voting on the measure.

SB 288 (Battin) – Special Distribution Fund

Status: Two-year bill.

Santa Barbara County supported this bill. We will continue to monitor this issue next year. SB 288 was introduced as a response to the Governor vetoing \$20 million out of the \$50 million that is designated from the Special Distribution Fund (SDF). The

Governor's office stated as part of their veto message that he was deleting these funds as a result of local government agencies not providing required annual reports that detail the specific projects funded in their jurisdictions in the past two years therefore he did not believe that he had sufficient information to justify the augmentation. However, after many discussions the Governor was made aware that in fact most counties had complied with the annual report requirement. SB 288 was introduced to restore the \$20 million back to the SDF. The bill also provided some additional changes such as moving the reporting date from April to October along with some other technical changes. The senate finished their legislative business prior to the bill making it out of the Assembly and back to the Senate for concurrence in the amendments.

SB 1059 (Escutia) - Electric Transmission Corridors

Status: Two-year bill.

Santa Barbara County Board opposed this bill. SB 1059 would authorize the State Energy Resources Conversation and Development Commission to designate a transmission corridor zone on its own motion or by application of a person who plans to construct a high-voltage electric transmission line within the state.

Other local government issues of concern

AB 667 (Jones) - Child Support Enforcement

Status: Held on Senate Appropriations suspense file.

Santa Barbara had no position on this bill; we will continue to monitor this issue. AB 667 would codify performance measures for child support programs, provide a process through which the State may penalize local agencies that fail to meet the performance standards including removing a local Child Support Services Director and assess financial sanctions.

SB 274 (Romero) Incompatible Offices: Elected and Appointed Positions

Status: Signed by the Governor, chapter 254, September 22, 2005.

Santa Barbara County watched this bill. SB 274 would provide that service on an appointed or elected governmental board, commission, committee, or other body shall be deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of service on another elected or appointed governmental board, commission, committee, or other body, if the service in the office satisfies the common law test for incompatibility. The test is as follows: 1) when one office is superior to and exercises some supervisory power over the other, or has the power to remove the incumbent of the other or to audit the accounts of the other, 2) when there are inconsistent functions or divided loyalties between the offices, 3) when the nature and duties of the 2 offices render it improper, from consideration of public policy, for an incumbent to retain both.

SB 926 (Romero) Sewage Sludge Management

Status: Two-year bill.

Santa Barbara County had no position on this bill; we will continue to monitor this issue next year. SB 926 would authorize the Kern County Board of Supervisors to regulate or prohibit the importation of sewage sludge from another California county.

SB 840 (Kuehl) - Single-payer health care coverage

Status: Two-year bill.

Santa Barbara County had no position on this bill; we will continue to monitor this issue next year. SB 840 would establish the California Health Insurance System to be administered by the newly created California Health Insurance Agency under the control of an elected Health Insurance Commissioner. The bill would make all California residents eligible for specified health care benefits under the California Health Insurance System, which would, on a single-payer basis, negotiate for or set fees for health care services provided through the system and pay claims for those services. The bill would require the health care system to be operational within 2 years of enactment, and would enact various transition provisions. The bill would require the commissioner to seek all necessary waivers, exemptions, agreements, or legislation to allow various existing federal, state, and local health care payments to be paid to the California Health Insurance System, which would then assume responsibility for all benefits and services previously paid for with those funds. This bill contains other related provisions and other existing laws.

AB 1690 (Laird) Municipal Services: University of California

Status: Vetoed by the Governor.

Santa Barbara County had no position this bill. AB 1690 would express legislative intent that each campus of the University of California enter into an enforceable agreement upon the inception or updating of the Long Range Development Plan for that campus, to include a schedule of infrastructure, mitigations, and municipal services that are necessary to accommodate each phase of growth, to preserve and enhance educational objectives of the University and the quality of life of the host community

SB 503 (Figueroa) Local Governments; Websites

Status: Two-year bill.

Santa Barbara County opposed this bill; we will continue to monitor this issue next year. SB 503 would require a local body that maintains an Internet Web site, to make written guidelines stating the procedures to be followed when making its public records available to the public, accessible from the homepage of its Web site. Further SB 503 would require an agency that maintains an Internet Web site that has information that is an identifiable public record, and is available in electronic format, to make that information available to the public for a minimum of 3 years from the homepage of the agency's Web site through a link.

AB 478 (Leiber) – Female inmates and wards

Status: Signed by the Governor, chapter 608, 2005.

Santa Barbara considered this bill; however our Sheriff had serious concerns. AB 478 provides that pregnant inmates taken to a hospital outside the prison shall be transported in the least restrictive way possible, consistent with the legitimate security needs of each inmate, and shall not be shackled by the wrists, ankles, or both during labor, unless deemed necessary for the safety and security of the inmate, the staff, and the public. Further, pregnant inmates shall have the right to prenatal care, prenatal vitamins,

childbirth education, and infant care. AB 478 also applies to any female in the custody of a local juvenile facility.

SB 426 (Simitian) – Liquefied Natural Gas

Status: Two-year bill.

Santa Barbara County watched this bill; we will continue to monitor this issue next year. SB 426 would require the State Energy Resources Conservation and Development Commission to conduct an LNG needs assessment to determine demand and supply for natural gas and alternatives to natural gas to meet the State's energy demands, and to determine the number of LNG terminals, if any, necessary to meet the State's projected demand.

SB 1003 (Escutia) – Liquefied Natural Gas

Status: Two-year bill.

Santa Barbara County watched this bill; we will continue to monitor this issue next year. SB 1003 would enact the Liquefied Natural Gas Evaluation and Terminal Permitting Act, which would establish a permitting process for the construction and operation of liquefied natural gas terminals and would require the State Energy Resources Conservation and Development Commission to implement the permitting process.

Issues of concern to Santa Barbara County in 2006

Maddy Emergency Medical Services Funding -

As you may recall we worked last year to get SB 635 passed by the Legislature and signed into law. The bill was signed by the Governor and enacted on January 1, 2005 which allows Santa Barbara County to create a "Maddy Fund" for its trauma center. When the legislation was enacted it included a sunset on January 1, 2007. With the start of this legislative year we began to work to extend that sunset date and ensure that Santa Barbara would continue to receive Maddy Funds. Over the year we have met with various members of the Legislature to ensure that we are doing what we need to do locally to fulfill our commitment that we made last year when SB 635 was passed. Our meetings have been successful in that we had an opportunity to share with our delegation as well as others members of the Legislature to share with them what the County has done to date regarding this matter. He agreed to continue to work with us in the future on this issue and we agreed to keep him updated, which was part of SB 635 discussions from last year. We will continue to work closely with his office to try to identify solutions to allow Santa Barbara County to extend the sunset date on SB 635.

Pension Reform-

The Governor proposed in January a constitutional amendment that would have prohibited the state or any local government from offering defined benefit retirement plans to employees hired after July 1, 2007. The constitutional amendment would, instead, limit newly hired state and local government employees to Defined Contribution (DC) plans in which both the employer and employee could make contributions, probably in a IRS Code 401 A qualified plan; unlike DB plans, DC plans provide the employer certainty regarding annual costs, but provide no certainty to the employee regarding the value of contributions at time of retirement due to unknown future changes in interest earnings. One related constitutional amendment proposal has been introduced in ACA 5 by Assembly Member Keith Richman that would, in addition to proposals by the Governor, place limits on annual contributions made by public employers to the DC plan.

While the Governor had hoped to reform the public pension system, he was met with significant opposition from labor unions in the state. After many months of discussions with stakeholders it was agreed that they would continue to work on this issue in the coming year. It should be noted that very little was agreed to this year so they expect to start from scratch next year.

- Public Pension Reform – The Legislature worked on this issue most of the year to no avail, we will need to start from the beginning next year to ensure the Board is informed and has an opportunity to weigh in on any proposed legislation.
- Medi-Cal Redesign – The Legislature only partially dealt with this issue and they have committed to the Federal Centers for Medicaid Services to complete the process in 2006.

- Property Tax Administration Grant Program – With the Governor deleting the \$60 million we will need to work to restore this program for future years.
- Indian Gaming – Santa Barbara will need to work on passing SB 288 to fully restore the Special Distribution Fund. Additionally, we need to work on the redistribution in the formula for how the funds are allotted.
- Maddy Emergency Medical Services Funding – As we discussed earlier SB 635 (Chapter 524, 2004) is set to sunset January 1, 2007. The Governor vetoed a similar measure from this year, SB 57 by Senator Alarcon. This bill would allow until January 1, 2009, a county board of supervisors to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for criminal offenses. This bill would require 15% of the funds collected pursuant to these provisions to be expended for pediatric trauma centers and would require use of these funds, not to exceed 10%, for administrative costs.
- Housing and Infrastructure for California – While this issue was discussed this year there was a bi-partisan agreement with the Governor that this would be the number one priority for next year. We will continue to monitor these proposals as the progress and keep the Board updated.