

**GOVERNMENTAL ADVOCATES, INC.**

**TO: Board of Supervisors, County of Santa Barbara**

**FROM: Cliff Berg, Legislative Advocate  
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**RE: Board Report – 2009**

**DATE: December 8, 2009**

The 2009 Legislative year come to an end with very little fanfare. The Legislature may have officially adjourned on September 11, 2009, however with seven special sessions running concurrently and an on-going budget deficit, it is hardly over. The 2009 session ended with many upsets and frustrations. Unfortunately, this did not allow the Senate to get the budget technical fixes in place prior to their adjournment. Additionally, the Governor was very unhappy at the prospect of the legislature not passing a water deal and threatened to veto every bill regardless of its merits. This was based purely on his frustration with the legislature's ability to reach a water deal.

On Sunday, October 11, 2009, the Governor called special session number 7 related to water. He announced that the leadership had made significant progress related to water and therefore he would consider every bill based on its merits. Keep in mind; he had until midnight that day to complete his bill signing with over 700 bills sitting on his desk.

On October 13, 2009 the Senate returned to finish the business of the budget clean-up and they gaveled down to open the 7<sup>th</sup> extraordinary session related to water. While they spent many hours in caucus, they Senate Democrats and Republicans finally reached a compromise to pass the much needed budget bills related to the borrowing of Prop. 1A and Highway User Tax Authority, otherwise known as HUTA.

**Santa Barbara Specific Legislation**

AB 50 (Nava) This bill was introduced by Assembly Member Nava. Similar to the budget bills, AB 50 was subject to the hostage situation at the end of session. However, there was a decision to not move this bill at this time due to some proposed amendments from the Department of Finance and the Administration. You may recall that this measure would have allowed the County to receive the proper reimbursements of the disaster relief from the Tea Fire as well as the Jesusita Fire. We worked with the Governor's office and they had asked that we remove the Zaca fire, based on the tax year, due to the expenses of the fires in

San Diego; therefore we amended that tax year out of the bill in hopes of obtaining his signature on the measure, in addition we took other amendments to satisfy their concerns. During the last two days of session while we waited to take the bill up hoping the Senate Republicans and Democrats could work out their issues related to the 2/3 vote bills, we were informed by the Administration that the amendments they asked us to take now concerned them and the Governor was going to veto the bill. Unfortunately, the republican caucus had some concerns about the amendments taken in the senate appropriations committee. We attempted to further amend the bill to appease them, and it was ultimately decided to wait until January to move this measure forward.

AB 359 (Nava) This bill will allow women in the Medi-Cal system to receive a digital mammogram in place of an analogue mammogram, which is currently covered under the Medi-Cal system. The measure received bi-partisan support in both houses. It was also supported by Susan G. Koman foundation along with many other health care organizations. When we first discussed this measure we recognized the fiscal impact on the state but also understood that approximately 19 counties had phased out their analogue machines making it very difficult, if not impossible, for these women to get their annual mammograms. As such, the idea of allowing providers to voluntarily offer the digital at the analogue rate was a good compromise. Your Department of Health Services worked with local providers to get them on board; we worked in Sacramento to get the State Department of Health Care Services on board. After many meetings and long discussions, this bill was brought to light. We are happy to report that this measure moved out of both the Senate and the Assembly with bi-partisan support and was signed by the Governor on October 11, 2009.

AB 486 (Chesbro) This measure was part of our 2009 legislative platform. The bill would allow a county to extend the number of days during a declared state of emergency from 14 to 30. If you recall, this has been an on-going issue for our county given the many disasters we have dealt with over the years. When researching the reason for this arbitrary number of days, we were unable to determine how that amount of days was agreed to. In the end, Assembly Member Chesbro, from Napa County, had similar concerns and introduced AB 486. This measure was supported by the County and signed by the Governor this summer.

AB 494 (Caballero) Another issue that has been on our radar screen is AB 494 by Assembly Member Anna Caballero. The County was opposed to this bill because it takes away local authority as it relates to housing permits on Williamson Act land for farm worker housing. This measure attempts to further the intent of a 1999 bill by now Senator Denise Ducheny. Essentially, the bill will allow those who want to build more farm worker housing by exempting leases from the Map Act and prohibiting local officials from denying use permits. Once the measure was amended, others such as CSAC and the Farm Bureau removed their opposition prior to the Governor signing the bill.

SB 170 (Florez) Earlier this year we worked very closely with the Senate on SB 170 by Senator Dean Florez. This measure would have allowed the Santa Ynez Band of Chumash Indians to cancel a Williamson Act contract in Santa Barbara County. The bill was up in Senate Local Government on April 22, 2009 where it was refused passage. The author is going to leave the bill in that Committee while he attempts to work out proposed amendments to satisfy the needs of the opponents. From our prospective we do not believe that this is something that can be addressed at the local or state level, this appears to be a federal issue; however we will continue to oppose the measure, should it reappear next year. There were a few other bills introduced regarding the Williamson Act issue this year. You may recall that those subvention funds are repeatedly put on the chopping block without any clear direction. AB 512 by Assembly Member Mariko Yamada (D-Yolo) and SB 715 by Senator Lois Wolk (D-Yolo) seek to remedy that situation by clearly defining the program, in hopes of protecting the dollars to keep the program in place. These bills did not move this year given all of the talk around the budget and the Williamson Act money, while the program is still alive, it is on life-support, we understand that there may be some work next year on this program.

There are two other measures that the county is very interested in related to the mobile home park issue and the right of residents to own the park (i.e. conversion) and rent control. These two bills are directly competing against each other, one to allow a conversion and keeping the rent control in place allowing the residents to continue to be able to afford their homes, AB 566 by Assembly Member Pedro Nava, which the county supported. The second measure, AB 761, by Assembly Member Chuck Calderon, would allow a park owner to raise the rent once a space is vacated but requires that the owner keep the rent "reasonable" based on market value, which the county had major concerns with and therefore was opposed. AB 566 successfully moved out of the legislature and to the Governor's office, unfortunately he vetoed the bill on October 11, 2009. AB 761 is a two year bill which will be potentially be taken up next year depending on how the negotiations work out through the fall and winter months.

AB 1422 (Bass) This measure was a last minute attempt to allow the recipients of Healthy Families extended coverage. With the passage of the budget, the State would have disenrolled 700,000 children from the program. The legislative leadership worked out a deal with the health plans to allow a provider tax to be levied upon those in the Medi-Cal Managed Care program, move specified funds that are in a surplus in various accounts and increase the co-pay for those on the Health Families program to keep these children enrolled. It is a temporary fix which will need to be addressed during the next round of budget discussions, but for now, these families were able to remain on the Health Families rolls.

SB 326 (Strickland) This bill was sponsored by the County in an effort to address the foreclosure crisis in the region while attempting to meet our RHNA needs for

HCD. The measure received bi-partisan support while it moved through the process, however there were concerns expressed about the ability of the bill to reconcile foreclosures as part of the housing inventory. Comments were expressed that once the economy improved, the need for housing would also increase. This is currently a two-year bill.

SB 619 (Strickland) This bill was introduced in an effort to allow the county to be eligible for flood subvention funding by the state. Your Public Works Department has worked for the last 15 years with the Federal Government (Army Corp of Engineers) to allow the Lower Mission Creek to be eligible for federal funding, once this happened we had to run a state measure to allow for the state piece to kick in. The measure received unanimous support and moved to the Governor late in the session. We are happy to report that the measure was signed by the Governor on October 11, 2009. Essentially, this puts the County and Lower Mission Creek in the cue to be eligible for the funding, this program is generally funded by bond measures and both Prop. 1E and 84 still have funding available so we anticipate we should receive funding relatively soon.

SB 357 (Ducheny) The bill extends the sunset date from January 1, 2010 to January 1, 2021, on the law which specifies how the Indian Gaming Special Distribution Fund (SDF) local mitigation grants monies are distributed. Keep in mind, the Governor deleted this funding, this measure does not allow for the distribution of these funds even though they may not be spent else where. Essentially, the funding will continue to sit in the account, the incentive for the Governor to keep the funds are he can count it as part of the State's cash on hand in the General Fund, but he may not use the funds for any other purpose but the SDF. We plan to continue to work out this issue next year in an effort to get the funds released.

### **Budget**

If you remember the legislature failed to meet the February 1, 2009 budget deadline therefore Sacramento had to begin to furlough all of their state employees and has stopped paying their bills. Many of our programs, such as the First Five Program, were at stake as the budget discussions unfolded, we spent time educating our delegation in an effort to show them the potential local effects of the proposed cuts to our programs. We have also spent time educating our members on the Williamson Act so they understand that while this isn't a huge program for the State (\$34.7 Million) with only be seven counties that participate, this is a big issue for the County.

On February 14, 2009 the Legislature went into session and did not adjourn until February 19<sup>th</sup> at 7:30 am. Legislators were only allowed to leave to go to their offices to sleep for a few hours at a time. After five days of debate, a deal was finally reached, thanks to Senator Abel Maldonado (R – Santa Maria). He had many demands in order to get his vote, including an open primary beginning in

2012, legislators forgoing their per diem when there is a budget impasse and \$600 million in unallocated reductions. With those agreements met, he put up the final vote to get the budget to the Governor. Although this budget was slated to be an 18-month budget, the reality is that the April receipts had been projected to be lower than expected, allowing the May Revise as an opportunity to reopen discussions. As part of the February Budget agreement the Legislature cut back its portion of the IHSS wages to \$9.50 per hour and \$.60 for benefits, so if the County is in a contract at the higher level, they would now be on the hook for the additional funds. The Legislature attempted to take a large percent of those funds from locals and the entire state piece in an effort to balance the budget. With the passage of the February budget deal many items had to go to the voters in May. The voters rejected all of the proposed budget fixes thus sending the legislature back into do mid-year reductions in an effort to get the budget balanced once again.

This summer the legislature entered into yet another marathon session on the budget when they finally agreed to a deal and the Governor signed off on pieces of it, after he used his line-item veto authority to delete an additional \$489 million. The Senate went into session on the afternoon of July 23<sup>rd</sup> and adjourned at about 5:30 am on Friday, July 24<sup>th</sup>, after passing all of the measures. The Assembly then began to take up the budget bills, although they officially went into session on July 23<sup>rd</sup>, they did not end up meeting until the next morning, they finally completed their work at about 4:30 pm on Friday, July 24, 2009. With the Senate having adjourned, it left little room for negotiations on any outstanding issues, so the end result was to work with what they had and send the package to the Governor with the understanding that in August there would be many clean-up measures to deal with.

Prop. 1A – As you are aware, the legislature did adopt the “borrowing” of the Prop. 1A from the local governments, it will be a straight 8% take due back to the locals on June 30, 2013. The trailer bill language allows for the locals to borrow the funds through a JPA that the League of California Cities and CSAC set up, the state specifically called out that they would be responsible for the interest rate charged to the locals along with any other fees involved in the borrowing. The Trailer bill language had many problem that would essentially disallow us from borrowing, it was agreed that there would be a clean-up measure the last few weeks of session. The legislature did indeed identify two measures for the proposed clean-up, AB 185 and SB 67. SB 67 was ultimately the measure that the Assembly passed over to the Senate. However, due to the Senate Republicans fighting with the Senate Democrats, the measure failed to get the necessary votes. It was one vote short; Senator Maldonado was the lone Republican willing to support the measure. After many hours, the Senate decided to adjourn in hopes of coming back later this fall to handle this along with other necessary measures to keep the promises made to local governments.

Williamson Act – The legislature did keep the funding for the Williamson Act intact, there was a 20% reduction adopted in the Budget Conference Committee, however the Governor line-item vetoed the fund down to \$1000. The program is still on the books, but it is not funded at this time. Keep in mind that this does not void any outstanding contracts you have with your landowners; it just allows the state to not fund the subventions.

Tranquillon Ridge – As you are aware the Administration included the Tranquillon Ridge deal as part of their May Revise, the issue was not addressed in the budget conference committee, however did ultimately make it into the budget agreement as part of the negotiations with the Big 5. The measure was initially a stand alone bill, ABx4 23 that made it off of the Senate floor; however it failed to have the necessary votes to move off of the Assembly floor. The bill was the last issue that was dealt with, and once the votes were obviously not there, the author, Assembly Member Chuck Devore, asked that the record be expunged therefore allowing the potential of the bill to be heard after they return from the Summer recess. When they returned in August, Assembly Member Sam Blakeslee used one of his bills as a vehicle in an attempt to broker a deal on this issue, AB 1536. The measure was held in Senate Rules committee. The Assembly Member tried to bargain with the Senate Democrats to release this measure including adding what we call “sweeteners” to the measure in the funding of many of the Health and Human Service Programs and the Williamson Act Program in an effort to entice members to support the measure that would not otherwise be willing to do so. The bill ultimately did not move forward, when they returned. Assembly Member Blakeslee amended the bill back to its original form and recommended that they work this issue through the normal channels next year.

Highway User Tax Account (HUTA) – This was put back on the table in the form of SB 65 and passed the Assembly; the measure failed to get the necessary votes on the Senate floor in August due to unrelated issues. When they returned in October we had hoped that the Senate had worked out a deal. Fortunately, they finally did come to an agreement and they passed the measure on October 13, 2009 and the Governor signed the bill. The County was instrumental in communicating the real-life impacts of the loss of HUTA at the local level.

Another contentious issue this year was related to water. Under the 7<sup>th</sup> extraordinary session, they finally did reach a deal on water. There will be an \$11 billion bond that will go to the voters in November of 2010 as a key component to securing a deal. Additionally, there is a general agreement to build the Delta Convaence otherwise known as the peripheral cannel and to deal with the long term water storage issues.

As we close the books on 2009, the Legislative Analyst’s Office (LAO) released its proposed budget projections for this budget year and the 2010-2011 budget year. Unfortunately it continues to be grim, the LAO anticipates a short fall of

\$20.7 billion, \$6.3 this current budget year and \$14.4 in the 2010-2011 budget year, barring that the legislature does not act and adopt mid-year budget reductions. We fully anticipate that we will be back at this next year. We will continue to work with your delegation, the Legislature and Administration and your staff as we move forward in an effort to protect County programs from proposed additional budget reductions.