

REPLACEMENT # 1
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TO: Board of Supervisors, County of Santa Barbara

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

RE: 2008 Year-End Report

DATE: January 14, 2009

With the closing of the 2007-08 Session, nothing was really wrapped up, just moved into the 2009-10 session. The State of California is in a severe budget crisis, to the tune of \$42.8 billion, with no end in sight. The Legislature attempted to close the budget gap for the current fiscal year, only to have the Governor veto the package. In an unprecedented move, the Governor released what has been termed the "January 10 budget" on New Year's Eve 2008 in an attempt to close the \$41.6 billion gap over the next 18 months. In December the Pooled Money Investment Board voted to freeze all infrastructure dollars, thus shutting down billions of dollars in projects statewide.

2008 started with a budget deficit and the Governor invoking his constitutional right under Proposition 58 to call a special session that would require the Legislature to get a budget to the Governor within 45 days. Once that budget was in place the state began to operate business as usual, then Wall Street began to collapse, the housing market continued to sink and finally, we saw a number of financial institutions go under. This led to an 86 day delay in the state budget and once the 2008-09 budget was signed we immediately went into an \$11 billion deficit that has continue to grow daily.

Coupled with all of this, the Governor said he would veto any bills that came to his desk while there was no budget in place. This led to over 800 bills being held at the Assembly and Senate desk for weeks. After the budget was signed many of those bills were vetoed with a message that the Governor simply did not have time to review the bills due to the late budget.

After the November election, the Governor called another special session in an effort to close the continued budget gap. The "lame duck" legislature returned to Sacramento and continued to negotiate a possible solution as many members packed their offices and began to look for new jobs. The end result was a continued stalemate up until the newly elected members were sworn-in. On December 1, 2008 we welcomed 28 new members to the Legislature and once again, the Governor called a special session. The Legislature completed a budget package on a bi-partisan vote which was held at the desk under the threat of a veto. In early January, that budget was sent to the Governor and subsequently, vetoed again. The legislative leadership has resumed talks once again, commonly referred to as "Big 5" discussions with the Governor using his "January 10" budget as the working draft.

Specific Santa Barbara County Legislation

AB 242 (Blakeslee) - This measure was supported by the County and signed by the Governor (Chapter 11, April 29, 2008). The bill was introduced as a result of conversations between the County and The Housing and Community Development Department (HCD). In 2007, the County successfully passed a bill, AB 1019, dealing with annexations between cities and counties. Once this bill reached the Governor's desk, HCD introduced technical changes largely pertaining to the inclusion of sub regional entities in the process. As a result of these last minute suggestions, there was an agreement between the County, the author and HCD that the author would introduce clean-up legislation to address HCD's issues. We worked with County staff to ensure that the technical changes posed by HCD did not change the intent of the original bill and to include language to ensure that the County is not liable for "transferred RHNA credits" if a City fails to uphold agreement as part of the annexation.

SB 1453 (Maldonado) – This bill was sponsored by the County. The bill would have authorized a member of the board of supervisors of the principal county to propose a resolution to increase or decrease the number of members of the board of trustees of cemetery districts. However, after much discussion locally, it was agreed to drop this bill for now.

AB 1900 (Nava) - This measure was sponsored by the County and signed into law (Chapter number 323, September 26, 2008). The bill allowed the County to continue to receive Maddy Trauma Center Funds for two more years, which will allow the County time to develop alternative funding sources to off-set those funds. We worked closely with Assembly Member Nava on this issue in an effort to move the bill forward. He worked diligently with all interested parties to try to defray any opposition as well as demonstrate the need for the continuation of the sunset. Once we got to the Governor's office we worked closely with his staff in an effort to educate them on the local endeavors to try to continue funding for Trauma system.

Legislation of Interest to Santa Barbara County

AB 1389 (Torrico) – This measure was supported by the County. The bill sought to reinstate the Indian Gaming Special Distribution Fund for eligible counties, however was used as a budget trailer bill for general government purposes and the SDF language was moved into AB 158. Both of which were signed into law.

AB 1933 (Nava) – This measure was supported by the County. This was the first attempt by Assembly Member Nava to extend the sunset date for the Maddy EMS Trauma Center fund. When it unfortunately became stalled in the Assembly due to the lack of necessary rule waivers where it ultimately died the Assembly Member identified a new bill, AB 1900 which was successfully adopted by the legislature and signed by the Governor.

AB 2065 (Hancock) – While the County did not have a specific position on this bill, it did discuss issues pertaining to species being introduced by other means than boating (migratory fowl for example) and immunity to the bill author. This measure requires any person, or federal, state or local agency, district or authority that owns or manages a reservoir where recreational, boating or fishing activities are permitted to assess the vulnerability of the reservoir to nonnative

mussels and develop and implement a program designed to prevent the introduction of nonnative mussels. The bill was heavily negotiated and once all parties signed off the bill moved quickly through the process and was signed by the Governor.

AB 2124 (Beall) This bill was supported by the County but died in Senate Appropriations Committee due to the fiscal impact. This bill would establish the Medi-Cal Alcohol and Drug Screening and Brief Intervention Services Program (program) and would require the Department of Health Care Services (DHCS) to administer it in consultation with the State Department of Alcohol and Drug Programs (ADP). The bill would have allowed counties to draw down federal funding for providing alcohol and drug screening and brief intervention services to Medi-Cal beneficiaries.

AB 2295 (Arambula) – This measure was supported by the County but vetoed by the Governor. This bill clarifies that local road rehabilitation projects are eligible for funding through the State Transportation Improvement Program (STIP) process. The Governor believes that this is already addressed in the CTC Regulations.

AB 2353 (Garcia) – This measure was supported by the County. This bill was intended to reinstate the Special Distribution Fund (SDF) for eligible counties. In the 2006-07 budget, the Governor vetoed the section that appropriated \$30 million from the SDF for grants to local communities to mitigate the impacts of Indian Gaming. This bill was intended to restore that funding. The author believes that providing this funding will assist local governments in mitigating the impacts of tribal gaming in their communities. When the bill was set for a hearing in the Assembly Governmental Organization Committee, the Chair, Assembly Member Torrico asked Assembly Member Garcia to hold the bill in an effort to work on the broader issue of the SDF. She agreed and a bi-partisan working group was formed that worked throughout 2008, however in the end, while we received the funding, there wasn't a long-term agreement reached so we will continue to work on this issue through 2009.

AB 2447 (Jones) – This measure was monitored by the County based upon recommendations by CSAC to oppose the bill due to local land use control. The Governor vetoed this bill due to the local mandate component. This measure requires a county to deny approval of a tentative map or parcel map if the proposed map will cause increased development in a state responsibility area (SRA) or a very high fire hazard severity zone as designated by the Department of Forestry and Fire Protection (CAL FIRE), with specified exceptions.

AB 2527 (Berg) – This measure was supported by the County and signed by the Governor (Chapter number 464, September 27, 2008). This bill permits a local government agency or a local educational consortium to contract with any private or public entity to provide Medi-Cal targeted case management and Medicaid administrative activities, as specified, for Medi-Cal beneficiaries. It would allow agencies to claim federal reimbursement for the activities associated with enrolling beneficiaries in Medi-Cal services.

AB 2686 (Nava) – The County did not have an official position on this bill but did watch it as it went through the process. This bill sought to create the Santa Ynez Valley Water District, spelling out the new agency's boundaries, governance, powers, and procedures. This bill

declares that Santa Ynez River Water Conservation District's Improvement District No. 1 ceases to exist on January 1, 2009. The new District succeeds to Improvement District No. 1's property, powers, rights, duties, responsibilities, obligations, liabilities, and jurisdiction. The new District must obtain the approval of the local agency formation district before activating any of its latent powers. The measure was vetoed by the Governor but is expected to be reintroduced in the 2009 legislative session.

AB 2695 (Niello) – This bill was supported by the County but was held in Senate Appropriations Committee due to the fiscal impact on the state. This bill would have strengthened existing solid waste enforcement laws to assist state and local efforts aimed at trying to reduce/eliminate illegal dumping in the County.

AB 2860 (Mendoza) – The County was in the process of issuing an opposition letter to this bill, but the bill was never heard in the Assembly Agriculture Committee. This measure would allow a Williamson Act contract to be cancelled if the contracted land is acquired under a federal trust, on behalf of a federally recognized tribe.

AB 3009 (Brownley) – This measure was supported by the County, however we did work with the author to try to get some amendments in to further clarify the intent of the bill. The measure was stalled in the Assembly Revenue and Taxation Committee due to the fiscal impact on the state. This measure would assist veterans within the community that sell food and beverages to allow them to not pay taxes to the Board of Equalization.

SB 303 (Ducheny) – The County took an oppose position in 2007 based on the proposed elimination of local control regarding densities and continued to monitor the bill in 2008. The measure was an alternative measure to SB 375, by Senator Steinberg, that would have addressed climate change from the land use and transportation sectors. SB 303 would have required a Regional Transportation Plan (RTP) to include an initial planning scenario. Under this measure, the initial planning scenario would have projected a land use and development pattern that includes land use designations, densities, and building intensities for the area covered by the RTP based on existing general plan policies and recent and current growth patterns, provide for sufficient housing within the region to accommodate the region's medium- and long-term housing need for all income levels during the planning period, and establish a regional greenhouse gas emissions target by projecting the Land Use-Transportation Carbon Footprint associated with implementation of the regional transportation plan. This bill died in Assembly Appropriations Committee this last summer due to a significant fiscal impact on the state.

SB 1147 (Calderon) – The County supported this bill, which was signed into law (Chapter number 546, September 28, 2008). This measure seeks to address the problem of who is responsible for minors in the Medi-Cal system when they are incarcerated. SB 1147 requires the Department of Health Care Services develop procedures to ensure that the Medi-Cal eligibility of minors is not terminated when they are incarcerated to ensure continued health care coverage.

SB 1165 (Kuehl) – The County joined CSAC and the League of Cities in opposing this bill as it would require a lead or responsible agency to prepare a subsequent or supplemental EIR for a project if the certification of the prior EIR is more than five years old and would require a lead

agency to make administrative drafts of EIR and other documents available to the public upon request. It failed in the Senate Appropriations committee due to the lack of support.

SB 1236 (Padilla) – The County supported this bill, it was signed into law (Chapter 60, July 3, 2008). The bill extends the sunset date of provisions of law permitting a county board of supervisors to levy an additional penalty in the amount of \$2 for every \$10, or part of \$10, upon every fine, penalty or forfeiture collected by the courts for all criminal offenses until January 1, 2014, unless a later enacted statute deletes or extends that date. This measure specifically earmarks those dollars to pediatric trauma and emergency services. This bill, in tandem with AB 1900, would enhance the County's Maddy EMS Fund.

SB 1341 (Padilla) – The County supported this bill, it was signed into law (Chapter number 485, September 28, 2008). This bill permits families currently participating in the California Work Opportunity and Responsibility to Kids program to utilize money within "restricted savings accounts" to avoid homelessness situations. Under the current system a family can only be eligible for CalWorks if they have less than \$100 in liquid assets, however they can have funds in a restricted account that is limited to money for education, to start a business, purchase a home or saved for job training. With the signing of SB 1341 those families can now access those funds to avoid homelessness.

SB 1349 (Cox) – The County supported this bill. This bill requires the California Department of Mental Health (DMH) to pay interest on fee-for-service (FFS) claims submitted by county mental health programs that remain unpaid after 90 days. As you are aware, this became a serious situation for many county mental health agencies when the state failed to pay in a timely manner. Senator Cox introduced SB 1349 in response to that crisis. The bill would have required interest to accrue at the daily Pooled Investment Account Rate (currently about 5%). The measure would not apply to claims in the dispute resolution process not be subject to the 90-day timeframe established in this bill. Due to the proposed fiscal impact on the state the bill was held in the Assembly Appropriations Committee.

SB 1617 (Kehoe) – The County monitored this bill and the author dropped the bill at the end of session. The measure would impose an annual \$50 fire prevention fee on structures located in the State Responsibility Areas (SRA); requires fee revenues to be available to the Board of Forestry (Board) and California Department of Forestry and Fire Protection (CDF), upon appropriation by the Legislature, for fire prevention activities in SRAs.

SB 1764 (Kehoe) – The County provided feedback to CSAC regarding the possible administrative and fiscal challenges in order to obtain a certificate, but did not issue a position on this bill. The measure was vetoed because of the cumbersome nature of obtaining the certificate. The Governor was concerned that if the certification wasn't obtained, the local jurisdiction would not receive adequate reimbursement. This bill requires a local agency, on or after January 1, 2010, to obtain an annual certification by the Director of the Department of Forestry and Fire Protection (DFFP) to be eligible to receive over 75% reimbursement for state share of an eligible project during a disaster.

SB 375 (Steinberg) – The County worked through CSAC to actively monitor this bill, which went through extensive revisions before being signed into law (Chapter 728, September 30, 2008). This bill was the subject of two years of negotiations between counties, cities, builders and the environmental community. This bill requires the Air Resources Board to

1. provide each Region with greenhouse gas emission reduction targets for the automobile and light truck sector;
2. requires a regional transportation plan to include a Sustainable Communities Strategy designed to achieve the targets for greenhouse gas emission reduction;
3. requires the California Transportation Commission to maintain guidelines for travel;
4. requires cities and counties, in general, to revise their housing elements every eight years in conjunction with the regional transportation plan and to complete any necessary rezoning within a specific time period; and
5. relaxes CEQA requirements for housing developments that are consistent with a Sustainable Communities Strategy.

Budget

As we mentioned earlier, the 2008-09 budget was passed and signed 86 days late by the Governor. Unfortunately, once the budget was signed, the State immediately went into another budget deficit. As a result, the Governor called a special session of the legislature on November 6, 2008. Although the election had just taken place the day before, the lame duck legislature was forced to return to Sacramento in an effort to work out a deal. Although they worked up to the Thanksgiving Holiday and ultimately the last minute (as the new legislators were being sworn in that following Monday) they were not able to reach a deal. Once the new class was sworn in, the Governor once again invoked his rights under Prop. 58 and called another special session, again to no avail, there was a budget proposal passed on December 16, 2008 and sent to him in early January 2009 which was vetoed sending all the parties back to the drawing board. Detailed below are some of the counties priorities as it relates to the budget from the 2008-09, keeping in mind that on December 31, 2008 the Governor submitted an 17 month budget proposal which will impact these programs depending on what is adopted and if the state runs out of money.

General Government

Prop. 1A

One of the areas of concern to the County that was continuously on the list of potential cuts/options for borrowing was Prop. 1A. We worked very closely with the legislature, Administration and our coalition partners to ensure that those funds were not raided. We are pleased to report that those funds were not used to try to close the budget gap and have continued to remain off the table for now. We will need to continue this fight as we move into a more dire situation and continue to educate the new class of legislators about the unintended consequences of using those dollars to close the budget deficit.

Presidential Primary – 2008

With the legislature moving up the Presidential Primary from June to February in 2008 we had to work closely with them to ensure that proper reimbursement would be part of the budget. The issue was in the budget subcommittees, but at different dollar amounts, therefore sending the item to the budget conference committee. The budget conference committee did adopt this item, but with a late budget we were concerned that the legislature would delete those dollars. We were successful at keeping the funding in at the \$85.7 million level which brought the County \$1,592,828 allowing us to recover our costs of holding the February election.

Public Safety

AB 88 was the final budget trailer bill that addressed the public safety programs in California. Detailed below are the various public safety programs that are of interest to the County.

Citizens' Option for Public Safety (COPS) and Juvenile Justice Crime Prevention Act (JJCPA)

The legislature appropriated \$214.2 million or \$107.1 million for each program. This funding level reflects a 10 percent reduction to each program component, consistent with the Governor's January budget proposal. Another change as a result of this budget crisis is the way this program is funded. Counties will now receive their funding on a quarterly basis instead of an annual lump sum payment. The trailer bill directs the Controller to allocate the COPS and JJCPA funds in "four equal installments, to be paid in September, December, March, and June of each fiscal year."

Local Detention Facility Revenues

This program was funded at \$31.5 million, which represents a 10 percent reduction to the \$35 million appropriated in 2007-08 to replace, pursuant to the provisions of AB 1805 (2006), revenue that which counties previously would have derived from the imposition of booking fees. With a reduced amount, we should look to AB 1805 (2006) as a guide to prorate the booking fee to achieve as much revenue as possible in these economic down times. The issue of booking fees has been of much discussion over the last few years, while it seems that we have reached a temporary agreement, this issue will continue to be discussed in the years to come.

Department of Justice (DOJ) Forensic Laboratory Fees

This issue was a major sticking point for the county and was adopted in the budget conference report. Fortunately, with the continued impasse on the budget we were successful at eliminating that language in the budget conference report. If passed, the budget would have directed the DOJ to charge state and local agencies a fee-for-service for forensic laboratory tests. As a result, the \$32 million in state General Fund savings associated with this budget proposal is restored and DOJ will not be charging local agencies for these services.

Mentally Ill Offender Crime Reduction Grant (MIOCR)

The budget does not fund counties' MIOCR grant programs. It should be noted that the trailer bill contains a provision stating, "it is the intent of the Legislature for counties to consider ways to provide services to those established pursuant to the Mentally Ill Crime Reduction Grant using

Mental Health Act Funds ... “which will continue to be an issue as it is not legal to supplant programs with the Prop. 63 dollars.”

California Multijurisdictional Methamphetamine Enforcement Teams

The budget trailer bill appropriates \$19.5 million to support Cal-MMET activities. Since the Governor vetoed the language allowing for this program to be competitively bid therefore we are uncertain as to the mechanism for Cal-MMET funds distribution.

AB 900 Construction Funds

After AB 900 was signed into law two years ago, the Legislature realized during the implementation that they needed to run a clean-up bill to address technical fixes in an effort to increase the feasibility of the bond sale to support construction of jail beds, reentry facilities, and state infill beds. According to the Attorney General, statutory modifications are necessary to permit him to render a “clean” bond opinion, a step required before the Public Works Board can go to market for the bonds. We worked closely with the Administration, CDCR and Assembly Member Jose Solorio in an effort to get language into this bill to help move the Santa Barbara project along, however the legislature ultimately did not move the AB 900 clean-up forward, will continue to work on the issue this year.

Corrections Reforms

The Legislature has sought a range of corrections reforms, primarily centered on parole reforms as well as credit earning/sentencing changes. Those provisions would have been carried out in the corrections/public safety trailer bill, which was not part of the final budget package.

Health Care Receiver

This is an issue that the state has been dealing with for a couple of years now. The Legislature did not address the federal healthcare receiver’s demands to provide up to \$8 billion over the next five years to bring the state’s health and mental health system in California’s 33 prisons up to a constitutional level of care. The federal court was expected to make an order this fall requiring the state turn over a first installment of \$250 million to begin addressing the receiver’s demands. However, there is no action that has been taken at this time.

Environment

Williamson Act

The Governor’s 2008-09 Budget includes the 10 percent reduction to the Williamson Act Subventions to counties and cities, resulting in an annual General Fund savings of \$3.9 million. AB 1389, the general government trailer bill, included the statutory language that allows for this reduction beginning in the 2008-09 fiscal year, and each fiscal year thereafter. AB 1389 also specifies that subvention payments would not be made earlier than April 20 of each year, but no later than June 30. As we have discussed over the years the legislature is uncertain on the role of Williamson Act and does not understand the repercussions of deleting funding from the program. In the Governor’s budget released in January 2008 this program’s funding was cut altogether but ultimately restored. We are working with Yolo County on a potential bill on Williamson Act in an effort to try to stabilize this funding for future years.

Tidelands – Extension of SB 1187

This year we worked closely with your legislative delegation, specifically Assembly Member Sam Blakeslee, in an effort to extend the SB 1187 sunset date language to bring in additional mitigation funding to the County explicitly for the PXP Tranquillon Ridge project. In working closely with our delegation we attempted to make it part of the budget discussion, which is where we have had the most success over the years. Unfortunately, given the state of the economy and the lateness of the 2008-09 budget there was no profit sharing between the State and the County for this project.

Health and Human Services Programs

County Administration of Medi-Cal

The final budget included a \$64.6 million cut to the Cost of Living Adjustment and \$42.2 million cut (\$21.1 million federal funds, \$21.1 million GF) to caseload growth for a total cut of \$106.8 million. Counties should note two other items contained within the budget relating to Medi-Cal: AB 1183, the health trailer bill, contains language to suspend the state's penalty on counties for not meeting certain performance measures in processing Medi-Cal applications. Also, the 2008-09 budget reinstitutes semi-annual reporting for children on Medi-Cal, which will increase administrative costs. This provision is scheduled to sunset in three years.

County Administration of Food Stamps

The final budget included a \$20.9 million cut (\$12.3 million federal funds, \$8.6 million GF) – representing a three percent reduction – to county administration of this program in 2008-09.

County Administration of In-Home Supportive Services (IHSS)

This is considered one of the fastest growing programs in the state by the Administration with an 11.2% growth annually. While the final budget included a \$12.7 million cut (\$7.4 million federal funds, \$5.3 million GF) to county administration of IHSS, which totals a five percent reduction in 2008-09, we expect this program to take additional hits moving forward. One option that has been on the table is changing the formula for who is eligible and who is not, therefore removing individuals from the program.

County Administration of CalWORKs

The final 2008-09 budget includes a \$60 million, or 5 percent, reduction to Eligibility and Employment Services. In addition, the budget eliminates \$40 million in Pay for Performance funding.

Adult Protective Services

This program has never been fully funded. Assembly Patty Berg pushed the full funding of this program in her budget subcommittee in 2008. It made it out of the Budget Conference committee fully funded; however the Governor vetoed \$11.4 million (\$6.1 million GF) from the APS program, for a total cut of 10 percent.

Mental Health Managed Care

The 2008-09 Budget as passed by the Legislature had cut the local allocation for this program by \$5.35 million, and the Governor line item vetoed an additional \$7.72 million from the program,

for a total 2008-09 fiscal year reduction of \$13.07 million. The total allocation for mental health managed care in the 2008-09 is \$225 million, down from \$238 million in 2008-07.

Proposition 63 and Proposition 10 Provisions Corrected in Final Budget

AB 1389, the General Government Trailer Bill, contains provisions affecting the Mental Health Services Act (Proposition 63 of 2005) and First 5 Commissions (Proposition 10 of 1998). The measure allows the Controller to take loans from Proposition 10 and Proposition 63 for cash flow purposes. The original language went on to specify that Proposition 63 funds could be used for the Sexually Violent Predator program, while Proposition 10 funds could be used for volunteer programs. This language was a drafting error that has been corrected in the final chaptered bill. AB 1389 now clarifies that borrowing Proposition 63 and Proposition 10 funds for cash flow purposes is in furtherance of the Acts.

Other areas in the social services arena that took program reductions include:

- \$316,000 from the Home Delivered Meals program;
- \$253,000 from the Congregate Nutrition program;
- \$3,165,000 from Senior Community Employment;
- \$5,978,000 from the Long-term Care Ombudsman and Supportive Services programs;
- \$2,526,000 from the Multipurpose Senior Services Program;
- \$416,000 from the Alzheimer's Day Care Resource Centers;
- \$250,000 from the Linkages program;
- \$60,000 from the Brown Bag program; and
- \$200,000 from the Senior Legal Hotline

We are also being told that all Social Service Payments to counties are top of the list of those who will not be paid as of February 1, 2009 in the event that there aren't some solutions in place to help resolve this budget crisis. Additionally, Mental Health programs and Healthy Families are also on that list, among other program areas.

Transportation

Proposition 42

The FY 2008-09 State Budget fully funds Prop 42 at approximately \$1.4 billion for investment in state highway improvements, local streets and roads maintenance, and transit. This should amount to about \$3.5 million for Santa Barbara County.

Proposition 1B: Local Streets and Roads Account

The final budget also includes a \$63 million appropriation from the Prop 1B Local Streets and Roads Account (LSR) for counties. These funds will be available for counties to access until June 30, 2011. This should amount to about \$772,000 for Santa Barbara.

Indian Gaming

Special Distribution Fund

There were several bills that dealt with the allocation of the SDF once the Governor deleted those funds in 2007. Senator Jim Battin attempted to do a restoration at the end of session in 2007, but was met with opposition between the two houses fights over end of session politics. Assembly Member Bonnie Garcia amended one of her bills in January, 2008, AB 2353 which was held in Assembly Governmental Organization Committee. The Chair of that committee, Assembly Member Alberto Torrico asked Assembly Member Garcia to hold her AB 2353 and move his AB 1389 out in of the committee. At that point a working group was formed in an effort to hash through the details and have meaningful reforms. While some reforms were attached, there will be more work to do this year. The final language was place in a Budget trailer bill AB 158. This measure appropriates \$30 million from the Indian Gaming Special Distribution Fund (SDF) in the FY 2008-09 State Budget to provide grants to local government agencies for the mitigation of casino impacts. Additionally, the measure implements the following programmatic changes:

- Modifies the composition of an Indian Gaming Local Community Benefit Committee (LCBC) if only one city is located within 4 miles of a tribal casino, and would require an LCBC to select only grant applications that mitigate impacts from casinos on local jurisdictions;
- Terminates SDF grants to a local jurisdiction should grants funds be used for any unrelated purpose and any moneys not yet spent would revert back to the SDF;
- Requires a local jurisdiction that receives a grant from an Individual Tribal Casino Account to deposit all funds received in an interest-bearing account and use the interest from those funds only to mitigate an impact from a casino;
- Requires that, as a condition of receiving further funds, a local jurisdiction, upon request, demonstrate to the county that all expenditures made from the account have been in compliance with these provisions;
- Makes ineligible for future SDF funding a county that does not provide an annual report;
- Extends the sunset date of the SDF program by a year until January 1, 2010.

2009 Legislative Session – Looking Ahead

With the 2009-10 Legislative session underway the budget continues to be a huge problem for the State. As we mentioned earlier, many County programs will be in jeopardy of not being paid or receiving IOU's. We will continue to keep you updated as things unfold and work towards finding a solution that closes the budget gap but keeps our County services whole.

In addition to dealing with the budget we will also continue to work on water and health care reform. The legislature is expected to continue to have their working groups meet in an effort to identify solutions for the water and health care crisis' we are facing. We will work with your delegation as well as the working groups to ensure they understand the issues our county faces related to our water and health care needs.

We will work closely with your staff to implement the Counties legislative priorities as well as other issues that may arise. Additionally, we will continue to update you on any new information that we receive as the year progresses.

