

ATTACHMENT C

TO: Board of Supervisors, County of Santa Barbara

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

RE: 2013 State Update

DATE: December 20, 2013

The Legislature has adjourned for the year; they will be in their districts until January 2014 at which time they will begin the second year of the two-year session. They moved over 1,000 bills to the Governor's desk during the last few weeks of the session. They were also able to come to agreement on a variety of issues that were outstanding such as what to do with the prisoners that they needed to move as well as the bill to clean-up the Medi-cal expansion. They also attempted to deal with some of the CEQA fixes, but that was specifically targeted at the city of Sacramento's agreement to build a stadium for the Sacramento Kings due to the tight time-line the NBA gave the City in order to be able to keep the team here.

They had hoped to have a newly written water bond ready to go, but that fell flat so the goal is to work on what that will look like over the fall and into early 2014 which will then be brought back for a more comprehensive version than what they currently have. The goal is to have this bond replace the water bond that is currently slated for a vote in November of 2014.

Specific Legislation of interest to Santa Barbara County

AB 65 (Achadjian) – This bill was a reintroduction of AB 765 from the last session. This bill was introduced at our request by Assembly Member Katcho Achadjian on behalf of our DA, Joyce Dudley and is part of the Board of Supervisor's platform. The bill has had bi-partisan support both this year and last year session. AB 765 was held in the Senate Public Safety Committee on June 28, 2011 due to concerns that the bill would create a new crime. This measure will allow the penal code to catch up with modern day life related to sexually violent crimes and allow for DA's to properly prosecute offenders. There has been some significant media around the issue that AB 65 intends to fix. The bill was signed by the Governor on September 9, 2013.

AB 154 (Atkins) – This bill is supported by the County. The bill is one of many attempts to expand the scope of practice for various providers to allow access once the Affordable Care Act is implemented. This bill allows for additional privileges for Nurse Practitioners and to date is the only bill to make it out of the legislature. This bill was signed on October 9, 2013.

AB 537 (Bonta) – This bill makes various changes to the Meyers-Miliias-Brown Act (MMBA) governing local public employer and employee relations related to arbitration agreements, mediation, ground rules, contract ratification, and employee relations ordinances. The bill binds a governing body to any tentative agreement reached by its bargaining representatives. The MMBA currently states that a tentative agreement is provided to the governing body for review, but does not bind them. It also establishes legislative ground rules, under currently practice local conditions would establish those ground rules. This bill was signed on October 13, 2013.

AB 982 (Williams) – This bill requires the regional water quality board to approve a proposed groundwater monitoring plan prior to noticing the intent to begin any oil or gas drilling. The bill also requires the notice to include the source of water used during any Hydraulic fracturing operations. The bill was held in the Assembly Appropriations Committee suspense file; however the language was amended into AB 669 by Assembly Member Mark Stone (D-Monterey) however that bill is now a two year bill after it was defeated on the Assembly Floor this summer.

SB 191 (Padilla) – The Board just took a support position on this bill. The bill would authorize counties to continue to collect funds used to support local emergency medical services systems, pediatric trauma centers, and hospitals and physicians who provide uncompensated trauma and emergency care to ill and injured patients. Given our past work on maintaining the Maddy Fund as a standalone bill, this bill seeks to address local funding issues related to keeping our trauma system open and accessible. The bill successfully moved out of the Assembly Health Committee on June 18th, with no debate, however there was an amendment taken to allow this to sunset in 2020, we will continue to look at ways to extend this, but we are pleased that this bill was signed on October 5, 2013.

SB510 (Jackson) - The Board just took a support position on this bill. The measure is a reintroduction of SB 444 from last session. SB 510 seeks to clarify that a local government, when considering an application to convert a mobile home park to resident ownership, is required to consider the results of the survey to residents about their support for the conversion in making its decision to approve, conditionally approve, or disapprove the map, and allows the local government to disapprove the map if it finds that the results of the survey have not demonstrated adequate resident support. The bill was signed by the Governor on September 26, 2013.

SB 727 (Jackson) - The Board has taken a support position on this bill. It would create the “Drug Abuse Prevention and Safe Disposal Program” stewardship program. This bill is intended to address serious social and environmental problems that persist from lack of appropriate disposal options for pharmaceuticals. The stockpiling of unused medications in the home allow for easier access for children and teens, thus fueling youth drug abuse. Poisoning is the fastest rising cause of accidental death among older adults. For example, unintentional poisoning of adults over 60 resulting in hospitalization increased by 43% in Alameda County from 1998 to 2006. Flushing medications into sewage systems harms

our drinking water systems. SB 727 was held as a two-year bill in an effort to work with the opposition.

SB 804 (Lara) – The Board has taken a support position on this bill. Existing California law defines biomass conversion as the direct combustion of certain listed types of biomass materials. This definition excludes conversion technologies that can more efficiently generate electricity from biomass with lower air emissions. Additionally, existing law is unclear regarding how anaerobic digestion facilities should be permitted. This hampers the State's goals of diverting additional organic materials from disposal. There was a compromise agreed to that allowed the bill to continue to move that will be introduced in a clean-up bill next year. This compromise does not affect what the County will be able to do; it was reached with some last minute opposition. Unfortunately, the bill was vetoed by the Governor. We will be prepared to take this up again next year.

Other issues of concern to the County

Medi-Cal Expansion under the Affordable Care Act

As you know, the May Revision clarified that the Medi-Cal Optional Expansion would be a state run program; however the Administration also stated that they planned on taking \$300 million from Counties to off-set the budget. This started a flurry of activity on behalf of CSAC in an attempt to come up with a workable formula, they finally agreed on various formulas depending upon the county and how they run their public health department. There are the public hospitals counties, the County Medical Services Counties and what are called the “non-non” or 12 others, of which Santa Barbara is due to our clinic system and how we deliver care to our indigent populations.

Unfortunately, in the very late night discussion prior to the June 15th deadline, CSAC negotiated a deal that was very bad for Santa Barbara. As such county staff and our lobbying team went into action to brief our delegation and Supervisors. As a result of many long discussions, we successfully proved our case and the Speaker of the Assembly agreed to continue to work with us to resolve our issue. This is due in part to the Public Health Departments tireless efforts, the CEO's office and our wonderful delegation. We were also successful at demonstrating to other counties the negative impacts with the “take” of \$300 million, due to how we provide care. While it was an incredible hill to climb, we did and our message was heard, once we reached a deal with the Administration and the language was written with all parties signing off, it was determined that we would work out a deal locally and there would not be a need for a state fix. We were very pleased with the response from all of our partners in the legislature and appreciate all of their support during this process.

CEQA Reform

They also attempted to deal with some of the CEQA fixes, however the bill that was ultimately successful was specifically targeted at the city of Sacramento's agreement to

build a stadium for the Sacramento Kings due to the tight time-line the NBA gave the City in order to be able to keep the team here.

SB 743 by Senator Darrell Steinberg was the only successful CEQA bill this year. The measure was really an attempt at moving the Sacramento Kings Arena along on the schedule that it needs to be. We were told that it was going to also contain a number of other CEQA reforms; however given the lateness of the session it only dealt with a few; mostly related to the Arena deal. The only other major issue is how CEQA analyzes parking and looking at that a different way which will be conducted by the Governor's Office of Planning and Research. We are told that the other issues will be dealt with next year; in particular both the Governor and the Speaker are very interested in seeing this through. We anticipate that a bigger CEQA fix will be addressed next year.

Prison Reform

During the last few weeks of session the legislature also attempted to tackle prison crisis and the requirement for the state to have a plan to move 10,000 inmates by October 1, 2013. After much debate between the Senate Democrats and the Assembly, Senate Republicans and the Governor a compromise was reached. The Governor went to the Supreme Court and was overruled. He has said he would not allow a mass early release of inmates to achieve the reductions and instead would shift inmates to leased private prison cells. Beds identified by the state so far will leave about 4,414 inmates to be dealt with by the January 27, 2014 deadline, and both the state and inmate attorneys have been ordered to discuss possible ways of settling the issue.

Senate President Pro Tem Darrell Steinberg said he hoped the ongoing talks between the state and inmate attorneys will result in a further postponement of the Jan. 27 deadline to give the state time to pursue additional rehabilitation programs. In September, legislators passed a compromise bill to allow the state to spend \$315 million on expanded prison-bed space to comply with the court order, if needed, and to focus on long-term drug and mental health treatment programs if the judges grant a further delay.

Affordable Care Act

The Affordable Care Act (ACA) opened for business on October 1, 2013 at the same time the Federal Government shut down. While it was a bit of a rough opening and we really won't know what it looks like for several months, Covered California is doing outreach as well as each county to get the word out and people enrolled. To date, the numbers are good but it is still early. It should also be noted that the Administration did adopt the Medi-Cal optional expansion offered by the federal Government. What this means is that single, childless adults under the age of 65 who were previously ineligible for Medi-Cal are now eligible. The Federal Government will pick up the costs for the first three years 100% and then there will be a 50/50 match which is how Medi-Cal is currently funded.

As we continue to watch the ACA roll out, we will keep you updated and work with your staff to see the impacts on your constituents. We anticipate that this will allow for better access to care earlier in the process but are concerned about the potential for provider

shortages in the state. Senator Ed Hernandez (D-24) as chair of the Senate Health Committee did introduce a package of bills that would allow certain providers to practice at the top of their scope, however all but one were unsuccessful. SB 493 which would allow pharmacists to administer vaccines as well as birth control was signed by the Governor. We anticipate the others and possibly more will continue to move or be introduced next year in response to the provider shortages.

Water Bond

As we mentioned in October, the Senate Committee on Natural Resources and the Senate Committee on Environmental Quality held an informational hearing early this fall to open up the discussion on a proposed water bond that they hope will be ready for the November 2014 election. There are currently two measures that are moving through the process, SB 42 by Senator Lois Wolk (D-Yolo and a Delta County) and AB 1331 by Assembly Member Anthony Rendon (D-Los Angeles). They each address some different priorities but have some similarities. The goal is to reach some common ground so one bill can move forward next year. Based on our understanding, SB 42 appears to be more environmental friendly while AB 1331 addresses more structural issues statewide with maintaining our current infrastructure while planning for the future. The goal is to keep the bond between \$7-\$8.2 billion, they agree that this does not address all of our current needs but will go a long ways to getting the state in a good place. They are hopeful that there will be no opposition, but that may be a bit too optimistic. This was only one in a series of several hearings that we anticipate will take place over the fall and into the beginning of 2014.

The Assembly Speaker did put together a “working water group” that had regional representatives that could speak to individual regional issues. The Senate did not take this approach; again it was more about the environment and a way to keep the Delta sustainable. Both authors agreed that there would not be any earmarks for specific projects and each will be competitively bid. They also plan to take amendments to allow for Tribes to be eligible as long as they meet the grant criteria.

In Conclusion

When they return in January they will move at a fast clip in an effort to get the two-year bills moved to the second house. They will also be looking at their potential legislative packages for the 2014 year. Additionally, the Governor will release his 2014-15 budget on January 10, 2014 for the legislature to begin to debate. It should also be noted that the Legislative Analyst’s Office (LAO) is projecting a surplus in 2014-15 of \$1 billion dollars and anticipates that the surplus will grow to \$9 billion dollars by the 2017-18 budget. We expect it to be very busy and will work with your staff on any issues that relate to the County. Please let us know if you have any questions or would like any additional details.