

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate  
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RE: 2019 April Update

DATE: May 1, 2019

The Legislature reconvened from the Legislative Spring Recess on April 22nd and is now processing hundreds of bills through policy committees, while hearing the state budget in the budget sub-committees in both houses, as the Department of Finance and the Administration gets ready to issue the May Revise.

April 26th was the deadline for policy committees to meet and report to fiscal committees' fiscal bills introduced in their house, while the deadline for policy committees to meet and report to the floor non-fiscal bills that were introduced in their house is on May 3rd. May 10<sup>th</sup> will be the last day for policy committees to meet prior to June 3<sup>rd</sup>.

CSAC held its annual Legislative Conference on April 25<sup>th</sup>, which included Governor Newsom as a keynote speaker, workshops on aging and criminal justice fees, as well as a panel discussion with members of the new administration during the luncheon program. During this time, we set up meetings with the County's delegation in order to discuss the County's current budgetary and policy priorities.

#### IHSS – Changes to AB 85 Formula

Santa Barbara along with Stanislaus, Sacramento, and Placer Counties have continued concerns on the change to the AB 85 formula, to pay for the expansion of Medi-Cal Coverage proposal that the Governor put out. The budget proposes to expand full-scope Medi-Cal coverage to approximately 138,000 income-eligible young adults up to age 26, regardless of immigration status. The Governor's plan is to partially offset by redirecting county realignment funding for indigent health care to the state. The proposal would redirect \$2.1 million dollars from the County's core Public Health services.

DHCS is proposing trailer bill language to amend the redirection percentages implemented in AB 85 (Committee on Budget, Chapter 24, Statutes of 2013) for certain counties in order to account for the reduced burden on county indigent programs achieved by enrolling undocumented young adults in full-scope Medi-Cal coverage. For CMSP counties, as well as the counties that chose to implement a 60 percent redirection amount, the proposed trailer bill language would instead redirect 75 percent of 1991 Realignment funds from those counties. According to the Administration, this additional redirection would result in approximately \$63 million of additional offset General Fund costs in the CalWORKs program.

The Senate Budget Subcommittee #3 on Health and Human Services held a hearing on March 21st, where they heard the Full-Scope Medi-Cal Expansion to Undocumented Young Adults Proposal, while the Assembly Budget Subcommittee #1 heard the item on April 8<sup>th</sup>. The County testified in opposition of redirecting the county realignment funding. The Subcommittees left the item open. The subcommittees will take actions on every proposal after the May Revision, but it isn't likely they will have another actual hearing with people speaking unless the May Revision changes the proposal significantly, in which case the Subcommittees would re-hear it. The County is continuing to work with CSAC and our Delegation on this issue.

### Emergency Response

On April 12<sup>th</sup>, Governor Gavin Newsom announced the findings of his strike force that is charged with examining California's catastrophic wildfires, climate change and the State's energy future. The strike force report determined the steps the state must take to reduce the incidence and severity of wildfires, including the significant wildfire mitigation and resiliency efforts the Governor has already proposed.

The report begins by setting out steps that the administration, the CPUC, local communities, and utilities must take to reduce the incidence and severity of wildfires and to step up both community resilience and the state's response capabilities. To accomplish this, the report stated that it is critical that the state:

#### *Preventing and Responding to Catastrophic Wildfires*

- Expand fire prevention activity by improving forest and vegetation management, accelerating fuel reduction projects on both public and private land, training the workforce needed to scale up these projects, investing in new technologies to model and monitor fire risk, and strengthening utility oversight so that they invest more in safety.
- Make communities more resilient by considering updating codes that govern defensible space, encouraging cost-effective hardening of homes, strengthening evacuation, encouraging other emergency planning, and improving land use practices to reduce the damage to life and property from wildfires.
- Invest in fire suppression and response by investing in new fire engines and aircraft, re-deploying National Guard personnel from the border to support fire suppression initiatives, purchasing detection cameras to provide advanced data to firefighters, and investing in a statewide mutual aid system to pre-position resources in high-risk areas.
- Call on the Federal Government to Better Manage Federal Forest Land. As the owner of 57 percent of California's forestland, the federal government must also do its fair share to reduce fire risk. Specifically, the Governor has joined the governors of Washington and Oregon to call for the federal government to double the investment in managing federal forestlands in our states due to the high risk of wildfires.

### *Renewing California's Commitment to Clean Energy –*

- Evaluating state-level resource backstop options to reduce gaps and inefficiencies that can result from an increasingly fragmented energy market – including the option of creating a state power procurement entity.
- Increasing transparency and reliability protections for customers by establishing standards to make energy provider information more transparent and facilitate statewide planning.

### *Allocating Responsibility for Wildfire Costs*

- A liquidity-only fund that would provide liquidity for utilities to pay wildfire damage claims pending CPUC determination of cost recovery potentially coupled with modification of cost recovery standards.
- Adopting a fault-based standard that would modify California's strict liability standard to one based on fault to balance the need for public improvements with private harm to individuals.
- Creation of a catastrophic wildfire fund coupled with a revised cost recovery standard to spread the cost of catastrophic wildfires more broadly among stakeholders.

### *Strengthening Utility Market Regulation*

- Expand safety expertise by improving the CPUC's ability to review wildfire mitigation plans, conduct inspections and audits, and enforce safety standards at investor-owned utilities.
- Clarify cost recovery standards by setting clear guidelines in statute for when the CPUC can pass on the costs of claims from wildfire damage to ratepayers.
- Improve decision-making by overhauling procedures, delegating more decisions to technical staff so that judges and commissioners focus on core questions of rate-setting, and improving enforcement.
- Review high-risk industry regulatory models and explore options for incorporating the latest climate impact research, in concert with the Governor's Office of Planning & Research, as well as academic and industry experts in risk reduction.

### *Holding PG&E Accountable for Safety*

- Monitor – and intervene – in the bankruptcy proceedings to protect California's interests. PG&E is a private entity, but its misconduct has had grave consequences for the state and its people.
- Evaluate options to satisfy wildfire claims from the last two years so fire victims are treated fairly.
- Demand that a reorganized PG&E serve the public interest. After years of mismanagement and safety failures, no options can be taken off the table to reform PG&E, including municipalization of all or a portion of PG&E's operations; division of PG&E's service territories into smaller, regional markets; refocusing PG&E's operations on transmission and distribution; or reorganization of PG&E as a new company structured to meet its obligations to California.

The County has gathered debris removal and emergency protective cost estimates caused directly from the post 1/9 Debris Flow storms that have occurred this winter and have estimated those costs to be approximately six million dollars for the Operational Area. This estimate is based on

clearing all new debris from the debris basins, channels and roads, repositioning and response of first responder resources and EOC activation. The County is working directly with Cal OES on funding. The County is also seeking back property tax backfill for damage suffered due to the 2017 wildfires.

### State Budget

Governor Gavin Newsom submitted his 2019-20 “California for All” budget proposal to the Legislature on January 10<sup>th</sup> which proposed \$144 billion in state General Fund expenditures. The total proposal, including money earmarked for special purpose funds tops \$209 billion. The Legislature is in the middle of the budget sub-committee process and will keep most items open until after the May Revise in mid-May.

Senator Hannah-Beth Jackson is carrying two budget requests for the County including a \$4.05 million-dollar budget appropriation request to support the Santa Barbara County emergency systems, which would include funding for the Land Mobile Radio (LMR) systems and the Public Safety Microwave Radio, an expanded call center for the Emergency Operation Center (EOC), Whole Community Emergency Outreach Initiative and funding for the Community Wildfire Protection Plans (CWPP).

The other budget request is an \$855,000 budget appropriation to support Santa Barbara County’s mental health and criminal justice projects, which would break down to funding for a Mental Health Rehabilitation Center, Holistic Defense Partnership, and funding for an improved Criminal Justice Diversion and Process Mapping Project.

The County has also been in communication with the Department of Finance to add property tax backfill for damage suffered due to the 2017 wildfires.

#### *Highlights in the January Budget include:*

##### *Investments in Emergency Readiness, Response and Recovery*

The Budget proposes to support counties devastated by the November 2018 wildfires by backfilling wildfire-related property tax losses and waiving the local share of cost for debris removal. The budget also includes:

- \$200 million General Fund to augment CAL FIRE’s firefighting capabilities, adding 13 additional year-round engines, replacing Vietnam War-era helicopters, deploying new large air tankers, and investing in technology and data analytics that will support CAL FIRE’s incident command in developing more effective initial fire suppression strategies.
- Continues \$25 million General Fund ongoing for pre-positioning local government fire engines to support the state’s critical mutual aid system.
- \$60 million General Fund one-time to jump-start upgrades to the 911 system, including an overhaul to the existing fee that will sustainably fund a modern, reliable system.
- \$16.3 million General Fund to finish the build-out of the California Earthquake Early Warning System. To help local governments and individuals be more prepared for emergencies,

- \$50 million General Fund one-time for local grants and to immediately begin a comprehensive, statewide education campaign on disaster preparedness and safety.
- \$213 million pursuant to SB 901 (Chapters 626, 2018), the wildfire prevention and recovery legislation. These funds would be used for fuels reduction, prescribed burns, illegal fireworks disposal, and to streamline regulatory barriers for fuels reduction project. This is the first investment out of a total of \$1 billion over the next five years for fire prevention and forest management activities.
- \$59.5 million from the General Fund over five years for OES to develop and implement the California Interoperable Public Safety Radio System, which would allow various agencies the ability to communicate with each other seamlessly, improve radio coverage to clients whose radio systems are geographically limited, and leverage and link to existing state and regional digital radio systems.

#### *Incompetent to Stand Trial (IST)*

The Department of State Hospitals (DSH) continues to experience a significant number of IST commitments—the number of ISTs pending placement into the state hospital was more than 800 individuals in December 2018. The budget proposal includes funding to expand DSH beds, but also includes \$12.3 million to allow DSH to contract up to 74 additional jail-based competency restoration treatment beds through the county jail treatment programs.

#### *In-Home Supportive Services*

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. For 2019-20, the Governor's January budget proposal includes \$12.7 billion for IHSS, of which \$4.3 billion is from the General Fund. This is a 15.2 percent increase in General Fund costs over the 2018-19 costs. The budget proposal estimates that average monthly caseload will increase by 4.5 percent over the prior year projection to a total of 564,000 recipients in 2019-20.

#### *IHSS Reopener Report*

As part of the 2017-18 budget trailer bill SB 90 (Chapter 25, Statutes of 2017) that established the new IHSS maintenance of effort (MOE), Specifically, the Department of Finance was required to submit findings and recommendations to the Legislature by January 10, 2019 on four specific elements: 1. The extent to which revenues available for 1991 Realignment are sufficient to meet program costs that were realigned. 2. Whether the IHSS program and administrative costs are growing by a rate that is higher, lower, or approximately the same as the MOE, including the inflation factor. 3. The fiscal and programmatic impacts of the IHSS MOE on the funding available for the Health Subaccount, the Mental Health Subaccount, the County Medical Services Program Subaccount, and other social services programs included in 1991 Realignment. 4. The status of collective bargaining for the IHSS program in each county. The Department of Finance has completed the Senate Bill 90: 1991 Realignment Report, which is now available on the Department of Finance website.

#### *IHSS MOE Revisions*

The Governor's January budget proposal contains revisions to the county IHSS MOE that was established in 2017. The end result of these revisions is estimated to increase State General Fund costs for IHSS, starting at \$241.7 million in 2019-20 and growing to \$547.3 million in 2022- 23.

The Department of Finance estimates that there would not be a Realignment shortfall until 2021-22 and it would be a minor shortfall of \$9.5 million. This is positive news for counties as prior estimates under the existing structure showed shortfalls of several hundred million dollars in the coming years.

#### *IHSS Administration*

The Governor's January budget proposal provides an ongoing increase of \$15.4 million General Fund for county IHSS administration, for a total of \$326 million General Fund. The budget summary notes that this increase reflects revised benefit rate assumptions.

#### *Continuum of Care Reform (CCR)*

The Budget includes \$416.9 million (\$301.7 million General Fund) to continue implementation of CCR. This funding reflects ongoing support for child and family teams, approval of resource families, and continued emphasis of home-based, family care placements with supportive services rather than group home care placements for children in foster care. Although significant progress has been made with the transition of youth in foster care from group homes to Short-Term Residential Therapeutic Programs beginning January 1, 2017, assumptions on caseload movement were revised to more accurately reflect the pace of implementation.

#### *Child Support Programs*

The Governor's January budget proposal includes an increase of \$56 million (\$19.1 million General Fund and \$36.9 million federal funds) for local child support agencies (LCSAs). The additional funding is proposed to be allocated to 21 counties that have relatively lower funding levels. This follows up on a \$3 million increase in the 2018-19 budget and direction in AB 1811 (Chapter 35, Statutes of 2018) that requires the Director of the Department of Child Support Services to work with the Child Support Directors Association to identify refinements to the child support budgeting methodology and to identify programmatic operational efficiencies.

#### *CalWORKs Single Allocation*

The Budget includes a one-time augmentation of \$93.6 million for the county single allocation. The Administration will continue to work with representatives of counties and county welfare directors to develop recommendations for revising the single allocation budgeting methodology for the Employment Services component as part of the May Revision.

#### *Elimination of SSI Cash-Out Policy*

Last year's budget made SSI recipients eligible for federal CalFresh benefits and provided one-time funding to offset any reduction in benefits due to this policy change. The Budget includes \$86.7 million General Fund in 2019-20 and makes permanent the offset of the loss of food benefits for households that would otherwise experience a reduction resulting from the elimination of the SSI Cash-Out policy.

#### *Regional Homelessness Coordination*

Governor Newsom proposes an additional \$500 million in one-time General Fund for siting emergency shelters, navigation centers, and supportive housing. Entities that apply for this funding must establish joint regional plans to address homelessness that include cities and counties, and report all funding used for homelessness services. The proposal would direct \$200

million of that funding to local Continuums of Care, \$100 million to the state's 11 largest cities, and the remaining \$200 million for "meeting milestones" grants to local jurisdictions that show progress toward developing housing and shelters.

#### *No Place Like Home Program*

The Governor wants to expedite the allocation of No Place Like Home (NPLH) grant allocations to counties to build permanent supportive housing for those who are homeless or at risk of homelessness, and those who are living with a severe mental illness. It is unclear how these funds would be expedited, but voters overwhelmingly passed Proposition 2 authorizing the NPLH program last November.

#### *Housing Planning and Incentives*

In addition to \$500 million in one-time funding for local efforts to address homelessness, the Governor proposes \$750 million in funding for revamping regional housing planning, setting new short- and long-term targets for housing production, and to provide incentive funding for local governments that successfully encourage housing production. The funding would be split between \$250 million for planning and target-setting grants and technical assistance to local governments, with \$500 million allocated to local government housing production incentives. While details were sparse, representatives of the Department of Finance and the Business, Consumer Services, and Housing Agency indicated that they plan to work closely with stakeholders, including local government, to develop the new programs.

#### *Transportation Funding*

The Governor's January budget proposal includes \$4.8 billion in SB 1 (Beall, 2017) funding in 2019-20. \$1.2 billion in funding from Road Maintenance and Rehabilitation Account (RMRA) will be split evenly between cities and counties, with another \$1.2 billion dedicated to the repair and maintenance of the state highway system. An additional \$400 million is available to repair and maintain the state's bridges and culverts, \$307 million is available to improve trade corridors, and \$250 million is available for congested commute corridor projects. The budget proposal also reflects \$458 million for local transit operations and \$386 million for capital improvements for transit, commuter, and intercity rail. Counties and cities will also receive the final \$75 million loan repayment authorized by SB 1. In addition to SB 1 funding, cities and counties will share \$567 million in price-based excise tax revenue, up from \$235 million in 2018-19. Recall that SB 1 eliminated the "true-up" process and resets the price-based excise tax rate at 17.3 cents per gallon in 2019-20 with future inflationary adjustments. An additional \$1.1 billion in Highway User Tax Account (HUTA) revenue will be allocated to counties and cities by formula.

#### *Cap & Trade Expenditure Plan*

The Governor's January budget proposal expends \$1 billion from the Greenhouse Gas Reduction Fund (GGRF) for 2019-20. This is roughly \$400 million less overall than last year's cap and trade expenditure plan, which was adopted in June of 2018.

Despite the decrease in the proposed allocation, funding levels largely remain the same for key programs including:

- \$407 million for the purchase of zero-emission vehicles, trucks, and freight equipment;
- \$230 million to fund and implement AB 617 Community Air Protection Programs;
- \$40 million for the Transformative Climate Communities (TCC) program;
- \$25 million proposed for CAL Recycle waste diversion programs to help reduce short lived climate pollutants, such as methane emissions, from landfills. This is significant for local governments given that Cal Recycle's SB 1383 Organic Waste Diversion regulations are expected to be adopted this year and will increase organic waste diversion requirements.

#### *Safe and Affordable Drinking Water Fund*

The Governor's January budget proposal revives the concept of a Safe and Affordable Drinking Water Fund. The proposal, which died in the Legislature last year, would create new charges on drinking water customers and certain agricultural entities to generate revenue to implement a new financial assistance program to address unsafe drinking water systems, with a focus on disadvantaged communities. This proposal is consistent with Senator Bill Monning's SB 623 from the 2018-19 legislative session. The Budget also includes \$4.9 million General Fund on a one-time basis for the State Water Resources Control Board and the Department of Food and Agriculture to take initial steps toward implementation of this new Safe and Affordable Drinking Water Program, including (1) implementation of fee collection systems, (2) adoption of an annual implementation plan, and (3) development of a map of high-risk aquifers used as drinking water sources.

#### *Cannabis*

The Governor's January budget proposal includes \$200 million from the Cannabis Tax Fund and Cannabis Control Fund and \$2.9 million for the California Department of Tax and Fee Administration for a cannabis tax enforcement program to help with cannabis tax compliance. Proposition 64 levies excise taxes on the cultivation and retail sale of both recreational and medical cannabis. As California's cannabis markets continue to grow, the excise tax is expected to generate \$355 million in 2018-19 and \$514 in 2019-20. These excise taxes are used to fund different programs as required under Proposition 64. These programs include community reinvestment, funding for studies, youth cannabis use prevention, environmental protection, and funding for law enforcement. The Administration has noted that it will hold off on proposing specific allocations until the May Revision of the budget when more up to-date revenue data will be available.

#### Cannabis and Public Banking

In June 2017, former Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates one regulatory system for both medicinal and adult-use cannabis.

CDFA released the proposed permanent regulations for cannabis cultivation licensing on July 13, 2018, which started the formal rulemaking process and initiated the official 45-day public comment period. On October 19, 2018, the California Department of Food and Agriculture posted the proposed permanent regulations. The proposed changes were in response to comments



received during the notice of proposed rulemaking that closed on August 27, 2018, and the regulatory hearings that took place from July through August.

On December 7, 2018, California's three state cannabis licensing authorities announced the release of the proposed cannabis regulations currently under review by the California Office of Administrative Law (OAL). The rulemaking action regarding these regulations, initially noticed on July 13, 2018, was submitted to OAL for review on December 3, 2018. The proposed regulations have now been officially approved OAL as of January 16<sup>th</sup>.

On December 11, 2018, the California Department of Tax and Fee Administration (CDTFA) has adopted proposed emergency Cannabis Tax Regulation 3702, California Cannabis Track-and-Trace, to require the wholesale cost and retail selling price of cannabis and cannabis products to be recorded in the California Cannabis Track-and-Trace (CCTT) system. Pursuant to Revenue and Taxation Code section 34013, proposed section 3702 is effective for two years from the date the regulation is filed with the Secretary of State (effective until December 27, 2020).

The California Community Reinvestment Grants (CalCRG) program Grant Solicitation for FY 2018–19 is now available. Applications must be submitted no later 11:59pm on Thursday, May 16, 2019. GO-Biz will review applications and award grants May 17, 2019 through July 31, 2019. The anticipated grant term will be August 1, 2019 through July 31, 2021. The California Community Reinvestment Grants (CalCRG) program was included in The Adult Use of Marijuana Act (Proposition 64), which was approved by California voters on November 8, 2016. In accordance with the proposition, GO-Biz will award grants to local health departments and qualified community-based nonprofit organizations to support the following activities for communities disproportionately affected by past federal and state drug policies, also known as the War on Drugs (WoD): Job placement, mental health treatment, substance use disorder treatment, system navigation services, legal services to address barriers to reentry, linkages to medical care.

SB 51 (Hertzberg) was amended on April 29<sup>th</sup> to declare it is to take effect immediately as an urgency statute. The bill would establish the creation of cannabis limited charter banks (CLCBs) and cannabis limited charter credit unions (CLCCUs) to provide limited banking services to the cannabis industry. Under the administration of the Department of Business Oversight (DBO), CLCBs and CLCCUs can accept and maintain cash deposits as well as issue special purpose checks that can only be used for the following:

- To pay fees or taxes to the state or local jurisdiction.
- To pay rent on property that is associated with the account holder's cannabis business.
- To pay vendors located in California for expenses related to goods and services associated with the account holder's cannabis business.
- To purchase bonds or interest-bearing notes or warrants backed by the full faith and credit of the state, or bonds or warrants of any local jurisdiction.

The bill passed the Senate Banking and Financial Institutions Committee on April 3<sup>rd</sup>, then passed the Senate Governance and Finance Committee on April 24<sup>th</sup>. The bill has been now referred to the Senate Appropriations Committee.

AB 286 (Bonta) The bill would temporarily reduce California's cannabis excise tax from 15 percent to 11 percent and suspend the cultivation tax altogether through 2022. AB 286 is meant to stimulate the legal cannabis industry in California by creating a more equitable climate for the compliant businesses to compete with the growing grey market. Another problem is that the black market still exists, making it difficult for compliant cannabis entities to compete with the illicit actors who do not pay the same taxes. The bill passed the Assembly Revenue and Tax Committee on April 8th and then the Assembly Committee on Business and Professions on April 23rd. The bill is set to be heard in the Assembly Appropriations Committee on May 1<sup>st</sup>.

SB 67 (McGuire) would extend a temporary cannabis licenses until September 15, 2019, issued by the California Department of Food and Agriculture if the temporary license holder submitted an application and fees for an annual license before the temporary license's expiration date. The County currently has 1,200 temporary license that will be expiring by September 15<sup>th</sup>, and has significant concerns that SB 67 (McGuire) would become a disincentive for applicants who have been following the rules up until this point. The bill is currently being held at the Assembly Desk, but we have been hearing that the bill might be held and moved into a budget trailer bill.

### Bills of Interest to the County

#### *AB 138 (Bloom) California Community Health Fund*

The bill would impose a tax on every distributor, as defined, for distributing bottled sugary drinks and concentrate in this state, at a rate of \$0.02 per fluid ounce. The hearing was cancelled at the request of the author and became a two-year bill. The Author says he plans to pursue it again next year. The County is in support of the bill.

#### *AB 141 (Cooper) Trial Costs: Joseph James DeAngelo, Jr.*

AB 132 (Cooper) was amended into AB 141 (Cooper). Over a span of 14 years the Golden State Killer (GSK) was suspected of committing multiple murders, rapes, kidnappings, robberies and burglaries throughout California. Last year Joseph DeAngelo was arrested as the GSK suspect. The trial of the GSK is going to place an unexpected financial burden on the counties responsible for trying this case. AB 141 will provide some cost recovery to the district attorneys and public defenders responsible for the prosecution and defense of the GSK. AB 141 (Cooper) passed the Assembly Local Government Committee on April 24<sup>th</sup> and was referred to the Assembly Appropriations Committee. The County is in support of this bill.

#### *AB 245 (Muratsuchi) CA Aerospace and Aviation Commission: Establishment*

The bill would enact the California Aerospace and Aviation Act of 2019, which establishes the 17-member California Aerospace and Aviation Commission for serving as a central point of contact for related industries and supporting the health and competitiveness of these industries in California. The County is in support of this bill. The bill was passed in the Assembly Committee on Jobs, Economic Development and the Economy on April 2<sup>nd</sup>, and is on the Assembly Appropriations Committee Suspense File.

#### *AB 255 (Limon) Coastal Resources: oil spills: grants*

The bill would include Native American tribes and other public entities to be eligible for grants authorized by the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act. Existing law

provides that the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act may offer spill response equipment grants to local governments with jurisdiction over waters of the state. The bill would clarify this existing grant program in the code and ensure this program continues to provide these specified grants to local government, Native American Tribes or other public entities that have jurisdiction over or are directly adjacent to waters of the state. The bill passed the Assembly Committee on Natural Resources on March 25<sup>th</sup>, and then passed the Assembly Committee on Appropriations on April 3<sup>rd</sup>. The bill passed the Assembly Floor unanimously, and has now been referred to the Senate Natural Resources and Water Committee. The County is in support of this bill.

*AB 398 (Chu) School accountability: local control and accountability plans: visual and performing arts*

This bill authorizes a school district to submit through the California Longitudinal Pupil Achievement Data System (CALPADS) enrollment and completion data specifically related to visual and performing arts courses using existing state courses codes for students in first through sixth grades. AB 398 (Chu) will help the State better understand the quality of and disparities in arts education by extending State data collection regarding course enrollment and completion to grades K-6, requiring that such data are analyzed at the state-level and that school districts emphasize the importance of visual and performing arts curricula in their local educational planning. The bill passed the Assembly Education Committee on April 10<sup>th</sup>, and then passed the Assembly Appropriations Committee on April 24<sup>th</sup>. The bill is currently on the consent calendar on the Assembly Floor. The County is in support of the bill.

*AB 409 (Limon) Climate Change: agriculture: grant program*

This bill requires the Strategic Growth Council (SGC) to establish and administer a competitive grant program to provide funding for activities, including the development of planning tools, to assist in adapting to climate change in the agricultural sector. The bill passed the Assembly Committee on Natural Resources on March 25<sup>th</sup> and is now on the Assembly Appropriations Committee Suspense File. The County is in support of the bill.

*AB 486 (Limon) Disaster preparedness: local government: animal wildfire evacuation plan*

The bill would, if a city or county requires a permit to keep an animal within its jurisdiction, require an animal owner as a condition for obtaining the permit to create and submit to the city or county an animal wildfire evacuation plan for any animal covered by the permit. By imposing a new duty on local government, this bill would impose a state-mandated local program. The first hearing was cancelled at the request of the Author. The County is in support of the bill.

*AB 510 (Cooley) Local government records: destruction of records*

The bill would modernize the Government Code to allow local public agencies to adopt records retention policies designed for modern digital recording technologies, while ensuring the proper retention of any records in which an incident may have occurred. The bill has been referred to the Assembly Local Government Committee. The County is in support of the bill.

*AB 585 (Limon) Public Lands: oil, gas, and mineral leases*

The bill would authorize the State Lands Commission (SLC), when considering the approval of an assignment, transfer, or sublet of an oil and gas lease, to consider whether a proposed assignee

is likely to comply with the provisions of the assigned, transferred, or sublet lease for the duration of the lease term, and requires present and future oil and gas leases or permit holders to be liable for specified obligations. The bill passed the Assembly Natural Resources Committee on April 8th and the Assembly Appropriations Committee on April 24<sup>th</sup>. The bill is third ready file on the Assembly Floor. The County is in support of the bill.

*AB 764 (Bonta) Sugar-sweetened beverages: non-sale distribution incentives*

This bill would prohibit a beverage company, manufacturer, or distributor, from giving or offering a distributor or retailer a non-sale distribution incentive for a sugar-sweetened beverage (SSB) or SSB product. The bill would state that these provisions do not preempt or prohibit the adoption and implementation of local ordinances related to promotional and marketing activities for sugar sweetened beverages that are consistent with these requirements, including ordinances that impose additional or more restrictive requirements on those activities. The bill passed the Assembly Health Committee on April 9<sup>th</sup> and has been referred to the Assembly Appropriations Committee. The County is in support of the bill.

*AB 765 (Wicks) Health Checkout Aisles for Healthy Families Act*

The bill would establish the California Healthy Checkout Aisles for Healthy Families Act, which prohibits stores from making available sugar sweetened beverages (SSBs) in the checkout area. The Assembly Health Committee hearing was cancelled at the request of the author and is now a two-year bill. The County is in support of the bill.

*AB 1057 (Limon) Oil and gas: wells and facilities: indemnity bonds and remediation: additional security: civil penalty*

The bill would double the specified amounts for individual and blanket indemnity bonds an operator is required to file with the state's Oil and Gas Supervisor (Supervisor) based on the number and depth of the wells they operate. Authorizes the Supervisor to require an operator to provide an additional amount of security in an amount not to exceed the reasonable costs of plugging and abandoning all of the operator's wells. The bill passed the Assembly Natural Resources Committee on April 8<sup>th</sup>, and has been referred to the Assembly Appropriations Committee. The County is in support of the bill.

*AB 1550 (Bonta) Crisis stabilization units: psychiatric patients*

The bill would permit a certified crisis stabilization unit (CSU) designated by a county mental health plan (MHP), at the discretion of the MHP, to provide medically necessary crisis stabilization (CS) services to individuals beyond the service time of 24 hours - but not for more than 36 hours, when the individual needs inpatient psychiatric care or outpatient care and inpatient psychiatric beds or outpatient services are not reasonably available. The bill passed the Assembly Health Committee on April 23<sup>rd</sup> and has been referred to the Assembly Appropriations Committee.

*SB 46 (Jackson) State government: emergency services*

This bill expands on last year's SB 821 (Jackson, Ch. 615, stats. 2018) by helping to ensure that more California residents will receive critical emergency alerts by expanding California's opt-out emergency notification program to include cities and universities, and by clarifying that alerting authorities may use mobile telephone subscriber data to enroll residents in local alerting

systems. The bill would also require a local government that enters into an agreement to access information of resident account holders to, upon receipt of that information, notify residents that they have been entered into the public emergency warning system, and require a local government that enters into an agreement to access information to include procedures to enable any resident to opt out of the warning system and a process to terminate the receiving agency's access to the contact information of the resident from a public utility. The bill passed the Senate Committees on Governmental Organization and Human Services and has been referred to the Senate Appropriations Committee. The County is in support of this bill.

*SB 50 (Wiener) Planning and zoning: housing development: incentives*

The bill would reduce or waive certain local zoning standards in jobs and transit-rich areas when development meets specified criteria. We understand there will be forthcoming amendments to the bill, that would exclude smaller counties, which would include the County of Santa Barbara in the category and therefore reduce the burden on the County. The bill passed the Senate Housing Committee and the Senate Governance and Finance Committee, and has been referred to the Senate Appropriations Committee. The County currently does not have a position on the bill.

*SB 67 (McGuire) Cannabis: temporary licenses*

The bill would extend a temporary cannabis license until September 15, 2019, issued by the California Department of Food and Agriculture if the temporary license holder submitted an application and fees for an annual license before the temporary license's expiration date. The County currently has 1,200 temporary licenses that will be expiring by September 15<sup>th</sup>, and has significant concerns that SB 67 (McGuire) would become a disincentive for applicants who have been following the rules up until this point. The bill is currently being held at the Assembly Desk, but we have been hearing that the bill might be held and moved into a budget trailer bill. The County is opposed to the bill.

*SB 144 (Mitchell) Fees: criminal administrative fees*

The bill would eliminate all criminal justice fees. Removal of specified fees for probation services alone, for example, would likely result in the loss of tens of millions of dollars in probation funding, funding that currently supports vital programs and practices as well as probation positions. The loss of positions would mean impacts on court related services we provide, an increase in caseload sizes, and impacts on evidence-based program delivery. In line with CSAC, the County is in opposition to SB 144 (Mitchell), unless sustainable funding is provided to back-fill the loss of revenue resulting from eliminating counties' ability to charge criminal justice related fees and shifting a variety of costs from the offender to the counties. The bill passed the Senate Public Safety Committee on April 23<sup>rd</sup> and has been set for hearing in the Assembly Appropriations Committee on May 6.

*SB 160 (Jackson) Emergency Services: Cultural Competence*

The bill would require a county to integrate cultural competence into its emergency plan, upon the next update to its emergency plan, and would require counties to provide a forum for community engagement in geographically diverse locations in order to engage with culturally diverse communities. The bill passed the Senate Governmental Organization on April 9<sup>th</sup>, and is on the Senate Appropriations Committee Suspense File. The County is in support of this bill.

*SB 224 (Grove) Grand theft: agricultural equipment*

This bill creates a separate grand theft statute for agricultural equipment and requires the proceeds of the fine imposed following a conviction of the new provision to be allocated to the Central Valley Rural Crime Prevention Program or the Central Coast Rural Crime Prevention Program. The County is in support of this bill. The bill passed the Senate Public Safety on April 2<sup>nd</sup> and is now on the Senate Floor Third Reading File. The County is in support of this bill.

*SB 346 (Jackson) After school programs: Distinguished After School Health Recognition Program Reauthorization*

The bill reestablishes the Distinguished After School Health (DASH) Recognition Program, a certification for on school-site after school youth programs that meet specific healthy eating and physical activity standards that have been determined to help children lead healthier, more productive lives. Through DASH certification, these youth programs are recognized for having program curriculum that match the DASH standards for nutrition and physical activity for youth. Before it sunsetted in 2018, over 200 after school programs in California were recognized for meeting the DASH standards. The bill passed the Senate Education Committee on April 3<sup>rd</sup> and is on the Senate Appropriations Committee Suspense File. The County is in support of this bill.

*SB 551 (Jackson) Oil and gas: decommissioning, cleanup, and remediation: costs*

The bill would direct the Division of Oil, Gas, and Geothermal Resources (DOGGR) to develop a mechanism to assess the cost of decommissioning all oil and gas infrastructure within its jurisdiction. That mechanism would then be employed by DOGGR to make site-specific estimates of decommissioning during permitting events or could be used by DOGGR to make more accurate estimates of costs during studies, reviews, and other program activity related to assessing infrastructure. The bill passed the Senate Natural Resources and Water Committee on April 23<sup>rd</sup> and is set for a hearing in the Senate Appropriations Committee on May 6. The County is in support of this bill.

*SB 573 (Chang) Homeless Emergency Aid Program: funding*

The bill would continuously appropriate \$250 million to the Homeless Emergency Aid Program (HEAP) and will ensure that the program will continue to address California's homelessness needs. The HEAP grant program will assist communities in better serving their homeless populations through services such as street outreach and criminal justice diversion programs, as well as housing vouchers and the rapid re-housing program, to name only a few eligible and vital programs across the state. The bill passed the Senate Housing Committee on April 2<sup>nd</sup>, and is now on the Senate Appropriations Committee Suspense File. The County is in support of this bill.

*SR 12 (Jackson) Relative to the 50<sup>th</sup> anniversary of the Santa Barbara oil spill*

The Senate Resolution would resolve that the Senate encourage its members to urge their constituents to participate in beach clean-up and other community efforts to bring citizen action and involvement to the protection of our environment and further honor the tireless efforts and important accomplishments of California's environmental leaders stretching from the time of the Santa Barbara oil spill 50 years ago up to the present day. The bill passed the Senate 30-1 on January 28<sup>th</sup> and is chaptered into law. The County supported this Senate Resolution.

## Conclusion

Legislators are back from the Spring Legislative Recess and are in a midst of committee meetings and budget subcommittee meetings. April 26<sup>th</sup> was the last day for policy committees to hear and report to the fiscal committees the fiscal bills that are introduced in the house of origin, while the deadline for policy committees to meet and report to the floor non-fiscal bills that were introduced in their house is on May 3<sup>rd</sup>. May 10<sup>th</sup> will be the last day for policy committees to meet prior to June 3<sup>rd</sup>, while the last day for fiscal committees to meet and report to the floor bills introduced in their house is on May 17. May 28<sup>th</sup> through May 31<sup>st</sup> will be floor session only and no committee may meet for any purpose during that time excluding the Rules Committee.

The Legislature waiting for the Department of Finance and the Administration to issue the May Revise, which will be in Mid-May. The budget subcommittees will then meet after the May Revise is issued to make decisions and then the budget conference committee will be meeting to adopt the budget by the June 15<sup>th</sup> deadline.

We look forward to discussing priorities in the Legislature and the budget as bills continue to get introduced. We will continue to work with staff and keep the committee and Board updated. As always, should you or your staff have any questions, please don't hesitate to let us know.