

Memorandum

TO: Members, Santa Barbara County Board of Supervisors

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

RE: June 2009 Update

DATE: July 2, 2009

BUDGET

As we move into a very hot summer in Sacramento, we also move into very heated budget discussions. The deadline for the budget deal was June 30, 2009, with that date having come and gone, there continues to be no deal in sight. The weekend prior to the budget deadline, the Governor proposed a series of new budget reform proposals potentially to be adopted by the legislature, at this point, none of those have been adopted. Some of which included eliminating Child Welfare Services, elimination of foster care in California, pension reform, contracting out human services, among others. The deal to date continues to be the budget conference committee report adopted by the conferees in June. The only major change at this point is related to the Redevelopment Agencies money, which was slated to be taken for three years, however, the latest proposal only takes it for one year. Additionally, while everything remains on the table we are faced with a difficult decision of having the state take our share of the property taxes verses our share of the gas taxes, both are devastating to our community, but only one could potentially be stopped in court, the gas taxes. The legislature has now reached a critical point of no budget amendments (keep in mind, the state adopted a budget in February, these are just amendments to that budget) and they have stopped all legislative bills from moving forward until there is a budget in place. The Governor has invoked his rights under Proposition 58 declaring a fiscal emergency stating that the legislature must have a budget solution in the next 45 days. On July 1, 2009, the state Controller began to issue IOU's to all state vendors. The legislature did pass one measure, AB 7 by Assembly Member Noreen Evans, to allow for a lower interest rate on the IOU's. The pooled money investment Board met on July 2 to establish the interest rate of 3.75 % for those that receive these IOU's, due and payable on October 2, 2009. The Administration has also said that they plan to veto any measures that arrive on the Governor's desk prior to a budget solution, so everything has come to a grinding halt for now.

Legislative Platform

As you are aware, the County has three official sponsored bills. The first measure is AB 359 by Assembly Member Nava, which will allow women in the Medi-Cal system to receive a digital mammogram in place of an analog mammogram, which is currently covered under the Medi-Cal system. This measure is sitting in the Senate Health Committee., The measure was scheduled to be heard on July 1, 2009; however, all

committee hearings have been cancelled due to the budget impasse. We had reported earlier that there was a deficiency in the current year funding of this program, which has been addressed in the budget trailer bills, so once they are signed, the deficiency will be appropriately addressed.

Our second bill was SB 326 by Senator Tony Strickland, which relates to housing. Initially, the legislation attempted to incorporate foreclosures into the housing inventory required to be completed as part of the Housing Element. The bill was amended to help clarify provisions in the Government Code regarding a jurisdiction's ability to accommodate the housing need through zoning or rezoning sites within one year of adoption of a Housing Element. We moved the bill successfully to the Assembly, but have parked the bill as a two-year bill in the Assembly Local Government Committee to allow the County more time to explore administrative/technical clarification and guidance instead of legislation. We will look at moving the bill next year, should the need arise. Senator Strickland was very helpful on this measure and we thank him and his staff for all of their guidance as well as that of the Senate Housing Committee. We will continue to keep you posted on this issue as we move forward.

We are also continuing to move SB 619 by Senator Strickland and Assembly Member Pedro Nava. The measure would allow the County to receive flood subvention funding from the State, which is a match with local and federal dollars. The County's Public Works Department has worked on this issue for 15 years with the Federal Government. They finally got the federal authority this spring, but still need to obtain the State piece. The measure is sitting in the Assembly, awaiting a hearing in the Assembly Appropriations Committee; the bill has yet to receive any no votes.

We also worked closely on AB 486 by Assembly Member Wes Chesbro (D-Napa). This measure is an attempt to take care of the issue that many counties face when they are in a state of emergency and the amount of times that they have to continue to meet and adopt resolutions reaffirming the locally declared disaster. Under current law the time frame is every 14 days. We would like to move it to every 30 days, and AB 486 takes care of this issue. We are happy to report that the bill was signed into law on Monday, June 29, 2009.

We also continue to work on AB 50 by Assembly Member Nava. This measure will allow the County to receive the proper reimbursements from the GAP and TEA Fires and most recently the Jesusita Fire. There were a few bills introduced in the last session that would have addressed this issue for the County, however they were double-joined to a measure that the Governor had some concerns about and was vetoed with out prejudice. We believe that AB 50 will have a much different outcome. The measure just came out of Senate Governmental Organization with unanimous support. The bill was set for a hearing in Senate Revenue and Taxation committee on July 8, 2009, however that hearing will most likely be postponed due to the budget impasse. Since the measure is a tax issue, the bill is not subject to the other house rules of passing.

There are two other measures that the County is very interested in related to the mobile home park issue and the right of residents to own the park (i.e. conversion) and rent control. These two bills are directly competing against each other, one to allow a conversion and keeping the rent control in place allowing the residents to continue to be able to afford their homes, AB 566, which the County supported. The second measure, AB 761 would allow a park owner to raise the rent once a space is vacated, but requires that the owner keep the rent “reasonable” based on market value, which the County had major concerns with and therefore was opposed. The outcome as of today is the Senate Committee on Local Government sent all interested parties back to the table to negotiate a deal and told them not to come back until there is a deal in place. Both bills are two year bills as of today, and the parties will begin meeting soon to work out a compromise. We will keep you posted on what that compromise looks like and weigh in from there.

Wrap-Up

Now that we are into the thick of budget issues, we anticipate that the summer recess will be cancelled and the legislature will hopefully get the budget impasse moving again soon. Until then, we are in limbo with all of our bills due to the committee’s inability to meet. The policy deadline is July 10, 2009, we have been reassured that rules in each house will be waived to allow the committees to meet, at which point our bills will continue to move. We will keep you updated on issues as they unfold, in the meantime, should you or your staff have any questions, please don’t hesitate to call us so we can further clarify.