

TO: Members, County of Santa Barbara Legislative Committee

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

RE: August 2012 State Update

DATE: September 4, 2012

End of the 2011-12 Session

On September 1, 2012 at about 1:30 am the legislature officially gaveled down the close of the 2011-12 legislative session. Closing remarks from democratic leadership highlighted the very difficult couple of years that California has faced and they feel that they have put many stop-gaps into play with the passage of hundreds of bills to help with issues such as the mortgage crisis, pension reform, worker's compensation reform, tax issues, an on-time "balanced budget" and the list goes on. Having said that, when they gaveled down, they recognize that ahead is the many elections we have statewide which will usher in at least a 50% turn-over in both the Senate and the Assembly. Additionally, they are also looking at the new term-limits with a newly elected member now able to serve 12 years consecutively in one house, should the voters continue to elect them.

What all of this means is a better understanding of the state, better outcomes given the amount of time they are able to serve, with the twelve years they will chair committees for several years, not several months and become very astute to the issues at hand for that committee. Given that this does not apply to elected members that have served in prior capacities, our delegation will again see a turn-over. Our Senator will be able to serve two-terms, for a total of eight years and our assembly members will both be termed out at the same time; however those elected to replace them will have the same twelve year benefit.

Looking forward to 2013 and the New Lines for Santa Barbara

One thing we have worked closely on is getting to know the candidates as they move through the election process and then cultivating those relationships. Once they win office, we immediately begin the process of educating them on our client's issues. Given that the County is looking at one of two options for your new Senator, we have already sat down with them to talk about Santa Barbara specific issues. We also take the first two months that all of the newly elected members are in office meeting and educating them on all of our clients and all of their issues, this allows them to be immediately familiar with who we are and what your issues are as they are given their committee assignments. We find this to be a very effective tool as we look for bill authors as well; we have worked to understand each other and the co-equal goals to be successful.

Specific Legislation of interest to Santa Barbara County

AB 537 (Williams)/HR 31 - This is an issue that is co-sponsored with SBCAG which we have worked on for the past year and a half in an effort to get some resolution. AB 537 was a bill that was a two year bill as the County continued to work with CHP and others to gather the necessary data to substantiate our claims. After many meetings Assembly Member Williams, SBCAG and we determined that a resolution is the best course of action at this time. We introduced HR 31 on June 11, 2012, we had one policy hearing where we were successful, came off the floor with a vote of 50-24 and now are on the books. The resolution urges truck drivers traveling through Santa Barbara County to use State Route (SR) 101 rather than SR 154 to help reduce unnecessary truck traffic and improve safety on the SR 154.

AB 765 (Achadjian) 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 had bi-partisan support but 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. Unfortunately, the Senate Public Safety Committee was not interested in moving this bill out of committee this year.

AB 1998 (Achadjian) This bill was introduced at our request on February 23, 2012 which was introduced as part of our 2012 legislative platform. This bill would allow a Board of Supervisors to locally opt-in to amend their surplus property plan to include the ability to surplus computer property directly to CalFresh, CalWorks, Medi-Cal, and General relief recipients. We actively worked to secure additional support from other like-minded entities and we were successful. The bill moved out of the legislature with unanimous, bi-partisan support and is now sitting on the Governor's desk awaiting his action.

AB 2443 (Williams) This bill was introduced at our request by Assembly Member Das Williams. The bill has been a work in progress for the last year; we have pulled together a stakeholder group and have worked with Assembly Member Williams' office in an effort to get the bill introduced. We successfully moved the bill out of the legislature with bi-partisan support, which is huge given that it is a fee. The bill is now sitting on the Governor's desk awaiting his action. We worked closely with the affected agencies so we don't anticipate any issues, but it isn't final until he acts.

AB 2515 (Hall) This measure was what we call a gut and amend, however it fell into our platform so the County was able to take a support position on the bill. The bill, if signed into law, will release the next round of the Special Distribution Funds (SDF). Keep in mind, this has been a political fight since Governor Schwarzenegger and we have had to

fight every year to get these funds released. While this is not the entire fund, it does make the County whole, which is a huge win.

AB 340 (Furutani) This measure is the final conference committee report on the pension reform negotiated with the Governor, the Legislature and the Unions. Here is a quick synopsis of what is contained in the final package. AB 340 makes several changes to the pension benefits that may be offered to employees hired on or after January 1, 2013, including, setting as new maximum benefit, a lower-cost pension formula for safety and non-safety employees with requirements to work longer in order to reach full retirement age and a cap on the amount used to calculate a pension. Among other things, AB 340 also enacts pension spiking reform for new and existing employees, requires three-year averaging of final compensation for new employees, and provides counties with new authority to negotiate cost-sharing agreements with current employees. AB 340 also contains limitations on the use of retired annuitants, requiring that an annuitant have a six-month break in service prior to returning to work. Public safety officers and firefighters are exempted from the annuitant restrictions and a retiree can return to work for the county prior to the six month break, if approved by the Board of Supervisors in a public meeting. Since this is a corner stone to the passage of the Governor's tax proposal we assume he will sign this and its companion measure, AB 197, which dealt with some clean-up issues.

Status of Redevelopment Agencies

The Status of the Redevelopment Agency issue continued until the end of session. While the entire package proposed was unsuccessful, some measures did make it out of the legislature. Their remains skepticism that the Governor will sign any of these bills, however they legislature forged ahead.

AB 1585 by Speaker John Perez from Los Angeles is a measure we brought to you earlier this year. This bill would enable housing agencies to keep their uncommitted balance of housing tax increment funds and allow for a local government that previously declined to be a successor agency to now become one. While many local jurisdictions have varying positions on the bill, the bill has received bi-partisan support. The measure passed the legislature and is now awaiting action by the Governor.

The second bill is SB 1220 by Senators DeSaulnier and Steinberg. This bill imposes a fee of \$75 on the recording of each real-estate related document, except for those documents recorded in connection with a transfer subject to a documentary transfer tax, and directs the money to the Housing Opportunity and Market Stabilization (HOMEs) Trust Fund. The Legislature may then appropriate these funds for the development, acquisition, rehabilitation, and preservation of homes affordable to low- and moderate-income households, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities. The bill has only received Democratic support to date and died on the Senate Floor.

The next bill is SB 1151 by Senator Darrel Steinberg (D-Sacramento). This bill permits local jurisdictions to use an alternative process to administer the assets of their former redevelopment agencies for economic development and housing purposes. To do so, the bill authorizes a Community Development and Housing Joint Powers Authority to place redevelopment assets in a Sustainable Economic Development and Housing Trust Fund and requires a long-range asset management plan to govern that trust fund. The bill has only been supported by Democrats. This bill moved out of the Senate and died in the Assembly Housing and Community Development Committee this summer.

The final bill is SB 1156 by Senator Darrel Steinberg (D-Sacramento). This bill authorizes a city and county that included the Development and Housing Joint Powers Authority to carry out Community Redevelopment Law, using the assets of a former redevelopment agency as well as new revenues that the bill authorizes. The bill has not received Republican support to date. This bill moved out of the legislature and is now awaiting the Governor's action.

While we anticipated that this would become part of the "Big Five" budget negotiations, those never really took shape this year. There were many "horses traded" at the end of session and getting a signature on one or all of these bills may have been part of that discussion, we will only know once the Governor acts.

Wrap-up

The Governor now has until September 30, 2012 to either sign or veto bills, with over 800 bills sitting on his desk; this should be a long haul. Once that is complete, he will begin to re-focus on his tax measure slated for the November 2012 ballot. We have been told that should it fail, schools will be hit the hardest; however they have been especially generous in funding a major part of this effort, so we anticipate a special session on budget will be called the day after the election. The Governor has also announced that he will call a special session on healthcare reform; this is slated to begin in December or January of next year. We anticipate that they will run concurrent to the regular session, however this gives the state the advantage that anything passed in this session will be enacted 90 days after the close of session providing enough time for implementation prior to Obama Care in 2014.