



## News & Advocacy

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June 27, 2008

### **Budget Conference Committee Keeps Grinding Along**

By Paul McIntosh, Executive Director  
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The Budget Conference Committee convened today for the first time in over a week and voted out a number of issues. These issues were primarily related to state operations, where consensus or compromises were achieved.

The Committee adjourned by noting a strong likelihood that it would reconvene on Monday, June 30, if work over the weekend on budget language related to items in the corrections, resources, and health areas was successfully negotiated. Local government, education, and social services budget issues were not taken up, as these key budget areas will likely require negotiations with the legislative leadership and the Governor.

While the pace of bringing budget items to a close remains modest, the conferees continued their discussions cordially. The Conference Committee remains hopeful that more issues will be settled in the coming days.

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### **Controller Shares Consequences of Late State Budget**

State Controller John Chiang, the state's chief fiscal officer, has released a list of disbursements his office cannot make if a State Budget is not enacted by July 1, the beginning of the state's new fiscal year. Controller Chiang included this information in a letter to legislators.

Although the Controller states he will do everything within his authority to continue to provide payments for essential services, a number of constitutional and legal restrictions prevent the Controller from making certain types of payments without a budget by July 1. These include payments to:

- School districts for Categorical programs, such as special education and remedial summer school, community colleges, local governments, and other entities not included in the above parameters.
- Vendors for services provided after July 1.
- State elected officials and their appointed staffs for salaries and per diem.

- Counties for state-only programs.

On the flip side, the Controller will continue to make the following payments:

- County payments including vehicle license fees, Proposition 172 (public safety sales tax), sales tax, health and welfare realignment, CalWorks administration, substance abuse treatment, and highway user tax.
- Federally mandated services such as Supplemental Security Income/State Supplementary Payment (SSI/SSP), and In-Home Support Services.
- Debt service and other payments required by the State Constitution.
- Payroll for state employees covered by the Federal Fair Labor Standards Act.
- Vendor payments for services provided in the last fiscal year.
- Expenses with ongoing appropriations from the Legislature, including Medi-Cal, CalWORKs, income tax refunds and payments on claims for unclaimed property.

Please recall that a number of payments that would normally be made to counties in July and August for health and human services programs and the Highway Users Tax Account (HUTA) have been deferred to September. The Controller estimates that his office will be prohibited from making at least \$1.25 billion in payments in major budget categories during the month of July if no budget is enacted. For more details of these major categories, visit the Controller's Web site. [Click Here.](#)

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## CalendarofEvents

Don't miss any [upcoming events](#).

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## AskCSAC'sLegislativeAdvocates

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## AdministrationofJustice

For more information, contact Elizabeth Howard at 916/327-7500, ext. 537 or [ehoward@counties.org](mailto:ehoward@counties.org) or Rosemary Lamb at 916/327-7500, ext. 503 or [rlamb@counties.org](mailto:rlamb@counties.org).

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### Correctional Facilities

#### ***SB 1705 (Runner) – Request for Comment As Amended on June 18, 2008***

SB 1705, by Senator George Runner, seeks to clarify language within AB 900 (Chapter 7, Statutes of 2007), the Public Safety and Offender Rehabilitation Services Act of 2007. SB 1705 was "gutted and amended" earlier this week; it previously was a measure regarding vehicle forfeiture carried by Senator Bob Margett.

The author indicates that SB 1705 is intended to remove obstacles that have delayed construction of detention facility authorized under AB 900. Among other provisions aimed at expediting bed construction is language regarding the acquisition of land and the designs required for the construction of the reentry facilities. Specifically, the measure ensures that the bond funds provided for in AB 900 can be used to cover the cost of the *project scope, budget, programming, and scheduling, design and acquisition* of the new corrections facilities or expansions.

Furthermore, the measure clarifies that expansion of local adult and juvenile (as authorized under SB 81 – Chapter 175, Statutes of 2007) detention facilities “serves a critical state purpose by promoting public safety ... and represents valuable consideration in exchange for state action.” We believe that, consistent with the stated intent, the language of SB 1705 serves to facilitate the implementation of AB 900 and does not appear to impede processes already underway regarding the construction of reentry facilities, jail beds, or infill beds. However, we request that counties get in contact with CSAC staff if they identify any questions or concerns regarding the measure.

SB 1705 is awaiting its hearing in the Senate Public Safety Committee.

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**Court Facility Financing**  
***SB 1407 (Perata) – Support in Concept***  
***As Amended June 18, 2008***

SB 1407, by Senate President pro Tempore Don Perata, would authorize the issuance of up to \$5 billion in lease revenue bonds for purposes of financing planning, design, construction, rehabilitation, renovation, replacement, leasing or acquisition of state trial court facilities. The measure also would authorize a variety of increases to penalties and fees – including a \$40 fee upon every conviction of a criminal offense — as revenue sources for the bonds; the proceeds from these increases and surcharges would be deposited into a new account within the State Court Facilities Construction Fund (SCFCF), the Immediate and Critical Needs Account.

Although CSAC recognizes that there may be concerns about the individual and collective impact of fee and penalty increase, we believe the immediacy of the state’s court infrastructure needs is real and deserving of attention.

SB 1407 was heard in the Assembly Judiciary Committee on June 24 and in the Assembly Public Safety Committee on June 26; the measure passed out of both committees. Amendments taken this week amend the mix of revenues to support the bond program; we encourage counties to review the amendments and contact CSAC with any concerns about the provisions of the measure. SB 1407 will next be heard in the Assembly Appropriations Committee.

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**Authority to Regulate Businesses and Professions**  
***AB 2427 (Eng) – Oppose***  
***As Introduced on February 21, 2008***

AB 2427, by Assembly Member Mike Eng, would amend Section 460 of the Business Professions Code that, under current law, imposes certain restrictions on local agencies’ authority to limit businesses and occupations that are licensed through the Department of Consumer Affairs (DCA). This measure would further ban cities and counties from prohibiting a person or “group of persons” who are licensed through the DCA “from engaging in any act or series of acts that fall within the statutory or regulatory definition of that business, occupation, or profession.”

As detailed in previous Bulletins, CSAC is concerned that this measure, as drafted, would inappropriately and very broadly preempt the enforcement of local police powers. Although the bill’s proponents argue that the changes to Section 460 would not affect local agencies’ ability to incidentally regulate businesses, we are concerned that the measure is overly broad and would have the potential to greatly curb an appropriate and legitimate local government function.

AB 2427 passed the Senate Business, Professions and Economic Development Committee this week, despite ongoing opposition by CSAC, the League of California Cities, and other interest groups. Counties with a concern about the precedent that would be set by this measure are encouraged to weigh in with opposition.

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**Electronic Filing of Statements of Economic Interest**  
***SB 1204 (Denham) – Support***  
***As Amended on April 8, 2008***

SB 1204, by Senator Jeff Denham, would authorize a state or local filing officer to allow the electronic filing of Statements of Economic Interest (Form 700) that are required of certain public officials and candidates for public office.

SB 1204 seeks to streamline a process that presently relies on paper filings and manual review and handling. The electronic filing of Statements of Economic Interest authorized — but not required — by AB 1204 would help filers, filing officers, and participating counties to achieve efficiencies through implementation of electronic filing. It is hoped that the electronic filing process would offer a secure and more accurate means of meeting filing requirements. Additionally, the measure

incorporates adequate safeguards — for example, firewalls and data encryption — to address any security concerns that filers might have.

SB 1204 was heard in the Assembly Elections and Redistricting Committee on June 24. It passed out of committee on a 7-0 vote and now is awaiting a hearing in the Assembly Appropriations Committee.

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## **Agriculture and Natural Resources**

For more information, contact Karen Keene at 916/327-7500, ext. 511, or e-mail [kkeene@counties.org](mailto:kkeene@counties.org) or Cara Martinson at 915/327-7500, ext. 504, or email [cmartinson@counties.org](mailto:cmartinson@counties.org).

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### **Fire SB 1500 (Kehoe) – Oppose As Proposed to be Amended**

SB 1500, by Senator Christine Kehoe, passed out of Assembly Natural Resource and Local Government Committees after agreeing to take several amendments. The committee chair, Assembly Member Anna Caballero, also asked the senator to work with stakeholders to address outstanding concerns with the bill. SB 1500 would continue to require a county that is considering a project in a State Responsibility Area (SRA) to notify the State Fire Marshall (SFM) when the application for a project is deemed complete.

Amendments taken in committee specify the SFM would evaluate within 60 days whether the project should remain in SRA or become a local responsibility. Amendments also specify a density requirement that would change the designation of SRA land to Local Responsibility Area (LRA) land if the residential density exceeds three residential dwelling units per acre. If the SFM determines that the land will remain as SRA, the proposed amendments would prohibit the county from acting on the proposed project until the county obtains certification from each of the appropriate fire protection agencies that there is or will be sufficient structural fire protection for the project provided by either a county, city, special district, or political subdivision of the state; or the department by contract.

CSAC and the Regional Council of Rural Counties (RCRC) continue to have concerns with the bill. In particular, the proposed amendments fail to include a default provision in the event that the SFM does not provide certification within the 60-day time frame; we have concerns with the SFM making a potentially subjective determination of what is "sufficient" fire protection; and the bill fails to include volunteer fire departments as one of the entities that would provide fire protection. This bill has been referred to the Assembly Appropriations Committee.

### **SB 1764 (Kehoe) – Oppose Unless Amended As Amended on June 19, 2008**

SB 1764, by Senator Christine Kehoe, passed out of the Assembly Governmental Organization Committee this week. This bill would require that on, or after January 1, 2010, a local agency must obtain an annual certification by the State Fire Marshal (SFM) in order to be eligible to receive a percentage for a state share of eligible disaster related costs in excess of 75%. A local agency must provide proof of fire protection to be eligible for a higher share of state share of cost, by providing proof of its own structural fire protection services, or a contract with the Department of Forestry and Fire Protection to provide structural protection services, or structural fire protection from another local agency.

Existing law, requires that a city, county general plan contain a safety element for the protection of the community from specified safety risks, and authorizes a city, county, or a city and county to adopt with its safety element a federally specified local hazard mitigation plan that includes specified elements. As recently amended, this bill would eliminate the requirement that adoption of the federally specified local hazard mitigation plan include required specified elements.

While recent amendments to SB 1764 were a step in the right direction, CSAC continues to oppose SB 1764 unless it is amended to address outstanding concerns. CSAC urges you to take a close look at this bill as it would restrict, if not curtail, local agency access to 100% state reimbursement of disaster related costs.

### **AB 2447 (Jones) – Oppose As Amended on June 26, 2008**

AB 2447, by Assembly Member David Jones, passed out of the Senate Local Government Committee this week. This bill would require a county to deny the approval of a tentative map, or a parcel map if the proposed map is in a state responsibility area (SRA) land, or a very high fire hazard sensitivity zone unless the county makes specified findings and

obtains written verification from each relevant fire protection agency that there is, or will be sufficient structural fire protection for the lots created by the subdivision. Although AB 2447 is tagged as a fiscal bill, it has bypassed the Senate Appropriations Committee, and moved straight to the Senate third reading file. While this may be an oversight, affected counties are urged to contact their Senate delegation to express opposition to AB 2447. CSAC will post an update regarding the status of this bill in the next Legislative Bulletin.

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## **Solid Waste**

### **AB 2866 (De Leon) – Oppose As Amended on June 17, 2008**

AB 2866, by Assembly Member Kevin De Leon, passed out of the Senate Environmental Quality Committee on June 23, 2008. As reported in previous Bulletins, this bill would increase the state tipping fee on solid waste to \$2 per ton and would require that \$0.60 of that fee go towards a variety of programs, including: compost projects, *the commercialization of hybrid trucks for the collection of recyclables, yard waste, and garbage* and a Post Closure Trust Fund, among other things. CSAC is opposed to this bill primarily because we are concerned with any increase in the tipping fee, which is used to address matters outside the purview of the Waste Board. Amendments were taken in committee to address the post closure issue, but CSAC remains opposed until we are able to more fully analyze the recent amendments.

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## **Employee Relations**

For more information, contact Eraina Ortega at 916/327-7500, ext. 521, or [eortega@counties.org](mailto:eortega@counties.org), or Faith L. Conley at 916/327-7500, ext. 522, or [fconley@counties.org](mailto:fconley@counties.org).

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## **Workers' Compensation**

### **AB 2181 (Ruskin) – Request for Comment As Amended June 16, 2008**

AB 2181, by Assembly Member Ira Ruskin, would require the Division of Workers' Compensation (DWC) to develop and publish guides for employers and employees regarding the return-to-work process and make them available on the Department of Industrial Relations Web site. AB 2181 will also require that upon the last payment of temporary disability to an injured worker, the injured worker must be advised of the availability of the return-to-work process.

This bill will delete the requirement of filing an occupational injury or illness report with the Division of Labor Statistics and Research and instead require a self-insured employer, the state or the insurer of an insured employee to file the report in an electronic form to the Workers' Compensation Information System, to be administered by the DWC.

AB 2181 will be heard next in the Senate Appropriations Committee.

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## **Retirement Benefits**

### **AB 1626 (Mullin) – Support As Amended June 16, 2008**

AB 1626, by Assembly Member Gene Mullin, will require that all retirement systems established pursuant to the County Employees Retirement Law of 1937 (1937 Act) must act in accordance with federal law.

The Internal Revenue Service recently announced plans to put more focus on public retirement plans, prompting the possibility of future changes to the 1937 Act. As such changes would require legislative action, AB 1626 simplifies this process by amending statute in order to be in compliance with federal tax law.

AB 1626 is currently awaiting a vote on the Senate Floor.

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## **Government Finance and Operations**

For more information, contact Jim Wiltshire, ext. 545, [jwiltshire@counties.org](mailto:jwiltshire@counties.org) or Faith L. Conley at 916/327-7500, ext. 522, [fconley@counties.org](mailto:fconley@counties.org).

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## **Taxes**

### ***AB 1840 (Calderon) – Support As Introduced on January 24, 2008***

AB 1840, by Assembly Member Charles Calderon, would take an important step in collecting use tax owed by ensuring that all retailers engaged in business in California are required to collect it. This law would make sure that California law conforms with federal law in its definition of such retailers, and at the same time would help to ensure that all those who owe tax pay it, thereby lessening the relative burden on those Californians that scrupulously follow the law.

The sales and use tax is important to the state, counties, and cities as a revenue stream that helps to fund the services and facilities that the state's residents expect from them. The gap between use taxes owed and those collected is counted in the billions of dollars, and that number is only estimated to grow as more consumers make their purchases through the Web sites of out-of-state vendors. Because AB 1840 is designed to decrease that gap, CSAC is in support of the bill. The bill is scheduled to be heard on the Assembly floor on June 30.

### ***AB 2411 (Caballero) – Support As Amended on June 19, 2008***

AB 2411, by Assembly Member Anna Caballero, seeks to clarify the proper use of a questionable cross-reference in Revenue and Taxation Code that has been inappropriately used to extend the intended statute of limitations on property tax refunds, as well as specify the interest rate used to calculate the appropriate refund amount.

In addition to clarifying and cleaning up current Revenue and Taxation Code, AB 2411 would also establish a uniform method for County Auditors to determine the amount of interest calculated on property tax refunds resulting from a property tax roll correction. Currently, from county to county, these refunds are calculated in several different ways. The State Association of County Auditors proposed a solution, which is included in AB 2411 – to use the interest rate during the year in which the refund is calculated as the appropriate figure. This rate will fluctuate from year to year, but would be consistent from county to county.

AB 2411 was heard in the Senate Revenue and Taxation Committee on June 25. It passed out of committee on a 7-0 vote.

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## **HealthandHumanServices**

For more information, contact Kelly Brooks at 916/327-7500, ext. 531, or [kbrooks@counties.org](mailto:kbrooks@counties.org), or Farrah McDaid Ting at 916/327-7500, ext. 559 or [fmcdaid@counties.org](mailto:fmcdaid@counties.org).

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## **Legislation**

### **Health**

### ***AJR 54 (Laird) – Support As Amended on May 28, 2008***

AJR 54, by Assembly Member John Laird, is a joint resolution urging the President and Congress to rescind the federal Centers for Medicare and Medicaid Services (CMS) directive of August 17, 2007, that restricts states' authority to cover children under the State Children's Health Insurance Program (SCHIP).

AJR 54 was passed by the Senate Health Committee on June 25.

### ***AB 2124 (Beall) – Support As Amended on June 23, 2008***

AB 2124, by Assembly Member Jim Beall, would allow the state to draw down federal funding for providing alcohol and drug screening and brief intervention services to Medi-Cal beneficiaries.

Currently, the counties that provide substance and alcohol screening and brief intervention services to Medi-Cal beneficiaries must bear the full cost of such services. A new federal rule change allows California to receive federal revenue to perform Screening and Brief Intervention (SBI) services, making them more affordable. AB 2124 would allow the state to implement such screening programs to the extent resources are available to draw down federal matching funds. The measure also creates a matching fund in the State Treasury to allow counties to access those federal matching funds.

CSAC supports AB 2124, which was passed by the Senate Health Committee on June 25. The bill now goes to the Senate Appropriations Committee. Please also note that the Governor's May Revision included a similar proposal.

***AB 2375 (Hernandez) – Support  
As Amended on May 28, 2008***

AB 2375, by Assembly Member Ed Hernandez, would require several departments to create a health care workforce master plan for the state.

AB 2375 would direct the Office of Statewide Health Planning and Development to work with the California Workforce Investment Board to establish a health care workforce task force, comprised of specified members, to assist in the development of a health care workforce master plan for the state.

The bill was passed by the Senate Health Committee on June 25, and now goes to the Senate Appropriations Committee.

***SB 1236 (Padilla) – Support  
As Amended on May 28, 2008***

SB 1236, by Senator Alex Padilla, would extend the sunset date on current law that allows counties to levy a small fee on criminal penalties to augment access to pediatric trauma and emergency services.

Current law authorizes counties to augment the Emergency Medical Services Fund by collecting an additional \$2 penalty assessment on every \$10 penalty for all criminal offenses and moving violations, including speeding, driving under the influence, and domestic violence. Counties are then required to allocate 15 percent of these new funds to pediatric trauma centers, or to improve access to pediatric and trauma services in the county. Counties must implement the penalty assessment by public resolution, and the increased penalties must not offset or reduce the funding for other programs.

The authority for counties to levy the additional \$2 penalty assessment sunsets on January 1, 2009, and Senator Padilla's SB 1236 would extend the sunset date an additional five years, to January 1, 2014.

Counties believe that retaining the ability to levy the small assessment is critical to keeping California's ailing emergency and trauma care system afloat. The availability of pediatric trauma care services is also of paramount importance, as time is of the essence when children are injured. For these reasons, CSAC supports SB 1236. The bill was passed by the Senate on June 23 and now goes to the Governor.

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***Child Welfare Services***

***SB 292 (Wiggins) – Support  
As Amended on June 11, 2008***

SB 292, by Senator Patricia Wiggins, would conform state and federal law to continue state reimbursement for special education pupils with serious mental illness who are placed out of the state.

The bill, sponsored by the California Mental Health Directors Association, fixes a portion of California law related to the definition of for-profit facilities for special education pupils and the state mandate reimbursements that are allowed by state law. Without SB 292, counties will be forced to find alternative and possibly more costly arrangements for hundreds of children with serious emotional issues.

The bill was amended on June 11 to include a sunset date of January 1, 2012 and requires the Department of Mental Health, in collaboration with the Department of Education, to report to the Legislature on the impacts of this bill.

For these reasons, CSAC supports SB 292. The bill was passed by the Assembly Education Committee on June 25 and now goes to the Assembly Appropriations Committee.

***SB 1457 (Steinberg) – Support  
As Amended on June 2, 2008***

SB 1457, by Senator Darrell Steinberg, would create the California ScholarShare Advancement Vehicle for Education

(CalSAVE) Scholarship Program to award scholarships to needy students.

SB 1457 would expand the number of funders, whether they are individuals, corporations, or not-for-profit organizations, which can contribute to California's ScholarShare 529 college saving plans for vulnerable youth, which include foster youth. Current statute does not allow ScholarShare to accept contributions from businesses or companies that would like to establish accounts for students and youth unless a specific individual beneficiary is named for each account. SB 1457 would change the statute to allow businesses and companies to donate or contribute money to fund future scholarship accounts.

CSAC supports the bill, which is on the Assembly Third Reading file.

***AB 2070 (Bass) – Support  
As Amended on April 21, 2008***

AB 2070, by Assembly Member Karen Bass, would allow parents who are incarcerated or otherwise institutionalized to receive family reunification services to the greatest extent possible.

AB 2070 requires that the best interests of the child continue to be the core consideration by the court, while recognizing that parents who are in prison should have their specific situations taken into account when the child welfare system is considering whether they can be reunited with their children safely and within a timely manner.

AB 2070 would also extend reunification time frames up to a maximum of 24 months, on a case-by-case basis and according to standards set forth by the most recent version of the bill. However, the extension would not be automatic, and a judge would have to apply the strict criteria in the bill to extend the reunification period another 6 months. Counties believe that the bill would help reunify more children who are placed in long-term foster care by allowing the court to provide a second period of family reunification services if it is in the best interest of the child.

AB 2070 provides a useful option for child welfare agencies in their mission to ensure the health and safety of every child and family. CSAC supports the bill, which was passed by the Senate Judiciary Committee on June 24. AB 2070 will be heard next by the Senate Appropriations Committee.

***AB 2337 (Beall) – Support  
As Amended on April 2, 2008***

AB 2337, by Assembly Member Jim Beall, would add drug and alcohol counselors to the list of people who are mandated to report known or suspected child abuse. CSAC supports the bill, which was passed by the Senate Public Safety Committee on June 24. AB 2337 will be heard next in the Senate Appropriations Committee.

***AB 2399 (Portantino/Berg) – Support  
As Amended on April 30, 2008***

AB 2399, by Assembly Members Anthony Portantino and Patty Berg, would allow foster youth placed with non-related legal guardians whose guardianships were established by the juvenile dependency court to access the Independent Living Program (ILP).

ILP is an excellent resource for teens in foster care, offering comprehensive life skills training and information about education, training, housing, and other key services within communities. AB 2399 was drafted to allow youth who were eligible to participate in the ILP at one time to again access those services. The bill is needed because the California Department of Social Services advised counties two years ago that certain youth were no longer eligible for ILP services due to a reinterpretation of federal law. Because of this, an estimated 1,000 to 1,500 youth were denied these critical services designed to help them become healthy, independent adults.

In addition, AB 2399 would allow these youth to apply for post-secondary education grants under the federal Chafee program. Again, having access to these grants could mean the difference between a successful adult life and the often tragic outcomes that befall far too many of California's emancipated foster youth.

For these reasons, CSAC supports AB 2399. The bill was passed by the Senate Human Services Committee on June 25 and now goes to the Senate Appropriations Committee.

***AB 2618 (Solorio) – Support  
As Amended on March 24, 2008***

AB 2618, by Assembly Member Jose Solorio, would enhance child safety by allowing county welfare and adoption agencies to access the Child Abuse Central Index (CACI) when conducting background checks on potential employees who would have direct access to abused and neglected children in the course of their employment.

The Penal Code allows law enforcement agencies and local special advocate programs access to CACI for running

background checks on potential employees and volunteers. However, county child welfare and adoption agencies cannot currently use CACI for this purpose.

The core mission of county child welfare and adoption agencies is to protect the health and welfare of abused and neglected children. As such, these agencies employ many people and volunteers who work directly with underage clients, and they routinely perform basic background checks on any potential employees. AB 2618 would give these agencies access to CACI, which will help ensure that hiring decisions are made with the most complete information available.

For these reasons, CSAC supports AB 2618. The bill is expected to be heard in the Senate Appropriations Committee soon.

***AB 2904 (Hayashi) – Support  
As Amended on June 11, 2008***

AB 2904, by Assembly Member Mary Hayashi, would allow county boards of supervisors with foster care populations of more than 10,000 youths to receive and review certain information relating to the death of a child who was receiving county child welfare services or had previously come to the attention of the county child welfare agency.

CSAC supports the bill, which was passed by the Senate Judiciary Committee on June 24.

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***Medi-Cal  
SB 1738 (Steinberg) – Support  
As Amended on June 18, 2008***

SB 1738, by Senator Darrell Steinberg, would create a Frequent Users of Health Care Pilot Program.

The pilot program envisioned in the bill would be implemented in at least six counties and would be limited to 2,500 Medi-Cal patients who are frequent users of health services, and have at least two risk factors, such as chronic, life-threatening conditions that require medical management, such as mental illness, substance abuse disorders, and homelessness. SB 1738 will produce savings for the state's Medi-Cal Program by shrinking its reimbursement costs for emergency department care and hospitalizations that can be reduced or avoided by managing the frequent user population.

Recent amendments require a three-year implementation of the program, after which the Department of Health Care Services must report back to the Legislature on the effectiveness of the program. This must be done no later than November 1, 2012. The bill also now specifies that state funds may be used for the nonfederal share only to the extent that such funds are available.

CSAC, along with the Urban Counties Caucus, continue to support the bill, which was passed by the Assembly Health Committee on June 24. The bill will be heard next in the Assembly Appropriations Committee.

***AB 851 (Brownley) – Support  
As Amended on June 4, 2008***

AB 851, a bill by Assembly Member Julia Brownley, would eliminate the sunset date on the 250 Percent Working Disabled Poverty Program, which provides Medi-Cal coverage to persons with disabilities who are employed and earning up to 250% of the federal poverty limit.

CSAC supports AB 851. The bill was passed by the Senate Health Committee on June 18 and is scheduled to be heard by the Senate Appropriations Committee on June 30.

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***CalWORKs  
AB 2368 (Fuentes) – Support  
As Introduced on February 21, 2008***

AB 2368, by Assembly Member Felipe Fuentes, would exclude the value of a licensed motor vehicle from consideration when determining or redetermining CalWORKs eligibility.

AB 2368 would help a certain set of applicants and recipients who own or obtain a car, thereby making it easier for them to travel to and from work and other job-related activities required by the CalWORKs program. Furthermore, AB 2368 will help county eligibility workers and applicants avoid a valuation process that is often cumbersome and confusing. The amount of documentation and research required to ascertain the fair market value of a motor vehicle could be better spent in assessing the job skills and workforce readiness of applicants, thereby accelerating their progress toward job retention and

self sufficiency.

For these reasons, CSAC supports AB 2368. The bill was passed by the Senate Human Services Committee on June 25 and now goes to the Senate Appropriations Committee.

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**Human Services**  
***SB 1136 (Alquist) – Support***  
***As Amended on June 25, 2008***

SB 1136, by Senator Elaine Alquist, would provide that it is an unfair or deceptive trade practice for any person to charge or receive an unreasonable fee for aiding another person in the procurement of public social services.

The bill, sponsored by Santa Clara County, was originally drafted in response to concerns about the opportunity for fraud and financial abuse associated with this cottage industry. Much of the concern arises over confusion about the Medi-Cal program. Senior citizens, fearful of entering nursing homes or outliving their assets, are being misled into paying for unnecessary planning services or unsuitable financial abuse. Preying on these confusions and fears are individuals calling themselves "Medi-Cal advocates," who advise seniors to "pre-qualify" for Medi-Cal and charge fees to assist in the application process.

SB 1136 will assist in protecting seniors and other vulnerable adults from this practice by making third parties who charge unreasonable fees liable for court costs and damages.

For these reasons, CSAC supports the bill. SB 1136 was passed by the Assembly Judiciary Committee on June 24 and now goes to the Assembly floor.

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**Mental Health**  
***AB 1951 (Hayashi) – Support***  
***As Amended June 19, 2008***

AB 1951, by Assembly Member Mary Hayashi, was gutted and amended on June 19 with new language that would specify that the acquisition or construction of privately owned facilities that are providing mental health services that are primarily funded through moneys from the Mental Health Services Act (Proposition 63) is a proper use of the capital facilities funds made available to counties and is a public purpose for purposes of the California Constitution.

CSAC has taken a support position on AB 1951 as amended on June 19. The bill was passed by the Senate Health Committee on June 25.

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## **Housing, Land Use and Transportation**

For more information, contact DeAnn Baker at 916/327-7500, ext. 509, [dbaker@counties.org](mailto:dbaker@counties.org) or Kiana Buss at 916/327-7500, ext. 566, [kbuss@counties.org](mailto:kbuss@counties.org).

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**Housing**  
***AB 2280 (Saldana & Caballero) – Support***  
***As Amended on June 18, 2008***

AB 2280, by Assembly Members Lori Saldana and Anna Caballero, would make a number of clarifications and changes to the density bonus law.

The density bonus law was originally designed to provide developers various incentives in exchange for the developer providing a substantial affordable housing component in a housing development. Over the past several years, a number of bills have amended the law to substantially reduce the amount of affordable housing that must be provided in exchange for substantial incentives and concessions from local governments. For instance, recent changes to density bonus law allow for-profit developers to waive requirements established by the local community, by including as few as one affordable unit out of 20 market rate units. The existing density bonus law has now moved away from incentives for affordable housing in

favor of large developers seeking to avoid community-building standards that apply to all other development projects, causing continual disputes between project applicants and cities and counties.

In addition, because of all of the changes, the law is now extremely confusing for cities and counties that must sort out this language that was patched together over the last five years of legislation on this issue.

AB 2280 is designed to clearly establish how density bonus law is supposed to work and will once again require a balance between affordable units provided and the types of waivers and concessions that will be offered in return.

AB 2280 was passed out of the Senate Transportation and Housing Committee on June 24 by a unanimous vote.

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***AB 2594 (Mullin & Nunez) – Support  
As Amended on May 5, 2008***

AB 2594, by Assembly Members Gene Mullin and Fabian Nunez, would allow a redevelopment agency to use tax increment funds to acquire, assume, or refinance loans to eligible homeowners with sub-prime or nontraditional mortgages in default or at risk of default.

CSAC supports this measure as it seeks to help low- and moderate-income persons and families affected by the sub-prime mortgage crisis. It is estimated that 500,000 Californians have lost or will lose their home to foreclosure due to the epic sub-prime mortgage crisis currently hitting the state and the nation. With the high number of foreclosures occurring, and with the worst projected yet to come, it is imperative that all levels of government work together to provide the tools necessary to assist Californians to stay in their homes, as well as to help stabilize the market.

AB 2594 was passed out of the Senate Transportation and Housing Committee on June 24 by a vote of 8 to 0.

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***AB 3005 (Jones) – Oppose  
As Amended on May 15, 2008***

AB 3005, by Assembly Member Dave Jones, would require a local agency, when assessing an impact fee for the mitigation of traffic impacts on a transit-oriented housing development, to establish the fee at a rate that reflects reduced automobile trip generation associated with such developments unless the local agency finds that the development would not significantly reduce automobile trip generation.

First, it is unclear to us why the measure is necessary since the fee imposed on any project must meet the nexus test, which requires that the fee imposed be related to the benefit derived. Thus, the fees imposed for transit-oriented development would reflect a variety of needs not just vehicle trips. Reducing these fees would impact bicycle, pedestrian, and disabled access projects in addition to road projects. The reduction of transportation mitigation fees will jeopardize these alternatives to vehicle travel and thwart the very intent of the bill to provide transportation choices. AB 3005 comes at a time when all transportation systems are severely underfunded and reducing any one revenue stream is very problematic in meeting future needs.

AB 3005 will create funding shortfalls if more developments meet the qualifying standards than were originally anticipated without providing any way to make up those fees. Again, it may actually discourage transit friendly planning. Many of these capital improvement plans exist for 10- or even 20-year planning horizons. A local agency that increases transit options during this time within the plan area would see a reduction in fees because they would have to reduce the fees to new subsequent development that met the standards for reduced fees. We should be rewarding agencies that get creative, not tie their hands.

AB 3005 is not practical as there isn't a way for a city or county to accurately estimate how many future developments will qualify for this reduction. As a result, if a local agency guesses wrong, jurisdictions may end up being unable to raise sufficient funds for necessary improvements.

Some jurisdictions, rather than considering reducing infill fees, are considering raising fees for projects that contribute to sprawl and long commutes to take into account the full impacts that such commutes have on infrastructure, greenhouse gas (GHG) emissions and congestion, both project specific and cumulative. While we appreciate the goal of making transit-oriented development pay less fees for traffic and congestion costs, any legislation that seeks to minimize the fees that can be charged on infill development must go the extra yard, and find on a statewide basis, that developments not entitled to a fee reduction must make up the difference. The pie must remain whole.

**Land Use**

***AB 2093 (Jones) – Oppose  
As Amended on May 23, 2008***

AB 2093, by Assembly Member Dave Jones, would require that consideration of policies that reduce the emission of greenhouse gases (GHG) be incorporated into a city or county's general plan.

CSAC is opposed to this measure for numerous reasons. Among these reasons is that the measure is premature. While AB 32 (Nunez) set a goal to make California a world leader in addressing climate change, it also recognized that the scope of this goal was so large that it allowed four years (until 2012) to begin its implementation. While the bill does not come effective until after this deadline, the prudent course would be for the state to refrain from adopting new and potentially conflicting standards until the processes that AB 32 put in motion takes shape.

Furthermore, AB 2093 does not consider other processes. For example, under the authorization of SB 97 (Dutton), the Governor's Office of Planning and Research is developing new California Environmental Quality Act (CEQA) Guidelines for addressing climate change under CEQA. At the same time, the California Transportation Commission has just adopted new Guidelines for Regional Transportation Plans to address greenhouse gas emissions. Moreover, the state's Air Resources Board's Scoping Plan has yet to be published (due in December 2008). It makes more sense to see what is included in these programs and understand how they are working before adopting a new layer of regulation. The Legislature should avoid a patchwork approach and allow these programs to fully develop and integrate all regulations.

AB 2093 failed passage in the Senate Local Government Committee on June 25; however, reconsideration was granted. Thus, it might be heard again before the end of the legislative session.

***SB 303 (Ducheny) – Oppose Unless Amended  
As Amended on June 9, 2008***

SB 303, by Senator Denise Ducheny, is an alternative measure to SB 375, by Senator Steinberg, that would address climate change from the land use and transportation sectors. SB 303 would require a Regional Transportation Plan (RTP) to include an initial planning scenario. Under this measure, the initial planning scenario would project 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.

A transportation planning agency with a population exceeding 200,000 persons, would be required (A) to adopt and publish procedures governing the preparation and adoption of the RTP, (B) to prepare an alternative planning scenario, and (C) to submit, at least 90 days prior to circulation of the draft RTP, the initial planning scenario and the alternative planning scenario and accompanying report to the State Air Resources Board (ARB). Further, the bill would grant significant new authority to the ARB over RTPs with respect to the California Global Warming Solutions Act of 2006. Lastly, SB 303 would revise the time period for the development of local housing elements to eight years and require cities and counties to rezone within three years of adoption of their housing element to meet their regional housing needs allocation (RHNA).

CSAC supports utilizing regional approaches to address the reduction of greenhouse gas (GHG) emissions; however, we have several concerns with the bill. We oppose requiring submittal of RTPs to the State and the statutory authority granted to the ARB to challenge or amend those plans. We support cities and counties working through their regional governments to develop the RTP and an enhanced land use plan to address GHG reduction targets. Regional governments are utilizing very sophisticated modeling and analysis to determine alternative growth scenarios appropriate for their unique circumstances in order to achieve the GHG reduction targets. We do not believe that the State has the expertise or knowledge to override these regional efforts and provide sufficient flexibility necessary to achieve these GHG reduction goals.

Lastly, we would request inclusion of language that acknowledges the contribution that many counties make towards the GHG reduction effort with respect to agriculture and resource land protection. While counties that serve in this role may not compete well for transportation investments, they remain the owners and operators of a significant portion of the state's transportation system and thus need recognition for funding to meet preservation, safety, and interconnectivity needs.

SB 303 was passed out of the Assembly Transportation Committee on June 23 by a vote of 13 to 0 and now awaits a hearing in the Assembly Appropriations Committee. However, Senator Ducheny intends to hold it in committee for the time

being to allow discussions and negotiations to continue on both this bill and SB 375 by Senator Steinberg.

### **Transportation**

#### ***AB 1252 (Caballero) – Support As Amended on June 19, 2008***

AB 1252, by Assembly Member Anna Caballero, would appropriate an additional \$150 million from Proposition 1C and \$150 million from Proposition 1B. These represent augmentations in this budget year. More specifically, AB 1252 would provide an additional \$50 million for transit-oriented development and \$100 million for infill projects. Further, the bill would provide \$63 million for railroad grade crossing projects and an additional \$87 million from the Proposition 1B Local Streets and Road Improvement, Congestion Relief, and Traffic Safety (LSR) Account in the current fiscal year (FY 2007-08) to counties for much needed improvements to the county roadway system.

CSAC supports these augmentations, but in particular supports the additional local streets and roads monies for counties. To date, counties have drawn down 99% of the county share of the first LSR appropriation and are actively putting this money into local projects in communities across the state. While the appropriation of \$400 million to counties included in the Fiscal Year 2007-08 budget was a vital infusion of funds, the need on the local roadway system is far greater. Thus, all 58 counties stand ready to construct even more projects in the coming years.

The local system is a critical component to a seamless statewide transportation system for the traveling public, whether by vehicle or transit, for commerce or, for farm to market needs. Counties can put this money to use immediately on traffic congestion relief, traffic safety, storm damage, preservation, construction, and other projects to improve mobility throughout California.

AB 1252 was passed of the Assembly Floor by a unanimous vote on June 26. It is expected that the Governor will sign this measure prior to June 30.

#### ***AB 2650 (Carter) – Support As Amended on June 16, 2008***

AB 2650, by Assembly Member Wilmer Amina Carter, would extend both reporting deadlines and the sunset for the Caltrans pilot program by which the department streamlines the environmental review process for transportation projects by assuming the federal government's review responsibilities under the National Environmental Policy Act (NEPA).

The Pilot Program requires Caltrans to comply with all Federal Highway Administration (FHWA) NEPA regulations, environmental policies, and formal guidance. Under the program, one layer of bureaucracy, related to FHWA's review of environmental documents, is removed, decreasing the time required for environmental approvals. Based on the first six months of the pilot program, draft environmental documents have been approved in 72% less time (from a median approval time of 6.1 months prior to the Pilot Program to 1.7 months since the Pilot Program began), and final environmental documents in 67% less time (from a median time of 2.4 months to 0.8 months). These time savings are based on a limited number of projects for which Caltrans independently made environmental approvals under the Pilot Program. Therefore, this legislation is a key element in helping Caltrans streamline the environmental review process for critical transportation projects.

AB 2650 is set for hearing June 30 before the Senate Appropriations Committee.

#### ***AB 3034 (Galgiani & Ma) – Support As Amended on April 21, 2008***

AB 3034, by Assembly Members Galgiani and Ma, would revise, update and expand upon provisions of the original bond proposal that enacted the high-speed train system (HST) in 2002 (SB 1856, Costa) and would establish additional fiscal controls on the expenditure of state bond funds to ensure that they are directed to construction activities in the most cost effective and efficient way. Among other things, AB 3034 would do the following:

- State the Legislature's intent that construction of the HST system be consistent with the High Speed Rail Authority's more recent November 2005 certified environmental impact report, rather than the Authority's June 2000 Final Business Plan;
- Place a limit on the use of bond funds for preconstruction activities in order to maximize the amount of funds available for HST system construction;
- Ensure that complementary rail capital improvements funded from the \$950 million in bond funds allocated to intercity, commuter and urban rail systems shall provide direct connectivity and benefits to the HST system and its facilities or be part of the construction of the system; and
- Require that in selecting each specific segment for construction and prior to awarding a construction contract, the Authority must have a detailed funding plan identifying the full cost of constructing the segment and the sources of all revenues needed to complete the segment's construction.

California's booming population and current and future economic prosperity depend on access to an efficient, seamless,

multi-modal transportation network – a network that should include high speed rail options. Furthermore, as all levels of government struggle battle congestion and air pollution and work to reduce greenhouse gas emissions and protect prime agriculture and critical resource land, the need for high speed rail in California has become even greater.

AB 3034 is set for hearing July 1 before the Senate Transportation and Housing Committee.

June 27, 2008

## Indian Gaming

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### ***SB 1201 (Battin) – Oppose Unless Amended As Amended on April 30, 2008***

SB 1201, by Senator Jim Battin, would provide that the aggregate limit of gaming device licenses available for issuance under the 1999 Tribal-State Gaming Compacts shall be 122,000, and would further provide that certain gaming device licenses available for issuance under subsequent compact amendments shall not be counted in determining whether that aggregate limit has been reached.

This measure is intended to settle the very controversial issue regarding the aggregate number of slots that the 61 tribes under the 1999 Compact can collectively operate. That compact did authorize up to 2,000 slots per tribe, but established an aggregate cap that was not sufficient for every tribe to achieve their maximum amount. Thus, distributing gaming licenses was done via a type of lottery. As such, significant inequities have occurred from tribe to tribe with respect to their allotted slot amount. Senator Battin wants to ensure that every tribal government with a 1999 Compact can obtain gaming licenses, if desired, up to the maximum of 2,000 gaming machines authorized in the compact.

Should SB 1201 be successful, numerous tribes would have the ability to pursue increased slot machines without the obligation to re-negotiate a new compact with Governor Schwarzenegger, and thus would not trigger the critical CSAC objective of requiring a judicially enforceable local agreement to mitigate off-reservation impacts. Therefore, CSAC is opposed unless amended to SB 1201.

CSAC believes that a Tribal Government operating a casino or other related businesses should mitigate all off-reservation impacts caused by that business. Furthermore, a tribal government operating a casino or other related businesses should pay to the local jurisdiction the tribe's fair share of appropriate costs for local government services. These services include, but are not limited to, water, sewer, fire inspection and protection, rescue/ambulance, food inspection, health and social services, law enforcement, roads, transit, flood control, and other public infrastructure.

In order to fully implement these principles, CSAC believes that tribes should meet with and reach a judicially enforceable agreement with local jurisdictions on these issues before a new compact or an extended compact becomes effective. Thus, CSAC requests that an amendment be made to SB 1201 requiring any tribe that increases its number of gaming devices under this legislation to negotiate a local agreement for the mitigation of off-reservation impacts with local communities.

SB 1201 failed passage in the Assembly Governmental Organization Committee on June 25 however, reconsideration was granted thus it may be heard in committee again before the end of the legislative session.