

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate  
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RE: June 2016 Update

DATE: July 6, 2016

The Legislature adjourned on July 1st for the Summer Recess. Members of the Legislature are now back in their districts. They return to Sacramento on August 1<sup>st</sup> for a final month of regular session before they have final recess on August 31<sup>st</sup>.

June 3<sup>rd</sup> was the deadline to pass the bills introduced in the house of origin. The bills that made it out of their house had to pass the other house's policy committees before the July 1<sup>st</sup> deadline. The legislation with a fiscal impact that has passed will be heard in the Appropriation Committees after the Summer Recess, but before the August 12<sup>th</sup> deadline, which is the last day for fiscal committees to meet and report bills.

Meanwhile, the Governor signed the 2016-17 state budget on June 27th. The budget package consists of \$167 billion dollars, some of the highlights include doubling California's Rainy Day Fund, implementing the state's new \$15 per hour minimum wage by raising the wage to \$10.50 per hour beginning on January 1, 2017, and increase funding for K-12 and community college funding by \$71.9 billion this year, which is the highest level in state history and a \$24.6 billion increase since 2011-12.

Many key budget issues for local governments were successfully addressed in the budget. The local government budget highlights include:

- \$270 million for jail construction grants.
- \$25 million in grants for hard to site criminal justice facilities to cities and counties.
- \$127.3 million for group home reform.
- \$10 million in State Responsibility Area Fire Prevention Fund grants, including \$5 million in grants to local governments specific to tree mortality and tree removal and \$5 million for general fire prevention.
- \$11 million to assist in the removal and disposal of trees in high hazard zones.
- \$30 million to support local jurisdictions using the California Disaster Assistance Act Program for tree mortality and other disasters.
- \$644,000 for PILT (Payment in Lieu of Taxes).
- \$2.5 million for Williamson Act.
- Nearly \$400,000 in state backfill for counties with insufficient ERAF.

However, some trailer bills are the subject of budget committee hearings, floor sessions and current and ongoing negotiations, which will be expected to continue through the end of session.

One of the issues that remain open includes the Governor's "by-right" housing proposal which has not yet appeared in a specific trailer bill. The county is opposed to the proposal, while CSAC has not yet taken a position. As we had mentioned before, the proposal would shorten the approval process and in some cases, eliminate the need for additional environmental review in order to increase housing supply by creating general criteria for affordable housing to be built. The criteria would consist of whether the local requirements are met, whether the sight is an infill sight, if the location criteria are met, and if the housing will include a certain percentage of affordable units. The language will impose timelines on local governments and limit local discretions, but ultimately allow for more expedited development which would address housing issues.

The No Place Like Home Initiative, which became a budget trailer bill, AB 1618 *Mental Health Services* was debated and tweaked until the end of June, and was finally passed the last week of June 70-7 in the Assembly, and ultimately signed on July 1<sup>st</sup> by the Governor. Although the County remained in opposition to the end, CSAC worked with the Department of Finance, Senate Staff and the Department of Housing and Community Development (HCD) to agree to accept numerous CSAC amendments, which follows:

- CSAC Directly Involved in Developing Guidelines: Adding CSAC into the development of the implementing guidelines with HCD. CSAC was successful in securing language to ensure HCD develops the guidelines in consultation with CSAC.
- County Tiers: Create groupings to ensure like counties would compete against each other in the \$1.8 billion competitive pot. They are grouped by total population as follows: LA (always in their own tier since beginning of proposal), Large 750,000+, Medium 200,001+, Small -200,000. This ensures that counties with similar resources are competing with one another.
- Access for All Counties: Awards in the \$1.8 billion competitive pot for the alternative process available to the four counties with the highest percentage of homeless may choose between competing for the \$1.8 billion or may apply for funds based on their proportional homeless share, but cannot compete in both. Awards in the competitive pot for other counties are not restricted to a county's homeless count.
- Rural Set Aside: There is a Rural Set-Aside within the \$1.8 billion competitive pot of 8% of all funds for the 30 counties with a population of less than 200,000.
- \$200 Million "Over the Counter" Pot: All counties may compete in the \$200 million "Over the Counter" pot based on their proportional homeless count with a \$500,000 minimum available. Any monies not awarded in the first 18 months will revert to the overall competitive pot.
- Advisory Committee: Added another county rep and a mental health consumer to the committee. CSAC made the case for representation from small and large counties, which they agreed to.
- Development Sponsor: Language originally required a county to apply with a developer, and the funds would actually go to the developer. CSAC made a strong case that the county is the sole applicant, because this is Prop. 63 money dedicated to counties for mental health services. The new language allows the county to apply, and offer them the option of partnering with a developer. We were also successful early on in ensuring that only counties – not cities – could access the funding, since it is a county funding source.

- Homeless Count: The new language attempts to address the concerns over simply using the HUD 2015 homeless count by including a nod to “other factors” to be developed by HCD. This is better, especially since CSAC will assist in developing the guidelines and allow the use of more recent and accurate data.
- 20 Years of Services: This requirement was originally for 55 years – the life of the loan – but has been reduced to 20 years. They also accepted the request to not limit those services to onsite services, as that would be very difficult for all but the largest counties.
- Homeless Plan: CSAC was successful in developing language that allows each county the flexibility in the creation of a plan to combat homelessness. A county would only have to develop a plan if they wish to seek the funding.

In order to get last minute Republican votes, the Assembly added a companion bill, AB 1622 which was amended in order to include several funding requests from the Assembly Republicans. It included \$10 million in Prop 41 (Veteran’s Bond) for transitional housing for homeless veterans, \$10 million from HCD’s Emergency Housing Assistance Fund to OES to expand the Homeless Youth Emergency Service Pilot Projects into four additional counties (El Dorado, Fresno, Orange, and San Bernardino), and \$500,000 in state MHSA administrative funding to DHCS for workload associated with the MHSA oversight provisions amended into AB 1618. The trailer bill was signed along with AB 1618 by the Governor on July 1<sup>st</sup>.

The California’s Primary Election was held on June 7<sup>th</sup>. The current Santa Barbara Assemblymember Das Williams (D) is termed out of the Assembly in 2016, and won the election to the Santa Barbara Board of Supervisors. Assembly Candidate Monique Limon (D) received 65.4% of the vote for Assembly District 37. Assemblymember Katcho Achadjian (R), the Assemblymember for San Luis Obispo will also be termed out in 2016. Assemblymember Achadjian ran for Congress but lost in the Primary Election to the Santa Barbara County Supervisor Salud Carbajal (D) and does not have a current plan to run for another office. Assembly Candidate Dawn Ortiz-Legg (D) received 44.8% of the vote for Assembly District 35, while Jordan Cunningham (R) received 37.2%. Senator Hannah-Beth Jackson (D) Santa Barbara/Ventura, will not term out until 2020, and received 63.8% of the vote in Senate District 19. The General Election will be held November 8, 2016.

## Special Sessions

### Transportation:

Caltrans, the state’s Transportation Department, maintains 50,000 lane-miles of highway and nearly 13,000 state-owned bridges. While the repair, maintenance and efficient operation of the state’s highway system are vital to the state’s continued economic growth, current funding fails to adequately fund this necessary work. The state’s current fuel excise tax is sufficient to fund only \$2.3 billion of work—leaving \$5.7 billion in unfunded repairs each year.

The Governor has called for a special session in order to address the outstanding issue of transportation funding which will remain an ongoing effort until the Legislature can settle on a transportation package which they can agree on. He proposed that the Legislature enact

permanent and sustainable funding to maintain and repair the state's transportation and critical infrastructure, improve the state's key trade corridors and complement local infrastructure efforts.

The state budget had no changes in the funding to the ten-year \$36 Billion transportation plan from January. In this plan the Governor proposes that they reinstate truck weight fees, increase VLF by \$65.00 per vehicle and an increased gas tax. The Assembly is looking to address the issue of transportation funding through the policy process rather than the budget process, while the Senate has voted in the Senate Subcommittee No. 2 to continue to work the Governor's transportation funding plan through the legislative special session on transportation.

We are currently monitoring the negotiations and discussions during the budget process and the legislative special session, as well as evaluating them to see if it is a workable solution for the county. We continue to monitor and work with County staff in order to continue to keep the board updated as this discussion unfolds. A deal may occur as part of budget negotiations or after the June primary before adjournment day on August 31<sup>st</sup>.

### **Bills of Interest to the County**

AB 45 (Mullin) This bill is opposed by the County. The bill would mandate cities and counties that provide residential collection and disposal of solid waste to create a household hazardous waste (HHW) baseline and to meet an unspecified diversion requirement for HHW collection. The bill was opposed by many cities and counties. The bill was pulled by the author in the Senate Environmental Quality Committee on June 29<sup>th</sup>. This is the author's third time pulling the bill, meaning that the bill is dead.

AB 1564 (Williams) This bill requires the Office of Emergency Services (Cal OES), the California Highway Patrol (CHP), and county coordinators to review the states routing of 911 calls. The bill passed 10-0 in the Senate Energy, Utilities and Communications on June 21<sup>st</sup>. The bill will now be heard in the Senate Appropriations Committee on August 1<sup>st</sup>. The County is supporting the bill.

AB 1825 (Gordon/Maienschein) This bill will provide more local control and allow shelters to follow best practices to assess dogs upon entering them. Under current law the label of "vicious dog" is automatically applied to dogs seized under the penal code. Many dogs that are seized under this section, such as from a breeder that is connected to animal fighting, do not pose a risk and are perfectly safe for future adoption. The bill has passed the Senate Judiciary Committee 7-0. Since this is a non-fiscal bill, the bill will have its Senate third reading on June 30<sup>th</sup> in the Senate. The County is in support of this bill.

AB 1853 (Cooper) The county is in opposition to the bill. The bill would reduce local control by allowing retirement systems operation under CERL to operate independently from its respective county without an input from the county Board of Supervisors. The bill passed the Senate Public Employment and Retirement Committee 4-1 and is currently on the Senate Floor, on its third reading.

AB 2729 (Williams) The county supports this bill. In large, this bill would increase idle oil and gas well fees and indemnity bonds to provide a disincentive for operators to maintain large numbers of idle wells. Currently, there is not a high incentive for operators to terminate their abandoned wells and this could cause potential danger to life, health or natural resources, this bill would increase fees to provide incentive to close the wells. This bill has passed the Suspense file with amendments that would revise the oil and gas well requirements, fees and indemnity bonds imposed by the Division of Oil, Gas and Geothermal Resources (DOGGR). The bill has passed the Senate Natural Resources and Water Committee 6-2 and will be heard in Senate Appropriations.

SB 122 (Jackson, Hill and Roth) This bill is a vehicle for potential CEQA reform. The bill would require the lead agency, at the request of a project applicant and consent of the lead agency, to prepare a record of proceedings concurrently with the preparation of a negative declaration, mitigated negative declaration, EIR, or other environmental document for projects. The bill would state the intent of the Legislature to enact legislation establishing an electronic database clearinghouse of notices and environmental document prepared pursuant to CEQA, establishing a public review period for a final environmental impact report, and relating to the record of proceedings for a project for which an environmental impact report is prepared pursuant to CEQA. This County is supporting the bill. The bill passed the Assembly Natural Resources Committee where it passed 7-1; it is now sitting on the Assembly Appropriations Suspense file, and will be taken up in 2016.

SB 233 (Hertzberg) AB 2503 (Perez) Chapter 687, 2010, established the “rigs to reefs” program when it passed. The current law passed with much consideration across the state and included relevant stakeholders and agencies to address the issues surrounding oil platforms remaining in the ocean off the coast of California. The County is opposed to SB 233 because we believe it is unnecessary. The measure is a two-year bill, sitting in the Assembly Appropriations Committee and will come up in 2016.

SB 867 (Roth) This bill will allow the Richie Pediatric Trauma Fund to continue past its sunset date of January 1, 2017. This bill authorizes a county to continue to establish an EMS Fund to be used to reimburse physicians and hospitals for patients who do not make payment for emergency medical services, which would allow the County’s Public Health Department to continue to distribute pediatric trauma funds to support local pediatric trauma services. The County is in support of this bill. This bill has passed the Assembly Public Safety Committee 7-0, and is on its third reading in the Assembly.

SB 968 (Monning) The County is in support of the bill. The bill would require PG&E to submit to the California Public Utilities Commission an assessment of the adverse economic impacts that could occur in the San Luis Obispo County region if the Diablo Canyon Nuclear Power Plant were to shut down. The bill has passed the Assembly Utilities and Commerce Committee 15-0 and will be heard next in the Assembly Appropriations Committee.

SB 1229 (Jackson) This bill would establish a duty of care for pharmacies that host secure drug take-back bins for prescription and over the counter drugs that are left over from treatment or have expired. The County supports the bill. The bill has passed the Assembly Judiciary Committee 9-0, and is now on its third reading on the Assembly floor.

SB 788 (McGuire) The County is supporting this measure. This bill eliminates the exception in the California Coastal Sanctuary Act of 1994 (AB 2444, O'Connell) (CCSA) that allows the State Lands Commission (Commission) to issue an offshore oil lease if state oil or gas deposits are being drained by wells on federal lands and the lease is in the best interests of the state. The bill is a two-year bill; it is sitting in the Assembly Appropriations Committee where it will be heard in 2016.

### **Last Week of Session – Guns and Internet Poker**

The last week of June, the Legislature approved and sent to the Governor ten gun control bills. Governor Jerry Brown acted on legislation that was part of “The Safer California Gun Safety Package” on June 30<sup>th</sup> that would impose new restrictions on assault weapons and the regulation of ammunition in California.

The Governor signed the following bills:

- AB 1511 (Santiago) requiring that the infrequent loans of a firearm be made only to family members.
- SB 880 (Hall) and AB 1135 (Levine) amending the definition of assault weapons to include semi-automatic rifles with magazines that can be detached with a bullet button.
- AB 1695 (Bonta) expanding the existing misdemeanor of making a false report to law enforcement to include that a firearm has been lost or stolen, and imposing a 10-year ban on owning a firearm for people convicted of making a false report.
- SB 1235 (De León) creating a new regulatory framework for purchasing and selling ammunition.
- SB 1446 (Hancock) banning possession of high-capacity magazines holding more than 10 rounds.

The Governor vetoed the following measures:

- AB 1176 (Cooper) which would have put an initiative on the ballot to clarify that stealing a firearm is felony grand theft.
- AB 1674 (Santiago) which would have extended the limit on handguns of one purchase per month to long guns. Brown said in a veto message that the regulation “would have the effect of burdening lawful citizens who wish to sell certain firearms that they no longer need.”
- AB 2607 (Ting) which would have expanded the list of people who are able to petition for gun violence restraining orders to include employers, co-workers, and mental health and school workers who had contact with the subject in the past six months. In a veto message, Brown said expanding the list would be “premature.”
- SB 894 (Jackson) which would have made it an infraction to fail to report the theft or loss of a stolen firearm. In a veto message, Brown noted that he vetoed similar messages in 2012 and 2013 “because I did not believe that a measure of this type would help identify gun traffickers or enable law enforcement to disarm people prohibited from having guns.” “I continue to believe that responsible people report the loss or theft of a firearm and irresponsible people do not; it is not likely that this bill would change that.”

- AB 1673 (Gipson) which would have expanded the definition of “firearm” to curb homemade weapons created without serial numbers, or “ghost guns.”

Internet gambling legislation was also the subject of discussion the week before Summer Recess. Both of the bills under Assemblymember Gray would expand and regulate the internet gambling industry in California. AB 2863 (Gray) which would be known as the Internet Poker Consumer Protection Act of 2016, was temporarily stalled in the Assembly Appropriations Committee but ultimately passed 14-1. The bill is awaiting its third reading on the Assembly Floor, which would need a two-thirds vote to pass.

AB 1437 (Gray) which would enact the Internet Fantasy Sports Game Consumer Protection Act was approved in the Assembly 68-1 after months of negotiations in the Assembly Governmental Organization Committee. The bill will be heard next in Senate Governmental Organization Committee.

### **Conclusion**

The Legislature has now gone into Summer Recess and finished hearing bills in the other house’s policy committees before the July 1<sup>st</sup> deadline for policy committees to meet and report bills.

The Governor had signed the 2016-17 State Budget on June 27<sup>th</sup>; however, some trailer bills are still in the midst of ongoing negotiations, which will be expected to continue through the end of session.

The Legislature will finish its work on August 31<sup>st</sup> and adjourn. The Governor will then have until September 30<sup>th</sup> to sign or veto bills that reach his desk.

We will continue to work with staff on the many bill and budget items that are moving 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.