

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate
Kristina Gallagher

RE: 2018 June Update

DATE: June 27, 2018

The Governor signed California's \$201 billion new state budget for the fiscal year state 2018-19 on Wednesday, June 27th in Los Angeles. We are pleased to report that we were successful on receiving funding for the property tax losses in Santa Barbara County which were \$2.62 million for FY 17-18 and \$5.64 million for FY 18-19, and were also successful in receiving the waiver for debris removal that equates to \$3.2 million for the County in the final budget.

We would like to thank the County Executive Office, as well as our delegation Senator Hannah-Beth Jackson, Assemblymember Monique Limon and Assemblymember Jordan Cunningham on working diligently with the Legislature, Department of Finance and the Administration to receive this critical funding that will help rebuild our community after the most devastating wildfires and mudslides to ever happen in California.

The deadline to pass legislation that was introduced in the house of origin was on June 1st and Legislators are now hearing bills in policy committees in the second House. The policy bills that passed the first house of origin will now have to pass the other house's policy committees before July 6th, which is the last day for bills without a fiscal impact to come out of policy committees and is also the day that the Legislature breaks for Summer Recess. Legislators will reconvene from Summer Recess on August 6th, with the last day for fiscal committees to meet and report bills to the Floor will be on August 17th.

We continue to work with staff and our delegation to see which bills to take to the legislative committee and advocate for on behalf of the County.

California Climate Investments Organics Grant Program

On June 19th, CalRecycle held a public meeting at CalEPA where they stated awards for the California Climate Investments Organics Grant Program (Greenhouse Gas Reduction Fund). Governmental Advocates, along with CSAC testified in strong support for the recommended \$4,000,000 in grant funds awards to the Santa Barbara County Public Works Department to develop an Anaerobic Digestion Facility at the County-owned and operated Tajiguas Landfill.

This project will be the single largest reducer of greenhouse gases for the Santa Barbara community and as such is vital for the jurisdictions to achieve the goals set out in their climate actions plans. This facility is expected to process over 80% of the organics that are currently landfilled into biogas. The digestate will be composted on the site, and the biogas will be used to

generate electricity as per an agreement in place with Southern California Edison. This project has been over a decade in the making and during this time has increased in importance for the County. The public comment period is 10 days, and then the Director is able to sign the paperwork that will make the grant award officially approved.

Fires and Floods

In the Governor's January Budget, the estimated total cost for the 2017 fire response and recovery in Northern and Southern California was \$1.8 billion, including fire response, debris removal, shelters, and operating emergency evacuation centers. The May Revision contained property tax backfill for Santa Barbara County and other Southern California Counties which were affected by the Thomas Fire, specifically \$2.62 million for FY 17-18 and \$5.64 million in property tax backfill for the Santa Barbara County.

The budget that was sent to the Governor includes over \$208 million for emergency response, including \$25 million to improve the State's mutual aid system, \$26.5 million to upgrade the state's emergency communications systems, \$15 million to complete the buildout of the California Earthquake Early Warning System, and an increase of \$82.6 million over baseline funding for the California Disaster Assistance Act (CDAA). CDAA funding is used to repair, restore, or replace public property damaged or destroyed by disaster and to reimburse local government costs associated with certain emergency activities undertaken in response to a state of emergency.

The County of Santa Barbara, jointly with the County of Ventura and our Delegation, Assemblymember Monique Limon and Senator Hannah-Beth Jackson requested funds in May to waive the Counties' match for debris removal associated with the recovery efforts following the Thomas Fire. The Governor had proposed this same waiver of county share of costs for debris removal in the May Revision for the Northern California jurisdictions due to the difference of the timeline of the disasters that occurred in Southern California counties. The County was successful in receiving the waiver for debris removal that equates to \$3.2 million for the County, from the Southern California total of \$5.5 million, which was based on CalOES' latest estimates.

The County met with the Governor's office and the Department of Finance in June to discuss the possibility of also adding the backfill of lost Transient Occupancy Tax (TOT) revenues in result of the closure of two hotel properties in the County. The County specifically requested a total of \$2,579,268 in backfill from the TOT revenue loss. The Department of Finance is currently engaging in conversations with the Governor's office to see if the TOT backfill is possible since this request has never been a precedent in the past.

Meanwhile, we received information from our delegation that Senator Hannah-Beth Jackson and Assemblymember Monique Limon are planning on doing a joint informational hearing on disaster relief in Santa Barbara County in order to further discuss issues the County is still having with the disaster relief efforts and what the State can do for the County.

The liability issue surrounding utilities has continued to remain a priority for the County as information continues to circle on whether IOUs are planning on attempting to get immunity from liability regarding the causation of wildfires. Currently, state laws and regulations require utilities to provide compensation if a property that they serve is damaged by their equipment, even if investigators fail to prove the company behaved negligently. Utilities can ask the California PUC to allow it to pass costs to customers through higher monthly charges, which is usually approved if the utility can show that its operations were consistent with best practices, although if the company did act negligent the costs could be shifted to shareholders.

A recent letter from the private utilities, and some of their public counterparts seek legislative action to reduce their liability, which attempts to change the California's long-standing constitutional protections. On June 8th, CalFIRE investigators have determined that 12 more of the Northern California wildfires in the October 2017 Fire Siege were caused by electric power and distribution lines, conductors and the failure of power poles. Facing over \$2.5 billion in liability costs, PG&E is claiming that this would be the biggest single financial loss in the company's history and will result in the utility to be forced into bankruptcy. The utility is lobbying state legislators for relief from wildfire liability, specifically discussing PG&E's 2001 bankruptcy during the energy crisis. PG&E has been trying to convince legislators to reduce its wildfire liability by changing a state policy known as "inverse condemnation." Under that doctrine, utilities can be forced to pay damages if the fire is caused by its equipment, even if investigators can't show the company was negligent. PG&E and other utilities are arguing that the wildfires of 2017, which caused billions in damages in Northern and Southern California, were largely the result of climate change and other factors beyond their control. There isn't anything for certain yet, but there are rumors around a conference committee on wildfires and that the Administration and the utilities might be working together in July on a possible compromise.

We are currently monitoring and engaging in conversations with stakeholders over the County's concerns. AB 2346 by Assemblymember Quirk was raised as a possible concern in April after being gutted and amended as a possible vehicle for utility companies that would limit liability of IOUs in case of a wildfire. The bill was amended again on June 13th to require the California Public Utilities Commission (CPUC) to authorize each electrical corporation and gas corporation to establish wildfire expense memorandum accounts for costs related to California wildfires that occur on or after *January 1, 2015*, and to record specified costs in those accounts. The bill passed the Assembly Floor, and is now scheduled to be heard in the Senate Energy, Utilities and Communications Committee on June 27th.

CSAC has also continued to monitor the issue and has added the County to be a part of the coalition letter on June 8th in order to express the collective concern about potential efforts to revise constitutional protections under the "inverse condemnation" laws and long-standing liability statutes related to the causes of wildfires.

The legislation that is sponsored by the California Department of Insurance continues through the Legislative process. On June 14th, the Insurance Commissioner issued another press release applauding the Senate for approving the Department of Insurance sponsored bills to help wildfire

survivors. AB 1797 (Levine), AB 1799 (Levine) and AB 1800 (Levine) aim to address critical issues facing wildfire survivors including underinsurance, rebuilding, and recovery.

Insurance Commissioner Dave Jones stated, "These common-sense bills will help Californians with their recovery after a wildfire...Making sure homeowners have enough information to make informed insurance coverage decisions and have the peace of mind insurance is meant to provide is critical."

The California Department of Insurance sponsored bills that are continuing through the legislative process include:

SB 894 (Dodd) The bill would extend policy renewal protections for survivors retroactively to July 1, 2017 to alleviate the burden on survivors who find it impossible to get new coverage during the planning and rebuilding phase of the recovery. Under this bill, survivors would be able to renew their insurance policy twice, which would cover two years after the loss. The bill would also extend the amount of time to collect living expenses from two years to three. Both provisions reflect the reality that it takes most survivors more time than currently permitted to rebuild or replace the total loss property. The Senate Floor amendments clarify that after a total loss of a home in a declared disaster an insured may combine payments for actual losses up to the policy limits for the primary dwelling, other structures and contents, limited to the amount necessary to rebuild or replace the home if the policy limits for the dwelling are insufficient, specify that the losses under this provision shall be treated as full replacement value without requiring the replacement of the other structures or contents; delete a requirement that additional time to collect ALE benefits applies only to policies with a dollar limit on ALE and delete retroactivity for the extension of time for ALE claims. *The bill passed the Senate Floor with a 24-11 vote, and is now scheduled to be heard in the Assembly Insurance Committee on June 27th.*

AB 1797 (Levine) The bill requires an insurer that provides replacement cost coverage, subject to conditional exceptions, to provide policyholders with a replacement cost estimate for the insured dwelling. This bill would require an insurer to provide, on an every other year basis, at the time an offer to renew a policy of residential property insurance is made to the policyholder, an estimate of the cost necessary to rebuild or replace the insured structure that complies with specified existing regulations. The bill's provisions would become operative July 1, 2019. *The bill passed Assembly Floor with a 77-0 vote, and passed the Senate Insurance Committee 11-0. The bill is now on its third reading on the Senate Floor.*

AB 1799 (Levine) Requires insurers to provide a free copy of a fire insurance policy, including endorsements and the declarations page, within 30 days of a request by a policyholder. *The bill passed the Assembly Floor, passed the Senate Insurance Committee on June 13th and passed the Senate Floor 36-0 and was concurred in. The bill is currently enrolled and on its way to the Governor's Desk.*

AB 1800 (Levine) This bill prohibits, in the event of a total loss, a residential property insurance policy from containing a provision that limits or denies payment of building code upgrade cost or replacement cost, including extended replacement cost, to the extent those costs are otherwise covered under the policy, based on the fact the insured has chosen to rebuild or purchase a home

at a new location. *The bill passed the Assembly Floor and passed the Senate Insurance Committee 11-0. The bill is now on its third reading in the Senate.*

AB 1875 (Wood) The bill requires referral to an alternate source of insurance when an insurer declines to offer extended replacement coverage. *The bill passed the Assembly Floor with a 75-0 vote, and is now scheduled to be heard in the Senate Insurance Committee on June 27th.*

AB 2594 (Friedman) This bill extends from 12 to 24 months, the existing statute of limitations for a homeowner to sue their insurer if their fire-related loss is related to a declared state of emergency. *The bill passed the Assembly Floor, and has been set for a hearing in the Senate Insurance Committee on June 27th.*

The Department of Insurance sponsored bills that died or are inactive:

SB 897 (McGuire) The bill requires additional living expense coverage (ALE) to include all reasonable expenses incurred by the insured to maintain a comparable standard of living following a covered loss. The bill allows an insured to choose, at his or her option, to choose to collect the monthly fair rental value of the dwelling as ALE in lieu of itemized expenses; in the case of a total loss that is a result of a state of emergency, requires an insurer to provide an advance payment of no less than four months of ALE or fair rental value, to adopt a standard four month or fair rental payment amount, to make an initial advance payment of no less than 25% of the policy limit for a claim for contents related to a total loss of a primary residence without completion of an inventory, to offer no less than 80% of the policy limits if an insured has made a claim for contents without requiring the insured to file an itemized claim, and prohibits an insurer in the case of a claim for contents from requiring the use of a company-specific inventory form, as specified; requires insurers, in the event of a state of emergency, to grant a 30-day grace period for payment of premiums for all homeowners' policies covering properties within the affected area; and makes specified provisions retroactive for any claim filed after July 1, 2017 but not submitted by January 1, 2019. *The bill passed the Senate Committee on Insurance hearing on April 25th. The bill was placed on the Inactive File, and then didn't make it passed the Senate Floor therefore is dead for the year.*

AB 1772 (Aguiar-Curry) The bill would extend the time to rebuild and collect full replacement cost from 24 to 36 months after a declared disaster. After a major event, there is often a shortage of qualified workers in the construction industry coupled with a demand surge for construction workers needed to rebuild structures. This law will give wildfire survivors additional time to rebuild and collect replacement costs from insurers. *Although the bill passed the Assembly Floor and passed the Senate Insurance Committee with an 11-0 vote, the bill was placed on the Inactive File.*

Other introduced legislation related to wildfires, disasters and insurance claims include:

SB 821 (Jackson) This bill authorizes a county to access the contact information of residents, through the records of a public utility, for the sole purposes of enrolling residents in a county-operated public emergency warning system. The County supports this legislation. *The bill passed the Senate Floor, and has passed the Assembly Committee on Governmental Organization 19-0. The bill is on its 2nd reading on the Assembly Floor. The County is in support of this bill.*

SB 824 (Lara) This bill prohibits an insurer from canceling or refusing to renew a homeowners' insurance policy for one year from the date of a declaration of a state of emergency, as specified; and requires admitted insurers with at least \$10 million in written premiums in California to biennially report to the California Department of Insurance (CDI) specified fire risk information on residential property policies to the insurance commissioner (IC). *The bill passed the Senate Floor with a 27-5 vote, then passed the Assembly Insurance Committee 8-0. The bill is currently scheduled to be heard in the Assembly Judiciary Committee.*

SB 833 (McGuire) The bill would require that mass notifications and the communication of protective actions be conveyed broadly or to a targeted population based on the conditions and risk assessment of the responsible local government and specify options for notification. The bill would further require, on or before January 1, 2019, Office of Emergency Services (OES) to establish guidelines and best practices for public alerts and warnings and the use of mass notification systems, as provided. On or before July 1, 2019, the bill would require OES to both ensure that each emergency management office within a county or city shall become a registered IPAWS WEA operator and has up-to-date IPAWS software and equipment. The County had a support if amended position on this bill and is currently reviewing amendments. *The bill passed the Senate Floor, and is currently scheduled to be heard in the Assembly Governmental Organization on June 28th.*

SB 896 (McGuire) This bill extends the former aggravated arson offense until January 1, 2024, and increases the threshold of property damage and other losses constituting an aggravating factor for aggravated arson from \$7 million to \$8.3 million. *The bill passed the Senate Floor with a 38-0 vote, and then passed the Assembly Public Safety Committee 7-0. The bill is now scheduled to be heard in the Assembly Appropriations Committee on June 27th.*

SB 901 (Dodd) This bill would require a wildfire mitigation plan prepared by an electrical corporation, and wildfire mitigation measures prepared by a local publicly owned electric utility or electrical cooperative, to include a description of the factors the preparing entity uses to determine when it may be necessary to deenergize its electrical lines and deactivate its reclosers, including meteorological and fire threat conditions, and an assessment of risks to the health and welfare of customers who may lose power. *The bill passed the Senate Floor on consent and is now scheduled to be heard in the Assembly Utilities and Energy Committee on June 27th.*

AB 1877 (Limon) The bill requires the California Governor's Office of Emergency Services (Cal OES) and the governing body of each political subdivision, including each operational area, to translate any emergency communication to the public into the most commonly spoken language other than English in the impacted county or counties, or, at the option of a county, into one or more languages other than English spoken in the county pursuant to an individualized language assessment of that county. *The bill passed the Assembly Floor with a 69-6 vote. The bill is currently scheduled to be heard in the Senate Governmental Organization Committee on June 26th.*

The County and City Green Energy Production

The County's Assemblymember Monique Limon (D-Santa Barbara) introduced AB 2077 (Limon) Electricity: local government renewable energy self-generation program. The bill

passed the Assembly Committee on Utilities and Energy on April 25th with a 14-0 vote. As amended on April 18th, the bill would have required the California Public Utilities Commission (CPUC) to approve any rates and other terms mutually agreed upon between Southern California Edison and the County of Santa Barbara if it is determined by the CPUC that the rates are feasible. The bill was held on the Assembly Appropriations Committee Suspense File on May 25th. Meanwhile, we have been in continued discussions with Southern California Edison and the City of Santa Barbara on a way to accomplish the County's and City's goals to provide green energy, the language by Southern California Edison has been provided and is being currently being reviewed by the City and County. Since our last update, we and Assemblymember Limon's office met with Southern California Edison to discuss continuing to work on this issue with the County and City, which they said they were committed to doing.

2018-19 State Budget

The Governor's January 2018-19 Budget proposed \$131.7 billion in state General Fund expenditures. The May Revision which was released on May 11, 2018, reflected the receipt of \$8 billion in higher revenues through 2018-19 compared to the January Budget.

On June 8th, Legislative Leadership along with the Administration announced that they reached a budget agreement for the 2018-19 state budget. On June 14th, the Legislature sent their \$138.6 billion General Fund budget package to the Governor along with 22 budget trailer bills. On June 27th, the Governor signed a \$201 billion state 2018-19 budget without any veto on the items in the budget.

Highlights in the State Budget include:

Property Tax Backfill

The Budget continues to include \$32.8 million General Fund to backfill the property tax revenue losses that cities, counties, and special districts will incur in 2017-18 and 2018-19 due to the 2017 wildfires and resulting mudslides in California. Of this amount, \$21.8 million is for Northern California jurisdictions and \$11 million for Southern California jurisdictions. The property tax losses in Santa Barbara County are \$2.62 million for FY 17-18 and \$5.64 million for FY 18-19, which were both funded by the May Revision.

Debris Removal Cost Share Waiver

The May Revision included \$29.1 million General Fund to waive the local match for only Northern California counties' costs of debris removal, but did not include Southern California counties. The County was successful in receiving the waiver for debris removal that equates to \$3.2 million for the County in the final budget. The total for Southern California was \$5.5 million, which was based on CalOES' latest estimates.

Elimination of the 340B Program – Rejected

The Governor's January 2018-19 budget proposal eliminated the use of the 340B Drug Pricing Program in Medi-Cal. The federal program entitles eligible healthcare providers to discounts on outpatient prescription drugs. The elimination of the program would have directly affected the County because it could reduce revenues in the County's Public Health Department by \$5

million to \$6 million, effective July 1, 2019, and would have negatively impacted the County's health care safety net. The May Revision maintained the Administration's proposal to prohibit the use of federal 340B Drug Pricing Program reimbursements within the Medi-Cal program beginning July 1, 2019, to prevent duplicate discounts and overpayments, and reduce drug rebate disputes. The Administration estimated this proposal would have resulted in \$16.6 million General Fund savings annually beginning in 2020-21. This was a huge concern for the County since the 340B Program provides significant benefits to the Santa Barbara County Public Health Department and the patients served. Both houses of the Legislature rejected the Governor's proposal to discontinue the state's administration of the federal Medicaid 340B Discount Drug Pricing program.

Disaster Relief & Cap and Trade Funding

The original Cap & Trade Expenditure plan for FY 18-19 totaled \$1.25 billion allocations to various programs. The Governor's May Revision included changes to that original expenditure plan that included an additional \$26.8 million to CAL FIRE to fund 6 year-round prescribed burn teams to tackle more fuel reduction projects statewide and an additional \$20 million to the Natural Resources Agency to provide block grants that support the implementation of regional landscape-level forest restoration projects that leverage non-state funds.

The Legislature deferred action on a cap and trade allocation plan until later in the legislative session. California will have \$1.25 billion in cap and trade funds available for appropriation in 2018-19.

Rainy Day Fund

The January budget proposed a \$3.5 billion supplemental payment in addition to the constitutionally required transfer to the Rainy Day Fund for 2018-19. The allocation remains the same since January, which will fully fill the Rainy Day Fund this year. Once full, additional "spill over" revenues are dedicated to eligible infrastructure and specified debt payments.

Mental Health and Homelessness

The budget package approved by the Legislature and sent to the Governor includes more than \$700 million in funding to address homelessness. Main part of the package consists of \$500 million for Homeless Emergency Aid to local governments, but the budget also includes more than \$200 million in additional investments to address and prevent homelessness and provide supportive services for vulnerable populations.

The Homeless Emergency Aid Program includes three pots of funding: \$250 million to Continuums of Care (CoC) divided into nine groupings based on their 2017 Point-in-Time (PIT) homeless count, another \$100 million to each CoC based purely on their 2017 PIT, and \$150 million based on PIT count to large cities with a population of more than 330,000 residents. The deal also includes another \$100 million for CoCs based purely on their 2017 PIT count, and \$150 million for large cities.

Besides the \$500 million for the new Homeless Emergency Aid Program, the Conference Committee is expected to approve an additional \$250 million in homelessness related funding as proposed in the Governor's May Revision, including SB 2 first-year allocations, transitional

housing for victims of domestic violence, and augmentation to the CalWORKs housing support program, CalWORKs Homeless Assistance Program, a new Senior Home Safe Program and the creation of a new Homeless Mentally Ill program.

No Place Like Home

The Governor's plan to place the No Place Like Home Program on the November 2018 ballot is included in the final budget agreement through AB 1827, which is currently being enrolled. If approved by the voters, the program would authorize up to \$140 million in Mental Health Services Act.

Criminal Justice

The budget restores proposed training expenditure reductions included in the Governor's January Budget. Peace Officer Standards and Training (POST), additionally, received the following: \$15 million for use of force and de-escalation training (no more than \$5 million may be used for the purchase and operation of equipment); \$5 million for crisis mental health training; \$5 million for grants to foster innovations in training and procedures for law enforcement officers with the goal of reducing the number of officer-involved shootings statewide; and \$45,000 to update the model hate crimes policy and guidelines.

Libraries

Among some approvals of the May Revision include:

The Legislature approved the Governor's Budget proposal to increase funding for the California Library Literacy Services program from \$4.8 million to \$7.3 million.

Approved the May Revision request for \$663,000 for one-time General Fund to purchase a vault that will help protect the library's collection, repair books that were damaged by water leaks that occurred during this year's rainstorms, and to purchase damage response supplies.

Approved the May Revision request for \$195,000 to digitally preserve the state's website history. Of this amount \$120,000 would support digitally preserving state government websites once per quarter and \$75,000 would support digital preservation storage subscriptions.

Approved the Governor's Budget proposal to augment the California Library Services Act program for one year, from \$3.6 million to \$5.1 million.

Approved the Governor's Budget proposal to increase funding for the California Library Literacy Services program from \$4.8 million to \$7.3 million.

Approved four Governor's Budget proposals aimed at increasing local libraries' use of high-speed Internet services:

- Provides \$3 Million One Time to Increase Internet Capacity at Local Library Hubs.
- Provides \$2 Million One Time for Internet Equipment Grants.
- Provides \$350,000 Ongoing for Increases in CENIC Costs.

- Provides \$138,000 Ongoing for a New Position at the State Library to Oversee Local Library Internet.

In-Home Supportive Services (IHSS)

The Legislature adopted the May Revision estimates for In-Home Supportive Services (IHSS) costs. The overall cost for IHSS increased by \$105.6 million General Fund in 2017-18, and \$174.7 million General Fund in 2018-19, due primarily to a projected increase in costs associated with IHSS overtime, average hours per case, and average cost per case. These increases were offset partially by slower caseload growth compared to the prior forecast, with caseload projected to be over 544,000 in 2018-19.

IHSS County Administration—The Legislature provided an additional \$15.4 million General Fund for county IHSS administrative costs in 2018-19. This is on top of the \$24 million General Fund increase included in the Governor’s May Revision that provided funding for both county IHSS administration (\$22.5 million) and Public Authority administration (\$1.5 million).

County IHSS Maintenance of Effort—Chapter 25, Statutes of 2017 (SB 90), specified the counties’ share of IHSS costs and implemented a revised maintenance-of-effort (MOE) structure, resulting in higher county costs compared to the prior MOE levels. Based on the assumptions, the 2017-18 County IHSS MOE should decrease by about \$15 million.

CalWORKs Single Allocation

The Legislature provided an additional \$23.5 million General Fund for the Single Allocation in 2018-19. This is on top of the \$55.8 million in Temporary Assistance for Needy Families (TANF) funding that was included in the Governor’s May Revision that was partially offset by a reduction for further caseload declines. With this additional investment, the overall funding for the Single Allocation is level with the current year.

Other Legislation and Information

SB 872 (Committee on Budget and Fiscal Review) was amended on June 25th and would prohibit new local taxes on groceries, such as carbonated and noncarbonated nonalcoholic beverages through 2030. SB 872 was crafted through a deal made with the Administration, Legislative Leadership, and the proponent of the “California Two-Thirds Vote for Approval of New Revenue Increases” ballot initiative - Robert Lapsley, President of the California Business Roundtable, in order to remove the initiative off the November Ballot. The deadline for the initiative to be removed from the ballot is Thursday, June 28th, therefor the bill would need to be signed before 5:00PM on June 28th. Although this bill would be a preemption of local control, the initiative, if passed, would increase the threshold for passing any new tax or tax hike to two-thirds of voters or an elected body.

AB 3224 (Thurmond) was amended on June 20th with more clarifying language that would place restrictions on counties from contracting out with eligibility workers that would find citizens that are eligible for the following services – CalFresh, CalWORKS, Medi-Cal, IHSS and various programs for the elderly and disabled. The sponsors of this bill, Western Center on Law and Poverty stated that the language in the bill is only intended to codify existing practice into state

law regarding eligibility determinations for certain social services. CSAC is continuing to take a neutral position on this bill. Although the County is not currently taking a position on this bill, we are carefully monitoring it in case there are any critical amendments to expand of scope of the bill, since there could be a similar intent of AB 1250 (Jones-Sawyer), which the County heavily opposed last year. The bill passed the Assembly Floor on April 30th, and then passed the Senate Human Services Committee with a 5-0 vote. The bill is currently on its third reading on the Senate Floor.

SB 1160 (Hueso), which is sponsored by the California Nations Indian Gaming Association would make it a misdemeanor to commit a trespass by entering a gaming facility on the Indian lands of a federally recognized Indian tribe after receiving an order of exclusion from the designated agency of the tribal government. This bill creates a separate category of trespass in the Penal Code that specifies one may not enter a gaming facility on the Indian lands of a federally recognized Indian tribe after receiving an order of exclusion from the designated agency of the tribal government. The bill passed the Senate Floor on May 10th with a 37-0 vote, and the bill is still referred to the Assembly Committee on Public Safety, but the Author has cancelled the hearing.

Ballot Initiatives

1846. California Two-Thirds Vote for Approval of New Revenue Increases Initiative

Status: Cleared for Circulation (25% signatures reached, currently pending signature verification)

For new revenue measures, the proposition broadens definition of state taxes that would require approval by two-thirds supermajority vote of Legislature. For local governments, the proposition would require two-thirds approval of electorate to raise new taxes or governing body to raise new fees. Requires that state and local laws enacting new taxes specify how revenues can be spent. The proposition heightens legal threshold for state and local governments to prove that fees passed without two-thirds approval are not taxes. Invalidates local taxes imposed in 2018, unless taxes meet criteria adopted by this measure.

The Assembly Committee on Revenue and Taxation and Local Government will be holding a joint hearing on June 13th where they will discuss the initiative that expands the requirement for supermajority approval to enact new revenue measures #1846.

1847. California Two-Thirds Vote for Local Government Revenue Increases Initiative

Status: Cleared for Circulation

For local governments, the proposition requires two-thirds approval of electorate to raise new taxes or governing body to raise new fees. Requires that local laws enacting new taxes specify how revenues can be spent. The proposition also heightens legal threshold for local governments to prove that fees passed without two-thirds voter approval are not taxes. Invalidates local taxes imposed in 2018, unless taxes meet criteria adopted by this measure.

Some of the Eligible or Qualified Statewide Initiatives potentially of interest to the County:

1830. California Voter Approval for Gas and Vehicle Taxes Initiative

Status: Eligible Statewide Initiative

The proposition repeals the 2017 transportation law's tax and fee provisions that pay for repairs and improvements to local roads, state highways, and public transportation. It will also require the Legislature to submit any measure enacting specified taxes or fees on gas or diesel fuel, or on the privilege to operate a vehicle on public highways, to the electorate for approval.

1809. Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replacement Property.

Status: Eligible Statewide Initiative

The proposition would remove the following current requirements for homeowners who are over 55 years old or severely disabled to transfer their property tax base to a replacement residence: that replacement property be of equal or lesser value, replacement residence be in specific county, and the transfer occur only once. Removes similar replacement-value and location requirements on transfers for contaminated or disaster-destroyed property. Requires adjustments to the replacement property's tax base, based on the new property's value.

1810. Authorizes State Regulation of Kidney Dialysis Clinics. Limits Charges for Patient Care. Initiative Statute.

Status: Eligible Statewide Initiative

The initiative would limit amounts outpatient kidney dialysis clinics may charge for patient care and imposes penalties for excessive charges. Requires annual reporting to the state regarding clinic costs, patient charges, and revenue. Prohibits clinics from discriminating against patients based on the source of payment for care.

1814. Division of California into Three States. Initiative Statute.

Status: Eligible Statewide Initiative

The measure would divide California into three states subject to approval by Congress. Assigns each county to a new state. Upon passage, directs Governor to request that Congress grant approval within twelve months. If Congress approves, directs Legislature to divide California's assets and liabilities between the new states. Provides that, if Legislature fails to act within twelve months of Congressional approval, debts shall be distributed among new states based on population relative to California population as a whole, and assets within boundaries of each new state shall become the assets of that new state.

1837. Expands Local Governments' Authority to Enact Rent Control on Residential Property.

Status: Eligible Statewide Initiative

The measure would repeal state law that currently restricts the scope of rent-control policies that cities and other local jurisdictions may impose. Allows policies that would limit the rental rates that residential-property owners may charge for new tenants, new construction, and single-family homes. In accordance with California law, provides that rent-control policies may not violate landlords' right to a fair financial return on their rental property.

SB 3 (Chapter 365, Statutes of 2017) Beall. Veterans and Affordable Housing Bond Act of 2018.

Status: Qualified to be on the November Ballot

The measure would authorize the issuance of bonds in the amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law. Of the proceeds from the sale of these bonds, \$3,000,000,000 would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided, and \$1,000,000,000 would be used to provide additional funding for the above-described program for farm, home, and mobile home purchase assistance for veterans, as provided.

AB 653 - Tribal Tax Issues

AB 653 (Ridley-Thomas) was legislation sponsored by the Chumash Tribe, which passed the Assembly last year and was set for hearing in the Senate Governance and Finance Committee on August 30, 2017. After lengthy discussions between the sponsors, the County, our legislative delegation, CSAC and the rural counties, the sponsors and author decided to cancel the hearing. The bill is now a two-year bill, but the author of the bill, Sebastian Ridley-Thomas (D-Los Angeles) resigned due to health reasons. The last we heard from the sponsors of the bill, was that they would not be pursuing this legislation. This bill is no longer an issue.

On June 21st the bill was gutted and amended to authorize nonprofit hospitals in Santa Barbara County to enter into joint powers agreements with a public agency. This authority is intended to allow Santa Barbara Cottage Hospital and Lompoc Healthcare District to form a partnership for the purposes of opening primary and specialty care clinics in underserved parts of the region. This bill is sponsored by the Lompoc Healthcare District and is now carried by Assemblymember Jordan Cunningham.

Cannabis

In June 2017, California Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates one regulatory system for both medicinal and adult-use cannabis. Under MAUCRSA, the California Department of Food and Agriculture (CDFA) was designated as the state agency responsible for issuing licenses to commercial cannabis cultivators in California. CDFA's emergency regulations were released on November 17, 2017. CalCannabis began issuing state cannabis cultivation licenses on January 1, 2018 and is currently accepting applications for temporary and annual cannabis cultivation licenses for cultivators, nurseries and processors. The Emergency Regulations had to be re-adopted in June for an additional 180-day period.

The re-adopted emergency regulations include some changes:

- Section 8214 of the emergency regulations provides that licensees may conduct commercial cannabis activities with any other licensee, regardless of the A or M designation. As a result, licenses will be issued to cultivators, nurseries, and processors as either type “A” or “M,” and licensees no longer need both designations for the same premises to conduct business with licensees who have a different designation.
- A definition of “light deprivation” has been added to provide clarification for determining license types
- Section 8100 of the emergency regulations has been revised to include three new items that must be included with a temporary cannabis cultivation license application:
 - a proposed cultivation plan
 - identification of applicable water sources
 - evidence of enrollment in water-quality-protection programs with the applicable Regional Water Quality Control Board or State Water Resources Control Board—or written verification from the appropriate board that enrollment is not necessary

Discussion surrounding banking the cannabis industry remains a priority for California Legislature with SB 930 (Hertzberg) continuing to go through the legislative process, passing the Senate Floor with a 32-6 vote, passing the Assembly Banking and Finance Committee with a 10-0 vote, and then passing the Assembly Business and Professions Committee on June 26th with a 17-2 vote. The bill is now referred to the Assembly Appropriation Committee.

SB 930 (Hertzberg) is sponsored by Board of Equalization Member Fiona Ma in order to help mitigate several of the problems resulting from cannabis businesses’ access to banking services. The bill, which was last amended on May 25th, creates limited purpose charter banks and credit unions licensed and regulated by the Department of Business Oversight (DBO), and would authorize the limited purpose banks and credit unions to provide depository services and issue special checks to cannabis-related businesses, it also authorizes the limited purpose banks and credit unions to obtain private depository insurance, as authorized by the DBO, in lieu of FDIC insurance, and would create an oversight Board with the State Treasurer, Controller and the Chief of the Bureau of Cannabis Control as members and the Director of the Department of Finance as an ex-officio member, among multiple other provisions.

Meanwhile, Assemblymember Jones-Sawyer’s AJR 28, a measure that urges the Congress and the President to pass legislation that would allow financial institutions to provide services to the cannabis industry, was chaptered into law on June 14th.

Bills and Budget Proposals of Interest to the County

AB 334 (Cooper) Federal VAWA legislation passed in 2011 mandated the provision of free sexual assault forensic medical exams for patient/victims who do not want to cooperate with law enforcement agencies. The original California statute passed in 1977 mandating that local law

enforcement agencies pay for sexual assault exams was amended after 35 years to comply with VAWA. The amended statute specified that law enforcement agencies could be reimbursed \$300 by Cal OES out of their State VAWA appropriation for exams involving the non-cooperative patient/victim. The legislation passed the Senate Judiciary Committee with a 6-1 vote, but the author pulled the bill out of the Senate Public Safety Committee, therefore the bill is now a two-year bill. The County is in support of the bill.

AB 653 (Ridley-Thomas) The legislation was sponsored by the Chumash Tribe, and was amended on August 23rd to state that beginning the 2018-19 fiscal year, property owned in fee or held in trust by a federally recognized Indian Tribe, or owned in fee or held in trust by a charitable nonprofit organization is exempt from taxation if the following conditions are met: The tribe has submitted an initial written request or trust application to the US Department of the Interior and the department has determined that the initial written request trust application is complete, and that the tribe has submitted both of the following to the assessor: documents establishing that the tribe is federally recognized and documents establishing that the initial written request or trust application is under consideration by the US Department of the Interior. The author of the bill cancelled the Committee hearing in 2017, and the bill became a two-year bill. The County was in opposed the legislation.

On June 21st the bill was gutted and amended to authorize nonprofit hospitals in Santa Barbara County to enter into joint powers agreements with a public agency. This authority is intended to allow Santa Barbara Cottage Hospital and Lompoc Healthcare District to form a partnership for the purposes of opening primary and specialty care clinics in underserved parts of the region. This bill is sponsored by the Lompoc Healthcare District and is now carried by Assemblymember Jordan Cunningham. The bill is set for a hearing in the Senate Governance and Finance Committee on the morning of June 27th and then set for a hearing in the Senate Health Committee on the afternoon of June 27th in order to meet policy deadlines. The bill is currently being reviewed by the County.

AB 726 (Holden) The legislation would have created a freeze on any new forming Community Choice Aggregation (CCA) organizations and restricted the ability to expand existing Community Choice Energy (CCE) programs. The County of Santa Barbara was opposed to AB 726 unless CalCCA's amendments were adopted. AB 726 is now a two-year bill, and there has been no action on this bill since 2017.

AB 813 (Holden) was gutted and amended on March 8, 2018 and amended again on June 12th. This bill would delegate to the California Energy Commission (CEC) the ability to authorize the transformation of the California Independent System Operator (CAISO) into a multistate regional transmission system, if specified requirements are satisfied. This bill would prohibit a California electrical transmission facility owner, a retail seller of electricity, or a local publicly owned electric utility (POU) to join a multistate regional transmission system organization, if specified requirements are not met. The bill passed the Senate Energy, Utilities and Communications Committee 6-1, and is now referred to the Senate Judiciary Committee. The bill doesn't currently affect the County, therefore we will just keep monitoring it in case of any amendments that would affect the County.

AB 1250 (Jones-Sawyer) The County is in strong opposition to the bill. The bill creates specific conditions and requirements that would apply when a county enters into a new contract or renews or extends an existing contract, and also specifies the conditions that must be met in order to permit a personal services contract. The Chair of the Senate Appropriations Committee claimed that there needs to be more negotiations on the bill. The bill was held in the Senate Rules Committee and is now a two year bill. There has been no action on the bill since 2017.

AB 1775 (Muratsuchi) The Santa Barbara County Board of Supervisors approved a resolution opposing new offshore oil and gas leases in Federal waters off of the California Coast. The bill prohibits the State Lands Commission (SLC) or a local trustee from entering into any new lease or other conveyance authorizing new construction of oil-and-gas-related infrastructure upon tidelands and submerged lands within state waters associated with Outer Continental Shelf (OCS) leases issued after January 1, 2018. The bill passed the Assembly Floor with a 45-24 vote, and then passed the Senate Natural Resources and Water Committee with a 7-2 vote. The bill has been referred to the Senate Appropriations Committee.

AB 1956 (Limon) The bill was amended on June 13th to require the Department of Forestry and Fire Protection, on or before July 1, 2019, to establish a local assistance grant program, funded upon appropriation by the Legislature, for fire prevention activities. The bill would require the department to prioritize projects that are multiyear efforts to, among other things, improve resiliency on the landscape and adapt landscapes to withstand increased frequency and intensity of large wildfires. The bill reestablishes a fire prevention working group that includes fire prevention experts to develop new methods of fire prevention. The bill would also require the Director of Forestry and Fire Prevention, on or before July 1, 2021 to hold a public workshop to review activities funded by the local assistance grant program and program outcomes and discuss and recommend possible improvements to the program. The bill would additionally require the department to report a summary of the findings of the public workshop to the appropriate committees of the Legislature before or on September 1, 2021. The Board of Supervisor's adopted a 2018 Legislative Platform that supports efforts to generate new intergovernmental revenues. The bill passed the Assembly Floor 78-0, and then passed the Senate Natural Resources and Water Committee with a 9-0 vote. The bill has been referred to the Senate Appropriations Committee. The County is in support.

Meanwhile, the County supported Assemblymember Limon's request for the appropriation for the local assistance grant program. The program would intend to ensure that there is both a state and community based robust fire prevention effort. \$10M was approved in the State Budget to CalFire for "community-based fire prevention work."

AB 3194 (Daly) The bill makes changes to the Housing Accountability Act to prohibit a local government from requiring rezoning of a housing development project site if the project is consistent with the objective general plan standards and criteria, but the zoning for the project site is inconsistent with the general plan. The bill passed the Assembly Floor 70-4, and then passed the Senate Transportation and Housing Committee 13-0. The bill is set to be heard in the Senate Committee on Governance and Finance on June 27th.

SB 212 (Jackson) This bill would establish a comprehensive statewide take-back system for sharps and medications, and would take a step to ensure that California residents throughout the state have access to safe, convenient disposal methods of sharps and drugs, addressing important public health concerns. The bill passed the Assembly Environmental Safety and Toxic Materials Committee with a 5-1 vote, and has been referred to the Assembly Appropriations Committee. The County is in support of this bill.

SB 349 (Lara) This bill would require minimum staffing ratios for dialysis clinics and a minimum transition time between dialysis patients, as follows, commencing January 1, 2020. The bill increases the likelihood of quality care for individuals with End Stage Renal Disease by reducing the risk of infections, cardiac related and other causes of death. This bill is currently on the inactive file, but we are still monitoring just in case of any future movement. The County is in support of the legislation.

SB 588 (Hertzberg) This bill substantially revises the existing state rigs-to-reefs program that allows for the partial removal of oil and gas platforms in state or federal waters if the remaining portion is converted into an artificial reef and certain conditions are met. The bill passed the Assembly Water, Parks and Wildlife Committee on June 29, 2017 with a 12-2 vote, and then was referred to the Assembly Natural Resources Committee but didn't meet the policy deadline, and became a two-year bill. The bill was amended on May 7, 2018 and would continue to exclude the removal of drilling muds and shell mounds as well as limiting the criteria used to determine full versus partial removal is likely to result in increased risks to public health and safety. The bill was set to be heard in the Assembly Natural Resources Committee on June 25th but the hearing was cancelled at the request of the author.

SB 821 (Jackson) As amended on June 25th, the bill will allow a county can enter into an agreement to access the contact information of resident accountholders through the records of a public utility or other agencies, for a property address for the sole purpose of enrolling county residents in a county operated public emergency warning system. The County supports this legislation. The bill passed the Senate Floor, and then passed the Assembly Committee on Governmental Organization 19-0, the bill is currently on the Assembly Floor on its third reading. The County is in support of this bill.

SB 827 (Wiener) The bill would require the County to grant housing development projects, in key transit corridors, a "bonus" by exempting the project from certain local development requirements such as density, maximum floor area, parking requirements and height restrictions. This would effectively negate development standards for housing along the State Street/Hollister Avenue transit corridor as well as in already crowded Isla Vista. On April 17th, the bill died in the Senate Transportation and Housing Committee with a 4-6 vote. The County was in opposition to the bill.

SB 828 (Weiner) The bill would make significant changes to the existing Regional Housing Needs Assessment (RHNA) process and the resulting housing needs allocations to counties and cities. The bill would enhance the RHNA allocations (from 100% of need to 125%), requires development by-right in certain circumstances to count the rezone of land to the RHNA allocation, and requires unit capacity assessment of local governments accepted if there is a

minimum density. The bill passed the Senate Floor, 23-10, and then passed the Assembly Housing and Community Development Committee 4-2, and is set for a hearing in the Assembly Local Government Committee on June 27th. The County opposes this bill.

SB 833 (McGuire) The bill would require that mass notifications and the communication of protective actions be conveyed broadly or to a targeted population based on the conditions and risk assessment of the responsible local government and specify options for notification. The bill would further require, on or before January 1, 2019, Office of Emergency Services (OES) to establish guidelines and best practices for public alerts and warnings and the use of mass notification systems, as provided. On or before July 1, 2019, the bill would require OES to both ensure that each emergency management office within a county or city shall become a registered IPAWS WEA operator and has up-to-date IPAWS software and equipment. The County had a support if amended position on this bill and is currently reviewing amendments. The bill passed the Senate Floor, and is currently scheduled to be heard in the Assembly Governmental Organization on June 28th.

SB 834 (Jackson) The Santa Barbara County Board of Supervisors approved a resolution opposing new offshore oil and gas leases in Federal waters off of the California Coast. Senate Bill (SB) 834 would prevent the State Lands Commission from signing new leases for oil and gas development infrastructure associated with Federal offshore leases signed after January 1, 2018. The bill passed the Senate Floor 24-8, and then passed the Assembly Natural Resources Committee with a 7-3 vote. The bill has been referred to the Assembly Appropriations Committee.

SB 914 (Dodd) This bill would expand the tools counties have to plan and deliver infrastructure projects by extending construction manager at-risk (CMAR) authority to other types of infrastructure projects beyond buildings. The bill passed the Senate Floor with a 38-0 vote, and then passed the Assembly Local Government Committee, and continued to pass the Assembly Floor with a 57-6 vote. The bill is currently in the Senate for concurrence. The County is in support of this bill.

SB 917 (Jackson) This bill provides that if loss or damage results from a combination of perils, one of which is a landslide, mudslide, mudflow, debris flow or other similar earth movement, an insurer shall provide coverage if an insured peril is the efficient proximate cause of the loss or damage and coverage would otherwise be provided for the insured peril, and provides that this is declaratory of existing law. The bill passed the Senate Floor with a 25-11 vote, and is scheduled to be heard in the Assembly Insurance Committee on June 27th. The County is supporting the bill.

SB 933 (Allen) The bill establishes the Arts for Every Student Incentive Grant Program, to be administered by the California Department of Education (CDE), to encourage and maintain the delivery of high-quality visual and performing arts education programs. This bill will require funding from the Budget Act. SB 933 (Allen) passed the Senate Floor with a 37-0 vote, and is currently scheduled to be heard in the Assembly Education Committee on June 27th. Meanwhile, \$41 million is now in the budget that is eligible for both visual and performing arts education programs and school health centers. The County is in support of both the budget proposal and the bill.

SB 1026 (Jackson) The bill would repeal statutes that establish the Senior Housing Information and Support Center and the Program for Injury Prevention, and that require the California Department of Aging (CDA) to develop materials on aging in place, and instead establish the Dignity at Home and Fall Prevention Program and require CDA to provide grants to area agencies on aging (AAAs) for injury prevention services, as specified. The bill passed the Senate Floor on consent, and then passed the Assembly Aging and Long-Term Care Committee with a 6-0 vote. The bill has been referred to the Assembly Appropriations Committee. The County is in support of the bill.

SB 1088 (Dodd) – This bill requires each electrical corporation or gas corporation (IOU), to submit a safety, reliability, and resiliency plan to the California Public Utilities Commission (CPUC) every two years, requires the CPUC to approve the submitted plan within 18 months and authorize recovery of the costs of implementing the plan through rates. Additionally, this bill prohibits an electrical IOU from delegating, transferring, or contracting out any of its distribution safety or reliability performance obligations. This bill also requires the Office of Emergency Services (OES) to adopt standards for reducing risks from a major event and requires the office to update the standards at least once every two years. The bill passed the Senate Floor with a 34-2 vote, and then passed the Assembly Utilities and Energy Committee 8-2. The bill is scheduled to be heard in the Assembly Governmental Organization Committee on June 28th. The County is in support of the bill.

SB 1090 (Monning) The bill would require the California Public Utilities Commission (CPUC) to approve collection of ratepayer funds for previously denied elements of a Pacific Gas and Electric Company (PG&E) application related to the retirement of the Diablo Canyon Nuclear Power Plant. The bill passed the Senate Floor with a 31-4 vote, and is set to be heard in the Assembly Utilities and Energy Committee on June 27th. The County is in support of the bill.

SB 1333 (Wieckowski) The bill would require changes to any development agreement between a charter city and a developer by authorizing the legislative body to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, business, residences, and other uses in accordance with specified procedures, and in result would impact local control. The bill passed the Senate Floor 25-12, and then passed the Assembly Local Government Committee 5-2, and is now scheduled to be heard in the Assembly Committee on Housing and Community Development on June 27th. The County is opposed to this bill.

SB 1331 (Jackson) Although the County does not have a position on this bill, this bill is supported by the County's District Attorney's office. This bill requires the Commission on Peace Officer Standards and Training (POST) to include procedures and techniques for assessing signs of lethal violence in domestic violence situations in the existing training course for law enforcement officers in the handling of domestic violence complaints. The bill passed the Assembly Floor and the Assembly Public Safety Committee with a 7-0 vote, and is now set for a hearing in the Assembly Appropriations Committee on June 27th.

SB 1511 (Family Law Omnibus Bill) The Santa Barbara County Department of Child Support Services' recommended clarifying amendments that are listed in section 7643 of the Family Code. This language will be most helpful in establishing paternity and enforcing child support

orders by providing better access to the local departments of child support services. The bill passed the Senate Judiciary Committee with a 7-0 vote, and is now scheduled to be heard in the Assembly Appropriations Committee on July 2nd.

Funding for Emergency Pipeline and Barge to Ensure Drinking Water Supply

The County supported Senator Hannah-Beth Jackson's request for an appropriation in the 2018-2019 budget for emergency drinking water supply grants. The item did not make it in the budget.

CAL FIRE Capital Outlay Funding for Contract Counties

The County supported Assemblymember Monique Limon's request for an appropriation for capital outlay to be included in the 2018-19 California budget to address the lack of contractually obligated funding for the fire agencies in the six Contract Counties, which consist of County of Santa Barbara, Ventura, Kern, Los Angeles, Marin and Orange. The item did not make it in the budget.

Conclusion

Friday, June 1st was the last day for bills to pass out of the House of origin. Policy committees resumed on Monday, June 4th, while June 5th was California's primary election. The next deadline will be on June 29th when it will be the last day for policy committees to hear and report fiscal bills to fiscal committees, while July 6th will be the last day for policy committees to meet, and Members will adjourn for Summer Recess.

On June 27th, the Governor signed a \$201 billion state 2018-19 budget without any veto on the items in the budget. The budget fully filled the Rainy Day Fund, growing the balance to \$13.8 billion, as well as invested \$5 billion to help address challenges with affordable housing and homelessness, including providing \$500 million to assist local governments in their immediate efforts to help homeless Californians. The budget also included a \$1.4 billion Cap and Trade Expenditure Plan to invest in programs that further reduce carbon pollution and support climate resiliency efforts, including \$210 million for forest improvement and fire prevention projects that protect the state's forests from wildfires.

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