

TO: Members, Board of Supervisors
County of Santa Barbara

FROM: Cliff Berg, Legislative Advocate
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RE: October 2011 State Update

DATE: November 2, 2011

Budget update

While the legislature remains on their fall legislative interim, many are very concerned that the state will continue to struggle financially and possibly hit the “trigger cuts” that were inserted as part of the budget package. If the state’s receipts are under the \$1 billion mark, then those cuts will be enacted. In meeting with many members both that sit on the budget committee as well as those in leadership, there is a general consensus that the legislature will have to return in January and pull those triggers in order to fix the on-going structural deficit. Keep in mind that the Governor will release his budget in January of 2012 which is currently being drafted by he and his staff over the next couple of months, they are watching the state controller’s numbers very closely in an effort to look at workable solutions. While we do not anticipate that the legislature will return any time this fall to conduct a special session on the budget, should that happen we will keep you updated.

Pension Reform Update

The Administration has finally released their updated pension reform plan. While it has received much criticism from many labor groups, at least it is a real package that can begin the discussion of pension reform for California. We anticipate additional details to be released; however some of the details are listed below.

Under Governor Brown’s new plan public workers in the state, which includes city and county workers as well, would all have to pay at least half the cost of their future pensions in payroll deductions. While this sounds unusual, there are many private companies in California at which the employer long ago stopped paying any matching funds toward the 401(k) plans that are most workers’ version of pensions. Governor Brown contends that asking public workers to contribute half, which is a lot better than 100 percent, is hardly too much to ask for. It should also be noted that Brown points out that many state workers already contribute half; under his plan, county and municipal workers would now join that club.

Brown’s plan also introduces the notion of raising the retirement age for most new public workers from 55 to 67. That’s quite a leap in years. It’s also reflective of the reality of how most Californians live and work these days. According to the Governor, retiring in

your 50s is a rare privilege, and one that taxpayers can no longer continue to provide for government workers.

Now, although he has introduced this plan, it will now have to not only pass the Legislature, but get two-thirds approval in order to be placed on a statewide ballot for California's voters.

However, given the dominance of Democrats in both the state Senate and the Assembly, we assume that the labor unions will have to have some say in how this plan ultimately looks in order to protect their workers and have the ability to attract qualified candidates to these jobs. We will keep the Board updated when the legislature returns in January, 2012.

Status of Reapportionment lawsuits

As you know, the final lines were released on August 15, 2011. While many legislators were upset, the lines have mostly worked themselves out, for example many have agreed to move over a mile or two in an effort to maintain their current seat, and some have decided to run for Congress which they may not have otherwise considered. Others were not very happy; the state's high Court rejected the petitions filed by Republican activists against the maps for California's 40 state Senate districts and 53 congressional districts. The decision, according to a news release issued by the Court, was unanimous by the seven justices. Both sets of maps were challenged on grounds that they failed to meet the constitutional requirements set out in state law, via 2008's Proposition 11 and 2010's Proposition 20, and in federal law, via the Voting Rights Act of 1965.

We should also remind you that the Senate Republican Caucus has begun raising money to run their own referendum, they have yet to do any polling so it is unclear on what the voters think or know at this point. The Assembly Republicans have opted out of this referendum at this time but we believe they will remain on the sidelines.

Sponsored Legislation by the County of Santa Barbara

AB 412 (Williams) The bill has received bi-partisan support to date. The bill made it through the Assembly and the Senate. The bill became law on September 7, 2011 without a Governor's signature; he had many concerns about fines and the ability for individuals to keep up with them in addition to locals using them as a way to balance their books. With this bill now becoming law it has the potential to bring the county \$600,000 per year for the next two years to support the trauma system.

AB 537 (Williams) This bill co-sponsored with SBCAG and is related to the highway 154 issue. The bill is a two year bill as the County continues to work with CHP and others to gather the necessary data to substantiate our claims. We have talked with Assembly Member Williams staff and the SBCAG lobbyist; we will be meeting in a couple of weeks on this bill and looking at next steps.

AB 765 (Achadjian) This bill was introduced at our request by Assembly Member Katcho Achadjian on behalf of our DA, Joyce Dudley and is part of the Board of Supervisor's platform. The bill had bi-partisan support but was held in the Senate Public Safety Committee on June 28, 2011 due to concerns that the bill would create a new crime. This measure will allow the penal code to catch up with modern day life related to sexually violent crimes and allow for DA's to properly prosecute offenders.

AB 1356 (Eng) This bill attempted to address a local issues related to wine tasting rooms and better regulation of them in our local communities. We had several stakeholder meetings on this bill with ABC, The Family Wine Makers, the Wine Institute and various vintners' associations throughout California. In an effort to get the best outcomes we have decided to make this bill a two-year bill to ensure we have a strong and successful bill to move forward next year. We also continue to work with Assembly Member Williams office as he is trying to address the constituents concerns as well at the local level along with our Board.

Legislation of interests to the County of Santa Barbara

AB 1417 (Hall) This bill is supported by the County. The bill is sitting on the Senate floor waiting to be heard and will then have to go back to the Assembly for concurrence in the Senate amendments. The bill would have appropriated \$18,200,000 for the Indian Gaming Special Distribution Fund to the California Gambling Control Commission to provide grants to local government agencies impacted by tribal gaming; however in the Senate Appropriations Committee they amended the bill down to \$9.1 million. While this funding is less than what is owed, keep in mind that the legislature has attempted to release this funding over the last few years unsuccessfully. This measure was signed into law on October 9, 2011.