

TO: Members, County of Santa Barbara Legislative Committee

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

RE: October 2012 State Update

DATE: October 30, 2012

The legislature remains in the fall recess until December 3, 2012 where they will come back to Sacramento for their swearing-in session, then return home until early January 2013 to begin the year. Most are focused on the upcoming election, given that the legislature will turn over more than 50% of the membership and there may be a few surprises in contested races, it should be an interesting election to watch. Additionally, there are several key propositions on the ballot as well. Specifically, Prop. 30, which if it fails, there are several budget triggers that will be pulled. This is the Governor's proposition that he has put forward in an effort to fix the budget deficit for the next seven years in hopes of the economy recovering.

There is some speculation that if Prop. 30 fails the Governor will call a special session to address the budget deficit, it is uncertain if the Governor will call a lame duck session or wait until the new members are sworn-in, or a combination of both. In terms of issues that will be on the "table" for potential budget discussions is unknown at this time.

Now that we have gotten through the legislative session for 2011-12, we would like to look forward. Keeping in mind that we have the Santa Barbara legislative platform, we also wanted to share with you some issues we anticipate will be dealt with in the upcoming year ahead.

Potential Issues for the 2013-14 Legislative Session

- Special Session on Health Care reform

This August the Governor said he would be calling a special session on Health Care reform, Governor Brown sent a letter to lawmakers where he wrote, "We will work with you to complete what we can in the current session, but many important issues and questions" about reform law provisions "cannot be addressed or answered without further guidance from the federal government and additional analysis to understand the interrelationship of the decisions we must make."

Secretary of the Health and Human Services Agency Diana Dooley said that the session will begin in December or January 2013 and will run concurrently with the regular legislative session. She said that she suggested the session to provide state officials with enough time to implement reform law provisions once the federal government provides more guidelines. Laws passed during the special session would take effect in 90 days. Secretary Dooley said, "It's a very ambitious agenda, a lot to do in a short amount of time, but we have really been breaking our necks to stay on course, and I think we are"

- Worker's Compensation Clean-up

The legislature passed SB 863 at the very end of the session, while this was intended to do a major overhaul of the Worker's Compensation Insurance, given the last minute negotiations, the

issue will need to be addressed in the 2013-14 session with a “clean-up” to address any outstanding issues.

- Redevelopment

If you recall, the legislature attempted to address this issue in 2012, however the Governor vetoed all but one of the proposals stating in his veto messages, that the measures could distract from the winding down - and cost savings - of redevelopment. We anticipate that the legislature will want to continue to address this issue in the 2013-14 session.

Senate Bill 1156, by Senate President Pro Tem **Darrell Steinberg**, D-Sacramento, would have allowed local agencies to establish a "Sustainable Communities Investment Authority" to finance redevelopment-like projects. Assembly Bill 2144, by Assembly Speaker **John A. Pérez**, D-Los Angeles, would have expanded the types of local projects that could be financed under existing infrastructure financing districts.

- CEQA Reform

The legislature attempted to deal with CEQA reform at the end of the 2011-2012 session, the deal fell apart in the last days of the session, we are told that this issue will be discussed this next year to allow for a fuller discussion and stronger reforms. There is a feeling among the business community that the state needs a "modernization" of CEQA to curb abusive uses and setting forth a broad outline of how the 42-year-old law should be changed. Many in the environmental community expressed concerns especially given the lateness of the proposed measure. Leadership, after hearing from a number of their caucus members, decided to let this sit until next year.

- Realignment

There is some potential that the legislature will continue to look at possible programs that they can realign to counties as a way to continue to alleviate the state’s financial burdens. This is speculation at this time, but something I think we should expect to see in 2013.

- Water

This has been an issue that the legislature has attempted to address for several years now. They have had ballot measures ready to go, but have pulled them every time in an effort to address more serious issues at that moment in time. We know that there is an interest in placing the measure on the 2014 ballot; however with so many new members coming in for the 2013-14 session, we speculate that this will be re-written in an effort to satisfy the incoming members since they did not draft the current water bond.

Wrap-Up

There will be many potential issues that the legislature will deal with in the 2013-14 session; this is just a snapshot of things we know they plan to address. We will continue to keep you updated as things progress. Should you or your staff have any questions, please let us know.