

TO: Members, County of Santa Barbara Legislative Committee

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

RE: January 2013 State Update

DATE: January 30, 2013

The Legislature officially returned on January 7, 2013 to begin the first year of the two year session. They were given their committee assignments and budget to complete their hiring and staffing and have begun to introduce bills that they will carry this year. The Governor released his budget on January 10, 2013 and his presented his state of the state on January 24, 2013. We have also had our legislative counsel deadline on January 25, 2013, so they have hit the ground running.

With the passage of Prop. 30 by the voters, there is extreme optimism among the Democrats given that for many of them this is the first year that there isn't a deficit and they aren't already staring down at very difficult choices of what to cut in programs they hold dear. The budget, as presented by the Governor, will have a long road ahead. There are some fundamental policy changes, especially as it relates to Medi-cal and the proposed expansion. With this proposal the Administration is looking at the possibility of "realigning" the Medi-Cal program to the counties. While many in the capitol are curious about this, there is also a great worry of how this will work, in particular, given that the state is already set up to provide this program, moving it to the locals has many challenges. Additional concern is the funding mechanism and ensuring counties are made whole with both state and federal funding. Also, remember that the federal CMS must sign-off on the proposal as well. This will be a major discussion this year and although it is part of the budget, many legislators have said that this will need to be brought into the policy arena and should not be part of the budget.

The Governor also called his much anticipated special session on health care reform. This opened officially on Monday, January 28 with the first bills introduced. This will run concurrent with the regular session; however leadership is still clarifying exactly what will be dealt with in this session as it relates to health care reform and the implementation of the Affordable Care Act (ACA).

The legislature is also beginning to discuss who will possibly be the next democratic leaders as both the Senate Pro Tem and the Speaker will term-out of office in 2014. The biggest issue at hand related to leadership is will it be a "freshman" meaning someone just elected or will it be a "sophomore" for their last two years as they continue to groom the next class. Based on history the new leadership comes in March of their last year, so we still have plenty of time prior to the current leadership's departure.

Although the bills have begun to be introduced we are seeing very few at this time, many of the new members have expressed that they want to take their time to see what the process is like so we anticipate a potential decrease in the bill load, but we will need to wait until February 22, 2013 to see if they are able to stick to that.

Some issues related to our platform have already been introduced, such as the elimination of the State Responsibility Area Fee (SRA), the potential to reduce the voter threshold for local taxes, some on-going pension reform and a variety of potential water bonds. Many of the bills remain in “spot bill form”, meaning that there is legislative intent at this time but nothing specific in the bills as they are continuing to flush these out.

We anticipate that this will be a very busy year but very different dynamics and issues from years past. We will continue to read and send bills as we get them that are appropriate for the legislative committee. Please let us know if you or your staffs have any additional questions.