



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Manager's Office



**Date:** March 26, 2013

**Board Meeting Date:** April 9, 2013

**Special Notice / Hearing:** None

**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** John L. Maltbie, County Manager

**Subject:** County Manager's Report #3

**RECOMMENDATION:**

Accept this update on the 2013 State Legislative Session

**BACKGROUND:**

A total of 2,399 bills have been introduced in the first year of the two-year 2013-14 Legislative Session (1,508 in the Assembly and 891 in the Senate). In addition to the major policy issues being discussed as part of the Proposed FY 2013-14 State Budget, the State Legislature is debating legislation in the following areas:

- **Special Session on Health Care Reform Implementation**—On January 13, 2013, the Governor called a Special Session on Health Care Reform to fast-track policy required for the implementation of the federal Affordable Care Act (ACA). The policy changes sought include, changes to the health insurance market, expansion to Medi-Cal both for the mandatory and optional expansion and the establishment of a Basic Health Program, or "Bridge Program," between Medi-Cal and the Exchange. It is expected that the bills could reach the Governor's desk as by the end of April
- **Vote Thresholds for Locally Approved Taxes**—Various Constitutional Amendments have been introduced which would seek to lower the local vote threshold for approval of tax measures from 2/3 to 55 percent. Constitutional amendments must be approved by a 2/3 vote of the Legislature, which the Democrats currently hold. Proposals include: SCA 3 (Leno) on school parcel taxes; SCA 4 (Liu) on transportation project taxes; SCA 7 (Wolk) on library facilities bonds; SCA 8 (Corbett) on transportation project taxes; SCA 9 (Corbett) on economic development taxes; SCA 11 (Hancock) on special taxes; ACA 3 (Campos) on bonds for funding of supplemental public safety facilities, equipment and/or services; and ACA 8 (Blumenfield) on public safety improvements, facilities and buildings.

- **California Environmental Quality Act (CEQA)**—Reform of CEQA has gained considerable attention this year. Senate Pro Tem, Darrell Steinberg, who has led the reform effort, has put together a working group of experienced CEQA attorneys to outline potential legislative proposals. His proposal Senate Bill 731 (currently in spot bill form) will serve as the main vehicle for CEQA reform in the Session. In addition, Senator Jerry Hill was recently named the Chair of the Senate Environmental Quality Committee replacing Michael Rubio of Kern County. A total of 19 CEQA-related bills have been introduced this session that range in focus from the establishment of CEQA compliance courts to increased noticing requirements for counties. Staff is currently reviewing these bills to determine County position recommendations.
- **Proposition 39—Energy Efficiency**—In his FY 13-14 Proposed State Budget, the Governor proposed to allocate all funds earmarked for energy efficiency project, half of the total Prop. 39 revenues this year, or \$450 million, to schools on a per-student basis. Several bills have been introduced dealing with the allocation of Prop. 39 funds, including Assembly Bill 39 by Assembly Member Skinner and Speaker Pérez. This bill would require the California Energy Commission to distribute funds via a grant program and would put in place certain criteria to be used to prioritize projects from public schools, school districts, public colleges and universities, and other public buildings and facilities. Staff is currently reviewing the bill to determine a County position.
- **Public Safety Realignment**—A total of 25 bills have been introduced that seek to make changes to 2011 Public Safety Realignment. While the vast majority of the bills seek to limit the types of crimes that can be served locally (mandating a state prison term, instead), others are focused on further refining the implementation of AB 109 locally. Among the most notable bills this session are Senate Bill 144 (Cannella) that would reopen the AB 109 allocation formulas; Senate Bill 199 (De León) that would change the composition of the Community Corrections Partnership; and AB 1050 (Dickinson) that would require the Board of State and Community Corrections to work with stakeholders to develop definitions for key public safety realignment terms, including “recidivism,” and “average daily population.” The bills are currently being reviewed by staff to determine if County action should be taken.
- **Redevelopment Dissolution/Resurrection**—A number of RDA-related bills have been introduced this session. Assembly Bill 564 (Mullin) would limit the Department of Finance’s ability to modify or reverse any enforceable obligations after the effective date of the oversight board’s approval and Assembly Bill 229 (Pérez) would expand the use of infrastructure financing districts.

## **DISCUSSION:**

In the 2013 Legislative Session, the County is sponsoring and/or co-sponsoring the following bills:

1. **Senate Bill 636 (Hill)**—Would repeal language included the RDA budget trailer (AB 1484, Assembly Budget Committee, 2012) that limits the flow of property tax revenues owed to “Excess ERAF” Counties (i.e., San Mateo, Napa and Marin) as a result of RDA dissolution. This bill is a reintroduction of Senate Bill 1030

(Senate Budget Committee, 2012) which the Governor vetoed last year citing unknown state costs. The County is co-sponsoring the bill with the Counties of Marin and Napa. The bill is set for its first policy committee hearing on April 3, 2013.

2. **Assembly Bill 260 (Gordon)**—Would delete the sunset date for individualized child care plans for the Counties of San Mateo and San Francisco. These have allowed the counties to maximize child care subsidies at time when high cost counties were losing critical child care providers. The County is co-sponsoring this bill with the County/City of San Francisco. It is expected that the bill will be heard in its first policy committee hearing sometime in late-April.

In addition, the County Manager's Office (CMO) is actively engaged in advancing the County's interest in:

- **VLF/Insufficient ERAF**—The proposed FY 2013-14 State Budget includes \$1.8 million in State General Fund revenues owed to San Mateo and Amador Counties to fully fund its Vehicle License Fee swap amounts for FY 2011-12. Approximately, \$292,000 of the total amount is owed to San Mateo County. Assembly Member Mullin, a member of both the Assembly Budget and Budget Subcommittee No. 4 on State Administration, has been extremely helpful to the County in pressing the Administration to commit to ensuring to make the counties whole on a permanent basis. Staff and the County's advocates continue to seek a permanent legislative solution to the problem.
- **Senate Bill 1022 Adult Local Criminal Justice Facilities Construction Program RFP Process**—In collaboration with the Sheriff's Office, the CMO, County Counsel and County's advocates continue to work with staff from the Board of State and Community Corrections and the Department of Finance to ensure that the revised SB 1022 Program RFP includes language that would allow the County to be reimbursed for expenses already incurred in connection to the design and construction of the new jail and give funding preference to counties that are truly "shovel ready" under the current rating factors and maximum points allowed. A delegation of County executives, led by Supervisor Tissier, met with the Governor's staff on March 8 to discuss the County's concerns.
- **Health Care Reform Implementation**—As a member of the California State Association of Counties (CSAC) Board of Directors, Supervisor Carole Groom participated in a series of meetings to refine counties' position on implementation of the ACA and adopt a statewide set of principles. On March 28, the CSAC Board of Directors approved a set of principles regarding the implementation of the ACA and the Act's provision for an optional Medicaid expansion in California. Chief among the principles is the counties' position that the optional expansion must occur on January 1, 2014; that implementation must be achieved through a state-based approach; that counties must retain enough funding to continue to provide public health mandates and services to the uninsured; and opposing a programmatic realignment unrelated to 1991 indigent health realignment savings. CMO and Health System staff has also engaged in discussions led by the Urban Counties Caucus to develop a position for the urban counties on the ACA

expansion. The UCC position also included a request to the Governor for implementation of the ACA by January 1, 2014, support for the optional expansion; opposition to the Administration's proposed programmatic realignment; and request for a delay until 2017 of any financing discussions with urban counties.

The attached *2013-14 Legislative Bulletin* provides your Board with a summary of the bills that staff have reviewed and taken action on to-date. The CMO continues to work with all County departments, boards and commissions and state associations to vet additional legislative proposals. As the 2013 Legislative Session progresses, future County Manager Reports will advise your Board on County positions on legislation of importance to County finances, services and programs.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Projected</b>
Federal/State Measures analyzed and acted on	57	100

**FISCAL IMPACT:**

Unknown.