



Legislative Bulletin

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County of Orange Positions on Proposed Legislation

The Legislative Bulletin provides the Board of Supervisors with analyses of measures pending in Sacramento and Washington that are of interest to the County. Staff provides recommended positions that fall within the range of policies established by the Board. According to the County of Orange Legislative Affairs Procedures adopted by the Board of Supervisors on June 3, 2003, staff recommendations for formal County positions on legislation will be agendized and presented in this document for Board action at regular Board of Supervisors meetings. When the Board takes formal action on a piece of legislation, the CEO will direct the County's legislative advocates to promote the individual bills as approved by the Board. The Legislative Bulletin also provides the Board of Supervisors with informative updates on State and Federal issues.

The 2013 Legislative Platform was adopted by Board of Supervisors' Minute Order dated November 20, 2012.

On April 23, 2013, the Board of Supervisors will consider the following actions:

RECOMMENDED ACTIONS

1. OPPOSE – AB 323 (Chesbro) Solid Waste: Recycling: Diversion: Green Materials
2. SUPPORT – AB 1054 (Chesbro and Lowenthal) Mental Health: Skilled Nursing Facility: Reimbursement Rate
3. OPPOSE – South Coast Air Quality Management District Proposal to Prohibit Open Burning at Beaches Basin-wide
4. Receive and File Legislative Bulletin

SACRAMENTO LEGISLATIVE REPORT

ACTION ITEMS

AB 323 (Chesbro) Solid Waste: Recycling: Diversion: Green Materials – As Introduced on February 12, 2013 – OPPOSE

Author: Assembly Member Wesley Chesbro
Status: Assembly Committee on Natural Resources
Hearing Date: April 29, 2013
Reviewed: OC Waste & Recycling and CEO/Legislative Affairs

Under existing law, the California Integrated Waste Management Act of 1989 (AB 939) requires the source reduction and recycling element of an integrated waste management plan to divert from disposal 50 percent of all solid waste subject to the element through source reduction, recycling, and composting activities. Under the act, the use of solid waste for beneficial reuse in the construction and operation of a solid waste landfill, including the use of alternative daily cover, constitutes diversion through recycling and is not considered disposal.

Assembly Bill 323 would eliminate diversion credit for green waste currently used as alternative daily cover (ADC) or alternative intermediate cover (AIC) by January 1, 2020. It would also require CalRecycle, by January 1, 2015, to analyze the use of material recovery facilities (MRF) and composting residuals as ADC and adopt regulations that these materials are found to be safe.

OC Waste & Recycling and CEO/Legislative Affairs Comments

OC Waste & Recycling and CEO/Legislative Affairs recommend your Honorable Board adopt an oppose position on AB 323 as the loss of AB 939 diversion credit would cause all Orange County municipalities to drop below the 50 percent diversion rate resulting in non-compliance. Currently, Orange County and its 34 cities have an estimated diversion rate average of 67 percent. This bill would cause us to drop to approximately 35 percent countywide. Operationally, the County would be required to change its practice of using green waste for alternative daily cover to the exclusive use of soil and tarps.

AB 323 would have a fiscal impact to Orange County, its cities, businesses, and residents. Orange County, as a region, generates more 525,000 tons of green waste per year. If Orange County landfills are required to impose a disposal fee on green waste there would be an increase commercial and residential monthly waste disposal rates for all Orange County businesses and residents. The estimated cost to these entities could exceed \$10.5 million per year.

AB 1054 (Chesbro and Lowenthal) Mental Health: Skilled Nursing Facility: Reimbursement Rate – As Amended on April 11, 2013 – SUPPORT

Author: Assembly Members Wesley Chesbro and Bonnie Lowenthal
Status: Assembly Committee on Appropriations
Hearing Date: TBD
Reviewed: Health Care Agency and CEO/Legislative Affairs

Current law (Welfare and Institutions Code Section 5912) requires the Department of Health Care Services (DHCS) to establish rates for Institutions of Mental Disease (IMD) and to provide a 4.7 percent increase annually. This determines the daily rate that counties reimburse IMDs for basic services. The proposed law would reduce the annual IMD rate increase to 3.5 percent (instead of 4.7 percent as required under current law) beginning in fiscal year 2014-15. The current 4.7 percent mandatory annual IMD rate increase in current law represents a substantial cost to counties, irrespective of available resources, and represents the only part of the community mental health system that is statutorily guaranteed a significant increase each year. These substantial costs divert public mental health funds away from other less restrictive community-based outpatient services the counties deliver.

Health Care Agency and CEO/Legislative Affairs Comments

Health Care Agency and CEO/Legislative Affairs recommend your Honorable Board adopt a support position on AB 1054, which will minimize the increase in reimbursement rates to IMDs for basic services and save Orange County funds. Health Care Agency currently has 151 Orange County consumers being served in this level of care. The 4.7 percent rate increase in the current fiscal year is costing the County over \$396,000. Decreasing the rate of increase to 3.5 percent would save Orange County about \$100,000.

This reduction to the annual IMD rate increase will provide needed fiscal relief to Orange County, while ensuring predictable reimbursement to IMDs at levels that are comparable to the state's Medi-Cal rates for other Skilled Nursing Facilities (SNFs).

There would be no change in department responsibilities. The cost savings would benefit consumers by allowing HCA to maintain IMD bed capacity thereby allowing conservatees in acute psychiatric hospitals to be placed in a lower level of care that is more appropriate to their needs.

South Coast Air Quality Management District Proposal to Prohibit Open Burning at Beaches Basin-wide – OPPOSE

The South Coast Air Quality Management District (SCAQMD) will consider an amendment, on June 7, 2013, to Rule 444 that would create a new basin-wide prohibition, effective January 1, 2015, for beach burning activities by the general public (i.e., beach fire rings) to protect public health by reducing exposure of potentially high concentrations of wood smoke in Orange and Los Angeles Counties. However, the use of charcoal and liquid/gaseous fuels for cooking at beaches would still be permitted. Other types of recreational, ceremonial, or open burning remain exempt, such as those at regional parks and camp grounds not covered by the new definition. Under the proposed amended rule, a city or county could, through formal action, make the prohibition effective sooner than January 1, 2015.

OC Parks and CEO/Legislative Affairs Comments

OC Parks and CEO/Legislative Affairs recommend your Honorable Board adopt an Oppose position to prohibit a universal ban on beach fire rings basin-wide but support an option that provides greater flexibility for a local jurisdiction to solely determine whether or not to retain or remove its fire rings based on what is best for the community, given its local interests, concerns, and geography. If agreed to by your Honorable Board, this position would also be relayed and recommended to the California Coastal Commission.

Beach fire rings provide a unique, affordable recreational activity for Orange County residents and visitors. There are over 700 fire rings located on Orange County beaches. The County of Orange (OC Parks) has two beaches with 11 fire rings in South Orange County: Aliso Beach (seven) and Capistrano Beach (four). The fire rings at Aliso Beach are located on a 200-yard section of the almost mile-long beach. A home is located on a bluff approximately 50 yards beyond the southernmost fire ring. The fire rings at Capistrano Beach are concentrated on a 40-yard section of the 600 yard-long beach. Homes are located approximately 40 yards beyond the southernmost fire ring. Over the past ten years, the County has not received any complaints regarding the use of the fire rings from residents living adjacent to either beach. Moreover, eliminating the fire rings at the two beaches might result in a reduction in the parking fees collected by the County should evening beach visitations drop as a result.

The County supports a municipality's right to decide the future of its fire rings as this is a local control issue. Local jurisdictions are best able to decide what is in the best interests of the community and its residents. This right is removed by implementing a one-size-fits-all approach in banning beach fire rings.

WASHINGTON LEGISLATIVE REPORT

WASHINGTON UPDATE

This update provides additional information on the President's proposed budget for the federal Fiscal Year (FY) 2014, which begins on October 1, 2013. The proposal combines a \$1.8 trillion deficit reduction package with \$350 billion in new spending, \$90 billion in new tax cuts, \$580 billion in new revenues, and repeals sequestration. Of the new proposed spending, almost half is on infrastructure and jobs, including an infrastructure bank, surface and rail transportation, and a series of education and employment and training programs.

Revenues are projected to rise from 16.7 percent of GDP in 2013 to 17.8 percent in 2014 and to 18.9 percent in 2018. Much of the increase is due to a combination of the economic recovery, the new taxes from the Affordable Care Act, higher tax rates and other changes included in the fiscal cliff deal, and proposals to generate additional revenues over the next ten years. Spending is projected to decline through 2018 and then gradually rise in subsequent years.

The deficit reduction package includes \$400 billion in entitlement savings, mainly from restricting cost-of-living increases for Social Security, Medicare physician, hospital and drug company payments, adjustments to the Medicare Advantage payments, means testing benefits for couples making more than \$170,000 a year, and reforms to the Federal Employees Health Benefit Program.

Of particular interest to local governments is the proposal to cap the value of the tax exemption for interest paid by municipal bonds. The President's proposal would limit the value of tax benefits for the top two percent of earners to 28 percent from the current 35 percent. This cap, if approved by Congress, could essentially decrease the appeal of municipal bonds to potential investors who can exempt the interest from their federal income taxes. In turn, the cost to local governments and public agencies to finance bridges, roads and other capital projects through the use of bonds could also increase.

A funding summary is provided below:

Department of Agriculture \$23 billion, which is roughly the same amount provided last year. It includes \$7.1 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children.

Army Corps of Engineers \$4.826 billion (including \$100 million in unspent carryover funds), an increase from the \$4.731 billion requested in the President's FY 2013 budget. The budget request includes: \$90 million for Investigations, \$36 million below the FY 2013 (CR) level; \$1.35 billion for Construction; \$2.588 billion for operation and maintenance, \$186 million more than requested in the FY 2013 Budget and \$660 million below the FY 2013 (CR) level. The Santa Ana River Mainstem Project has \$42 million allocated in Construction, with \$3.865 million for O&M for the Santa Ana River Basin.

Department of Commerce \$8.6 billion, an increase of \$1 billion over the FY 2013 level. It contains \$282 million for the Economic Development Administration (EDA)'s Economic Assistance Programs.

Department of Defense \$526.6 billion, representing a decrease of \$3.9 billion, or 0.7 percent, below the FY 2012 enacted level. The proposal puts an emphasis on a renewed commitment to the Asia-Pacific region, increasing the nation's ability to handle cyberspace security, continuing to focus on research and development and combating terrorism.

Department of Education \$71.2 billion, which is 4.6 percent, or \$3.1 billion, above the FY 2012 enacted level.

Department of Energy \$28.4 billion in funds, which is an 8 percent increase above the 2012 enacted level.

Environmental Protection Agency \$8.15 billion, up 3.1 percent over current year level of \$7.9 billion. However, the budget request represents a 3.9 percent reduction from FY 2012 enacted levels of \$8.5 billion. It reflects the Administration's continuing push for the use of "green" infrastructure, like constructed wetlands, rather than traditional "gray" infrastructure, such as underground tunnels to contain stormwater before delivering it to facilities for treatment.

Department of Health and Human Services \$80.1 billion, an increase of \$3.9 billion (or 14 percent) over the FY 2012 enacted level. Much of the request for new funds is designed to support the Centers for Medicare and Medicaid Services and the Federal Drug Administration (FDA).

Department of Homeland Security \$39 billion, a decrease of 1.5 percent below 2013 enacted levels. It includes an effort to slash major grant programs for state and local governments by combining them into one large program focusing on national objectives. The proposed National Preparedness Grant Program, to be funded at \$1.043 billion, would eliminate up to 13 formerly standalone programs,

consolidating the Urban Area Security Initiative, State Homeland Security Grant Program, Port Security Grant Program, Metropolitan Medical Response System Program, and the Buffer Zone Protection Program, among others.

Department of Housing and Urban Development \$47.6 billion, an increase of \$4.2 billion over the FY 2012 enacted level. This includes \$37.4 billion to provide rental housing assistance to 4.7 million low-income families and \$2.4 billion for preventing homelessness. Also included is \$2.8 billion for the Community Development Block Grant program and neighborhood stabilization activities.

Department of the Interior \$11.7 billion, a four percent increase over the FY 2012 enacted level.

Department of Justice \$27.6 billion, an increase of 3.1 percent above the FY 2012 enacted level. The budget prioritizes evidence-based practices by increasing set-asides for research, evaluation and statistics; couples the formula Byrne Justice Assistance Grant and Juvenile Accountability Block Grant programs with competitive incentive grants that provide “bonus” funds to states and localities for better, evidence-based use of formula funds; expands the Pay for Success initiative; and invests in the expansion of CrimeSolutions.gov, a “what works” clearinghouse for best practices in criminal justice, juvenile justice and crime victim services.

Department of Labor \$67.5 billion in discretionary and mandatory funding, which is a \$36.8 billion reduction from the FY 2012 enacted budget. The discretionary portion accounts for \$12.1 billion, an increase of approximately \$20 million from FY 2012 comparable levels. The mandatory portion provides \$55.4 billion to the department. The proposed savings are from defunding of the Green Jobs Program, Veteran’s Workforce Investment Program, Mine Safety and Health Administration State Grants Program, transfer of the Senior Community Service Employment Program to HHS, and \$61 million in administrative savings.

Department of Transportation \$76.6 billion in discretionary and mandatory spending, an increase of 5.5 percent, or \$4 billion, above the 2012 enacted level. It provides \$40.256 billion in federal-aid highway program, the amount authorized by MAP-21. Aviation would get a modest increase, at \$16.4 billion versus the \$15.8 billion enacted last year. However, the Airport Improvement Program is funded at \$2.9 billion, a decrease of \$450 million from FY 2013.

Department of Veterans Affairs \$152.7 billion in discretionary and mandatory funds, a 10.2 percent increase over the FY 2013 enacted level. This is one of the few departments where the White House is proposing significantly higher funding levels over FY 2013, supporting veteran’s benefits, education, mental health services, and job opportunities. The department was one of the only agencies shielded from sequestration in FY 2013, and current law does not allow a reduction greater than two percent in budget authority for VA medical care for any fiscal year.

ACTION ITEMS

None at this time.

A copy of the 2013 County of Orange Legislative Platform is now available at:

<http://ocgov.com/residents/gov/legislative>

If you or your staff have any questions or require additional information on any of the items in this bulletin, please contact Donna Grubaugh at 714.834.7218.

ORANGE COUNTY-SPONSORED BILLS

AB 1187 (Mansoor R) Foster care funds: subsidized child care for foster parents.

Introduced: 2/22/2013

Status: 3/7/2013-Referred to Com. on HUM. S.

Location: 3/7/2013-A. HUM. S.

Calendar: 4/30/2013 1:30 p.m. - State Capitol, Room 437 ASSEMBLY HUMAN SERVICES, STONE, Chair

SB 298 (Wyland R) Local government: supplemental law enforcement services.

Introduced: 2/15/2013

Last Amended: 4/10/2013

Status: 4/10/2013-From committee with author's amendments. Read second time and amended. Re-referred to Com. on PUB. S.

Location: 4/10/2013-S. PUB. S.

Calendar: 4/30/2013 9 a.m. - John L. Burton Hearing Room (4203) SENATE PUBLIC SAFETY, HANCOCK, Chair