



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 agendaized 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 2007 Legislative Platform was adopted by Board of Supervisors' Minute Orders dated November 14, 2006. On March 13, 2007, the Board of Supervisors approved the following actions:

RECOMMENDED ACTIONS

1. Support AB 1169 (DeVore) – Redevelopment Plans: Approval – As Introduced – February 23, 2007
2. Oppose SB 893 (Cox) – California Children and Families Commission Program: Funding – As Introduced – February 23, 2007
3. Approve Proposed Priority List for State Budget Advocacy
4. Direct Staff to Return with Specific Recommendations on Corrections Reform
5. Approve Language Revising Federal 404 Permit Language for Maintenance of Flood Control Facilities
6. Receive and File Legislative Bulletin

SACRAMENTO LEGISLATIVE REPORT

SACRAMENTO UPDATE

Last Wednesday the State Assembly approved SB 113 (Calderon), which calls for an early Presidential Primary in California the first Tuesday in February, 2008. The Assembly approved the bill by a vote of 46 to 28 along partisan lines. Republicans objected that the bill did not include specific language requiring reimbursement to counties and that it was just designed to move a term limits alteration measure later. The bill goes to the Governor's desk without language requiring state reimbursement for county elections costs as the Orange County Board of Supervisors supported. The Governor is expected to sign the bill, which includes intent language on reimbursement for counties. It is expected that action will now focus on an additional bill that would require reimbursement of elections cost for counties.

ACTION ITEMS

SUPPORT – AB 1169 (DeVore) – Redevelopment Plans: Approval – As Introduced on February 23, 2007

Author: Assembly Member Chuck DeVore
Status: Assembly Pending Committee Assignment
Reviewed: CEO Legislative Affairs

AB 1169 states the intent of the Legislature to enact legislation that would prohibit a legislative body from adopting a redevelopment plan that provides for the use of tax-increment financing, amending a redevelopment plan in a manner that would decrease the amount of property tax revenues received by a county, or merging redevelopment project areas unless a state agency reviews and approves of the plan, amendment or merger.

CEO Legislative Affairs Comments

AB 1169 is Assembly Member DeVore's follow-up to last year's AB 2197, which would have required counties to review and approve new community redevelopment plans, mergers or amendments. The bill stalled in Assembly Local Government and became a study bill to direct the California Research Board to study ways in which oversight could be increased of community redevelopment area formation to protect county property tax revenues from diversion. As the lowest urban property tax county in California, the County of Orange supported last year's AB 2197 and suggested some option for the Research Board to study. It is anticipated that the study will suggest that Local Agency Formation Commissions (LAFCO's) could be charged with the responsibility of reviewing and approving new or modified redevelopment plans or areas that result in increased diversion of tax increment since it is a state agency and includes representatives from counties, special districts and cities, all of whom are affected by redevelopment proposals.

CEO Legislative Affairs staff recommends the Board of Supervisors adopt a "Support" position on AB 1169 since Assembly Member DeVore is willing to continue his efforts on the issue and the County continues to be concerned about diversion of precious property tax dollars for county services such as public safety and health care.

OPPOSE – SB 893 (Cox) California Children and Families Program: Funding – As Introduced on February 23, 2007

Author: Senator Dave Cox
Status: Senate Pending Committee Assignment
Reviewed: CEO Legislative Affairs

SB 893 eliminates funding for Children and Families Commissions statewide, including the County of Orange, and instead provides that the funds generated by the tax on tobacco be allocated and appropriated to the State California Children and Families Commission, also known as First 5 California, to provide health care services to children consistent with the purposes of the original Proposition 10 approved by voters in 1998.

CEO Legislative Affairs Comments

SB 893 by Sacramento area Senator Dave Cox emerges from the intersection of last year's controversy and audit of the State Commission, the resignation of California First 5 chairman and Proposition 10 advocate Rob Reiner, and the Governor's proposed health care reform. Allegations surfaced last year that the state Commission was spending Proposition 10 funds on advertising that advocated a petition drive supported by Mr. Reiner to increase taxes to support enhanced activities for children and early childhood education. Even though the audit did not criticize spending by the county Children and Families Commissions in counties around the state, SB 893 eliminates funding for all of them in favor of one statewide commission dedicated to funding health care services to children.

CEO Legislative Affairs staff believes SB 893 represents a doomsday machine approach to Proposition 10 that vaporizes all the county commissions and the worthwhile programs funded locally for children and early childhood education in favor a state bureaucracy that directs funding solely toward health care for children. A reasoned, surgical approach to Proposition 10 reform at the state level would be more productive and provide a better prognosis for a positive outcome. Therefore, CEO Legislative Affairs staff recommends the Board take an "Oppose" position on SB 893.

APPROVE – State Budget Advocacy Priority List

In the past, County state budget advocacy efforts have cranked up after the May revise of the Governor's proposed budget that was released in January. This year huge reform proposals in the areas of corrections and health care coupled with declining revenue projections touted by the Legislative Analyst create a budgetary environment that cries out for early advocacy. Therefore, the Board of Supervisors should consider and approve the following budgetary priority list of county issues In order to provide a context for Orange County, Orange County representatives in Sacramento, and the County's Sacramento Advocates to impact budget discussions. This list would be used to advocate positions on specific items and provide input to budget discussions in Sacramento. Staff is convening an internal working group on corrections reform and will return to the Board with specific recommendations in this area at a later date.

1. Child Support Services:

The state will backfill the loss of federal matching incentives created with the passage of the Deficit Reduction Act of 2005 with \$23 million in general funds to avert a \$67.6 million reduction to the program. However, the Governor's January Budget proposal showed level funding for local program expenditures. This will affect service levels as the increased cost of doing business is unfunded. In FY 2006-07 the Governor's supplemented the Child Support Service funding by and addition \$12 million, which is not included in the FY 2007-08 budget proposal. It should be.

2. AB 3632 Funding

AB 3632 (mental health services to special education students): The second half of FY 2006-07 costs will be funded; funding for FY 2007-08 costs is expected to be included in FY 2008-09. This would create a one-time net County cost of \$4 million.

3. Proposition 36 Funding

In the Governor's January State Budget proposal Proposition 36 (Substance Abuse & Crime Prevention Act--SACPA) funding is reduced by \$60 million partially offset by an increase of \$35 million in the related Substance Abuse Offender Treatment Program (OTP). The OTP requires an 11% county match and SACPA does not. The County should oppose.

4. EPSDT (Early and Periodic Screening, Diagnosis, and Treatment) Funding

The EPSDT Program is a mandated component of Medi-Cal. Physical and mental health services are provided under EPSDT for full-scope Medi-Cal beneficiaries less than 21 years of age. Based on the current year forecast for caseload growth, the Department of Finance is projecting a deficiency of \$59,727,000 General Fund. These funds will be needed by June 2007. Funding this deficiency will need to be pursued through a Supplemental Appropriations Bill. This could represent up to an \$11 million hit to the County of Orange.

5. Flood Control Subvention

It is estimated that the unpaid Flood Control subventions reimbursements will grow from \$66.5 million to nearly \$94 million. CEO/Legislative Affairs and CEO/Budget recommended advocating for full reimbursement for Flood Control Subvention.

6. Cost of doing business Increases in CalWORKS, Adult Protective Services, and Child Welfare Services.

- CalWORKs: funding is maintained for current level of service and administration. Program changes are proposed to save nearly \$450 million including suspension of the July 1, 2007 COLA, increases sanctions on families that fail to comply with work requirements and no inflationary adjustments for county administration.
- Adult Protective Services: no increased cost of doing business or caseload growth funding which could result in inability to meet State mandates on 30-day visits.

- Child Welfare Services: OC funding would increase by \$3.2 million (\$896,000 net County cost) and require additional staff.
- Food Stamps: OC funding would increase for caseload growth by \$1.1 million (\$165,000 net County cost) requiring 9 additional positions.

7. Corrections Reform:

The proposed corrections reform would have a significant financial impact on County operations. For example, proposed corrections reform would:

- Require that specified felons with prison terms of three years or less serve their sentences in county jails and allocate funds for local jail capacity expansion but the funding of increased local operating costs is not addressed.
- Shift all female juvenile offenders and certain male juvenile offenders to county facilities. While the state will allocate \$53 million in block grant funds to counties for these additional juveniles, funding could be nearly \$33 million less than the increased county cost. Orange County could be required to add 500 juvenile beds with finding a site and 25% match being some of the concerns.
- Eliminate the \$10 million Juvenile Justice Community Reentry Challenge Grant.
- Provide \$1.6 billion for inmate reentry facilities or contracting.
- Provide \$50 million in local assistance grants to support adult probation supervision services for the 18-25 age group. This would likely require additional positions in Probation.
- Include \$2 million in Child Welfare Services for the County Probation Department System Improvement Plan.
- Allocate \$122.8 million to the Comprehensive Sex Offender Management Plan.

WASHINGTON LEGISLATIVE REPORT

WASHINGTON UPDATE

ACTION ITEMS

SUPPORT – Proposed Language for Reform of 404 Permit Process for Inclusion in Federal Water Resources Development Act Language for 2007

Attached is proposed language for amending the Federal 404 permit requirement for maintenance work of flood control channels and facilities, consistent with Board direction on February 27, 2007. The National Association of Counties has indicated their support for this approach that can be accommodated in their America's Waterways platform.

CEO Legislative Affairs and Resources Development and Management Department (RDMD)
Comments

The proposed language will facilitate long-term maintenance activities of flood control facilities that is consistent with previously conditioned environmental and watershed remediation. It will obviate the opportunity for Federal resource agencies to hold up maintenance activities and require additional further mitigation each time the County does maintenance on flood control facilities for public protection for potential flood threats. CEO and RDMD staff recommend Board support for the language.

A copy of the 2007 County of Orange Legislative Platform is available at: <http://www.oc.ca.gov/>
under OC Links.

If you or your staff have any questions or require additional information on any of the items in this
bulletin, please contact Bill Hodge at 714.834.7010.

**LANGUAGE FOR WATER RESOURCES DEVELOPMENT ACT (WRDA):
STREAMLINING SECTION 404 PERMITTING**

Intention:

To expand the applicability of the Corps' Nationwide Permits Program to a watershed or flood control system.

Recommended Approach:

To direct the Corps to clarify or adjust its administration authority as it pertains to Section 404 permit issuance (in the Clean Water Act).

Suggested Language in WRDA:

The Corps through its Nationwide Permit Program shall allow the issuance of 404 maintenance permits for flood control channels or flood protection facilities, on a systemwide or watershed basis, for a term of up to ten (10) or more years.

HIN/PDM022807