TO: David Twa, County Administrator

Lara Delaney, Senior Deputy County Administrator

Contra Costa County

FROM: Cathy Christian

Nielsen Merksamer Parrinello Gross & Leoni

Date: November 19, 2015

RE 2015 End of Session Legislative Report

Much like last year, the 2015 Budget, approved by the legislature and signed by the Governor, arrived in a less dramatic fashion than in past years. The agreement reached June 16th differed by only \$60 million from the Governor's May Revision and increases California's Rainy Day Fund (Proposition 2) balance to \$3.5 billion.

Though the nearly \$116 billion budget was not a bad one from a County perspective, it did leave two critical issues unresolved, with the Governor issuing proclamations for two Extraordinary Sessions to address the expiration of the Managed Care Organization tax and the inability of the Legislature to identify sustainable funding for transportation and other infrastructure projects (see full descriptions below). As both of the issues in the Extraordinary Sessions involve significant (and possibly new) revenue sources, the Legislature will have to grapple with the perennial issue of attempting to raise or identify new revenue without the 2/3 majority vote necessary to do so. Despite the introduction of scores of bills in the special sessions, the Legislature and Governor seem no closer to solutions today than they were during the regular session.

Also put on the backburner this year was a spending plan for the unallocated 40% of the billions of dollars in cap and trade revenue to be annually allocated by the Legislature, and while there were many attempts to put an agreement together, nothing materialized in time to be acted upon. Like the subject matter of the Extraordinary Sessions, negotiations will continue over the Interim Recess and the issues will hopefully be addressed when the Legislature reconvenes in January.

On the positive side, the Budget addressed the repayment of the pre-2004 state mandate debt owed to local agencies. The total dollar amount was \$765 million, with the County to receive approximately \$12.85 million, which includes the payable balance and interest. Approximately 77% of the total share will be paid to counties.

The Budget resources Trailer Bill included a General Fund payment to the Department of Fish and Wildlife for current year Payments in Lieu of Taxes in the sum of \$644 thousand. Unfortunately the Budget agreement did not include the \$8 million for past payments that were authorized by the Legislature (but not sanctioned by the Governor). The Budget also appropriated \$1.8 billion from Proposition 1, the General Fund and cap and trade funds for drought and non-drought related and watershed protection and restoration projects. There were no "earmarks" in the resources trailer, so the County will need to identify projects based on the funding categories and responsible agencies.

The 2015 Budget also created the California Earned Income Tax Credit (EITC), a personal income tax credit aimed at the state's poorest families. The Legislative Analyst's Office forecasts that for tax year 2015, an estimated 2 million individuals will qualify, with an average credit amount of \$460 per return.

Finally, the 2015 Budget included a \$3 million addition to the Governor's proposed January Budget for County Veterans Service Officers (CVSOs) for a total of \$5.6 million for CVSOs. The County supported legislation, AB 171 (Irwin), which was part of a multipronged and multiyear (legislative/budgetary) effort to increase CVSO funding.

Bills: Support

AB 22 (Rodriguez) — This legislation would have required the Curriculum Development Advisory Committee, within the Office of Emergency Services, to review curriculum and courses of instruction offered by public and private programs that train firefighters in response methods for oil-by-rail spills.

(Held on Senate Appropriations Suspense)

AB 35 (Chiu) — This legislation would have amended existing law establishing a low-income housing tax credit program to which the State Tax Credit Allocation Committee provides procedures and requirements for the allocation of State insurance, income, and corporation tax credits amount among low-income housing projects. (Vetoed)

AB 43 (Stone) — This legislation would have created an earned income credit under the Personal Income Tax Law for an eligible individual that is equal to specified percentages of the earned income tax credit allowed by federal law, that would only be allowed in those taxable years in which an appropriation is made by the Legislature. (Held on Senate Appropriations Suspense)

AB 171 (Irwin) — This legislation would have required the Department of Veterans Affairs to develop an allocation formula based upon performance standards that encourage innovation and reward outstanding service by county veterans service officers and required those funds to be allocated in accordance with that formula.

(Senate Inactive File)

AB 203 (Obernolte) — This legislation would have required the State Board of Forestry and Fire Protection to amend emergency regulations to establish a specified fire prevention fee and to annually adjust said fee. Further, it would have extended the time when the fire prevention fee is due and payable from the date of assessment by the State Board of Equalization.

(Assembly Inactive File)

AB 546 (Gonzalez) — This legislation requires the Commission on Peace Officer Standards and Training, when evaluating a certification request from a probation department for a training course, to deem there to be an identifiable and unmet need for the training course. (Chapter 200, Statutes of 2015)

AB 637 (Campos) – This legislation authorizes the signature of a nurse practitioner or physician assistant, acting under the supervision of the

physician and within the scope of practice authorized by law, to create a valid Physician Orders for Life Sustaining Treatment form. (Chapter 217, Statutes of 2015)

AB 647 (Eggman) — This legislation would have declared that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial decree and is for specified purposes.

(Senate Natural Resources)

AB 662 (Bonilla) — This legislation requires a person, private firm, organization or corporation that owns or manages a commercial place of public amusement to install and maintain an adult changing station for a person with a physical disability and extends the compliance period for certain renovation projects.

(Chapter 742, Statutes of 2015)

AB 762 (Mullin) — This legislation amends the State Child Day Care Facilities Act to require a day care center with a toddler program to extend the program to service children within a specified age range. (Chapter 373, Statutes of 2015)

AB 1051 (Maienschein) – This legislation would have added human trafficking as an offense that may be used to establish a pattern of criminal gang activity.

(Held on Senate Appropriations Suspense)

AB 1159 (Gordon) — This legislation would have established the Product Stewardship Pilot Program and required producers and product stewardship organizations of consumer products that are home-generated sharps waste or household batteries to develop and implement a product stewardship plan to the Department of Resources Recycling and Recovery. (Assembly Appropriations)

AB 1262 (Wood) — This legislation requires that, of the moneys collected for California Advanced Services Fund on and after a specified date, and specified amounts are to be deposited into the Rural and Urban Regional Broadband Consortia Grant Account and the Broadband Infrastructure Revolving Loan Account for specified purposes. (Chapter 242, Statutes of 2015)

AB 1321 (Ting) — This legislation establishes the Nutrition Incentive Matching Grant Program in the Office of Farm to Fork and creates the Nutrition Incentive Matching Grant Account in the Farm to Fork Account to collect matching funds received from a specified federal grant program and funds from other public and private sources to encourage the purchase and consumption of fresh fruits, nuts, and vegetables of the State by nutrition benefit clients.

(Chapter 442, Statutes of 2015)

AB 1335 (Atkins) — This legislation would have enacted the Building Homes and Jobs Act and imposed a fee on the recording of every real estate instrument, paper, or notice to be recorded. It would have required fee revenues be sent to the Department of Housing and Community Development for deposit in the Building Homes and Jobs Fund to be expended for affordable owner-occupied workforce housing and for supporting affordable housing, home ownership opportunities, and other housing-related programs, and admin costs. (Assembly 3rd Reading)

AB 1354 (Dodd) — This bill would have enacted the Equal Pay for Equal Work Act of 2015, and would have required certain employers, prior to becoming contractors or subcontractors with the State, to submit an income equality program to the Department of Fair Employment and Housing and specified periodic reports of its compliance with that program. (Vetoed)

AB 1401 (Baker) — This legislation relates to copies of the enrollment fee waiver application and the Free Application for Federal Student Aid available to each member of the State National Guard, the State Military Reserve, and the Naval Militia not having a baccalaureate degree. It

requests the Adjutant General include information regarding the federal Post-9/11 GI Bill and the State National Guard Education Assistance Award Program.

(Chapter 254, Statutes of 2015)

AB 1436 (Burke) — This legislation authorizes an applicant for, or recipient of, in-home supportive services to designate in writing a person to act as an authorized representative for purposes of the In-Home Supportive Services program.

(Chapter 707, Statutes of 2015)

ABX1 9 (Levine) — This legislation would have required the Department of Transportation to implement an operational improvement project that would temporarily restore the third eastbound lane on State Highway Route 580 from the beginning of the Richmond-San Rafael Bridge in the County of Marin to Marine Street in the County of Contra Costa to automobile traffic and temporarily convert a specified portion into a bidirectional bicycle and pedestrian lane. (Introduced)

ABX2 18 (Bonilla) — This legislation would have amended the Fee Collection Procedures Law and imposed a surtax on every individual for each purchase of a cocktail from an on-sale licensee for consumption or other use on the licensed, in-state premises. The related revenues would have then been deposited in a specified fund for funding developmental disability services.

(Assembly 2nd Reading)

SB 11 (Beall) – This legislation requires the Commission on Peace Officer Standards and Training to review the training module relating to persons with a mental illness, intellectual disability, or substance abuse disorder in its basic training course, and to develop additional training to better prepare law enforcement officers to recognize, deescalate, and appropriately respond to person with such conditions. (Chapter 468, Statutes of 2015)

SB 196 (Hancock) — This legislation authorizes a county adult protective services agency to file a petition for a protective order on behalf of an elder

or dependent adult has suffered abuse and has impaired ability to appreciate and understand the circumstances that place him or her at risk or who has provided authorization for the agency to act on his or her behalf. It also imposes specified requirements of the agency in referring the adult to the public guardian. (Chapter 285, Statutes of 2015)

SB 203 (Monning) — This legislation would have prohibited a person from distributing, selling, or offering for sale a sugar-sweetened beverage in a sealed beverage container, or a multipack of sugar-sweetened beverages, in the state unless the beverage container or multipack displayed a safety warning.

(Senate Health Committee)

SB 238 (Mitchell) – This legislation requires certification and training programs for foster parents, child welfare social workers, group home administrators, public health nurses, dependency court judges and court appointed council to include training on psychotropic medication, trauma, and behavioral health, for children receiving child welfare services. *(Chapter 534, Statutes of 2015)*

SB 277 (Pan) - This legislation eliminates the personal belief exemption from the requirement that children receive vaccines for certain infectious diseases prior to being admitted to any public or private elementary or secondary school or day care center. (Chapter 35, Statutes of 2015)

SB 621 (Hertzberg) — This legislation authorizes the funds from a mentally ill offender crime reduction grant administered by the Board of State and Community Corrections to be used to fund specialized diversion programs that offer appropriate mental health and treatment services. (Chapter 473, Statutes of 2015)

Bills: Neutral

SBX1 11 (Berryhill) – This legislation would have exempted from CEQA, a project that consists of the inspection, maintenance, repair, restoration,

reconditioning, relocation, replacement, or removal of existing transportation infrastructure if certain conditions are met. (Senate Transportation and Infrastructure Development)

Bills: Oppose

AB 57 (Quirk) — This legislation provides that a collocation or siting application for a wireless telecommunications facility is deemed approved if the application is not approved or disapproved within the reasonable time periods specified in application decisions of the Federal Communications Commission, all required public notices have been providing regarding the application, and the applicant has provided a notice to the city or county that the reasonable time period has lapsed. (Chapter 685, Statutes of 2015)

AB 1242 (Gray) — This legislation would have provided provisions of law requiring a specified increase in statewide water storage capacity, and updating water strategies and implementation plans. It would also have required the Water Resources Control Board, in formulating policy for water quality control and adopting or approving a water quality control plan for the Sacramento-San Joaquin Delta, to take into consideration any applicable groundwater sustainability plan or alternative and available information on impacts of groundwater use and beneficial uses of water. (Senate Rules Committee)

AB 1347 (Chiu) — This legislation would have established, for state and local public contracts, a claim resolution process applicable to all claims by contractors in connection with public works, and specified the procedures that are required of a public entity upon receipt of a claim sent by certified mail.

(Vetoed)

SB 239 (Hertzberg) — This legislation permits a public agency to exercise new or extended services outside jurisdictional boundaries as per a fire protection contract, only if the agency receives a specified approval. This legislation also requires, prior to entering into a proposal, the agency enter into an agreement for the performance of new or extended services per such contract with, or provide notice of such contract to, each affected

public agency and employee organization representing firefighters in the affected area and conduct a public hearing. *(Chapter 763, Statutes f 2015)*

Bills: Watch

AB 66 (Weber) – Peace Officers: Body-Worn Cameras (Held in Assembly Appropriations)

AB 69 (Rodriguez) – Peace Officers: Body-Worn Cameras (Chapter 461, Statutes of 5015)

AB 71 (Rodriguez) – Criminal Justice: Reporting (Chapter 462, Statutes of 2015)

AB 72 (Bonta) – Eden Township Healthcare District: Special Taxes (Senate Inactive File)

AB 86 (McCarty) – Peace Officers: Department of Justice: Investigation (Held on Assembly Appropriations Suspense)

AB 97 (Weber) — In-Home Supportive Services: Provider Wages (Vetoed)

AB 156 (Perea) — Global Warming Solutions Act: Disadvantaged Communities (Held on Senate Appropriations Suspense)

AB 157 (Levine) – Richmond – San Rafael Bridge *(Chapter 393, Statutes of 2015)*

AB 187 (Bonta) — Medi-Cal: Managed Care: Children's Services Program *(Chapter 738, Statutes of 2015)*

AB 366 (Bonta) – Medi-Cal: Annual Access Monitoring Report (Held on Senate Appropriations Suspense)

AB 403 (Stone) – Social Services: Foster Care Placement: Funding (Chapter 773, Statutes of 2015)

AB 453 (Bigelow) – Groundwater Management (Senate 3rd Reading)

AB 454 (Bigelow) – Sustainable Groundwater Management (Assembly Appropriations Committee)

AB 501 (Levine) – Resources: Delta Research (Assembly Appropriations Committee)

AB 504 (Gonzalez) – Local Planning (Vetoed)

AB 528 (Baker) — San Francisco Bay Area Rapid Transit District: Strikes (Assembly PERS&SS)

AB 630 (Linder) – Public Officers and Employees: Oath of Office (Chapter 365, Statutes of 2015)

AB 746 (Ting) – San Francisco Bay Restoration Authority (Chapter 226, Statutes of 2015)

AB 1179 (Rendon) — Global Warming Solutions Act of 2006 (Held on Assembly Appropriations Suspense)

AB 1260 (Thurmond) – Joint Exercise of Powers Act (Senate Education Committee)

AB 1262 (Wood) — Telecommunications: Universal Service *(Chapter 242, Statutes of 2015)*

SB 45 (Mendoza) — Federal Workforce Innovation and Opportunity Act (Assembly Labor and Employment Committee)

SB 61 (Hill) – Driving Under the Influence: Ignition Interlock Device *(Chapter 350, Statutes of 2015)*

SB 267 (Leyva) – Registered Sex Offenders: Local Ordinances (Senate Public Safety Committee)

SB 272 (Hertzberg) – State Public Records Act: Local Agencies: Inventory (Chapter 795, Statutes of 2015)

SB 317 (DeLeón) — Safe Neighborhoods, Parks, Rivers and Coastal Protection (Senate Inactive File)

SB 331 (Mendoza) – Public Contracts: Local Agencies, Negotiations (Chapter 714, Statutes)

SB 762 (Wolk) — Competitive Bidding: Pilot Program: Design-Build (Statutes of 2015)

The 2016 Session: Things to come...and they come fast

January 4, 2016 – Legislature Reconvenes.

January 10, 2016 – Governor must submit Budget.

January 15, 2016 – Last day for policy committees to hear bills in their house of origin.

January 22, 2016 – Last day for any committee to report bills to the Floor. Also, last day to submit language requests to Legislative Counsel.

January 31, 2016 – House of Origin deadline for bills still in their house of origin.

February 19, 2016 – Last day for (2016) bills to be introduced.