LEGISLATION COMMITTEE

May 8, 2017
10:30 A.M.
651 Pine Street, Room 101, Martinez

Agenda

Supervisor Diane Burgis, Chair
Supervisor Karen Mitchoff, Vice Chair

Agenda Items:	Items may be taken out of order based on the business of the day and preference of the Committee

1. Introductions

2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).

3. **APPROVE the Record of Action for the April 10, 2017 meeting of the Legislation Committee with any necessary corrections.**

4. **CONSIDER recommending to the Board of Supervisors a position of "Support" on AB 60 (Santiago): Subsidized Child Care and Development Services, a bill that provides for changes to eligibility determination and redetermination for subsidized child care, as recommended by the Director of Employment & Human Services Department.**

5. **CONSIDER recommending to the Board of Supervisors a position of "Support, if amended" on AB 271 (Caballero), Property Assessed Clean Energy Program, a bill that allows county tax collectors to direct a county auditor to remove a delinquent Property Assessed Clean Energy (PACE) assessment from the tax roll, requires that penalties and costs applicable to a defaulted PACE assessment be deposited into a restricted fund, as recommended by the Contra Costa County Treasurer-Tax Collector.**

6. **CONSIDER recommending to the Board of Supervisors a position of "Oppose" on AB 626 (Garcia): Microenterprise Home Kitchen Operations, a bill that would legalize the sale of food prepared in private homes directly to consumers, as recommended by the County Public Health Director and the County Environmental Health Director.**

7. **DISCUSS the Park Bond related bills AB 18 (Garcia) and SB 5 (De Leon) and provide direction to staff on advocacy.**

8. **CONSIDER recommending to the Board of Supervisors a position of "Support" on AB 1520 (Burke): Lifting Children and Families Out of Poverty Act, a bill that establishes the Lifting Children and Families Out of Poverty Task Force, for purposes of researching, analyzing, and providing guidance to the Legislature in making appropriations pursuant to the framework and in supporting State's efforts on lifetime wellness, self-sufficiency, and economic strength in families and communities throughout the state.**

9. **CONSIDER recommending to the Board of Supervisors an "Oppose" position on H.R. 1921 (Banks): Prekindergarten Education Block Grants and S. 185 (Lee): Prekindergarten Education Block Grants, bills that would authorize block grants to states for prekindergarten education, as recommended by the Director of Employment & Human Services Department.**

10. **RECEIVE the memo from the County's federal advocates, Alcalde & Fay, on the federal Fiscal Year 2017 Omnibus Appropriations Bill and its potential impacts on local government.**

11. **CONSIDER recommending to the Board of Supervisors a position of "Support" on SB 687 (Skinner): Health Facilities: Emergency Centers: Attorney General, a bill that would require any nonprofit public benefit corporation provide written notice to and obtain the written consent of the Attorney General prior to agreeing to sell, transfer, lease, exchange, option, convey, or otherwise dispose of the assets resulting from the reduction or elimination of emergency medical services provided at a licensed emergency center after the Attorney General gives a specified consent or conditional consent, as recommended by the Director and Health Officer of Contra Costa Health Services and the County Director Emergency Medical Services.**

12. The next meeting is currently scheduled for June 12, 2017 at 10:30 a.m.

13. Adjourn

The Legislation Committee will provide reasonable accommodations for persons with disabilities planning to attend Legislation Committee meetings. Contact the staff person listed below at least 72 hours before the meeting.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Legislation Committee less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, 10th floor, during normal business hours.

Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.

For Additional Information Contact:

Lara DeLaney, Committee Staff
Phone (925) 335-1097, Fax (925) 646-1353
lara.delaney@cao.cccounty.us

Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **3.**

Meeting Date:	05/08/2017
Subject:	Record of Action
Submitted For:	LEGISLATION COMMITTEE,
Department:	County Administrator
Referral No.:	2017-21
Referral Name:	Record of Action for Legislation Committee
Presenter:	L. DeLaney **Contact:** L. DeLaney, 925-335-1097

Referral History:

County Ordinance (Better Government Ordinance 95-6, Article 25-205, [d]) requires that each County Body keep a record of its meetings. Though the record need not be verbatim, it must accurately reflect the agenda and the decisions made in the meeting. Any handouts or printed copies of material or testimony distributed at the meeting will be attached to the meeting record.

Referral Update:

Attached for the Committee's consideration is the Draft Record of Action for its April 10, 2017 meeting.

Recommendation(s)/Next Step(s):

APPROVE the Record of Action with any necessary corrections.

Fiscal Impact (if any):

None.

Attachments

Draft Record of Action

D R A F T

LEGISLATION COMMITTEE

April 10, 2017
10:30 A.M.
651 Pine Street, Room 101, Martinez

Agenda

Supervisor Diane Burgis, Chair
Supervisor Karen Mitchoff, Vice Chair

Agenda Items:	Items may be taken out of order based on the business of the day and preference of the Committee

Present: Diane Burgis, Chair
Karen Mitchoff, Vice Chair

Staff Present: Susan Jeong, Administrative Services Assistant II, EHSD
Lavonna Martin, Director of Health, Housing, and Homeless Services
Caylin Patterson, EHSD staff
Lara DeLaney, Senior Deputy County Administrator

1. Introductions

After the Committee and staff present introduced themselves, Ben Palmer of Nielsen Merksamer introduced himself via conference call.

2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).

No public comment was made.

3. APPROVE the Record of Action for the March 13, 2017 meeting with any necessary corrections.

The Committee unanimously approved the Record as presented.

AYE: Chair Diane Burgis, Vice Chair Karen Mitchoff
Passed

4. CONSIDER recommending to the Board of Supervisors on its Consent calendar a position of "Support" on AB 557 (Rubio): CalWORKs: Victim of Abuse, as recommended by Kathy Gallagher, Director of Employment & Human Services department.

The Committee voted unanimously to recommend support to the Board of Supervisors and directed staff to place the item on Consent for the Board's agenda.

AYE: Chair Diane Burgis, Vice Chair Karen Mitchoff

Passed

5. CONSIDER recommending to the Board of Supervisors a position of "Support" on AB 1164 (Thurmond): Foster Care Placement: Funding, as recommended by Kathy Gallagher, Director of Employment & Human Services department.

The Committee voted unanimously to recommend support to the Board of Supervisors and directed staff to place the item on Consent for the Board's agenda.

AYE: Chair Diane Burgis, Vice Chair Karen Mitchoff

Passed

6. CONSIDER recommending to the Board of Supervisors a position of "Support" on AB 1332 (Bloom): Juveniles: Dependents: Removal, as recommended by the Director of Employment & Human Services.

The Committee voted unanimously to recommend support to the Board of Supervisors and directed staff to place the item on Consent for the Board's agenda.

AYE: Chair Diane Burgis, Vice Chair Karen Mitchoff

Passed

7. CONSIDER recommending to the Board of Supervisors a position of "Support" on AB 1406 (Gloria): Homeless Youth Advocacy and Housing Program, as recommended by Lavonna Martin, Director of Health, Housing, and Homeless Services.

The Committee voted unanimously to recommend support to the Board of Supervisors and directed staff to place the item on Consent for the Board's agenda. The Committee also directed staff to incorporate into the 2018 Platform a policy to support housing assistance and supportive services for homeless youth.

AYE: Chair Diane Burgis, Vice Chair Karen Mitchoff

Passed

8. CONSIDER recommending to the Board of Supervisors a position of "Oppose" on AB 1479 (Bonta): Public Records: Supervisor of Records: Fines, as recommended by Jami Napier, the Chief Assistant Clerk of the Board.

The Committee voted unanimously to recommend "oppose" to the Board of Supervisors and directed staff to place the item on Consent for the Board's agenda.

AYE: Chair Diane Burgis, Vice Chair Karen Mitchoff

Passed

9. CONSIDER recommending to the Board of Supervisors, on Consent, a position of "Support" on SB 213 (Mitchell): Placement of Children: Criminal Records Check, as recommended by Kathy Gallagher, Director of Employment & Human Services.

The Committee voted unanimously to recommend support to the Board of Supervisors and directed staff to place the item on Consent for the Board's agenda.

AYE: Chair Diane Burgis, Vice Chair Karen Mitchoff

Passed

10. CONSIDER recommending a position of "Support" to the Board of Supervisors on Consent for SB 282 (Wiener): CalFresh and CalWORKs, as recommended by the Director of EHSD.

The Committee voted unanimously to recommend support to the Board of Supervisors and directed staff to place the item on Consent for the Board's agenda.

AYE: Chair Diane Burgis, Vice Chair Karen Mitchoff

Passed

11. The next meeting is currently scheduled for Monday, May 8, 2017 at 10:30 a.m.

12. Adjourn

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Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **4.**

Meeting Date: 05/08/2017

Subject: AB 60 (Santiago): Subsidized child care and development services: Eligibility Periods

Submitted For: LEGISLATION COMMITTEE,

Department: County Administrator

Referral No.: 2017-22

Referral Name: AB 60 (Santiago)

Presenter: Susan Jeong **Contact:** L. DeLaney, 925-335-1097

Referral History:

This bill was referred to the Legislation Committee by the Director of Employment & Human Services (EHSD) Director, Kathy Gallagher – at the request of the Early Learning Leadership Group of Contra Costa County. This bill is a related bill to AB 435 (Thurmond) – Child Care subsidy plans. AB 435 has a County "Support" position and was reviewed by the Legislation Committee on March 13, 2017.

Referral Update:

Summary: AB 60 requires that a family, upon establishing initial eligibility for services under the Child Care and Development Services Act, to be considered to meet eligibility requirements for those services for not less than a certain number of months. Prohibits a payment made by a child development program, during a specified period, from being considered an error or an improper payment due to a change in the family's circumstances during that period.

Disposition: Pending

Location: Assembly Appropriations Committee

Bill text can be found at: http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB60

2017 CA A 60: Bill Analysis - 03/03/2017 - Assembly Human Services Committee, Hearing Date 03/07/2017

Date of Hearing: March 7, 2017

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Blanca Rubio, Chair

SUBJECT: Subsidized child care and development services: eligibility periods

SUMMARY: Provides for changes to eligibility determination and redetermination for subsidized child care.

Specifically, this bill:

1) Requires a family, upon establishing initial or ongoing eligibility for subsidized child care services, as specified, to:

a) Be considered to meet all eligibility requirements for a period of not less than 12 months, unless the family established eligibility on the basis of seeking employment, as specified;

b) Receive subsidized child care services for not less than 12 months prior to having their eligibility redetermined, unless the family established eligibility on the basis of seeking employment, as specified; and

c) Not be required to report changes to income or other changes for at least 12 months, unless the family attains an income that exceeds the threshold for ongoing eligibility, as specified, at which point a family must report increases in income that exceed this threshold and their ongoing eligibility for services would be redetermined.

2) Requires a family that establishes initial eligibility on the basis of seeking employment to receive services for not less than six months and further requires a family that establishes ongoing eligibility on the basis of seeking employment to receive services for six additional months unless the family becomes otherwise eligible, as specified.

3) Permits a family to, at any time, voluntarily report income or other changes for purposes of reducing a family's fees, increasing a family's subsidy, or extending the period of the family's eligibility prior to redetermination.

4) Prohibits a payment made by a child development program for a child during an eligible family's period of continuous eligibility from being considered an error or an improper payment due to the family's circumstances during that period, as specified, but permits the state or its designated agent to seek to recover payments that are the result of fraud.

5) Permits the California Department of Education (CDE) to implement certain provisions of this bill related to continuous eligibility through management bulletins or similar letters of instruction until regulations are filed with the Secretary of State and further, requires CDE to convene a workgroup of specified stakeholders to develop recommendations for implementing continuous eligibility prior to initiating a rulemaking action by December 31, 2018, as specified.

6) Specifies that, for purposes of establishing initial income eligibility for subsidized child care services, "income eligible" means that a family's adjusted monthly income is at or below 70% of the state median income (SMI) based on the most recent data published by the United States Census Bureau for a family of the same size.

7) Defines, for purposes of establishing ongoing income eligibility for subsidized child care services, "ongoing income eligible" to mean that a family's adjusted monthly income is at or

below 85% of the SMI based on the most recent data published by the United States Census Bureau for a family of the same size.

8) Authorizes any family that receives first priority for subsidized child care services, as specified, to be exempt from family fees for up to 12 months.

9) Makes technical amendments, including removing provisions that specify or refer to eligibility determination thresholds and periods that conflict with the provisions contained in this bill.

EXISTING LAW:

1) Establishes the Child Care and Development Services Act to provide child care and development services as part of a coordinated, comprehensive, and cost-effective system serving children from birth to 13 years old and their parents, and including a full range of supervision, health, and support services through full- and part-time programs. (EDC 8200 et seq.)

2) Defines "child care and development services" to mean services designed to meet a wide variety of children's and families' needs while parents and guardians are working, in training, seeking employment, incapacitated, or in need of respite. (EDC 8208)

3) States the intent of the Legislature that all families have access to child care and development services, through resource and referral where appropriate, and regardless of demographic background or special needs, and that families are provided the opportunity to attain financial stability through employment, while maximizing growth and development of their children, and enhancing their parenting skills through participation in child care and development programs. (EDC 8202)

4) Requires the Superintendent of Public Instruction to administer general child care and development programs to include, among other things as specified, age- and developmentally-appropriate activities, supervision, parenting education and involvement, and nutrition. Further allows such programs to be designed to meet child-related needs identified by parents or guardians, as specified. (EDC 8240 and 8241)

5) To allow for maximum parental choice, authorizes the operation of Alternative Payment Programs (APPs) and provision of alternative payments and support services to parents and child care providers by local government agencies or non-profit organizations that contract with CDE. (EDC 8220)

6) Establishes rules and requirements for APPs and providers, as contracted agencies with CDE, to observe, including but not limited to accounting and auditing requirements, attendance monitoring requirements, referral requirements where applicable, and reimbursement and payment procedures. (EDC 8220 et seq.)

7) Requires the Superintendent of Public Instruction to adopt rules and regulations regarding eligibility, enrollment, and priority of services. (EDC 8263)

8) Requires the Superintendent to adopt rules, regulations, and guidelines to facilitate funding and reimbursement procedures for subsidized child care. (EDC 8269)

9) Requires the Superintendent to establish a family fee schedule for subsidized child care, as

specified, contingent on income and subject to a cap. (EDC 8273)

FISCAL EFFECT: Unknown.

COMMENTS:

Subsidized child care: California's subsidized child care system is designed to provide assistance to parents and guardians who are working, in training, seeking employment, incapacitated, or in need of respite. This child care is available through a number of programs; additionally, California offers State Preschool Programs to eligible three-and four-year-olds.

Parents participating in CalWORKs, as well as families transitioning off of and no longer receiving CalWORKs aid, can be eligible for child care, which is offered in three "stages." DSS administers Stage 1, and CDE administers Stages 2 and 3. CDE also administers non-CalWORKs child care. The largest programs are: General Child Care, which includes contracted centers and family child care homes; the California State Preschool Program, which provides developmentally, culturally, and linguistically appropriate curriculum to eligible three- and four-year olds; and APPs, which provide vouchers that can be used to obtain child care in a center, family child care home, or from a license-exempt provider. Waitlists for non-CalWORKs child care are common.

Contracted providers are funded through the receipt of the Standard Reimbursement Rate (SRR) based on the number of children enrolled and the hours of care provided. Families may also be required to pay a family fee if they earn above a certain threshold income for their family size. The SRR for general child care programs adopted in the Budget Act of 2016 (SB 826 [Leno], Chapter 23, Statutes of 2016) was $42.12 per child per full day of care, effective January 1, 2017; however, due to challenges with implementing two rates in the same contract year, CDE adopted a policy to average the approved rate ($38.29) and the adjusted rate ($42.12) into a blended rate ($40.20), until July 1, 2017, when the adjusted rate of $42.12 will be utilized for the entire year. Additionally, adjustment factors are applied to the SRR in some instances to reflect the increased cost of care for the different ages and needs of children.

The Regional Market Rate (RMR) survey calculates the market rates for child care in each of California's 58 counties and uses these to establish maximum child care reimbursement rates for child care services for families in various APPs or other voucher child care programs. States are required to conduct a market rate survey every two years, but are not currently required to use the most recent survey to set rates. Reimbursement rates for licensed providers accepting vouchers are currently derived by selecting the higher of the following: 1) the 75th percentile of the 2014 RMR survey, or 2) the RMR ceilings as they existed prior to 2017. (As of July 1, 2018, the RMR for licensed providers will be set at the 75th percentile of the 2014 RMR survey.) License-exempt providers are reimbursed at 70% of the Family Child Care Home ceilings. In Los Angeles County, for example, the full-time daily RMR for a preschool-age child in a child care center is $64.21. For that same child in a family child care home, the RMR is $50.44, and with a license-exempt provider, the RMR is $35.31.

Families are typically eligible for subsidized child care if their income is less than 70% of the 2007-08 State Median Income (about $42,000 per year for a family of 3), if the parents have a need related to work, training, or education, and if the children are up to 12 years old (or 21 years old for youth with exceptional needs). The following table shows current income ceilings by family size: Family Size Family Monthly Income Family Yearly Income 1-2 $3,283 $39,396 3

$3,518 $42,216 4 $3,908 $46,896 5 $4,534 $54,408 6 $5,159 $61,908 7 $5,276 $63,312 8 $5,394 $64,728 9 $5,511 $66,132 10 $5,628 $67,536 11 $5,745 $68,940 12 $5,863 $70,356(Source: California Department of Education)

The Superintendent of Public Instruction is required to establish a fee schedule whereby families may be charged a "family fee" depending on their income. For a family of 3, for example, subsidized child care remains at no cost for families earning less than $1,950 per month. However, with incomes between $1,950 a month and the monthly income ceiling of $3,518, a family fee is charged, the amount of which increases with income, but never to surpass 10% of a family's income. For a family of three with a monthly income of $1,950, the family fee per month for full-time care is $42; for a family of three earning $3,518 per month, this fee is $345.

Across the various subsidized child care programs, there are estimated to be over 190,000 slots (not including State Preschool). State Preschool contains over 163,000 additional slots.

Minimum wage increases: SB 3 (Leno), Chapter 4, Statutes of 2016, among other things, adopted increases to the state minimum wage. These increases are to take place in specific increments over a period of six years and then according to an adjustment factor each year afterwards, with the increases beginning January 1, 2017, for employers with 26 or more employees and beginning January 1, 2018, for employers with 25 or fewer employees, as detailed in the table below: Employers with 26 or Employers with 25 or more employees fewer employees Minimum wage beginning $10.50/hour (stays at $10/hour, or January 1, 2017 ($21,840/year) $20,800/year) Minimum wage beginning $11/hour ($22,880/year) $10.50/hour January 1, 2018 ($21,840/year) Minimum wage beginning $12/hour ($24,960/year) $11/hour ($22,880/year) January 1, 2019 Minimum wage beginning $13/hour ($27,040/year) $12/hour ($24,960/year) January 1, 2020 Minimum wage beginning $14/hour ($29,120/year) $13/hour ($27,040/year) January 1, 2021 Minimum wage beginning $15/hour ($31,200/year) $14/hour ($29,120/year) January 1, 2022 Minimum wage beginning ($15/hour, plus an $15/hour ($31,200/year) January 1, 2023 annual adjustment) Need for this bill: Many working families face a conundrum when it comes to child care: it is essential to parents being able to work outside of the home, yet child care can be costly - in essence, reducing wages earned. For low-income workers, this dilemma can be stark. Consider a family where both parents work full-time, year-round and earn the minimum wage of $10.50 per hour, bringing in a total pre-tax household income of $43,860 per year. If this family had one preschool-age child placed in a family child care home at the 2014 (the most data recent available) average cost in California for this type of care ($7,850 per year), the family would be paying 18% of their pre-tax income on care. If this family had an infant placed in a child care center at average 2014 rates? They would be paying $13,327 per year - 30% of their pre-tax income. Yet this family, with an annual income of $43,860, would not qualify for subsidized child care because they earned too much to be eligible per current law.

According to the author:

"Currently, burdensome child care reporting rules in California cause eligible families to churn between child care programs and long waiting lists for the programs. Churning disrupts children's school readiness and development; makes it impossible for child care providers to balance ledgers or plan for quality investments; and burdens employers and education providers to sign off on endless paperwork.

The increase in state minimum wage is a great achievement for California, but it's still not enough to afford child care, the very thing that enables families to work. [This bill] ensures that children

can stay in the child care they love for as long as their families need it and keeps them working. This measure will help eligible families achieve stability by eliminating punitive interim reporting requirements that keep eligible families from losing their child care. It also defrosts the income guidelines that have been frozen for over a decade and creates a pathway out of poverty for families. With continuous child care, children will learn in a healthy, stable environment, and develop the skills they need for Kindergarten. Moreover, stable child care helps child care providers plan for quality improvements to their programs and allows them to keep serving families."

PRIOR LEGISLATION:

AB 2150 (Santiago), 2016, was substantially similar to this bill. It died in the Senate Appropriations Committee.

SB 3 (Leno), Chapter 4, Statutes of 2016, among other things, adopted increases to the state minimum wage.

REGISTERED SUPPORT / OPPOSITION:

Support

24 Hour Oakland Parent Teacher Children Center

4C's of Alameda County

4C's of San Mateo County

9to5, National Association of Working Women

A Stronger California Advocates Network

Advancement Project

Alameda County Early Care and Education Planning Council

Alum Rock Counseling Center (ARCC)

American Academy of Pediatrics

BANANAS

Bay Area Hispano Institute for Advancement, Inc.

California Alternative Payment Program Association (CAPPA)

California Child Care Coordinators Association

California Child Care Resource and Referral Network

California Child Development Administrators (CCDAA)

California Department of Education

California Family Child Care Network

California Head Start Association

California Women's Law Center

Center for Law and Social Policy (CLASP)

Central Valley Children's Services Networks

Child Action, Inc.

Child Care Alliance of Los Angeles

Child Care Law Center (Co-sponsor)

Child Care Links

Child Care Planning Council of San Luis Obispo County

Child Development Associates, Inc.

Child Development Center and Continuing Development

Children Now

Children's Council of San Francisco

Choices for Children

Coalition of California Welfare Rights Organizations, Inc. (Co-sponsor)

Commerce San Jose

Common Sense Kids Action

Community Action Partnership of San Luis Obispo

Community Child Care Council of Alameda County

Community Child Care Council of Sonoma County

Congregation Beth Am

Crystal Stairs, Inc.

Del Norte Child Care Council

EarlyEdge California

Educare California at Silicon Valley

Educational Enrichment Systems, Inc.

Equal Rights Advocates

First 5 Association of California

First 5 California (Co-sponsor)

First 5 Monterey County

First 5 Sacramento

First 5 San Mateo County

First 5 Santa Clara County

Honorable Tom Torlakson, State Superintendent of Education

Institute for Human and Social Development (IHSD)

Kidango

KinderCare Education

LAUP

Los Angeles Area Chamber of Commerce

Los Angeles Unified School District

Marin Child Care Council

Marin Family Child Care Association

MomsRising

National Association of Social Workers, CA Chapter

National Council of Jewish Women California (NCJW CA)

Northern California Child Development, Inc.

Parent Voices CA (Co-sponsor)

Parent Voices Oakland (CPAC)

San Francisco Board of Supervisors (Katy Tang, Supervisor)

San Luis Obispo Co. Child Care Planning Council

San Mateo County Child Care Partnership Council

San Mateo County Office of Education

Santa Clara Co. Office of Education

SEIU California

Services Employees International Union (SEIU)

Shasta Head Start Child Development, Inc.

Sierra Nevada Children's Services

Silicon Valley Organization (The SVO)

Siskiyou Child Care Council

The Resource Connection of Amador and Calaveras Counties, Inc.

Toddle Flexible Preschool UDW/AFSCME Local 3930 United Way of San Diego County

Voices for Progress

Western Center on Law and Poverty

Wu Yee Children's Services

Yolo County Office of Education

2 Individuals

Opposition

None on file.

Analysis Prepared by: Daphne Hunt / HUM. S. / (916) 319-2089

Recommendation(s)/Next Step(s):

CONSIDER recommending to the Board of Supervisors a position of "Support" on AB 60 (Santiago), as recommended by the Director of Employment & Human Services.

Attachments

No file(s) attached.

Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **5.**

Meeting Date: 05/08/2017

Subject: AB 271 (Caballero): Property Assessed Clean Energy Program--SUPPORT if Amended

Submitted For: LEGISLATION COMMITTEE,

Department: County Administrator

Referral No.: 2017-26

Referral Name: AB 271 (Caballero)

Presenter: L. DeLaney **Contact:** L. DeLaney, 925-335-1097

Referral History:

The California Association of County Treasurers and Tax Collectors (CACTTC) and the Contra Costa County Treasurer-Tax Collector are requesting support for AB 271 (Caballero).

Referral Update:

Many bills came to a grinding halt last week as we hit one of the Legislature's annual milestones. Friday, April 28 was the deadline for policy committees to kick bills over to fiscal committees. The bills that fail passage in a policy committee, are considered "dead." However, bills that are referred to a policy committee, but were never presented at a hearing can be shelved until next year and become what's known as "two-year bills."

AB 271 (Caballero) has passed out of its policy committees (Revenue and Taxation, and Local Government). However, Auditor-Controller Robert Campbell has indicated that additional amendments are forthcoming that would address his (and his Association's) concerns regarding the bill's effect on the "Teeter Plan." (The Teeter Plan, first enacted 1949, provides California counties with an optional alternative method for allocating delinquent property tax revenues. Using the accrual method of accounting under the Teeter Plan, counties allocate property tax revenues based on the total amount of property taxes billed, but not yet collected. The Teeter Plan allows counties to finance property tax receipts for local agencies by borrowing money to advance cash to each taxing jurisdiction in an amount equal to the current year's delinquent property taxes. In exchange, the county's Tax Losses Reserve Fund (TLRF) receives the penalties and interest on the delinquent taxes when collected. The county can transfer an amount from the TLRF as long as the TLRF maintains a minimum balance as required by law.) With those amendments, his and his Association's objections to the bill would be addressed.

Introduced: 02/01/2017

Last Amend: 04/04/2017

Disposition: Pending

Location: Assembly Appropriations Committee

Summary: Authorizes the county tax collector to direct the county's auditor to remove a delinquent installment based on a Property Assessed Clean Energy (PACE) assessment from the county's secured tax roll, if it arises from a contract entered into after a specified date. Requires specified costs to be deposited in a county fund to be used for offsetting general fund property tax revenues of local taxing agencies that are lost when a property subject to a PACE assessment is sold at a tax defaulted land sale.

The text of the bill can be found here:
http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB271

The Assembly Revenue & Taxation Committee analysis of the bill is provided below:

2017 CA A 271: Bill Analysis - 04/21/2017 - Assembly Revenue and Taxation Committee, Hearing Date 04/24/2017

Date of Hearing: April 24, 2017

ASSEMBLY COMMITTEE ON REVENUE AND TAXATION

Sebastian Ridley-Thomas, Chair

271 (Author:Caballero) - As Amended Ver:April 4, 2017

Majority vote. Fiscal committee.

SUBJECT: Property Assessed Clean Energy program

SUMMARY: Allows county tax collectors to direct a county auditor to remove a delinquent Property Assessed Clean Energy (PACE) assessment from the tax roll, requires that penalties and costs applicable to a defaulted PACE assessment be deposited into a restricted fund, and limits subordination agreements, as specified. Specifically, this bill:

1) Allows the county tax collector to direct the county auditor to remove the delinquent installment from the county's secured tax roll. Delinquent installments include those based on a voluntary contractual assessment, voluntary special tax, or special tax that arises from a contract entered into on or after January 1, 2018.

2) Requires the county tax collector to provide a notice on the secured tax roll that the delinquent installment has been removed immediately upon removal. The notice shall be displayed on the secured tax roll in a manner that conveys that the removal has occurred, and may include the name and telephone number of the person or entity to be contacted to receive further information.

3) Defines a "PACE assessment" as a voluntary contractual assessment, voluntary special tax, or special tax, as described in Public Resources Code (PRC) Section 26054.

4) Requires that penalties or costs accrued by a property subject to a PACE assessment pursuant to Revenue and Taxation Code (R&TC) Sections 2617, 2618, 2621, or 4103 and that are subject to Government Code Section 53340 and Streets and Highway Code (S&HC) Section 5898.3, be deposited in the restricted county fund, whether collected on the secured tax roll or pursuant to a

sale or foreclosure. If the funds are collected pursuant to a sale or foreclosure, the holder of the lien based on the PACE assessment shall remit the penalty or cost to the county tax collector within 30 days of the sale or foreclosure.

5) Prohibits, except as specified, a property subject to a PACE assessment from being subject to an agreement wherein the authority to collect a defaulted lien based on a PACE assessment is transferred to, subject to, or contingent upon, third-party approval or another arrangement or agreement by the lienholder, unless that lien has been removed from the county's secured tax roll and the right to collect the PACE assessment and any defaulted lien amount is returned to the administrator of the PACE program. This prohibition does not apply to a PACE assessment made, on or before January 1, 2018, and subject to a contractual waiver of the right to foreclose, or other arrangement or agreement between a lienholder and a lender, or a lienholder and another third party, wherein the agreement requires approval by the other party prior to the lienholder's exercise of foreclosure.

6) Requires the county to create a restricted fund to receive accrued penalties and costs, and requires counties to appropriate those funds for the purpose of offsetting general fund property tax revenues of local taxing agencies that are lost when a property subject to a PACE assessment is sold at a tax-defaulted land sale for less than the total amount necessary to redeem the amount of defaulted taxes, delinquent penalties and costs, redemption penalties, and redemption fees.

7) Prohibits a PACE assessment that has been removed from the county's secured tax roll by the county auditor from being subject to penalties and interest for delinquent assessments.

8) Provides that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made, pursuant to current laws governing state mandated local costs.

EXISTING LAW:

1) Provides, generally, that the maximum amount of any ad valorem tax on real property shall not exceed 1% of the full cash value of such property. (Cal. Const., Art. VIII.)

2) Defines an "assessment" as any levy or charge upon real property by an agency for a special benefit conferred upon the real property. "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment" and "special assessment tax." (Cal. Const., Art. VIII.)

3) Allows public agencies and property owners to enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently affixed on real property. (S&HC Section 5898.2.)

4) Establishes a PACE program as a way to help homeowners and small business owners finance voluntary energy and water efficiency and clean energy improvements. (PRC Section 26050.)

5) Establishes a PACE Reserve Program designed to address the Federal Housing Finance Agency's (FHFA) financial concerns by making first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to the PACE program. (PRC Section 26060.)

FISCAL EFFECT: Unknown

COMMENTS:

1) The author has provided the following statement in support of this bill:

The PACE program has proven an effective way to finance energy efficiency and renewable energy upgrades for consumers. Yet as PACE continues to grow, so do opportunities for unscrupulous behavior and the potential for consumers to be taken advantage of by a program otherwise designed to help them. We must ensure that consumer protections are in place, and this bill does that. AB 271 protects counties, schools, and taxpayers, and also protects PACE so it can remain a viable alternative for energy efficiency and renewable energy generation.

2) Supporters argue, "The proposed changes will protect tax payers and those who rely on local government services by removing defaulted PACE liens from the property tax bill. The proposed changes will reduce the chances counties, schools, other local government entities and the State will lose revenue as a result of properties with PACE assessments being sold at tax defaulted land sale at prices below the original minimum bid amount. It will also ensure that the property tax bill is not being used to inappropriately enrich private parties at the expense of consumers who may not realize that tax code related penalties and interest will apply to their delinquent PACE assessments."

3) Opponents state that "[t]he legislation proposed by Assemblywoman Caballero is intended to address a problem that does not presently exist. Renovate America's HERO program has a 98.75% on time payment rate. To date, there has not been a single foreclosure initiated on a home as a result of a PACE assessment. PACE is working, and we believe that there are mechanisms that can be effectively incorporated into statute to protect homeowners and the program itself." Opponents further state that "[c]hanging the fundamental nature of PACE as a secured assessment will have an immediate and adverse impact on the capital markets that support the private capital that has fueled the growth of PACE in California. Capital markets have supported PACE through the purchase of PACE securitizations because of the secured interest in the property. The removal of security for the PACE assessment will lower credit ratings of securitizations, and will decrease and make more expensive the availability of capital - resulting in higher interest rates for property owners. The shortage of capital and increased costs to property owners will be a detriment to the state's ability to meet the public policy goal of increasing energy efficiency, renewable energy, and water conservation to combat climate change."

4) Committee staff comments:

a) Background. The PACE program, which began in 2007, is a financing tool that residential and commercial property owners can use to pay for renewable energy upgrades, energy or water efficiency retrofits, or electric vehicle charging stations for their homes or buildings. Most PACE programs are implemented and administered under two statutory frameworks: AB 811 (Levine), Chapter 159, Statutes of 2008, which amended the Improvement Act of 1911 to allow for voluntary contractual assessments to finance PACE projects; and SB 555 (Hancock), Chapter 493, Statutes of 2011, which amended the Mello-Roos Community Facilities District Act to allow for Mello-Roos special taxes to finance PACE projects. Local agencies create PACE assessment districts in their jurisdictions via a resolution of their legislative body, allowing the local agency to issue bonds to finance the up-front costs of improvements. In turn, property owners enter into a voluntary contractual assessment agreement with the local agency to re-pay the bonds via an assessment on their property tax bill. The assessment remains with the property even if it is sold or

transferred.

The FHFA first raised concerns in 2010 that residential PACE financing could pose a risk for federal mortgage enterprises (Fannie Mae and Freddie Mac) because PACE loans are first-priority liens in the case of foreclosure and lenders would have to pay outstanding PACE assessments before paying mortgage costs. In August 2010, Fannie Mae and Freddie Mac announced they would not purchase mortgages for homes with first lien priority PACE obligations. The FHFA's action triggered many local governments to suspend their residential PACE programs.

To address the concern raised by Fannie Mae and Freddie Mac back in 2010, the Legislature enacted SB 96 (Committee on Budget and Fiscal Review), Chapter 356, Statutes of 2013. This budget trailer bill tasked CAEATFA with administering a PACE loss reserve program that would use a $10 million reserve fund to keep mortgage interests whole during a foreclosure or a forced sale. In order to receive the benefits of the state's PACE loss reserve program, local PACE administrators must first apply and meet a specified set of underwriting standards.

The FHFA issued a statement clarifying their position following the creation of the PACE Loss Reserve Program in a letter to Governor Brown dated May 1, 2014:

I am writing to inform you that FHFA is not prepared to change its position on California's first-lien PACE program and will continue to prohibit the Enterprises from purchasing or refinancing mortgages that are encumbered with first-lien PACE loans...In making this determination, FHFA has carefully reviewed the Reserve Fund created by the State of California and, while I appreciate that it is intended to mitigate these increased losses, it fails to offer full loss protection to the Enterprises. The Reserve Fund is not an adequate substitute for Enterprise mortgages maintaining a first lien position and FHFA also has concerns about the Reserve Fund's ongoing sustainability.{1}

To date, FHFA has maintained its position against first-priority PACE liens.

b) How does PACE work? In California, there are several models available to local governments in administering a PACE program. Only the counties of Sonoma and Placer administer their own PACE programs. The majority of local governments contract with a private third-party or join a Joint Powers Authority (JPA), which contracts with a private third-party to carry out their PACE programs. The cost of third-party administration is not borne by the local agency, but is built into PACE loan financing. Some of these programs focus on residential projects, others target commercial projects, and some handle both residential and commercial projects.

c) Problems with PACE: Over the last few years, concerns have been raised with the lending practices of private third-parties that have contracts with local governments or JPAs to carry out of PACE program. To address some of these concerns, the Legislature enacted AB 2693 (Dababneh), Chapter 618, Statutes of 2016, which established disclosure requirements and provided owners with a right to cancel. However, a major concern of the PACE program, which has yet to be addressed, is with the underwriting standards. Under the PACE program, the only financial requirements that must be met for a person to qualify for a PACE loan are the following: the owner must be current on the mortgage; the owner is not in default or in bankruptcy; financing cannot exceed 15% of the value of the property or 10% if property is worth more than $700,000; and the total mortgage-related debt and PACE financing on the underlying property cannot exceed the value of the property. A key factor that is missing within these underwriting standards, and is standard among almost all loans, is an assessment of the borrower's ability to pay.

The Consumer Financial Protection Bureau recently highlighted loose underwriting standards as a major contributing factor in the recent mortgage crisis. The report noted that many lending institutions at the time failed to verify "consumers' income or debts" and then qualified consumers for mortgages based on "teaser" interest rates that would rise and make the monthly mortgage payments unaffordable{2}. The issue became such a big problem that "in 2008, the Board of Governors of the Federal Reserve System adopted a rule under the Truth in Lending Act prohibiting creditors from making higher-priced mortgage loans without assessing consumers' ability to repay the loans."

There are several ongoing disputes as to whether PACE assessments are loans or assessments. In 2010, then Attorney General Brown sued Fannie Mae and Freddie Mac seeking legal clarification that the PACE programs operate through assessments, not loans. The issue has not yet been resolved. Irrespective of the program's legal characterization, the program functions very much like a loan. Just because the improvements are secured by a contractual assessment that is attached to the property and then repaid through property taxes does not change the fact that people are paying back borrowed funds. Without stronger underwriting standards, loose lending that led to the mortgage crisis a decade ago may cause similar problems within the PACE program. The lack of substantive underwriting standards has also prompted the Department of Energy to establish "Best Practice Guidelines for Residential PACE Financing Programs." These guidelines recognize that the PACE assessment is an additional financing obligation for the property owner. As such, the PACE program "should confirm property owners can support the cost of the PACE assessment by collecting and reviewing information from property owners on their household income and debt obligations." One key reason why lenders are not currently assessing a borrower's ability to pay is that the assessment runs with the land even after a foreclosure. This allows a lender to make riskier loans because if a property owner who took on a PACE loan fails to make payments, the subsequent buyer will become liable for the assessment. In the end, the PACE provider and the bondholders always get paid.

d) What problem does this bill hope to address? When taxes become delinquent, state law imposes a 10% penalty on each amount and counties can also apply administrative charges. The property becomes tax defaulted if taxes remain unpaid as of June 30th, triggering redemption penalties of 1.5% a month (18% per year) until the full amount is paid. After five years, the tax collector, with approval by the board of supervisors, can sell a tax defaulted residential property to satisfy back taxes, penalties, costs, and other liens; for commercial property, the tax collector can do so after three years. After the sale, funds are distributed to taxing agencies with valid claims and to the tax collector to pay for notices and contacting taxpayers. After that, proceeds satisfy liens held by parties in interest. Any amounts left over, known as "excess proceeds," are then divided up between each taxing entity according to their appropriate share of the property tax. If a property fails to sell for a price sufficient to cover all of the debts due, known as a "minimum bid," the amount received by the tax collector in the auction is distributed on a proportional basis.

The sponsors of this bill want to ensure that local government services are protected by minimizing the chance of having a property sell for below the minimum bid amount due to the property having a PACE assessment. Third-party providers may not necessarily be worried about property going into default or being sold at a tax sale because, as mentioned earlier, the new buyer becomes liable for the assessment. Additionally, some third-party providers may actually look forward to delinquencies and defaults because it may substantially increase penalties and interests collected by bond holders. A third-party provider was recently quoted as saying that "[i]f a

homeowner doesn't pay their taxes, they're subject to a penalty - which in California is 10% of the tax due - and after a certain number of months interest begins accruing at 1.5% a month. In the event of delinquencies, there's actually more cashflow available to a PACE deal than if the property owner defaults on their mortgage payment.{3}"

This bill would address the concern of having penalties and interest being remitted to bond holders by either allowing the county tax collector to remove the delinquent installment from the county's secured tax roll or by ensuring that all interest and penalties that accrue from a PACE assessment be deposited into a restricted fund if the property sells for below the minimum bid. The first solution effectively forces the PACE provider to seek collection of the delinquent debt directly from the taxpayer. The priority of the lien is not modified when the tax collector removes the delinquent assessment from the secured tax roll. The lien continues to be on the property even if removed from the secured roll. The second provision ensures that the penalties and interest will be deposited into a restricted account used only to offset general fund property tax revenues of local taxing agencies when a property fails to meet the minimum bid.

d) Double-referral: This bill was heard in Assembly Committee on Local Government and passed out of Committee with a vote of 7 to 2.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of County Treasurers and Tax Collectors

Opposition

RenovateAmerica

Analysis Prepared by: Carlos Anguiano / REV. & TAX. / (916) 319-2098

1 Melvin L. Watt. Letter to Governor Edmond G. Brown, California Property Tax Assessed Clean Energy Program, Office of the Director, FHFA. May 1, 2014.

2 Ability to Repay and Qualified Mortgage Rule: Small entity compliance guide, Consumer Financial Protection Bureau, March, 2016.

3 Craig Braun of Renovate America, Structured Credit Investor, June 13, 2016.

Recommendation(s)/Next Step(s):

CONSIDER recommending to the Board of Supervisors a position of "Support, if amended" on AB 271 (Caballero), Property Assessed Clean Energy Program, as recommended by the Contra Costa County Treasurer-Tax Collector.

Attachments

No file(s) attached.

Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **6.**

Meeting Date: 05/08/2017
Subject: AB 626 (Garcia): Microenterprise Home Kitchen Operations
Submitted For: LEGISLATION COMMITTEE,
Department: County Administrator
Referral No.: 2017-23
Referral Name: AB 626 (Garcia): Microenterprise Home Kitchen Operations
Presenter: Daniel Peddycord **Contact:** L. DeLaney, 925-335-1097

Referral History:
AB 626 (Garcia): Microenterprise Home Kitchen Operations was referred to the Legislation Committee by Daniel Peddycord, County Public Health Director, and Marilyn Underwood, Environmental Health Director. Both recommend that the Legislation Committee consider recommending to the Board of Supervisors an "oppose" position on this bill. CHEAC along with HOAC, CSAC, UCC and RCRC have taken an OPPOSE position on AB 626.

Referral Update:
AB 626 passed out of the Assembly Health Committee on April 25, and has been referred to the Assembly Appropriations Committee. This bill would legalize the sale of food prepared in private homes directly to consumers. CSAC opposes AB 626 for public and environmental health reasons: cooling, cooking, and reheating foods while ensuring appropriate temperature controls can be challenging even in a commercial kitchen with appropriate training, equipment, and facilities.

Last Amend: 04/06/2017
Disposition: Pending

Bill text can be found at: http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB626

2017 CA A 626: Bill Analysis - 04/21/2017 - Assembly Health Committee, Hearing Date 04/25/2017

Date of Hearing: April 25, 2017

ASSEMBLY COMMITTEE ON HEALTH

Jim Wood, Chair

AB 626

Eduardo Garcia- As Amended Ver:April 6, 2017

SUBJECT: California Retail Food Code: microenterprise home kitchen operations.

SUMMARY: Permits microenterprise home kitchen operations to sell home cooked food to the public under specified situations. Specifically, this bill:

1) Defines microenterprise home kitchen operation (MEHKO) to mean a food facility that is operated by a resident in a private home where food is prepared for a consumer and meets all of the following requirements:

a) The operation has no more than one full-time equivalent food employee, not including a family member or household member;

b) Food is prepared, cooked, and served on the same day, picked up by the customer, or delivered within a safe time period based on holding equipment capacity;

c) Food preparation does not involve processes that require a Hazard Analysis Critical Control Point (HACCP) plan, or the production, service, or sale of raw milk or raw milk products, as specified;

d) There is no service and sale of raw oysters;

e) Food preparation is limited to no more than 30 individual meals per day, and no more than 60 individual meals per week, unless otherwise approved by the local enforcement agency based on food preparation capacity of the operation; and,

f) The operation has no more than $50,000 in verifiable gross annual sales.

2) States that MEHKO does not include any of the following:

a) A catering operation;

b) A cottage food operation, as specified; and,

c) An indirect sale.

3) Requires that equipment for holding cold and hot food in a restricted food service facility be sufficient in number and capacity to ensure proper food temperature control.

4) Grants to MEHKOs the same exemption enjoyed by restricted food service facilities that would otherwise prohibit a kitchen from directly opening into a room used as living or sleeping quarters. Prohibits any sleeping accommodations from being allowed in any area where food is prepared or stored.

5) Provides that a MEHKO be considered a restricted food service facility for purposes of, and subject to all applicable requirements of specified provisions of the California Retail Food Code (CRFC).

6) Exempts a MEHKO from all of the following:

a) Handwashing sign posting requirements;

b) Handwashing facilities requirements, as specified, provided that a handwashing sink is supplied with warm water and located in the toilet room and supplied with hand cleanser and either a heated-air hand drying device or sanitary single use towels are available;

c) Installing a three-compartment sink provided that a two-compartment sink is available and used, as specified; and,

d) Installing a food preparation sink provided that produce is washed, as specified.

7) Requires any individual who is involved in the preparation, storage, or service of food in a MEHKO to obtain a food handler card.

8) Prohibits a MEHKO from being open for business unless it is operating under a permit issued from the local enforcement agency in a manner approved by the local enforcement agency.

9) Requires the applicant to submit to the local enforcement agency written standard operating procedures that include all of the following information:

a) All food products that will be handled;

b) The proposed procedures and methods of food preparation and handling;

c) Procedures, methods, and schedules for cleaning utensils, equipment, and for the disposal of refuse;

d) How food will be maintained at the required holding temperatures pending pickup by consumer or during delivery; and,

e) Days and times that the home kitchen will be utilized as a microenterprise home kitchen operation.

10) For purposes of permitting, the permitted area includes the home kitchen, onsite customer eating area, food storage, utensils and equipment, toilet room, janitorial or cleaning facilities, and refuse storage area. Food operations shall not be conducted outside of the permitted areas.

11) For purposes of determining compliance with the provisions of this bill, a representative of a local enforcement agency, for inspection purposes, may access the permitted area of a private home where a food operation is being conducted. Limits access to the permitted areas and solely for the purpose of enforcing or administering this part.

12) Permits a representative of a local enforcement agency to inspect a MEHKO on the basis of a consumer complaint, reason to suspect that adulterated or otherwise unsafe food has been produced by the operation, or that the operation has violated this part.

13) Permits the enforcement officer, for the purpose of determining compliance with the gross annual sales requirements for operating a MEHKO or a cottage food operation, require those operations to provide copies of documents related to determining gross annual sales.

EXISTING LAW:

1) Establishes the California Retail Food Code (CRFC), under the Department of Public Health. Includes uniform health and sanitation standards for retail food facilities, and requires local health agencies to enforce these provisions.

2) Defines "food facility" as an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level, as specified. Exempts, among others, a private home, including a registered or permitted cottage food operation, from the definition of food facility.

3) Defines "restricted food service facility" to mean either of the following:

a) A food facility of 20 guestrooms or less that provides overnight transient occupancy accommodations, that serves food only to its registered guests, that serves only a breakfast or similar early morning meal and no other meals except light food or snacks presented to the guest for self-service, and that includes the price of food in the price of the overnight transient occupancy accommodation; or,

b) An agricultural homestay facility, as specified.

4) Establishes the California Homemade Food Act to regulate the production and sale of certain non-potentially hazardous foods prepared in a home kitchen.

5) Provides that a violation of any provision of the CRFC or regulation adopted pursuant to it is generally a misdemeanor.

FISCAL EFFECT: This bill has not yet been analyzed by a fiscal committee.

COMMENTS:

1) PURPOSE OF THIS BILL. According to the author, many of his constituents have expressed their concerns and frustrations trying to work in compliance with the existing, overly complicated cottage food laws. The author states that this measure aims to knock down barriers and expand opportunities for marginalized populations who often lack access to the professional food world. The author believes that with this bill, California will take a substantial step towards building a more inclusive food system. The aim of this bill is to support healthy, self-reliant communities, and economically empower talented home cooks with a pathway to attain income self-sufficiency and achieve their American dream of success.

2) BACKGROUND. Retail food sales in California, in both restaurants and grocery stores, are governed by CRCF. According to the California Retail Food Safety Coalition (CRFSC), a broad-based coalition of federal, state, and local regulators and the retail food industry, the CRFC is modeled after the federal Model Food Code, developed by the federal Food and Drug Administration and updated every two years to reflect the latest scientific and evidence-based practices. Local Environmental Health Directors have primacy in the enforcement of the CRFC and focus their food facility inspections on minimizing food-borne illness risk factors and maximizing public health interventions. CRFC inspection fees range from $150-$750 per inspection, depending on the size of the facility.

a) California's Cottage Food Law. In 2012, California enacted the California Homemade Food Act, also commonly known as the cottage food law. Thousands of small food businesses were formed under the law during its first year of implementation. However, the Homemade Food Act only allows certain nonpotentially hazardous foods such as breads, pies, fruit jams, and numerous dried foods to be made in a home kitchen and offered for sale. Selling hot meals, green salads, frozen foods, and many other foods prepared in a home kitchen are not allowed under the law. These foods must be made in an inspected commercial kitchen. The CRFC does not allow a home kitchen to be used as a commercial kitchen except under the parameters of the Homemade Food Act and very narrow occasional exceptions for bake sales organized by charitable organizations. Many consumers and food producers alike would prefer for the law to allow sales of homemade foods that are currently not allowed under the Homemade Food Act.

b) Foodborne Illnesses. According to estimates from the federal Centers for Disease Control and Prevention (CDC), one in six, or 48 million Americans will contract a foodborne illness this year. Most healthy individuals will experience mild to moderate symptoms like diarrhea or vomiting depending on the specific organism. However, individuals with weakened immune systems, the very young, and the elderly are most susceptible to severe illnesses like blood infections, paralysis, and organ failure. CDC estimates that nationally, nearly 128,000 people will be hospitalized and 3,000 people will die as a result of a foodborne illness infection. There are 31 primary foodborne pathogens known to cause illness in humans.

3) SUPPORT. Supporters argue that this bill will enable home cooks, who are mostly women, immigrants, and people of color, to use their skills to generate income. Without the fear of fines, thousands of existing home cooks will be able to openly access business education and training on safe food handling practices. Small-scale microenterprises are an important tool for those who may want to grow their business and who would not otherwise have access to sufficient capital to enter the commercial food industry. Finally, supporters say this bill will protect consumers by ensuring public officials have access to the kitchens where the food is prepared and protecting their rights to use existing public health reporting mechanisms if concerns arise.

4) SUPPORT IF AMENDED. The American Planning Association, California Chapter requests an amendment so that any change in a MEHKO that increases the scale or modifies the conditions of operation requires the approval of the local enforcement agency.

5) OPPOSITION. The California State Association of Counties (CSAC), Urban Counties of California, Rural County Representatives of California, County Health Executives Association of California, and Health Officers Association of California (HOAC) all oppose this bill because of tremendous concerns about the preparation of potentially hazardous foods in home kitchens. Cooking, cooling, and reheating foods, as well as ensuring appropriate hot and cold temperature controls, is challenging in a commercial kitchen even with staff training and appropriate equipment and facilities. This danger increases exponentially in a home kitchen. Opponents state that when food is purchased by the public, they expect it has been prepared within a legal framework to prevent pathogens. Opponents argue that this bill broadens the existing cottage food law in a way that would put the public at risk. Furthermore, the operation of these enterprises in residential neighborhoods raises a host of other issues relating to trash, parking, noise, wastewater, septic sizing, water sources, fire hazards, and Americans with Disabilities Act accessibility, making enforcement and oversight difficult for a number of local governmental entities. HOAC also argues that local inspectors do not have the same expertise when examining home kitchen equipment, and that home kitchens may be used or visited by pets, young children,

guests and others without food handling training, all of which increases the risk of foodborne infections.

6) OPPOSE UNLESS AMENDED.

a) The California Association of Environmental Health Administrators (CAEHA) and the California Conference of Directors of Environmental Health (CCDEH) oppose this bill unless it is amended to address significant public health and safety concerns. CAEHA reports that while many representatives of CCDEH are very skeptical that food prepared in and sold from a residential property can be done so safely and with little or no disruption to the neighborhood, CCDEH as a body has committed to work with the sponsors and author to explore whether a pathway can be found to allow some limited food preparation and sales form private homes. To this end, CCDEH and CAEHA have taken a position of oppose unless several key issues are fully addressed. CAEHA states that it recognizes that there may be some economic and societal benefits to allowing restricted food preparation and sales from private homes, but is also acutely aware of the real and potentially serious risks associated with these enterprises, including: inadequate structural and equipment capacity to allow safe processing of potentially hazardous foods that require temperature control and protection against cross contamination; lack of adequate food safety training of amateur chefs and cooks; difficulty of regulatory oversight of operations based in private homes; and potential adverse neighborhood impact. Additional issues which CCDEH notes in a position statement on home kitchen operations include: assurance of strict liability for all engaged parties; including third-party intermediaries; ability to inspect; ability to recover costs; and, no formal opposition from HOAC, CSAC, and CRFSC.

b) The Sustainable Economies Law Center (SELC), although it supports the concept of further legalizing homemade food, opposes this bill unless it is amended to prevent exploitation of cooks by third party tech platforms. SELC proposes that the state regulate third-party web platforms in the homemade food economy as an additional critical level of consumer protection and to promote economic justice. SELC would restrict the ownership and governance of the web platforms and any other third party intermediaries to corporate structures that are owned and controlled by a group of stakeholders other than shareholders. Specifically, SELC argues that web platforms should be organized as one of the following: worker cooperative, consumer cooperative, nonprofit mutual benefit corporation, nonprofit public benefit corporation, or a government agency. The Ecology Center, the Oakland Food Policy Council, Sierra Harvest, Cooperation Richmond, the Berkeley Student Food Coop and many individuals have also written requesting amendments to this bill so that it ensures community ownership of web platforms that act as intermediaries in the sale of homemade food.

7) PREVIOUS LEGISLATION.

a) AB 2593 (Brown) of 2016, was similar to this bill, was referred to the Assembly Health Committee but was not heard at the request of the author.

b) AB 1616 (Gatto), Chapter 415, Statutes of 2012, enacted the California Homemade Food Act.

8) COMMENTS. The author has agreed to take all amendments that are included in CCDEH's position statement, as follows:

a) Local governing bodies retain full discretion to allow or not allow such home kitchen operations;

b) All local business license, land use, fire safety and zoning requirements are fully satisfied;

c) A maximum number of meals to be prepared based on food preparation capacity (refrigeration storage, food storage, food preparation areas) that is prepared and provided for same day consumption and limited to direct sales only;

d) A maximum revenue income limit established at a level to ensure that such food operations are intended to serve as incubators or income augmentation and NOT to guarantee a living wage income that may result in the circumvention of the current and necessary commercial retail food safety requirements;

e) Basic regulatory requirements that address food safety practices, procedures, and equipment commensurate with the proposed menu;

f) Inclusion of additional food safety requirements, including but not limited to permitting and inspections, plan check approval, and food handler training;

g) Consider the role of third party intermediaries (i.e. website platforms) to include permitting and data sharing to assist with the investigations of consumer complaints, foodborne illness outbreaks and recalls;

h) Assurance of strict liability for all engaged parties, including third-party intermediaries;

i) Ability to inspect, investigate, and take enforcement when necessary to assure compliance with requirements;

j) Ability to recover costs for the inspection and enforcement of home kitchen operations; and

k) No formal opposition from HOAC, CSAC, and CRFSC.

9) ADDITIONAL AMENDMENTS. The author proposes the following additional amendments:

a) Require anyone doing delivery to have California ID on file with permit holder;

b) Third party platforms must have a photo of delivery person if applicable;

c) Delivery restricted to family members or employees;

d) Third party platforms cannot require cooks to work certain days of the week or a certain number of hours;

e) Third party platforms cannot require cooks to prepare certain meals or items; and,

f) Third Party Platforms must cooperate with enforcement officials, including sharing information about cooks on their platform and removing cooks from a platform who have violated provisions of the Act.

REGISTERED SUPPORT / OPPOSITION:

Support

Border Grill

Cerplus

Community Food and Justice Coalition

Core Foods

Flavors of Oakland

Food Shift

Forage Kitchen

Gobee Group

Growing Leaders

LaCocina

Maize

Obsidian Farm

People's Community Market

Pit Stop Barbeque

The Town Kitchen

Several Individuals

Opposition

California State Association of Counties

County Health Executives Association of California

Health Officers Association of California

Rural County Representatives of California

Urban Counties of California

Analysis Prepared by: John Gilman / HEALTH / (916) 319-2097

Recommendation(s)/Next Step(s):

CONSIDER recommending to the Board of Supervisors a position of "Oppose" on AB 626 (Garcia): Microenterprise Home Kitchen Operations, as recommended by the County Public Health Director and the County Environmental Health Director.

Attachments

No file(s) attached.

Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **7.**

Meeting Date:	05/08/2017
Subject:	Park Bond Related Bills
Submitted For:	LEGISLATION COMMITTEE,
Department:	County Administrator
Referral No.:	2017-24
Referral Name:	Park Bond Related Bills
Presenter:	Ryan Hernandez **Contact:** L. DeLaney, 925-335-1097

Referral History:

On last week's Water Bond Coalition conference call, the coalition was gauging level of interest in participating in the Park Bond process. Staff is seeking direction from the Legislation Committee on this matter.

Referral Update:

AB 18 (Garcia):

Title:	Clean Water, Climate, and Coastal Protection Act
Introduced:	12/05/2016
Last Amend:	02/23/2017
Disposition:	Pending
Location:	SENATE
Summary:	Enacts the California Clean Water, Climate, Coastal Protection and Outdoor Access For All Act, which would authorize the issuance of bonds to finance a clean water, climate, and coastal protection and outdoor access for all program. Provides for the submission of these provisions to the voters at the statewide direct primary election.
Status:	03/20/2017 In ASSEMBLY. Read third time, urgency clause adopted. Passed ASSEMBLY. *****To SENATE. (54-19)

Bill text can be found at: http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB18

2017 CA A 18: Bill Analysis - 03/09/2017 - Assembly Floor

ASSEMBLY THIRD READING

AB 18

(Eduardo Garcia, et al.)

As Amended February 23, 2017

2/3 vote. Urgency Committee Votes Ayes Noes Water 10-5 Eduardo Garcia, Gallagher, Chu, Friedman, Bigelow, Choi, Gloria, Gomez, Harper, Mathis Levine, Rubio, Salas, Thurmond, Wood Appropriations 12-5 Gonzalez Bigelow, Brough, Fletcher, Bloom, Mathis, Bocanegra, Melendez, Bonta, Calderon, Obernolte Chau, Eggman, Friedman, Eduardo Garcia, Gray, Muratsuchi, Reyes SUMMARY: Enacts the California Parks, Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2016, which, if approved by the voters, would authorize issuance of State General Obligation bonds, in the amount of $3.105 billion, to finance parks, water, climate adaptation, coastal protection, and outdoor access programs. Specifically, this bill:

1) States legislative findings and declarations regarding California's parks, natural resources and outdoor opportunities, and the scale of unmet need and demand for, and lack of equal access to, those resources and activities. States findings and declarations regarding the benefits of investments for these purposes to public health, and to state and local economies.

2) States that it is the intent of the people of the state that:

a) Public investments authorized by this bill provide public benefits and address the most critical statewide needs and priorities.

b) Priority be given to projects that leverage other funding sources.

c) Projects receiving funding include signage informing the public of the bond investments.

3) Includes a number of general provisions that apply to all of the articles included in the Act, including:

a) Allows up to 12.5% of funds in each category to be used for planning and monitoring. Planning funds for projects in disadvantaged communities can exceed the 10% if needed.

b) Requires at least 20% of funds in each article to be allocated to severely disadvantaged communities.

c) Allows up to 10% of funds to go toward technical assistance. Technical assistance may exceed 10% for disadvantaged communities if needed.

a) Requires agencies administering the bond to develop project solicitation and evaluation guidelines, to conduct three public meetings, and to publish draft guidelines on the internet. These guidelines, where feasible, shall encourage, where feasible, efficient use of water, use of recycled water, and capture of storm water, and provision of drinking water to parks and open-space.

b) Requires the Department of Finance to provide for an independent audit of expenditures.

c) Reverts unexpended funds to the administering entity.

d) Requires projects that use California Conservation Corps services or certified community conservation corps to be given preference for grants where feasible.

e) Prohibits bond funds from fulfilling mitigation responsibilities.

f) Allows projects that include water efficiencies, storm water capture, or carbon sequestration features in the project design to be given priority for grant funding.

g) Exempts the provisions regarding wildlife conservation from the provisions regarding disadvantaged communities, for regional and local parks, and trails.

h) Requires conservancies to endeavor to fund projects that are complementary and not duplicative of authorized expenditures pursuant to the 2014 water bond.

i) Authorizes the Legislature to enact legislation necessary to implement programs funded by the bond.

j) Authorizes funds to be used by nonprofits to repay financing costs that are consistent with this chapter and allows 25% of grant awards as advance payments.

k) Creates the California Parks, Water, Climate, and Coastal Protection and Outdoor Access for All Fund.

4) Authorizes funds to be available, upon appropriation of the Legislature, for all of the following programs and purposes:

a) Article 2. Investments in Environmental and Social Equity, Enhancing California's Disadvantaged Communities. For creation and expansion of safe neighborhood parks in park-poor communities, $900 million dollars, in accordance with the Statewide Park Development and Community Revitalization Act of 2008 competitive grant program [AB 31 (De Leon), Chapter 623, Statutes of 2008]. At least 20% of this allocation is made available for rehabilitation and improvement of existing park infrastructure, and $40 million is made available for historic under-investments in central valley, Inland Empire, gateway, and desert communities.

b) Article 3. Investments in Protecting, Enhancing, and Accessing California's Local and Regional Outdoor Spaces.

a.i) For local park rehabilitation and improvement grants to local governments on a per capita basis, $425 million. $40 million is available to the department upon appropriation for grants to cities and districts of less than 200,000 population. Requires a 20% local match unless the entity is a disadvantaged community. Describes the formula to be used to allocate the per capita funds between cities, districts, counties, and regional park districts, based on population, including with a minimum county allocation of $400,000.

a.ii) $110 million for competitive grants to regional park districts, counties, and special districts for regional trails, regional sports complexes, low-cost accommodations in park facilities, and interpretative facilities that serve youth and communities of color.

c) Article 4. Restoring California's Natural, Historic, and Cultural Legacy. To the Department of Parks and Recreation (DPR) for restoration and preservation of existing state park facilities and

units, to preserve and increase public access, and to protect natural, cultural and historic resources in the parks, $330 million. Of this amount, $15 million is available for enterprise projects and $15 million is available by the department for grants to local agencies that operate a unit of the state park to address urgent restoration needs of aging infrastructure. Specifies that unless a local agency has been identified as a disadvantaged community, a 20 % match is required.

d) Article 5. Trails and Greenway Investments. To the Natural Resources Agency for competitive grants to local agencies, conservancies, tribes, and nonprofit organizations for non-motorized access to parks, waterways, or other natural environments, to encourage health-related commuting, $45 million. Authorizes 25% of the total for this program to be made available for innovative transportation programs, for disadvantaged youth.

e) Article 6. Rural Recreation, Tourism, and Economic Enrichment Investment. For competitive grants to cities, counties and districts in non-urbanized areas, subject to specified considerations, $40 million. Requires a 20% local share match, unless the entity is a disadvantaged community.

f) Article 7. California River Recreation, Creek, Stormwater, and Water Improvement Program. To the Natural Resources Agency for River Parkway grants, $70 million for the following:

a.i) Lower American River Conservancy Program, not less than $5 million.

a.ii) Guadalupe River and its headwaters or contributing tributaries, including Los Gatos Creek, $5 million.

a.iii) Russian River $5 million.

a.iv) Santa Ana River Conservancy Program $5 million.

For appropriation by the Legislature, as follows:

a.i) To the Natural Resources Agency, for protection and enhancement or urban creeks and streams, $90 million for the Los Angeles and San Gabriel Rivers, to be divided equally, as specified, and with priority for projects in disadvantaged communities.

a.ii) For Urban Stream Programs, $10 million

a.iii) For the Salton Sea Authority, $30 million, for projects benefiting the Salton Sea, and not less than $10 million for New River projects.

a.iv) For competitive grants to cities, counties, regional park districts and other open space districts, for stormwater capture projects that have co-benefits of enhanced park, parkways and open space, $25 million.

g) Article 7.5. State Conservancies. To the following state conservancies and entities, with provisions to adopt a strategic master plan, $145 million, with priorities and specific criteria for funding:

a.i) Baldwin Hills Conservancy $5 million.

a.ii) California Tahoe Conservancy $20 million.

a.iii) Coachella Mountains Conservancy $10 million.

a.iv) Sacramento-San Joaquin Delta Conservancy $10 million.

a.v) San Diego River Conservancy $15 million.

a.vi) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy $25 million.

a.vii) San Joaquin River Conservancy $10 million.

a.viii) Santa Monica Mountains Conservancy $25 million.

a.ix) Sierra Nevada Conservancy $25 million.

h) Article 8. Ocean, Bay, and Coastal Protection. For appropriation by the Legislature, $180 million, to fund projects that enhance and protect coastal and ocean resources as follows:

a.i) California Ocean Protection Trust Fund $45 million.

a.ii) San Francisco Bay Area Conservancy Program $40 million.

a.iii) State Coastal Conservancy $95 million.

i) Article 8.5. Investments in Lower Cost Coastal Accommodations. Provides $100 million to the Natural Resources Agency, upon appropriation by the Legislature, to fund projects that improve existing or develop new, lower cost, accommodations on coastal public lands and coastal lands owned or operated by nonprofit organizations, including parks and open space districts, among others.

j) Article 9. Climate Preparedness, Habitat Resiliency, Resource Enhancement, and Innovation. For climate adaptation and resiliency projects that improve a community's ability to adapt to climate change, including projects to improve and protect coastal and rural economies, agricultural viability, wildlife corridors, or habitat, develop recreational opportunities, or enhance drought tolerance and water retention, $600 million, including the following:

a.i) To the Wildlife Conservation Board (WCB) for wildlife corridors, to improve climate change adaptation, and for existing open space corridors and trail linkages, $400 million, including $55 million for natural community conservation plans; $5 million for competitive grants to wildlife rehabilitation facilities operated by nongovernmental entities, by the Department of Fish and Wildlife; not less than $40 million for restoration and protection of wildlife corridors and open space connectivity, including the Pacific Flyway and, of this amount, $5 million is available for the California Waterfowl Habitat Program.

a.ii) To the California Climate Resilience Account, for projects to assist coastal communities with climate change adaptation, including sea level rise and ocean acidification, and the Pacific Flyway, $30 million.

a.iii) For projects that improve agricultural and open-space soil health, improve carbon soil sequestration, water quality, and water retention, or to replace inefficient groundwater pumps, $10 million.

a.iv) For projects that reduce fire risk, improve forest health, and provide feedstock for compost, energy, or alternative fuels facilities, $50 million.

a.v) For the California Conservation Corps, to rehabilitate or improve parks, restore watersheds, and improve forest health, $35 million.

a.vi) For the Natural Resources Agency $75 million for various categories of projects including protection of Native American cultural sites and resources, repurposing fossil fuel plants to create open space, grants to areas not within the boundaries of state conservancies, science centers, community athletic sites, centers that recognize the contributions of California's diverse ethnic communities, and visitor centers to provide education about natural landscapes, aquatic species, or wildlife migratory patterns.

5) Includes related fiscal provisions regarding sales of bonds and implementation of the Act pursuant to the State General Obligation Bond Law. Establishes a finance committee for the bond composed of the Director of Finance, the Treasurer, and the Controller.

6) Requires the Secretary of State to submit the bond act to the voters at the June 2018 statewide general election, and includes related instructions regarding preparing ballot pamphlets and statements. Provides that this act shall take effect upon approval by the voters.

EXISTING LAW:

1) Authorizes the Legislature to pass legislation, by a two-thirds vote, to place a proposed general obligation bond measure before the voters on the statewide ballot, to authorize the sale of bonds to finance various state purposes. General obligation bonds have been one of the primary methods voters have used to fund the acquisition and improvement of parklands, open space, and wildlife areas; water conservation, recycling and infrastructure projects; and related purposes.

2) The California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002 (Proposition 40), a legislative ballot measure approved by the voters in 2002, authorized $2.6 billion in bond expenditures for parks and other resource related purposes.

3) The Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12), a legislative ballot measure approved by the voters in 2000, authorized expenditures of $2.1 billion for parks and other resource related purposes.

4) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 (Proposition 84), an initiative measure approved by the voters in 2006, authorized bond expenditures of $5.4 billion, of which approximately $875 million was for parks.

5) Authorizes general obligation bonds which the state pays out of general revenues and that are guaranteed by the state's full faith and credit.

FISCAL EFFECT: According to the Assembly Appropriations Committee:

1) Annual (General Fund [GF]) principal and interest payments of approximately $198 million.

The state pays principal and interest during the repayment period. Cost will depend on factors such as the actual interest rate paid, the timing of the bond sales (bonds are often sold over a

number of years), and the time period over which the bonds are repaid.

Assuming a 5% flat interest rate with a 30-year repayment period, the state would pay about $65 million annually in principal and interest costs for each $1 billion borrowed.

2) One-time GF costs of around $220,000 to include the text and analysis of the constitutional and other arguments for and against the measure in the statewide voter information guide.

COMMENTS: This bill proposes to place a park bond on the June 2018 statewide ballot, to fund parks, other outdoor open spaces, waterways, wildlife corridors, climate change adaptation, and other natural resource projects. A major priority focus of this bill is addressing the needs of park-poor and disadvantaged communities. The main categories of funding proposed in the bond are: 1) safe neighborhood parks in park-poor communities; 2) local and regional parks, with funds to be distributed both on a per capita basis (statewide, based on population ratios) and competitively; 3) state parks, with a focus on deferred maintenance in existing parks; 4) trails and waterfront access; 5) rural community recreational needs; 6) river parkways; 7) state conservancies; and 8) wildlife habitat needs, including wildlife corridors and climate change adaptation.

The author notes that, to maintain a thriving economy and high quality of life for California's growing population, the state requires a continuing investment in parks, recreation facilities, and protection of the state's natural and historical resources. It has been 15 years since California last approved a whole and substantive park bond. The 2008 economic downturn had a disproportionate impact on local, regional and state park infrastructure. Because of this impact, there is a high unmet demand for park investment, as witnessed by the 8-1 ratio of grant application requests vs. available grant dollars for park grants awarded under the AB 31 Statewide Parks Program.

Demand has been particularly high in both urban and rural disadvantaged communities where many still lack access to safe parks, trails, and recreation areas. The author notes that according to the Statewide Comprehensive Outdoor Plan of 2015 (SCORP), 38% of Californians still live in areas with less than three acres of parkland per 1,000 population, a recognized standard for adequate parks, and nine million people do not have a park within a half mile of their home. The action plan highlights the need for increasing park access to residents in underserved communities by encouraging park development within a half mile of park deficient neighborhoods, creating new trails and greenways to provide active transportation corridors for commuting, and expanding transportation opportunities to larger parks.

The author also notes the findings of the Parks Forward Commission which highlighted the need to prioritize protection of natural and cultural resources for future generations, expand access to parks for underserved communities and younger generations, and to address state park deferred maintenance. Investing in parks and trails will help ensure all Californians have access to safe places to exercise and recreate. Additionally, continued investment in the state's natural resources and greening of urban areas will help mitigate the impacts of climate change and provide access to natural resources for future generations.

Background: Park and water bonds have been a primary source of state funding for the acquisition and improvement of parks, open space, and wildlife areas in California; and for many water conservation, water recycling, flood management, and water supply needs. Past bond acts have funded a variety of state, regional, and local parks, recreation, conservation, and water-related

projects. Bond acts have included funding for support of California's 280 unit state park system, for local and regional parks, for projects to provide public access to the coast and other public lands, and to fund wildlife habitat conservation needs. Bonds have also provided funding for state conservancies and for river restoration projects.

Prior Bond Act History: Since 2000, California voters have approved three park bonds. The last legislatively crafted park bond was Proposition 40, which was approved by the voters 14 years ago in 2002. The six park and/or water-related bonds approved by the voters since 2000 are:

1) Proposition 12 (2000-Legislative) Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Act. Total $2.1 billion, including $780 million for local, regional parks primarily through block grants, and $400 million for state parks deferred maintenance and acquisition.

2) Proposition 13 (2000-Legislative) Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act. Total $1.97 billion. Proposition13 was primarily a water bond.

3) Proposition 40 (2002-Legislative) California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act. Total $2.6 billion, including $964 million for local, regional parks through both block grants and competitive grant awards, and $250 million for state parks deferred maintenance and acquisition.

4) Proposition 50 (2002-Initiative) Water Quality, Supply, and Safe Drinking Water Projects Act. Total, $3.4 billion. Proposition 50 was primarily a water bond.

5) Proposition 84 (2006-Initiative) Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act. Total, $5.4 billion, including $457 million for safe neighborhood parks in park-poor and disadvantaged communities and nature centers, and $400 million for state park deferred maintenance and acquisition. Proposition 84 was primarily a water and flood control bond, but also included funding for watershed and ecosystem restoration, and for habitat conservation.

6) Proposition 1 (2014-Legislative) Water Quality, Supply, and Infrastructure Improvement Act. Total, $7.12 billion. Proposition 1 was primarily a water bond but also included funding for watersheds and ecosystem restoration.

Assessing unmet needs for park and natural resource investments: To measure the national need for public outdoor recreation facilities and parkland acquisitions at the state and local level, the National Park Service annually, as part of the Land and Water Conservation Fund program, requests each state partner to estimate the total cost of desired outdoor recreation facility development and parklands acquisition projects that cannot be met with available levels of funding. The 2012 report found there was a $3.6 billion total in unmet needs for state and local parks in California in 2011, and $4.9 billion in 2012.

1) State Parks: The DPR has estimated the state's backlog of deferred maintenance at state parks alone is over $1.2 billion.

2) Local and Regional Parks: The California Park & Recreation Society conducted a survey of local and regional park districts to assess unmet need. Forty-five out of 500 agencies responded to the survey (a 15% to 20% sampling) and estimated a total unmet need of $1.8 billion for local

parks.

3) Park-Poor and Disadvantaged Communities: The DPR awarded $360 million in competitive grants for safe neighborhood parks in park-poor communities through Proposition 84 and the AB 31 (De Leon) Statewide Park Program. The DPR reported that they received applications for over $3 billion in funds for the program.

4) Rural Communities: While many park-poor communities are located in heavily populated urban areas, many rural communities also are park-poor and economically disadvantaged. As an example, the DPR in 2009 released a report called the Central Valley Vision, which assessed unmet park and recreation needs in the Central Valley. The report found that compared to other California regions, the Central Valley lacks parks for residents and visitors. Major trends, including population growth projected for the region, pointed to the need for significant investment in improving park and recreation access. Projected costs to implement the Central Valley Vision plan were $272 million over 20 years.

5) River Parkways, Trails and Active Transportation: The River Parkways Program, including Proposition 50 and Proposition 84 dollars combined, received applications totaling over $700 million for $151 million in awarded funds, a 5 to 1 ratio. The Recreation Trails Program in 2015 was able to fund $8.4 million out of $60 million requested. The Active Transportation Program received grant requests totaling over $1 billion for their first two rounds of funding, of which $300 million in available funding was awarded.

6) State Conservancies, Wildlife Corridors, Climate Change Adaptation, and other Natural Resource Needs: The total needs for wildlife habitat conservation, climate change adaptation, and other natural resource needs is unknown. Restoration of the Los Angeles River alone is anticipated to be in the billions of dollars. Proposition 1 provided $100 million for this purpose. The WCB receives a significant portion of its funding from state bond funds, in addition to the Habitat Conservation Fund and the Wildlife Restoration Fund. The Habitat Conservation Fund is set to expire in 2020 unless extended. The WCB's strategic plan indicates that available state bond funds for wildlife habitat from prior bonds are dwindling, and that future bond funds will be needed. Existing bond funds will likely be exhausted by the 2019/20 fiscal year. The WCB estimates the state's five year unmet and unfunded need for prioritized wildlife habitat conservation for the WCB alone at about $864 million. Proposition 1 provided some funding for watershed and ecosystem restoration, both within and outside the Delta. The climate change adaptation needs identified in this bill, such as sea level rise and ocean acidification, are unknown but also significant.

The funding in Proposition 1 for state conservancies was limited to water related needs. Other areas of the state not covered by conservancies also have natural resource conservation needs. For example, the Salton Sea, which is facing significant challenges in the very near future for habitat restoration needs as the Sea recedes. Estimated costs for restoration at the Salton Sea have ranged from $2 billion to $8 billion. Forest management needs throughout the state to reduce wild fire risk and for watershed restoration and maintenance are also significant.

SB 5 (De Leon) of the current legislative session proposes to authorize $3 billion in bond expenditures, including $1.45 billion for parks. The $1.45 billion is further divided to provide $600 million for safe neighborhood parks in park-poor communities, $80 million for oceans and coastal programs, $30 million for local park rehabilitation, $20 million for rural parks, $25 million for trails programs, and $100 million for state parks. SB 5 also proposes $125 million for

river parkways programs, and allocates $75 million of this to the Santa Monica Mountains Conservancy (other funds in this chapter are subject to specified prioritization statewide). Further, $100 million in the approved 2014 Water Bond has not been appropriated due to a continuing debate about the sharing of the Los Angeles River funding between its upper and lower segments. SB 5 provides $1.5 billion to water quality, groundwater protection, integrated watershed funding, and recycled water programs, similar to Proposition 1 (2014).

Supporters assert that this bill will provide an important opportunity for California to invest in critically needed park and open space programs while providing climate and habitat resiliency in our natural systems. This bill provides a framework to infuse much needed financial resources into all neighborhood, regional and state parks. Supporters, in general, support the overall framework of the bond, and emphasize support for particular components. Some supporters highlight support for funding of local parks and recreation, including funding for both park-poor communities, and per capita funding. Several supporters express support for funding of wildlife corridors, coastal and sierra resources, state park deferred maintenance, and for the WCB. With regard to conservancies, some entities support this bill in concept, but point out large portions of the state fall outside of the boundaries of the existing state conservancies, and urge that an allocation be added to the WCB to be used for projects outside the boundaries of the named conservancies. The bill addresses this need by specifying other areas for funding, and by allocating funding outside of the traditional state conservancy boundaries.

Opponents raise concerns about the number of bonds that should be authorized for future state ballots given the state's debt service ratio, and the investment period of local parks.

Analysis Prepared by: Catherine Freeman / W., P., & W. / (916) 319-2096 FN: 0000016

SB 5 (De Leon)

Title:	California Drought, Water, Parks, Climate
Introduced:	12/05/2016
Last Amend:	03/28/2017
Disposition:	Pending
Location:	Senate Appropriations Committee
Summary:	Enacts the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018. Authorizes the issuance of bonds in an amount of $3,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.
Status:	04/17/2017 In SENATE Committee on APPROPRIATIONS: Not heard.

Bill text can be found at: http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB5

2017 CA S 5: Bill Analysis - 03/17/2017 - Senate Governance and Finance Committee

SENATE COMMITTEE ON GOVERNANCE AND FINANCE

2017 - 2018 Regular

Bill No: SB 5 Hearing Date: 3/22/17 Author: De LeA^3n Tax Levy: No n Version: 3/15/17
Fiscal: Yes Consultant: Grinnell

California Drought, Water, Parks, Climate, Coastal Protection, and
Outdoor Access For All Act of 2018

Enacts the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018, which places a $3 billion bond before voters at the June, 2018 statewide direct primary election.

Background

When public agencies issue bonds, they borrow money from investors, who provide cash in exchange for the agencies' commitment to repay the principal amount of the bond plus interest. Bonds are usually either revenue bonds, which repay investors out of revenue generated from the project the agency buys with bond proceeds, or general obligation bonds, which the public agency pays out of general revenues and are guaranteed by its full faith and credit.

Section One of Article XVI of the California Constitution and the state's General Obligation Bond Law guide the issuance of the state's general obligation debt. The Constitution allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate. Voters also can place bonds on the ballot by initiative, as they have for parks, water projects, high-speed rail, and stem cell research, among others. Either way, general obligation bonds must be ratified by majority vote of the state's electorate. Unlike local general obligation bonds, the state's electorate doesn't automatically trigger an increased tax to repay the bonds when they approve a state general obligation bond. Article XVI of the California Constitution commits the state to repay investors from general revenues above all other claims, except payments to public education. California voters approved $38.4 billion of general obligation bonds between 1974 and 1999, but approximately $112 billion since 2000.

Bond acts have standard provisions that authorize the State Treasurer to sell a specified amount of bonds, and generally include several uniform provisions that:

* Establish the state's obligation to repay them, and pledge its full faith and credit to repayment,

* Set forth issuance procedures, and link the bond act to the state's General Obligation Bond Law,

* Create a finance committee with specified membership, chaired by the State Treasurer,

* Charge the committee to determine whether it is "necessary or desirable" to issue the bonds, and

* Add other mechanisms necessary for the State Treasurer and the Department of Finance to implement the bond act, including allowing the board to request a loan from the Pooled Money Investment Board to advance funds for bond-funded programs prior to the bond sale, among others.

In bond acts, the Legislature generally:

* Sets forth categories of projects eligible for bond funds, such as library construction or school facility modernization,

* Chooses an administrative agency to award the funds, such as the State Librarian or the State Allocation Board,

* Details the criteria to guide the administrative agency's funding in each category,

* Enacts enforcement and audit provisions, and

* Provide for an election to approve the bond act.

Should the voters approve the bond act, the Legislature then appropriates funds to the chosen agencies to fund projects consistent with the criteria, generally as part of the Budget Act. The Department of Finance then surveys agencies to determine need for bond funds based on a project's readiness, and then asks the Treasurer to sell bonds to fund those projects. After the bond sale, the Department of Finance determines which bond acts and agencies receive bond proceeds. In recent years, the Legislature has enacted, and voters approved two bond acts for parks:

* Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Act of 2000 of $2.1 billion, approved by voters as Proposition 12 (AB 18, Villaraigosa), and

* California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 of $2.6 billion, approved by voters as Proposition 40 (AB 1602, Keeley),

The following bond act was placed on the ballot by initiative:

* The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 of $5.4 billion (Proposition 84).

According to the State Treasurer, almost all of the Proposition 12 and 40 bonds have been sold; slightly more than $100,000 hasn't yet been issued. However, almost $2 billion from Proposition 84 has not yet been issued. Voters also enacted Proposition 1E of 2006 which authorized the sale of $4.09 billion in general obligation bonds for flood control, of which $1.7 remains unissued (AB 140, Nunez, 2006). Additionally, the Legislature enacted, and voters approved, Proposition 1, which authorized $7.1 billion in new bonds for water quality and supply infrastructure (AB 1471, Rendon, 2014). The Governor's bond accountability website (www.bondaccountability.ca.gov) indicates that only $278,939 of Proposition 1C funds, and $1.2 billion of Proposition 1 remain uncommitted. Seeking additional funds for these purposes, the author wants voters to authorize additional general obligation bonds to fund parks, water, and other purposes.

Proposed Law

Senate Bill 5 enacts the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018, which places a $3 billion bond before voters at the June 2018 statewide direct primary election. After bonds are issued and sold, the measure allows the Legislature to appropriate funds to the following categories:

* $600 million to the Department of Parks and Recreation (DPR) to create and expand safe neighborhood parks in park-poor communities, in accordance with the competitive grant program in the Statewide Park Development and Community Revitalization Act of 2008 (AB 31, De Leon, 2008). Of that amount, not less than 20% is available for rehabilitating, repurposing, or

substantially improving existing park infrastructure in communities that will lead to enhances park use and enhanced user experiences. Additionally, $48 million is available for projects identified by DPR to correct historic underinvestments in the Inland Empire, Gateway, and Desert Communities (Chapter Two).

* $15 million to DPR for local park rehabilitation and improvement grants to local governments on a per capita basis, and $15 million more for the Legislature to appropriate to DPR for grants to cities and districts providing park and recreation services with populations of 200,000 or less, but in a county with a population of 500,000 or more. The bill requires a 20% local match unless the entity is a disadvantaged community (Chapter Three).

o For the two categories above, 60% of this allocation goes to cities and park districts using a formula provided in the bill, while 40% flows to counties, regional parks and open space districts, open space districts or authorities, and regional open space districts, pursuant to a formula set in the bill.

o The Director of DPR must prepare and adopt criteria and procedures for evaluating applications, which must contain a certification stating that the grant-funded project is consistent with the park and recreation element of the applicable city or county general plan. The Director must annually forward to the Director of Finance for inclusion in the annual Budget Act a statement of the total amounts appropriated each fiscal year under this category. Funds must be encumbered within three years of the effective date of the appropriation.

* $100 million to DPR to restore and preserve existing state park facilities to preserve and increase public access, and to protect natural, cultural and historic resources in the parks (Chapter Four).

o An unspecified amount is available for enterprise projects that facilitate new or enhanced park use and user experiences and increase revenue generation to support DPR.

o An unspecified amount is available for grants to local agencies that operate a unit of the State Parks system.

o The bill requires a 25% local match unless the entity is a disadvantaged community.

* $25 million to the Natural Resources Agency for competitive grants to local agencies, state conservancies, federally recognized Indian tribes, non-federally recognized tribes listed on the California Tribal Consultation List, and nonprofit organizations to provide nonmotorized infrastructure development and enhancements that promote new or alternate access to parks, waterways, outdoor recreational pursuits, and forested or other natural environments (Chapter Five).

o Up to 25% can be made available for communities for innovative transportation programs that provide new and expanded outdoor experiences for disadvantaged youth.

o The bill requires a 20% local match unless the entity is a disadvantaged community.

* $20 million to DPR to administer a competitive grant program for local agencies in nonurbanized areas. The bill requires a 20% local match unless the entity is a disadvantaged community (Chapter Six).

* $125 million to the Natural Resources Agency for grants for river parkways and urban creeks under the California River Parkways Act of 2004 and the Urban Streams Restoration Program (Chapter Seven).

o Of that amount, $75 million is available to the Santa Monica Mountains Conservancy.

o Not less than 5% is available to the Santa Ana River Conservancy Program.

o An unspecified amount for the Lower American River Conservancy Program.

o An unspecified amount for the Guadelupe River contingent on the enactment of future legislation.

o An unspecified amount for the Russian River contingent on the enactment of future legislation.

o Requires a 20% match unless the entity is a disadvantaged community.

* $120 million to conservancies, including $40 million to the Salton Sea Authority for capital outlay projects that provide air quality and habitat benefits, of which $10 million must be used for purposes consistent with the New River Water Quality, Public Health, and River Parkway Development Program. An unspecified amount is made available to the Wildlife Conservation Board. Unspecified amounts are available for the Legislature to appropriate to the following conservancies, contingent on the development of a master plan that identifies priorities and specific criteria for selecting projects for funding, including providing public access (Chapter Eight):

o Baldwin Hills Conservancy.

o California Tahoe Conservancy.

o Coachella Valley Mountains Conservancy.

o Sacramento-San Joaquin Delta Conservancy.

o San Diego River Conservancy.

o San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

o San Joaquin River Conservancy.

o Santa Monica Mountains Conservancy.

o Sierra Nevada Conservancy.

* $80 million to fund projects that enhance and protect coastal resources. An unspecified amount is available to the California Ocean Protection Fund for its projects, and another unspecified amount available to the State Conservancy for the protection of beaches, bays, wetlands, and coastal watershed resources. 25% must be available for the San Francisco Bay Area Conservation Program (Chapter Nine).

* $400 million to appropriate as competitive grants for projects that plan, develop, and implement climate adaptation and resiliency projects. Eligible activities include climate change adaptation, agricultural viability, landscape resilience, wildlife corridors, habitat protection, natural community conservation plans, wildlife rehabilitation centers, protection of wildlife habitats threatened by sea level rise or ocean acidification, preservation of the working character of the lands through conservation easements or similar actions, urban forestry, and several others. An unspecified amount is made available to the Wildlife Conservation Board (Chapter Ten).

* $1 billion to appropriate for clean water projects, $250 million for each of the following programs, created by Proposition 1 (2014): Clean, Safe, and Reliable Drinking Water; Regional Water Security, Climate, and Drought Preparedness, Water Recycling, and Groundwater Sustainability (Chapter 11).

* $500 million to appropriate for flood protection (Chapter 12):

o $300 million for flood protection facilities, levee improvements, and related investments that protect persons and property from flood damage.

o $100 million for levee repairs and restoration within the Sacramento-San Joaquin Delta.

o $100 million for stormwater, mudslide, and other flash-flood related protections.

o Funds cannot be used for the design, construction, operation, mitigation, or maintenance of delta conveyance facilities.

SB 5 also contains an advance payment process for integrated regional water management plan projects. To take advantage of the process, the regional water management group must provide the administering agency with a list of projects to be funded with grant funds if the project proponent is a nonprofit organization within 90 days of its inclusion and implementation within an integrated regional water management plan. The list must specify the manner in which the projects are consistent with the plan, and contain specified information. Within 60 days of receipt of the list, the agency shall provide advance payment of 50% of the grant award for projects meeting specified criteria.

The bill reserves 15% of total funds for projects serving severely disadvantaged communities under Chapters 9 and 10, and allows up to 10% of funding under each Chapter for technical assistance to disadvantaged communities. Agencies must operate a multidisciplinary technical assistance program for disadvantaged communities. SB 5 defines a "disadvantaged community" as a community with median household income of 80% statewide average, and a "severely disadvantaged community" as one with 60%.

Each state agency receiving funding from the bond act must:

* Develop and adopt project solicitation and evaluation guidelines, which must include monitoring and reporting requirements, unless they've previously developed and adopted them. Guidelines must encourage, where feasible, efficient use and conservation of water supplies, use of recycled water, stormwater capture, and provision of safe and reliable drinking water.

* Conduct three public meetings, one each in Northern, Central, and Southern California, to consider public comments before finalizing the guidelines. The agency must publish the draft

solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings, and

* Submit the guidelines to the Secretary of the Natural Resources Agency.

The Secretary must verify that the guidelines are consistent with applicable statutes and purposes enumerated in this bill, and post an electronic form of the guidelines submitted by state agencies and the subsequent verifications on the Natural Resources Agency's internet web site. Upon adoption, the bill requires the Secretary to transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature. The Secretary must also publish a list of all bond-funded program and project expenditures pursuant at least annually, in written form, and electronically on the agency's internet web site in spreadsheet format that contains specified information.

Additionally, the measure requires the Department of Finance to provide for an independent audit of bond expenditures. The California State Auditor or the Controller may conduct a full audit of any or all of the activities of that entity if an audit required above reveals any impropriety. Any state agency issuing a bond-funded grant must require adequate reporting of the expenditures of the funding from the grant.

Wherever feasible, the bill grants a preference for grant projects whose application includes the use of the California Conservation Corps, and a priority to projects that include water efficiencies, stormwater capture, or carbon sequestration features. Funds may not be used to fulfill mitigation requirements imposed by law. For projects under Chapters 4, 7, 8, 9, and 10, the state agency receiving funds shall seek to achieve wildlife conservation goals through projects on public lands or voluntary projects on private lands. Of these, projects that provide permanent protections to ensure the durability of investments have priority.

SB 5 caps the administrative costs at 5 percent for any grant program. The bill allows up to 10 percent of funds allocated to each program to be used for necessary planning and monitoring, including feasibility studies and environmental site cleanup that would further the purpose of a project, this percentage can be exceeded for projects in disadvantaged communities if the administering agency determines the need exists. Grant or loan funding may be used to repay specified financing arrangements of nonprofit organizations. Agencies must provide advance payments to projects in disadvantaged communities to initiate the project in a timely manner, subject to additional requirements the agency may adopt to ensure proper use of funds.

The measure defines several of its terms, and states findings and declaration made by the people of California supporting its purposes, and contains an urgency clause giving the measure immediate effect if enacted.

State Revenue Impact

No estimate.

Comments

1. Purpose of the bill. According to the author, "California's aging infrastructure is in dire need of new investment. In December, the Senate proposed a comprehensive Infrastructure Investment Package. It calls from major new investments in transportation, good movement, housing, parks, water, and now flood protection. These last three items are the subject of SB 5 before you today. SB 5 is a $3.5 billion general obligation bond measure that allocates desperately needed funds for

new parks and open space and for drought and water investments. Last week, in view of the serious flood damage we have seen throughout the state in the past few months, the bill was amended to add $500m for new flood protection investments. This measure could be doubled or tripled in size and still not fully address the funding needed. But we also need to be prudent about incurring new bonded indebtedness because it costs the General Fund. SB 5 attempts to strike that balance."

2. Sixteen tons. Setting the right amount of state general obligation debt is difficult; both the State Treasurer and the Legislative Analyst's Office state that there's no correct amount. Instead, experts suggest that states should look at three criteria: affordability, comparability, and optimality:[1]

California currently has $73.4 billion of general obligation and $9.6 billion of lease revenue debt outstanding, which is affordable. The Governor's 2017 Five-Year Infrastructure Plan states that the Debt Service Ratio, or the ratio between debt service and general fund revenues, as 6.48% in 2016-17 and 6.54% in 2017-18. The State Treasurer calculates a debt service ratio of 5.24% in 2016-17 and 5.01% in 2017-18; the percentages differ because the State Treasurer accounts for offsets of federal government subsidies or transfers from special funds. Annual expenditures on debt service have grown from $2.9 billion in 2000-01 to $7.7 billion in 2016-17. Additionally, 95% of outstanding debt is fixed rate, and the state holds no interest rate swaps or other derivatives. While debt service percentages are reasonable, every dollar spent on debt service reduces the funding that is available for other priorities, and debt service is one of the fastest growing state costs in recent years, according to the Plan. The Plan proposes only $338 million in new general obligation bonds.

California's comparability to other states is less favorable, but improving. The State Treasurer's 2016 Debt Affordability Report, issued last October, contains the following chart:

NOTE: THIS SECTION CONTAINS A FORM/CHART THAT IS NOT REPRODUCIBLE IN A TEXT FORMAT. PLEASE CALL STATE NET AT 1-800-726-4566 FOR ADDITIONAL INFORMATION. Determining optimality or whether government is investing in the quantity and quality of public capital desired by residents, and financing the appropriate share with debt, is more difficult. LAO recommends that the Legislature consider the Five-Year Infrastructure Plan as a starting point to developing a coordinated approach to infrastructure funding, and establish a committee to focus on statewide infrastructure.

3. The good news. Ratings issued from the three major credit ratings agencies often inform investors and the public regarding the state's creditworthiness, and assess any investment risk from investing in California general obligation bonds. Ratings agencies Fitch, Standard and Poor's, and Moody's praise California's deep and diverse economy, recent balanced and on-time budgets, reduced budget deficits, and improving reserves and liquidity. However, the agencies also state that California faces challenges: a highly volatile revenue system, constitutionally-imposed governance restrictions, lack of significant reserves, high housing costs that threaten economic growth, minimal prefunding of retiree health care benefits, and a large backlog of maintenance and infrastructure needs, among others. Once considered an outlier, the difference between California bonds and other states as measured by the benchmark 30-year Municipal Market Data Index has tightened from a high of more than 150 basis points at the end of 2009 to around 10 basis points at the end of June 2016. State Treasurer John Chiang states that this improvement reflects investors' increasing confidence in the state's credit relative to other highly-rated states and the reduced supply of the state's bonds offered in the market. On March

9th, the State Treasurer sold almost $2.8 billion in bonds: new borrowing accounted for $513.2 million, while refunding of existing bonds at lower interest rates totaled $2.279 billion, creating about $295 million in present value savings to taxpayers and $406 million in debt service nominal savings over the remaining lives of the bonds. With interest rates climbing recently, the State Treasurer stated that the sale was a success, with an overall true interest cost was 3.56 percent, and yields ranging from 0.6 percent for the 2017 bonds to 3.9 percent for the 2046 bonds.

4. The bad news. California has a distinct problem: of the $144 billion in general obligation bonds that voters have authorized, more than $39 billion hasn't been issued yet. The state hasn't issued more than $14 billion in transportation and resources bonds, almost $9 billion to fund high speed rail, plus $7.3 billion from AB 1471's water bond, and $7.5 billion more education bonds (Proposition 51, 2016). While the state has made great progress reducing the amount of unauthorized bonds in recent years, many bond-funded projects have not yet received required approvals. While the state issued $7.3 billion in general obligation bonds in 2015-16, $4.9 billion refunded existing bonds to achieve interest rate savings. As a result, even if the Legislature enacts and the voters approve this measure, many of its purposes may have to wait several years for funding as projects funded by previously authorized bonds get up and running.

5. Tax exemption. Ever since the inception of the federal income tax, the federal government has subsidized the cost of state and local agency-issued debt by excluding interest income from tax; the State does the same (Article XIII, Section 26). The tax exemption lowers the cost of capital for government agencies seeking to finance public improvements. However, federal law requires bond proceeds to be used for a public purpose for the tax exemption to apply, namely that less than 10% of the proceeds are used directly or indirectly by a non-governmental entity; or less than 10% of the bond proceeds are secured directly or indirectly by property used in a trade or business. States may still issue tax-exempt bonds not meeting these requirements, known as "qualified private activity bonds," under specified circumstances. The Internal Revenue Service applies additional rules: issuers must file informational returns, use proceeds within a specified period following the sale, and comply with arbitrage restrictions, among others. However, municipal bond experts warn that the federal government may be reconsidering allowing this interest exemption: former President Obama proposed limiting the exclusion for higher-income individuals, and most observers believe that the current Congress may pursue broad tax reform which may include ending the exemption.

6. Urgency. As an urgency statute, SB 5 must be approved by 2/3 vote of each house of the Legislature. Regular legislation takes effect on the January 1 following its passage, but urgency bills take effect as soon as they're passed, signed, and chaptered.

7. Related Legislation. SB 5 follows last year's park bond proposal, SB 317 (De Leon), which did not advance from the Senate Floor. Last year, the Assembly approved a parks bond, AB 2444 (Garcia), but the measure did not advance from the Senate. This year, AB 18 (Garcia) proposes a parks bond. Additionally, three other general obligation bond proposals have been introduced in the Senate:

* The Affordable Housing Bond Act of 2018, which the Committee will also hear at its 3/22 hearing (SB 3, Beall),

* The Goods Movement and Clean Trucks Bond Act (SB 4, Mendoza), and

* The Higher Education Facilities Bond Act of 2018 (SB 483, Glazer).

8. Incoming! On March 14th, the Committee on Natural Resources and Water approved SB 5 by a vote of seven to two. The Committee is hearing the bill as the Committee of second reference.

9. Technicals: Committee Staff recommend the following technical amendments:

* Add "issued and delivered" next to "sold" on P. 26, L. 38

* Disconnect GC 16727(a) and (b) to allow bond proceeds to be used for non-capital purposes at the end of L. 13, on P. 27

* Add "excluding refunding bonds authorized pursuant to 80172, less any amount withdrawn pursuant to this section and section 80169" on P. 28, L. 27 after "division"

* Add "excluding refunding bonds authorized pursuant to 80172" on P. 29, L. 9 after "division"

* Add "to be allocated in accordance with this division" after "fund" on P. 29, L. 11.

* Add "or reimbursed" after "paid" on P. 29, L.25

* Swap "allocated proportionately to" for "shared proportionately by" on P. 29 L. 28.

* Add defeasement language to the end of 80172 on P. 29, L. 37.

Support and Opposition

(3/16/17)

Support: American Heart Association; American Stroke Association; Arroyos & Foothills Conservancy; Big Sur Land Trust; Bolsa Chica Land Trust; California Association of Resource Conservation Districts; California Trout; California Wilderness Coalition; Community Nature Connection; Environmental Defense Fund; Friends of the River; Grassland Water District; Hills for Everyone; Laguna Greenbelt, Inc.; Los Angeles Neighborhood Land Trust; Midpeninsula Regional Open Space; Ocean Conservancy; Orange County Water District; Pathways for Wildlife; Prevention Institute; SC Wildlands; Santa Clara Valley Open Space Authority; Save the Redwoods League; Sierra Club California; Sonoma County Agricultural Preservation and Open Space District; Sonoma Land Trust; TRUST South LA; Water ReUse California

Opposition: None received.

[1] Robert Wassmer and Ronald Fisher "Debt Burdens of California State and Local Governments: Past, Present and Future." As requested and supported by the California Debt and Investment Advisory Commission. July 2011.

Recommendation(s)/Next Step(s):

Provide direction to staff and the County lobbyists with regard to the Park Bond related bills.

Attachments

No file(s) attached.

Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **8.**

Meeting Date: 05/08/2017

Subject: AB 1520 (Burke): Lifting Children and Families Out of Poverty Act--SUPPORT

Submitted For: LEGISLATION COMMITTEE,

Department: County Administrator

Referral No.: 2017-25

Referral Name: AB 1520 (Burke)

Presenter: L. DeLaney **Contact:** L. DeLaney, 925-335-1097

Referral History:

AB 1520 (Burke) was referred to the Legislation Committee by the chief of staff of Assemblymember Burke for support by the Contra Costa County Board of Supervisors.

Referral Update:

AB 1520 (Burke):

Title:	Lifting Children and Families Out of Poverty Act
Introduced:	02/17/2017
Last Amend:	04/17/2017
Disposition:	Pending
Location:	Assembly Appropriations Committee
Summary:	Establishes the Lifting Children and Families Out of Poverty Task Force, consisting of specified stakeholders, for purposes of researching, analyzing, and providing guidance to the Legislature in making appropriations pursuant to the framework and in supporting State's efforts on lifetime wellness, self-sufficiency, and economic strength in families and communities throughout the state.

The bill would establish a goal of reducing child poverty by 50% over the next twenty years without any new taxes or fees. The bill proposes to create a taskforce which would implement an analytic framework, based on work performed by the Stanford Poverty Center, to analyze and report back to the Legislature on how to more effectively use our state budget to reduce child poverty. In addition, the bill would require the Legislature to hold joint hearings every 2 years as well as attach a statement to each year's budget bill on how that year's budget is working toward reducing child poverty.

Bill text can be found at: http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB1520

2017 CA A 1520: Bill Analysis - 04/21/2017 - Assembly Human Services Committee, Hearing Date 04/25/2017

Date of Hearing: April 25, 2017

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Blanca Rubio, Chair

AB 1520 (

Burke) - As Amended Ver:April 17, 2017

SUBJECT: Lifting Children and Families Out of Poverty Act of 2017

SUMMARY: Establishes the Lifting Children and Families Out of Poverty Act of 2017.

Specifically, this bill:

1) Makes Legislative findings and declarations related to child poverty in California.

2) Declares Legislative intent to move toward reducing child poverty by 50% in the 20-year period between fiscal years 2018-19 and 2038-39 and to use the framework proposed by this bill as recommendations for enacting future legislation to fund programs or services and future innovations to reduce child poverty, as specified.

3) Encourages the Legislature, on an annual basis, to appropriate funds for programs, services, or expenditures - including, but not limited to, child care and early education programs, home visiting programs, job training and placement programs, and increases in the amount of aid to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) program - for the purpose of cutting child poverty in half by 2038-39 in amounts deemed appropriate, as specified.

4) States that the Legislature should consider the merit of temporarily suspending use of the framework proposed by this bill if General Fund revenues fall by 10% from one fiscal year to the next or in the event of a state of emergency, as specified.

5) Requires the annual Budget Act passed by the Legislature to include a statement specifying how expenditures in that Act comply with the provisions of this bill encouraging the Legislature to appropriate funds to programs for the purposes of reducing child poverty by 50% over 20 years, as specified.

6) Establishes the Lifting Children and Families Out of Poverty Task Force (Task Force), to be made up of specified stakeholders, for purposes of researching, analyzing, and providing guidance to the Legislature in making appropriations pursuant to proposed provisions of this bill and in supporting the state's efforts on lifetime wellness, self-sufficiency, and economic strength in families and communities throughout California.

7) Requires the Legislative Analyst's Office (LAO) and the Task Force to, in conjunction with the

release of the Governor's budget proposal each year, as specified, report to the Legislature on their projections of how the Governor's budget proposal will impact the state's child poverty rate.

8) Requires the LAO and the Task Force to, beginning in 2019 and every two years thereafter, prepare an analysis to be reported, as specified, to the Legislature that includes all of the following:

a) An estimate that current programs, services, and innovations have had on the state's child poverty rate, as specified;

b) An estimate of the impact that any potential future investment increases in existing programs, services, or innovations or any new investments in strategies not employed by the state, as specified, would have on the state's child poverty rate;

c) An estimate of the impact that expenditures and financial formulas for programs affecting children, as specified, have had on county services for children living in poverty; and

d) An estimate of the impact of the framework proposed by this bill, to the extent it has been used by the Legislature and to the extent that relevant information is available, on the current and projected state child poverty rates, as specified.

9) Encourages the Legislature to, beginning in 2019, and every two years thereafter, hold a joint hearing in order to assess the impact that the framework proposed by this bill has had on the state child poverty rate and encourages the committees convening each hearing to consider the reports submitted by the LAO and the Task Force, among other reports deemed appropriate, as specified.

EXISTING LAW:

1) Establishes the California Child Care and Developmental Services Act (CCDSA) for the purpose of providing a comprehensive, coordinated, and cost-effective system of child care and development services, as specified, for children from infancy to 13 years of age, and their parents, through full- and part-time programs. (EDC 8200 et seq.)

2) States the intent of the Legislature that all families have access to child care and development services, as specified, regardless of ethnic status, cultural background, or special needs, and the intent that subsidized child care and development services be provided to eligible families, to the extent funding is available. (EDC 8202)

3) Establishes under federal law the Temporary Assistance for Needy Families (TANF) program to provide aid and welfare-to-work services to eligible families and, in California, provides that TANF funds for welfare-to-work services are administered through the CalWORKs program. (42 U.S.C. 601 et seq., WIC 11200 et seq.)

4) Establishes the Nurse-Family Partnership program, to be administered by the California Department of Public Health (CDPH), to provide grants to counties for voluntary nurse home visiting programs to be provided to expectant first-time mothers, their children, and their families, as specified. (HSC 123491 - 123493)

5) States that the purpose of foster care law is to provide maximum safety and protection for children who are being physically, sexually or emotionally abused, neglected, or exploited and to

ensure the safety, protection, and physical and emotional well-being of children at risk of such harm. (WIC 300.2)

6) Declares the intent of the Legislature to, whenever possible: preserve and strengthen a child's family ties, reunify a foster child with his or her relatives, or when family reunification is not possible or likely, to develop a permanent alternative. Further states the intent of the Legislature to reaffirm its commitment to children who are in out-of-home placement to live in the least restrictive family setting promoting normal childhood experiences that is suited to meet the child's or youth's needs and is as close to the child's family as possible, as specified. Further declares Legislative intent that all children live with a committed, permanent, and nurturing family and that services and supports should be tailored to meet the needs of the individual child and family being served, as specified. (WIC 16000)

7) Requires placement of a child in foster care to be based upon selection of a safe setting that is the least restrictive family setting that promotes normal childhood experiences and the most appropriate setting that meets the child's individual needs and is available, in proximity to the parent's home, the child's school, and best suited to meet the child's special needs and best interests. Further requires the selection of placement to consider, in order of priority, placement with relatives, nonrelated extended family members, and tribal members; foster family homes, resource families, and nontreatment certified homes of foster family agencies; followed by treatment and intensive treatment certified homes of foster family agencies; or multidimensional treatment foster care homes or therapeutic foster care homes; group care placements in the order of short term residential therapeutic programs (STRTPs), group homes, community treatment facilities, and out-of-state residential treatment, as specified. (WIC 16501.1(d)(1))

8) Establishes the federal EITC for eligible taxpayers based on the taxpayer's income. (26 U.S.C. Section 32)

9) Establishes the state EITC for eligible taxpayers based on certain eligibility criteria. (RTC 17052)

10) Defines a "state of emergency" to mean the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions which, by reason of their magnitude, are or are likely to require the combined forces of a mutual aid region or regions to combat, as specified. (GOV 8558)

FISCAL EFFECT: Unknown.

COMMENTS:

Child poverty in California: According to the U.S. Census Bureau's Official Poverty Measure, more than one in five children - 21.2% - in California were living in poverty in 2015. According to the Public Policy Institute of California's (PPIC's) California Poverty Measure (CPM), which employs a more comprehensive methodology for measuring poverty across regions, the child poverty rate in 2014 (the most recent year for which data are available) was 23.1%. Using the combined 2012 through 2014 CPM, PPIC determined that child poverty rates across counties vary significantly, from a high of 30.8% in Santa Barbara County to a low of 13% in El Dorado County. Los Angeles County has a child poverty rate of 29.1%, while Sacramento County's was 19.1%.

State child poverty rates per the 2014 CPM also vary by race and ethnicity, with Latino children having a poverty rate of 31.6%, African American children a rate of 19%, Asian American children 13.5%, and white children 11.9%. Children under the age of 5 had a poverty rate of 23.6%, compared to children ages 5 and older, whose poverty rate was 22.8%. 81.8% of poor children in California lived in families with at least one working adult.

Moreover, PPIC finds that, without safety net resources such as CalFresh (formerly known as food stamps) or CalWORKs, the state's TANF program, 37.1% of the state's children would live in poverty - that is, social safety net programs reduced the child poverty rate by 14%. According to PPIC:

"The largest social safety net programs are CalFresh (California's food stamps program), CalWORKs (cash assistance for families with children), General Assistance (GA), the federal Earned Income Tax Credit (EITC; the state EITC is in place as of 2015), the federal Child Tax Credit (CTC), Supplemental Security Income (SSI/SSP), federal housing subsidies, the Supplemental Nutrition Program for Women, Infants, and Children (WIC), and school breakfast and lunch. CalFresh and the EITC lowered the child poverty rate by the largest amount (4.1 and 4.0 percentage points, respectively). The CTC, CalWORKs, school meals, and housing subsidies reduced child poverty by 1.2 to 2.3 percentage points each. These differing effects are overlapping and reflect, in part, the scale and scope of each program as well as participation rates among eligible families."

Need for this bill: According to the author:

"1 in 5 children live in poverty, which translates into 1/3 of African American children and 1/3 of Latino children in poverty; even though, California is the sixth largest economy in the world. From a moral perspective, it is shameful to have one of the largest economies in the world and the largest percentage of child poverty in the country. On the other hand and from an economic standpoint, poverty itself threatens the future economic stability of California. Poverty is not an isolated event; poverty is the effect of many causes that loop back and perpetuates despair among our communities."

According to GRACE, the sponsor of this bill;

"[This bill] establishes a permanent framework through the state budget process that requires the Legislature to invest in programs that have been proven to significantly reduce child poverty. In addition, [this bill] requires the state to monitor and measure progress by producing annual reports analyzing how the proposed state budget will impact the child poverty rate. It also requires reports every two years monitoring the impact of current and potential investments, and the Legislature will be required to hold hearings on California's progress to reduce child poverty every two years."

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda County Board of Supervisors

Bonnie M. Dumanis San Diego County District Attorney

California Alternative Payment Program Association

California Catholic Conference

California Coverage and Health Initiatives

California Legislative Black Caucus

California State Parent Teacher Association

CaliforniaHealth+ Advocates

Catholic Charities of Santa Clara County

Children Now

Children's Defense Fund

First 5 California

First AME Church of Los Angeles

First Focus Campaign for Children

Golden State Opportunity

GRACE (Sponsor)

Health Access California

Jewish Public Affairs Committee

Junior Leagues of CA

LA PROMISE

Los Angeles Promise Neighborhood

Los Angeles Urban League

Moneta Gardens Community Center

Mothers In Action, Inc.

National Association of Social Workers, CA Chapter

National Foster Youth Institute

One For All (OFA)

Public Counsel

San Diego County District Attorney

SHIELDS for families

Social Justice Learning Institute

South Bay Community Services

South Bay Universal Child Development Center

St. John's Well Child & Family Center

St. Joseph Center Planting Hope & Growing Lives

University of Southern California

Youth Policy Institute

1 Individual

Opposition

None on file.

Analysis Prepared by: Daphne Hunt / HUM. S. /

Recommendation(s)/Next Step(s):

CONSIDER recommending to the Board of Supervisors a position of "Support" on AB 1520 (Burke): Lifting Children and Families Out of Poverty Act.

Attachments

No file(s) attached.

Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **9.**

Meeting Date: 05/08/2017
Subject: H.R. 1921 and S. 185 – Head Start Improvement Act of 2017--OPPOSE
Submitted For: LEGISLATION COMMITTEE,
Department: County Administrator
Referral No.: 2017-27
Referral Name: HR 1921 and S. 185 – Head Start Improvement Act of 2017--OPPOSE
Presenter: Susan Jeong **Contact:** L. DeLaney, 925-335-1097

Referral History:
These bills were referred to the Legislation Committee by the Director of Employment & Human Services (EHSD) Director, Kathy Gallagher.

Referral Update:
House bill, H.R. 1921, and its companion Senate bill, S. 185, amend the Head Start Act to replace the existing Head Start program with block grants to states and Indian tribes for pre-kindergarten (pre-K) education.

Instead of providing direct financial assistance to Head Start agencies, the Department of Health and Human Services (HHS) shall allot block grant funds for pre-K education among eligible states and Indian tribes in accordance with their relative proportions of children, age five and younger, from low-income households. Grant recipients shall use the grant funds to: (1) award subgrants to eligible entities that provide pre-K education programs; (2) administer such programs; and (3) provide technical assistance, oversight, monitoring, research, and training.

Under current law, HHS is authorized to designate, monitor, and establish standards for Head Start agencies. The bill instead shifts pre-K program oversight and control to states and Indian tribes, which shall have full flexibility to use grant funds to finance the pre-K programs of their choice. In addition, grant recipients may use grant funds to establish portable voucher systems that allow costs to be paid for attendance at private pre-K education programs.

Under current law, federal financial assistance for a Head Start program is generally limited to 80% of total program costs. The bill maintains this limitation by requiring grant recipients to provide matching funds equal to 20% of the grant amount.

HR 1921:

Sponsor: Banks (R)

Title:	Prekindergarten Education Block Grants
Introduced:	04/05/2017
Disposition:	Pending
Location:	House Education and the Workforce Committee
Summary:	Amends the Head Start Act; authorizes block grants to states for prekindergarten education.
Status:	04/05/2017 INTRODUCED. 04/05/2017 To HOUSE Committee on EDUCATION AND THE WORKFORCE.

S. 185

Sponsor:	Lee M (R)
Cosponsor	Cruz (R) Sponsor Date: 01/23/2017
Title:	Prekindergarten Education Block Grants
Introduced:	01/23/2017
Disposition:	Pending
Location:	Senate Health, Education, Labor and Pensions Committee
Summary:	Amends the Head Start Act; authorizes block grants to states for prekindergarten education.
Status:	01/23/2017 INTRODUCED. 01/23/2017 In SENATE. Read second time. 01/23/2017 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS

The text of S. 185 is *Attachment A*. A letter from the National Head Start Association expressing its concerns to the authors is *Attachment B*.

Recommendation(s)/Next Step(s):

CONSIDER recommending to the Board of Supervisors an "Oppose" position on H.R. 1921 (Banks): Prekindergarten Education Block Grants and S. 185 (Lee): Prekindergarten Education Block Grants, as recommended by the Director of Employment & Human Services Department.

Attachments

Bill Text S. 185

National Head Start Association Letter

II

115TH CONGRESS
1ST SESSION

S. 185

To amend the Head Start Act to authorize block grants to States for prekindergarten education, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 2017

Mr. LEE (for himself and Mr. CRUZ) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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A BILL

To amend the Head Start Act to authorize block grants to States for prekindergarten education, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Head Start Improvement Act of 2017''.

SEC. 2. IMPROVEMENTS.

The Head Start Act (42 U.S.C. 9831 et seq.) is amended to read as follows:

"SEC. 635. SHORT TITLE.

''This subchapter may be cited as the 'Head Start Act'.

"SEC. 636. STATEMENT OF PURPOSE.

''It is the purpose of this subchapter to promote the school readiness of low-income children by enhancing their cognitive, social, and emotional development in a learning environment that supports children's growth in language, literacy, mathematics, science, social and emotional functioning, creative arts, physical skills, and approaches to learning.

"SEC. 637. DEFINITIONS.

''For purposes of this subchapter:

''(1) DELEGATE AGENCY.—The term 'delegate agency' means a public, private nonprofit (including a community-based organization, as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)), or for-profit organization or agency to which an eligible entity has delegated all or part of the responsibility of the grantee for administering funds under this subchapter.

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means the recipient of a subgrant under section 639(d)(3)(A).

"(3) FINANCIAL ASSISTANCE.—The term 'financial assistance' includes assistance provided by grant, agreement, or contract, and payments may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

"(4) GRANT RECIPIENT.—The term 'grant recipient' means the recipient of a grant under section 639(a).

"(5) INDIAN TRIBE.—The term 'Indian tribe' means any tribe, band, nation, pueblo, or other organized group or community of Indians, including any Native village described in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)) or established pursuant to such Act (43 U.S.C. 1601 et seq.), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(6) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

"(7) LOW-INCOME CHILD.—The term 'low-income child' means a child who is age 5 or younger, and is from a family with an income below 100 per-

cent of the poverty line for the most recent fiscal year for which satisfactory data are available.

''(8) POVERTY LINE.—The term 'poverty line' means the official poverty line (as defined by the Office of Management and Budget)—

''(A) adjusted to reflect the percentage change in the Consumer Price Index For All Urban Consumers, issued by the Bureau of Labor Statistics, occurring in the 1-year period or other interval immediately preceding the date such adjustment is made; and

''(B) adjusted for family size.

''(9) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

''(10) STATE.—The term 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands. The term includes the Republic of Palau, except during any period for which a Compact of Free Association is in effect, contains provisions for early childhood education or development, and prohibits the assistance provided under this subchapter.

"SEC. 638. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subchapter $8,598,000,000 for each of fiscal years 2017 through 2021.

"SEC. 639. BLOCK GRANTS TO ELIGIBLE STATES AND INDIAN TRIBES.

"(a) IN GENERAL.—Notwithstanding any other provision of this subchapter, beginning on October 1 of the first fiscal year following the date of enactment of the Head Start Improvement Act of 2017, from the amounts appropriated to carry out this subchapter under section 638 for a fiscal year, the Secretary shall award grants to eligible States and Indian tribes from allotments made under subsection (b) in accordance with this section.

"(b) ALLOTMENTS.—

"(1) FORMULA.—The Secretary shall allot the amount appropriated under section 638 for a fiscal year among the eligible States and Indian tribes in proportion to the number of children, age 5 and younger, who are from families with incomes below 100 percent of the poverty line for the most recent fiscal year for which satisfactory data are available and who are in an eligible State or Indian tribe, compared to the number of such children for that fiscal year who are in all eligible States or Indian tribes.

"(2) CALCULATION.—For purposes of counting the number of children who are in an eligible State under paragraph (1), the children who are counted in an eligible Indian tribe in that State shall be excluded.

"(c) APPLICATION.—To be eligible to receive a grant under this section, a State or Indian tribe shall submit an application to the Secretary that includes the number of low-income children in the State or Indian tribe.

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—A grant recipient under this section shall use 100 percent of the grant funds—

"(A) for prekindergarten education programs in the State or Indian tribe involved;

"(B) for the administration of the programs described in subparagraph (A); and

"(C) to provide direct technical assistance, oversight, monitoring, research, and training with respect to the programs described in subparagraph (A).

"(2) CERTIFICATION.—The Governor, or other chief executive, of each grant recipient shall certify that all grant funds received under this section will be used to directly or indirectly provide comprehen-

sive education and related services to low-income children and their families.

"(3) GRANT RECIPIENT RESPONSIBILITIES.—A grant recipient shall—

"(A) award subgrants to eligible entities (as defined by the grant recipient) to enable such entities to provide, directly or through a delegate agency, prekindergarten education programs in the State or Indian tribe involved;

"(B) establish rules and standards for the entities awarded subgrants under subparagraph (A); and

"(C) monitor compliance by entities awarded subgrants under subparagraph (A).

"(4) FLEXIBILITY.—Notwithstanding any other provision of Federal law (other than this section)—

"(A) a grant recipient shall have full flexibility to use grant funds to finance a prekindergarten education provider, service, or program; and

"(B) in particular, to the extent permitted under State law, may use the grant funds to establish a portable voucher system that allows a parent of a low-income child to use a portion of the grant funds, other available public funds, or

private funds to pay some or all of the costs of attendance at a private prekindergarten education program.

''(5) MEMBERS OF INDIAN TRIBES.—A member of an Indian tribe who is eligible to receive services pursuant to a program funded under this section may elect to receive such services from any eligible entity for the State or Indian tribe in which the member resides.

''(e) MATCHING FUNDS.—A grant recipient shall provide matching funds from non-Federal sources equal to 20 percent of the amount of the grant to carry out the activities described in this section.

''(f) ADMINISTRATIVE COSTS.—No eligible entity that receives a subgrant to provide a program under this subchapter shall use more than 15 percent of the subgrant funds for the administrative costs of the program.

''SEC. 640. LIMITATIONS ON ASSISTANCE.

''Nothing in this subchapter shall be construed to require a grant recipient to establish a publicly funded program of early childhood education and development, or to require any child to participate in such a publicly funded program, including a preschool program funded by a grant recipient, or to participate in any initial screening (other than a health screening) before participating in a publicly

funded program of early childhood education and development, except as provided under sections 612(a)(3) and 635(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(3), 1435(a)(5)).

"SEC. 641. GOALS; MONITORING.

"(a) SELF-ASSESSMENTS.—Not less frequently than once each program year, each grant recipient shall conduct a comprehensive self-assessment of the effectiveness and progress of the grant recipient's program under this subchapter in meeting program goals established by the grant recipient. The self-assessment shall include a determination of the number of low-income children served by the program carried out by the grant recipient under this subchapter.

"(b) REPORTS.—The grant recipient shall develop, and make available to the public, an online and searchable report containing the self-assessment, and an improvement plan to strengthen any areas identified in the self-assessment as weaknesses or in need of improvement. The report shall include the number of low-income children served by the program carried out by the grant recipient under this subchapter.

"(c) ONGOING MONITORING.—Each grant recipient shall establish and implement procedures for the ongoing monitoring of their respective programs, to ensure that the

operations of the programs work toward meeting the program goals.

"SEC. 642. ADMINISTRATIVE REQUIREMENTS.

"Each grant recipient shall make available to the public a report published online at least once in each fiscal year that discloses the following information, from the most recently concluded fiscal year, except that reporting such information shall not reveal personally identifiable information about an individual child or parent:

"(1) The total amount of public and private funds received and the amount from each source.

"(2) An explanation of budgetary expenditures and proposed budget for the fiscal year.

"(3) The total number of children and families served, the average monthly enrollment (as a percentage of funded enrollment), and the percentage of eligible children served.

"(4) The results of the most recent self-assessment under section 641.

"(5) Information about parent involvement activities.

"(6) Information about the grant recipient's efforts to prepare children for kindergarten.

"SEC. 643. RECORDS.

"Each recipient of financial assistance under this subchapter shall keep records, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the program or activity in connection with which such financial assistance is given or used, and the amount of that portion of the cost of the program or activity supplied by other sources.

"SEC. 644. RESEARCH.

"(a) STUDY.—The Comptroller General of the United States shall conduct a study—

"(1) of the different approaches and best practices used by States and Indian tribes in carrying out the program under this subchapter; and

"(2) that is limited to the information provided in the online reports made available by grant recipients under sections 641 and 642.

"(b) REPORT.—Not later than October 1 of the fourth fiscal year after the date of enactment referred to in section 639(a), the Comptroller General shall submit a report containing the results of the study to the appropriate committees of Congress.

"SEC. 645. NONDISCRIMINATION PROVISIONS.

"No grant recipient shall provide financial assistance for any program or activity under this subchapter unless

the grant or contract relating to the financial assistance specifically provides that no person with responsibilities in the operation of the program or activity will discriminate with respect to any such program or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs, or because of a disability in violation of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

"SEC. 646. POLITICAL ACTIVITIES.

"(a) RESTRICTIONS.—A program assisted under this subchapter, and any individual employed by, or assigned to or in, a program assisted under this subchapter (during the hours in which such individual is working on behalf of such program), shall not engage in—

"(1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office;

"(2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

"(3) assisting, promoting, or deterring union organization.

"(b) REGISTRATION.—No funds appropriated under this subchapter may be used to conduct voter registration activities. Nothing in this subchapter prohibits the avail-

ability of Head Start facilities during hours of operation for the use of any nonpartisan organization to increase the number of eligible citizens who register to vote in elections for Federal office.

"SEC. 647. ADVANCE FUNDING.

"For the purpose of affording adequate notice of funding available under this subchapter, appropriations for carrying out this subchapter are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"SEC. 648. GENERAL PROVISIONS.

"(a) LIMITATION.—Nothing in this subchapter shall be construed to authorize or permit the Secretary or any employee or contractor of the Department of Health and Human Services to mandate, direct, or control, the selection of a curriculum, a program of instruction, or instructional materials, for a Head Start program carried out by an eligible entity.

"(b) SPECIAL RULE.—Nothing in this subchapter shall be construed to authorize an eligible entity carrying out a program or activity or a local educational agency to require the other to select or implement a specific curriculum or program of instruction.".

SEC. 3. EFFECTIVE DATE.

The amendment made by this Act shall apply beginning on October 1 of the first fiscal year following the date of enactment of the Improvement Act of 2017.

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NATIONAL HEAD START ASSOCIATION

April 18, 2017

The Honorable Mike Lee
United States Senate
361A Russell Senate Office Building
Washington, DC 20510

The Honorable Jim Banks
United States House of Representatives
509 Cannon House Office Building
Washington, DC 20515

Dear Senator Lee and Congressman Banks,

The National Head Start Association and the 63 undersigned national, state, and regional Head Start associations write to express our significant concerns with the legislation you recently introduced, the *Head Start Improvement Act of 2017* (S.185 and H.R. 1921, respectively), which would give states full control over Head Start. While the legislation may be well intended, the proposed changes in funding structure would in reality undermine the quality, outcomes, and local decision-making that are fundamental to Head Start's success. The undersigned associations—representing the Head Start community of more than one million children and their families, 33 million graduates of Head Start, 250,000 staff, and 1,600 grantees—strongly believe that your proposed changes to Head Start are not in the best interests of the children, families, and communities served by Head Start.

It is important that we first address the stated rationale for the legislation, which is the assertion that Head Start children do not show academic improvements by third grade. In fact, the cited *Third Grade Follow-Up to the Head Start Impact Study: Final Report* found several positive improvements in language, literacy, and school performance among Head Start participants by third grade.[1] These include:

- A higher percentage of third grade students scoring at the proficient or higher level on the state reading/language arts assessment, and a lower percentage of children reading below grade level in their reading/language arts class.[2]
- Sustained favorable cognitive impacts for three-year-old Head Start children from high-risk households on reading and language arts skills in three language and literacy tests. This includes children from single-parent households and those with parents who are unemployed, receiving welfare benefits, did not complete high school, or had a child while 18 years old or younger.[3]
- Positive cognitive outcomes on language and literacy assessments for three-year-old Head Start children whose parents had no depressive symptoms.[4]
- Favorable cognitive impacts of four-year-old Head Start children of parents with depressive symptoms.[5]

More broadly, Head Start has proven positive impacts on language, literacy, math, school readiness,[6] social-emotional and cognitive development,[7] impulse control,[8] and health[9] before the time children

[1] Puma et al. 2012
[2] ibid, p. xx
[3] ibid, p. xxxiv
[4] ibid, p. 141
[5] ibid, p. xxxiv
[6] Aikens et al., 2013

NATIONAL HEAD START ASSOCIATION

enter kindergarten. Furthermore, these positive impacts persist into the K-12 system, where Head Start children have been shown to have fewer attention problems, fewer negative behaviors, better cognitive and social-emotional skills,[10] lower mortality rates,[11] fewer child welfare encounters,[12] higher academic and executive function outcomes,[13] fewer special education services,[14] higher math skills, less chronic absenteeism, and are less likely to be held back a grade.[15] The positive impact of Head Start does not end with the aforementioned short- and mid-term impacts; rather, Head Start has long-term impacts that last into adulthood, too. Specifically, Head Start children are less likely to smoke,[16] be arrested, or charged with a crime;[17] they are more likely to graduate high school, attend college,[18] and maintain better health.[19] The notion that the impact of Head Start could be limited to third-grade academic performance fails to capture Head Start's far-reaching, proven impacts.

There are other significant reasons why block granting Head Start would cause great harm to children and families. The proposed funding structure and levels would damage local economies, ultimately resulting in fewer local jobs and harm to the longstanding local businesses and partnerships that Head Start programs currently maintain. State control over Head Start's performance standards would lead to varying levels of quality, weakening child outcomes and decreasing the return on the federal investment. State control over Head Start would add a new, unnecessary layer of bureaucracy in the form of additional state administration, resulting in fewer direct services for children and families. Trading local community control for state bureaucracy would decrease the flexibility that communities need to meet local needs, and likely result in states impeding the local innovation, alignment, and coordination that is currently standard practice.

Head Start has been an effective and strong program, delivering an advantage to our nation's most vulnerable children and families for more than 50 years. The current federal-to-local funding structure supports children's long-term success by giving them access to services tailored by their local community in order to meet their unique needs. The undersigned associations are adamant that the proposed changes would harm children and families in Utah, Indiana, and across the nation. While we disagree that the proposed legislation would improve Head Start, we do look forward to working with you to ensure a bright future for our nation's most vulnerable children and their families.

Sincerely,

Yasmina Vinci

Yasmina Vinci
Executive Director

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[7] Love et al., 2002
[8] Aikens et al., 2013
[9] Lumeng et al., 2015
[10] Zhai et al., 2011
[11] Ludwig and Miller, 2007
[12] Green et al., 2014
[13] Greenberg and Domitrovich, 2011
[14] Zhao and Modarresi, 2010
[15] Phillips et al., 2016
[16] Anderson et al., 2010
[17] Garces et al., 2002
[18] Bauer and Schanzenbach, 2016
[19] Johnson, 2010; Deming, 2009

NATIONAL HEAD START ASSOCIATION

National Head Start Associations

National Indian Head Start Directors Association

National Migrant and Seasonal Head Start Association

Regional Head Start Associations

New England Head Start Association
Region II Head Start Association
Region III Head Start Association
Region IV Head Start Association
Region V Head Start Association
Region VI Head Start Association
Region VII Head Start Association
Region VIII Head Start Association
Region IX Head Start Association
Region X Head Start Association

State Head Start Associations

Alabama Head Start Association
Alaska Head Start Association
Arizona Head Start Association
Arkansas Head Start Association
California Head Start Association
Colorado Head Start Association
Connecticut Head Start Association
District of Columbia Head Start Association
Delaware Head Start Association
Florida Head Start Association
Georgia Head Start Association
Head Start Association of Hawaii
Idaho Head Start Association
Illinois Head Start Association
Indiana Head Start Association
Iowa Head Start Association
Kansas Head Start Association
Kentucky Head Start Association
Louisiana Head Start Association
Maine Head Start Directors Association
Maryland Head Start Association
Massachusetts Head Start Association
Michigan Head Start Association
Minnesota Head Start Association
Mississippi Head Start Association
Missouri Head Start Association
Montana Head Start Association
Nebraska Head Start Association
Nevada Head Start Association
New Hampshire Head Start Association
New Jersey Head Start Association
New Mexico Head Start Association
New York State Head Start Association
North Carolina Head Start Association
North Dakota Head Start Association
Ohio Head Start Association
Oklahoma Head Start Association
Oregon Head Start Association
Pennsylvania Head Start Association
Rhode Island Head Start Association
South Carolina State Head Start Association
South Dakota Head Start Association
Tennessee Head Start Association
Texas Head Start Association
Utah Head Start Association
Vermont Head Start Association
Virginia Head Start Association
Washington State Association of Head Start & ECEAP
West Virginia Head Start Association
Wisconsin Head Start Association
Wyoming Head Start Association

cc: United States Senate
United States House of Representatives

Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **10.**

Meeting Date:	05/08/2017
Subject:	FISCAL YEAR 2017 OMNIBUS APPROPRIATIONS BILL
Submitted For:	LEGISLATION COMMITTEE,
Department:	County Administrator
Referral No.:	2017-28
Referral Name:	FISCAL YEAR 2017 OMNIBUS APPROPRIATIONS BILL
Presenter:	L. DeLaney **Contact:** L. DeLaney, 925-335-1097

Referral History:

The County's federal advocates, Alcalde & Fay, have prepared a memo summarizing highlights from the Federal Omnibus Appropriations agreement that might be of general interest to municipalities. This memo is provided to the Legislation Committee for informational purposes.

Referral Update:

This week Congressional appropriators released details of a $1.16 trillion bipartisan spending package (Consolidated Appropriations Act, 2017), which incorporates the 11 remaining annual appropriations bills into one "Omnibus" spending bill funding the government through the remainder of Fiscal Year (FY) 2017 which ends on September 30, 2017. The 1,665 page spending bill includes funding levels which reflect the increased discretionary funding caps for FY 2017 as established by the Bipartisan Budget Act of 2015 (BBA).

Although some members of Congress, from both parties, have expressed displeasure with the Omnibus bill and may ultimately vote against it, the spending package is expected to be cleared by the House and Senate with strong bipartisan support by the end of the week. The President has indicated he will sign the bill into law once it is approved by Congress, and a final FY 2017 continuing resolution (CR) passed last week has extended the current deadline for signing an agreement until May 5, 2017, providing limited time for the Omnibus to receive floor consideration and votes in both Chambers.

Funding levels and policy provisions generally of interest to local governments are highlighted in *Attachment A*.

Recommendation(s)/Next Step(s):

RECEIVE the memo from the County's federal advocates, Alcalde & Fay, on the federal Fiscal Year 2017 Omnibus Appropriations Bill.

Attachments

Attachment A: Alcalde & Fay 2017 Omnibus Summary

FISCAL YEAR 2017 OMNIBUS APPROPRIATIONS BILL

This week Congressional appropriators released details of a $1.16 trillion bipartisan spending package (Consolidated Appropriations Act, 2017), which incorporates the 11 remaining annual appropriations bills into one "Omnibus" spending bill funding the government through the remainder of Fiscal Year (FY) 2017 which ends on September 30, 2017. The 1,665 page spending bill includes funding levels which reflect the increased discretionary funding caps for FY 2017 as established by the Bipartisan Budget Act of 2015 (BBA).

Although some members of Congress, from both parties, have expressed displeasure with the Omnibus bill and may ultimately vote against it, the spending package is expected to be cleared by the House and Senate with strong bipartisan support by the end of the week. The President has indicated he will sign the bill into law once it is approved by Congress, and a final FY 2017 continuing resolution (CR) passed last week has extended the current deadline for signing an agreement until May 5, 2017, providing limited time for the Omnibus to receive floor consideration and votes in both Chambers.

Funding levels and policy provisions generally of interest to local governments have been highlighted below. Please let us know if you have any questions or would like additional information on specific agreement details not provided.

DEPARTMENT OF AGRICULTURE

The bill provides $20.8 billion in discretionary spending for the Department of Agriculture, $623 million below the FY 2016 enacted level.

- ***Water and Waste Disposal Program***
  $571.2 million for water and waste disposal loans and grants, which is $48.8 million above the FY 2016 enacted level. This program provides loans and grants to assist communities in obtaining clean water and sanitary waste disposal systems.

- ***Animal and Plant Health Inspection Service***
  $949.39 million, which is approximately $51.8 million above the FY 2016 enacted level, to support programs to control or eradicate plant and animal pests and diseases that could harm

the U.S. agricultural industries. Included in this funding is $8.5 million for the Specialty Crop Pest Program.

- ***Rural Community Facilities Program***
  $47.1 million in funding for community facilities programs, which is approximately $5 million above the FY 2016 level. These grants can be used by low-income, remote rural communities for any essential community facility, including health and safety vehicles; equipment and supplies; child and elderly day care facilities; schools and libraries; health clinics; and related facilities and services.

- ***Conservation Programs***
  $1.027 billion, approximately $163.62 million above the FY 2016 enacted level, for programs to help farmers, ranchers, and private forest landowners conserve and protect their lands.

- ***Women, Infants, and Children (WIC)***
  $6.35 billion, which is identical to the FY 2016 enacted level, to help improve the health and nutritional intake of low-income pregnant, breastfeeding and postpartum women as well as infants and children until their fifth birthday. The funding level is based on USDA estimates of declining WIC enrollments and will not prevent eligible recipients from receiving benefits.

- ***Child Nutrition Programs***
  $22.79 billion for child nutrition programs, $644 million above the FY 2016 enacted level. Of this amount, $25 million, the same funding level as last year, is directed to help schools purchase needed equipment to operate the program. The bill also provides states with increased flexibility to seek waivers from rules related to whole-grain requirements and the serving of flavored, low-fat milk, while also blocking funds from being spent on the implementation of any regulations related to sodium reduction in school lunches.

- ***Supplemental Nutrition Assistance Program (SNAP)***
  $78.5 billion in required mandatory spending for SNAP, which is outside the discretionary funding jurisdiction of the House and Senate Appropriations Committees. The SNAP funding amount is approximately $2.4 billion below the FY 2016 enacted level due to the declining enrollments in the past year.

DEPARTMENT OF EDUCATION

The bill funds the Department of Education at $68.2 billion, approximately $1.2 billion less than the FY 2016 enacted level.

- ***Preschool Development Grants***
  $250 million is provided for the Preschool Development Grant program, the same as the 2016 enacted level and consistent with the amount authorized in Every Student Succeeds Act (ESSA). The bill also requires a report on the plan for transition of program authority and

operations from the Department of Education to the Department of Health and Human Services.

- ***Title I Program***
  $15.5 billion, an increase of $100 million above the 2016 enacted level, for Title I grants to local school districts that aim to help children become proficient in reading and math. This amount also includes an additional $450 million school improvement grants, now consolidated within the Title I grant program.

- ***Pell Grants***
  $22.5 billion is included for the Pell Grant program, which combined with mandatory funding, will cover the projected $105 increase in the Pell Grant maximum award to the projected $5,920 in Award Year 2017-18. The bill also restores Year-Round or Summer Pell grants, resulting in an estimated one million students receiving an additional $1,650 Pell award.

- ***IDEA/Special Education Grants***
  $12.002 billion, $90 million above the 2016 enacted level, for special education grants to states.

- ***21st Century Community Learning Centers***
  $1.191 billion, a $25 million increase over the FY 2016 enacted amount of $1.166 billion, to support State and local efforts to implement academic enrichment activities before school, after school, and during the summer.

- ***English Language Acquisition***
  $737.4 million for English Language Acquisition State grants, the same as the FY 2016 enacted level, to help states and school districts meet the educational needs of the growing numbers of EL students enrolled in their schools, including meeting challenging state academic content and student academic achievement standards.

- ***Supplemental Educational Opportunity Grant (SEOG)***
  $733 million, the same as in FY 2016, for the need-based SEOG program targeting low-income undergraduate students to promote access to postsecondary education.

- ***Career and Technical Education State Grants (Perkins)***
  $1.11 billion, the same as in FY 2016, in formula grants to help provide vocational-technical education programs and services to youth and adults.

- ***Charter Schools***
  $342.17 million, an increase of $9 million above the FY2016 amount, for grants to states, charter management organizations, and other related entities to support the start-up, replication, and expansion of successful charter schools.

- ***Federal Work Study (FWS) Program***
  $989.73 million, the same as in FY 2016, for the FWS Program which provides part-time jobs for students with financial need, allowing them to work in order to help pay for college.

- ***Promise Neighborhoods***
  $73.254 million, the same as in FY 2016, to provide competitive one-year planning grants and up to five-year implementation grants to community-based organizations for the development and implementation of comprehensive neighborhood programs.

- ***Adult Basic and Literacy Education***
  $582 million, the same as the FY 2016 level, for programs that provide free services for individuals who need assistance acquiring the skills to be successful in post-secondary education and training, and employment.

- ***TRIO Programs***
  $950 million for programs designed to identify and provide services for individuals from disadvantaged backgrounds, including Educational Opportunity Centers, Student Support Services, Talent Search, and Upward Bound. The amount represents an increase of approximately $50 million above the FY 2016 enacted level.

- ***GEAR UP***
  $339.75 million, approximately $217 million more than the FY 2016 amount, for this program designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education.

- ***Child Care Access Grants***
  $15.134 million, the same as the FY 2016 amount, for grants to support the participation of low-income parents in postsecondary education through the provision of campus-based child care services.

- ***Supporting Effective Educator Development (SEED)***
  $2.055 billion, approximately $294 million less than the FY 2016 enacted level, for this competitive grant program supporting efforts to increase the number of highly effective educators by supporting the implementation of evidence-based preparation, development, or enhancement opportunities for educators. Qualifying activities could include professional development and on-site programming for teachers and school administrators throughout the year; youth writing and literacy programs; and community-based workshops for students and families.

- ***Strengthening Institutions Program***
  $86.534 million for the Strengthening Institutions program, the same as the FY 2016 level, to assist higher education institutions in becoming self-sufficient and expanding their capacity to serve low-income students.

- ***Student Support and Academic Enrichment Grants***
  $400 million for the newly authorized grant program that provides flexible funds to states and school districts for expanding access to a well-rounded education, improving school conditions, and improving the use of technology. While far less than the $1.65 billion authorized for the program under ESSA, the funding level is approximately $122 million more than provided for the programs eliminated to create this new grant.

- ***Hispanic Serving Institutions***
  $107.8 million, the same as the FY 2016 enacted level, to assist higher education institutions in strengthening their institutional programs, facilities, and services to expand the educational opportunities for Hispanic Americans and other underrepresented populations.

DEPARTMENT OF ENERGY

The bill provides $30.8 billion for the Department of Energy's security, research and energy programs, which is $1.1 billion above the FY 2016 enacted level. Included within this amount is $11.28 billion for DOE's energy programs, an increase of $257 million above the FY 2016 enacted level. The bill prioritizes and increases funding for energy programs that encourage U.S. economic competitiveness and help advance the nation's goal of an all-of-the-above solution to energy independence.

- ***Energy Efficiency & Renewable Energy (EERE)***
  $2.09 billion for the EERE program, which works with business, industry, and universities to increase the use of renewable energy and energy efficiency technologies. This total is $17 million more than the 2016 allocation.

- ***Weatherization and Intergovernmental Grants***
  $278 million for the Weatherization Assistance Program and State Energy Program, approximately $13 million more than the FY 2016 enacted.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Omnibus bill provides approximately $73.5 billion in funding for the Department of Health and Human Services, a nearly $2.8 billion increase above the comparable FY2016 level. In addition to the funding outlined below, the bill provides $801 million for programs combatting opioid abuse, including $500 million (as authorized by the recently enacted 21st Century Cures Act) for the new State Response to Opioid Abuse program at the Substance Abuse and Mental Health Services Administration (SAMHSA), as well as increased funding for heroin abuse and prescription drug overdose programs at the Centers for Disease Control and Prevention (CDC) and Health Resources and Services Administration (HRSA).

- ***Head Start***
  $9.25 billion, $85 million more than the FY 2016 enacted level, for Head Start.

- ***Administration for Children and Families (ACF)***
  $33.97 billion, which is $1.2 billion above the FY 2016 enacted level, for ACF programs, including the following allocations:
  - $3.39 billion for the Low Income Home Energy Assistance Program (LIHEAP) program, the same as the FY 2016 enacted level;
  - $2.856 billion for the Child Care and Development Block Grant (CCDBG) program, an increase of $95 million above the FY 2016 enacted level; and
  - $742.4 million for the Community Services Block Grant program, approximately $9 million less than the FY 2016 level.

- ***Child Care and Development Block Grant (CCDBG)***
  $2.856 billion is provided for the CCDBG program, an increase of $95 million above the FY 2016 enacted level.

- ***Refugee and Entrant Assistance***
  $1.674 billion, the same as the FY 2016 enacted amount, to help refugees, asylees, Cuban and Haitian entrants, victims of torture, Special Immigrant Visa holders, and trafficking victims to become employed and self-sufficient as quickly as possible. This amount includes approximately $18.8 million for the Victims of Trafficking program, through which $13 million is for services for foreign national victims and $5.76 million is for U.S. citizens and legal permanent residents.

- ***Substance Abuse and Mental Health Services Administration (SAMHSA)***
  $3.8 billion for SAMHSA programs, approximately $160 million more than the FY 2016 level. This includes level funding of $78 million for criminal justice activities, with no less than $60 million used for drug courts. The Substance Abuse Block Grant program will receive approximately $1.8 billion, the same as the 2016 enacted amount. The Omnibus provides an additional $30 million to the Mental Health Block Grants program, increasing the total program funding to $562.6 million, and also continues a provision increasing the set-aside for evidence-based programs addressing early serious mental illness from 5 to 10 percent.

- ***Prevention and Public Health Fund***
  $931 billion in funding, however funding is once again redirected among several HHS programs aimed at preventing disease and improving health. In recent years, the account had been a source of controversy as both the Administration and Congress had transferred funds from its overall allocation to related programs, and Congressional appropriators have again included provisions directing the funds towards related programs of their choosing.

- ***Administration for Community Living (ACL)***
  $1.993 billion, approximately $1.2 million more than the FY 2016 enacted level, for ACL programs primarily for the elderly and the disabled, including $837.75 million for Senior Nutrition programs, an increase of more than $20 million over the FY 2016 level.

- ***Community Health Centers***

  $1.49 billion for Community Health Centers (CHCs), level with the funding provided in FY 2016. The bill directs no less than $100 million for new health centers and for expanding medical services, behavioral health, oral health, pharmacy, or vision services at existing facilities.

DEPARTMENT OF HOMELAND SECURITY

The Omnibus agreement provides $42.4 billion for the Department of Homeland Security (DHS), $1.45 billion above the FY 2016 enacted level to fund DHS missions including border security, transportation security, immigration enforcement, and cybersecurity, among others.

- ***FEMA State & Local Programs***

  $2.7 billion, approximately the same as the FY 2016 enacted levels, for State and Local Assistance and Preparedness grant programs, including, but not limited to, the following key allocations:

  - State Homeland Security Grants - $467 million, identical to FY 2016, to support state and local efforts to prevent terrorism and other catastrophic events and to prepare the nation for the threats and hazards that pose the greatest risk.

  - Urban Area Security Initiative - $605 million, $5 million more than the FY 2016 enacted level, to address the unique multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density Urban Areas.

  - Transit and Rail Security Grants - $100 million, identical to FY 2016, to protect critical surface transportation and the traveling public from acts of terrorism and to increase the resilience of transit and rail infrastructure.

  - Port Security Grants - $100 million, identical to FY 2016, to help protect critical port infrastructure from terrorism, enhance maritime domain awareness, improve port-wide maritime security risk management, and maintain or reestablish maritime security mitigation protocols that support port recovery and resiliency capabilities.

  - Assistance to Firefighters - $690 million, identical to FY 2016. This funding includes: $345 million under the Assistance to Firefighters (AFG) program to help firefighters and other first responders to obtain critically needed equipment, protective gear, emergency vehicles, training and other resources needed to protect the public and emergency personnel from fire and related hazards; and $345 million under the Staffing for Adequate Fire and Emergency Response (SAFER) program to provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase or maintain the number of trained, "front line" firefighters available in their communities.

- Emergency Management Performance Grants (EMPG) - $350 million, identical to FY 2016, to enhance local efforts to prepare for all hazards, including efforts focused on planning, equipment acquisitions, training, exercises, and renovation to enhance and sustain core capabilities.

- ***Customs and Border Protection (CBP)***
  $11.4 billion in discretionary appropriations for CBP, $137 million more than the FY 2016 enacted level, to protect the nation's borders by putting boots on the ground, improving technology, and stemming the flow of illegal activities in and out of the country. Additionally, the legislation provides $772 million in additional funding in response to President Trump's recently proposed budget amendment related to border security. While this funding cannot be used for the construction of a new wall along the southwest border, the bill's explanatory statement does allow for funding to: additional integrated fixed towers along the southern border; replacement of existing primary fencing and vehicle barriers with previously deployed designs, like steel bollard fencing; relocatable towers and tactical aerostats to detect and respond to shifts in cross-border traffic; funds to maintain facilities; three new multi-role enforcement aircraft to continue addressing aviation requirements; and replacement light-enforcement helicopters.

- ***Immigration and Customs Enforcement (ICE)***
  $6.4 billion for ICE, $550 million above the fiscal year 2016 enacted level. This includes $617 million for additional detention beds and transportation and removal costs.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The final agreement includes a total of $38.8 billion for the Department of Housing and Urban Development (HUD), an increase of nearly $500 million above the FY 2016 enacted level.

- ***Community Planning and Development***
  $6.803 billion, $152 million above the FY 2016 enacted level, for Community Planning and Development programs. This funding includes $3 billion, identical to the FY 2016 enacted level, for the Community Development Block Grant (CDBG) to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.

- ***HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program***
  $40 million for new rental assistance vouchers for homeless Veterans, $20 million below the FY 2016 enacted level.

- ***Choice Neighborhoods***
  $137.5 million, $12.5 million more than the FY 2016 enacted level, to support neighborhood revitalization grants, allowing communities to take on transformation initiatives that redevelop severely distressed public or HUD-assisted housing and leverage private investment.

- ***Section 8 Rental Assistance***
  $20.292 billion, approximately $650 million above the FY 2016 enacted level, to assist very low-income families, the elderly, and the disabled with access to decent, safe, and sanitary housing in the private market.

- ***HOME Investments Partnerships Program***
  $950 million for HOME Investment Partnerships, which is the same as the FY 2016 enacted level for formula grants to States and localities to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance for the disadvantaged.

- ***Housing for the Elderly***
  $502.4 million for housing for the elderly, which is $69.7 million more than the FY 2016 enacted level.

- ***Housing for the Disabled***
  $146.2 million for housing for the disabled, which is $4.4 million less than the FY 2016 enacted level.

- ***Housing Opportunities for People with AIDS (HOPWA)***
  $356 million, $21 million more than the 2016 enacted level, for grants to local communities, States, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.

- ***Homeless Assistance Grants***
  $2.383 billion, $133 million more than the FY 2016 enacted level, to support new permanent supportive housing and cover a wide range of activities to assist homeless persons and prevent future homelessness.

DEPARTMENT OF INTERIOR

The Omnibus bill allocates approximately $12.25 billion in overall spending for the Department of the Interior, an increase of approximately $235 million above the fiscal year 2016 enacted level.

- ***Land and Water Conservation Fund (LWCF)***
  $400 million is included for the LWCF, which supports the four land management agencies with acquisition and conservation of lands, and provides assistance to state and non-federal partners. The FY 2017 level is $50 million below the FY 2016 enacted level.

- ***Payments in Lieu of Taxes (PILT)***
  $465 million is included for PILT, which reflects the fully authorized level and is $13 million above the FY 2016 enacted amount. The PILT program provides funds to local governments to help offset losses in property taxes due to nontaxable federal lands within their jurisdictions.

- ***National Park Service (NPS)***
  $2.9 billion for the NPS, an increase of $81 million above the FY 2016 enacted level. This includes important increases for construction backlog, maintenance, and new park units established under the National Defense Authorization Act of 2015. $135 million is provided for the Centennial Initiative, which includes $14 million to help preserve the nation's civil rights historical sights. In addition, the total funding includes $2.4 billion for the Operation of the National Park System (ONPS), $62.6 million for National Recreation and Preservation, $65.4 million for Historic Preservation grants, and $193 million for construction of facilities.

- ***National Endowments for the Arts (NEA) and Humanities (NEH)***
  $149.8 million for each of the endowments, an increase of $1.9 million each above their FY 2016 level.

- ***U.S. Forest Service***
  $5.596 billion for the Forest Service, including $3.2 billion for wildland fire prevention and suppression. The bill also includes a provision prohibiting the Forest Service or BLM from issuing new closures of public lands to hunting and recreational shooting, except in the case of public safety, and a provision prohibiting the Department of Interior from administratively creating new wilderness areas.

DEPARTMENT OF JUSTICE

The bill provides $29 billion, a decrease of nearly $143 million below the FY 2016 enacted level, to support critical investigation, law enforcement, and prosecution activities. This amount includes $2.393 billion for State & Local Law Enforcement Programs, which is nearly $198 million more than the FY 2016 enacted level.

- ***Community Oriented Policing Services (COPS)***
  $221.5 million to enhance community policing by sharing information and making grants to state and local law enforcement agencies, which is $9.5 million more than the FY 2016 enacted level. This funding includes $194.5 million, $7.5 million more than FY 2016 enacted level, for the COPS Hiring Program.

- ***Byrne Justice Assistance Grants***
  $403 million, $73 million above the FY 2016 enacted level, for Byrne grants, which provide state and local governments with critical funding necessary to support a range of program areas including, but not limited to, law enforcement, crime prevention and education, corrections, drug treatment and enforcement, planning, technology improvement, and crime victim and witness initiatives. Within this amount, $27 million is for reimbursements to state

and local law enforcement agencies for costs associated with protection of the President-elect prior to the inauguration.

- ***Community Trust Initiative***
  $65 million is provided, $5 million below FY 2016 enacted levels, for this program to improve community safety and support police training, including grants for the purchase of body-worn cameras.

- ***Office of Violence Against Women (OVW)***
  $481.5 million, $1.5 million above the FY 2016 enacted level, for OVW programs, which reduce violence against women and administer justice for and strengthen services to victims of domestic violence, dating violence, sexual assault, and stalking.

- ***State Criminal Alien Assistance Program (SCAAP)***
  $210 million, identical to FY 2016 enacted levels, for payments made to states and local governments for reimbursement of officer salary costs incurred as a result of incarcerating undocumented criminal aliens.

- ***Juvenile Justice Programs***
  $247 million, $23 million below the FY 2016 enacted levels, to support state and local governments in their efforts to develop and implement effective programs for juveniles.

- ***Comprehensive School Safety Initiative***
  $50 million, $25 million below FY 2016 enacted levels for the DOJ's Comprehensive School Safety Initiative, which is designed to bring together the nation's best minds to research the root causes of school violence, and to develop technologies and strategies for improving school safety.

DEPARTMENT OF LABOR

The bill provides $12.1 billion for the Department of Labor, a decrease of approximately $80 million below the FY 2016 level.

- ***Employment and Training Administration***
  The bill provides $9.974 billion for the Employment and Training Administration, a decrease of $90.2 million below the FY 2016 level.

- ***Workforce Investment Act State Grants***
  The bill allocates $2.71 billion for Workforce Innovation and Opportunity Act (WIOA) Grants to States, which provide job training skills and assistance to low-skilled adults, dislocated workers and low-income youth with barriers to employment. The funding level is equal to the amount provided in FY 2016.

- ***Job Corps***
  The bill provides $1.704 billion, $15 million more than in FY 2016, for the Office of Job Corps to help unemployed, young Americans receive education, job training, and employment assistance. The bill notes Congress' expectation that the Department of Labor will use the funding increases, as necessary, to prioritize safety and security improvements across the Job Corps system.

- ***Veterans Employment and Training Service (VETS)***
  The bill provides $279 million for Veterans Employment and Training Service (VETS), $7.9 million above the FY 2016 enacted level. As in 2016, this includes $14.1 million for the Transition Assistance Program to help new veterans receive training for civilian employment and job search assistance, and $45 million for the Homeless Veterans program representing an increase of $7 million above the FY 2016 enacted amount.

- ***Governor's Statewide Reserve***
  Maintains the previous year's increase to the Governor's Reserve for job training at the State level from 10 percent to the full authorized amount of 15 percent. This increase will provide governors with additional funding flexibility to meet unique and pressing workforce needs in their states and regions.

- ***YouthBuild***
  $84.5 million for the YouthBuild program, identical to the FY 2016 enacted level, which addresses the challenges faced by unemployed, high school dropouts by providing them with an opportunity to gain both the education and occupational skills that will prepare them for employment with a living wage.

- ***Apprenticeships***
  The bill provides $95 million for the Apprenticeship Grant program, $5 million more than in FY 2016, which supports competitive grants to states, industry, and to community-based organizations. The bill also directs the Department of Labor to prioritize grant applications that "engage, recruit, and serve women and other under-represented populations."

DEPARTMENT OF TRANSPORTATION

The bill includes $19.3 billion in discretionary appropriations for the Department of Transportation, $681 million more than the FY 2016 enacted level

- ***TIGER Discretionary Program***
  $500 million for TIGER grants, which is equal to the FY 2016 enacted level.

- ***Federal Transit Administration (FTA)***
  $12.4 billion, more than $657 million above the FY 2016 enacted level, is included for FTA programs. Consistent with the FAST Act authorization level, the bill allows $9.73 billion in

state and local formula transit grant funding from the Mass Transit Account of the Highway Trust Fund. Also included in the overall FTA funding, $2.412 billion is provided for Capital Investment Grants ("New Starts"), which includes $1.5 billion for current Full Funding Grant Agreement (FFGA) projects and $408 million for proposed Small Start projects.

- ***Federal Highway Administration (FHWA)***
  $43.266 billion in "obligation limitation" funding for the Federal-Aid Highways program, which reflects the increased funding level authorized by the Fixing America's Surface Transportation Act (FAST Act).

- ***Federal Aviation Administration (FAA)***
  $16.407 billion in total budget resources for the FAA, which is $126.6 million more than the FY 2016 enacted level, to support the full operations of the air traffic control system, including the hiring and training of air traffic controllers and safety inspectors.

- ***Federal Railroad Administration (FRA)***
  $1.85 billion for FRA programs, an increase of $173 million above the FY 2016 enacted level for railroad assistance and rail safety programs. This amount includes approximately $1.495 billion in funding for AMTRAK, $105 million more than in FY 2016.

- ***Maritime Administration (MARAD)***
  $5 million is included for the Marine Highway Program and $10 million for the Small Assistance to Shipyards programs.

OTHER AGENCIES

U.S. ARMY CORPS OF ENGINEERS

$6.038 billion is allocated for the U.S. Army Corps of Engineers, which is an increase of $49 million above the FY 2016 enacted level. This bill provides $2.7 billion for navigation projects and studies, including $1.3 billion in funding from the Harbor Maintenance Trust Fund and full use of estimated annual revenues from the Inland Waterways Trust Fund. Approximately $1.7 billion would support flood and storm damage reduction activities. In addition, the allocation would fund six new starts in construction and six new studies.

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

- $276 million for Economic Development Assistance (EDA) Programs, an increase of $15 million over the FY 2016 enacted level, for investments that will leverage regional assets to support the implementation of regional economic development strategies designed to create jobs, leverage private capital, and encourage economic development.

ENVIRONMENTAL PROTECTION AGENCY (EPA)

$8.06 billion is provided for the EPA, approximately $81 million below FY 2016 enacted levels.

- ***Clean Water and Drinking Water State Revolving Funds***
  $2.3 billion, identical to the FY 2016 enacted levels, is allocated for clean water availability and water quality protection projects, including $1.394 billion for the Clean Water State Revolving Fund and $863 million for the Drinking Water State Revolving Fund.

- ***Water Infrastructure Finance and Innovation (WIFIA) program***
  $10 million in additional funding for the Water Infrastructure Finance and Innovation (WIFIA) program, which when combined with the $20 million provided in the previous CR, will leverage more than $3 billion in new infrastructure projects.

In addition to funding EPA, the legislation includes several policy provisions, including:
- A prohibition on the EPA from making changes to certain agricultural exemptions under the Clean Water Act;
- A directive to EPA, USDA and DOE to establish clear policies that reflect the carbon neutrality of biomass;
- A reporting requirement on the backlog of mining permits awaiting approval; and
- A prohibition on the regulation of the lead content of ammunition and fishing tackle.

NATIONAL SCIENCE FOUNDATION (NSF)

The NSF is funded at a historic high of $7.47 billion, an increase of $8.47 million from FY 2016. Within that total, $880 million is allocated to NSF's education and training programs, the same as the FY 2016 enacted level.

Contra Costa County Board of Supervisors

Subcommittee Report

LEGISLATION COMMITTEE **11.**

Meeting Date: 05/08/2017
Subject: SB 687 (Skinner): Health Facilities: Emergency Centers: Attorney General
Submitted For: LEGISLATION COMMITTEE,
Department: County Administrator
Referral No.: 2017-29
Referral Name: SB 687 (Skinner): Health Facilities: Emergency Centers: Attorney General
Presenter: Dr. William Walker **Contact:** L. DeLaney, 925-335-1097

Referral History:

This bill was referred to the Legislation Committee by Dr. William Walker, Director and Health Officer Contra Costa Health Services, and Pat Frost, Director Emergency Medical Services, who recommend its support. CSAC has a "Watch" position on this bill.

Referral Update:

SB 687 (Skinner): Health Facilities: Emergency Centers: Attorney General

Last Amend:	05/03/2017
Disposition:	Pending
Location:	Senate Appropriations Committee

The text of the bill can be found at:
http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB687

The Senate Judiciary Committee analysis is provided below:

2017 CA S 687: Bill Analysis - 04/24/2017 - Senate Judiciary Committee, Hearing Date 04/25/2017

SENATE JUDICIARY COMMITTEE

Senator Hannah-Beth Jackson, Chair

2017-2018 Regular Session

Bill No: SB 687 (Skinner)

Version: April 6, 2017

Hearing Date: April 25, 2017

Fiscal: Yes

Urgency: No

Consultant: MS

SUBJECT

Health facilities: emergency centers: Attorney General

DESCRIPTION

This bill would require any nonprofit public benefit corporation provide written notice to and obtain the written consent of the Attorney General prior to agreeing to sell, transfer, lease, exchange, option, convey, or otherwise dispose of the assets resulting from the reduction or elimination of emergency medical services provided at a licensed emergency center after the Attorney General gives a specified consent or conditional consent. This bill, except as specified, would also require any nonprofit public benefit corporation that operates or controls a health facility or operates or controls a facility that provides similar health care and that provides emergency services at a licensed emergency center to provide written notice to, and obtain written consent of, the Attorney General prior to a reduction of the level of emergency medical services provided or their elimination. This bill would require the Attorney General to notify the public benefit corporation of the decision to provide consent, or conditional consent, or withhold consent to the reduction in or elimination of emergency medical services within specified periods of time. Before the Attorney General issues written notice, this bill would require the Attorney General to conduct one or more public hearings after providing public notice.

Additionally, this bill would prohibit the State Department of Public Health from licensing a stand-alone emergency room or freestanding emergency center that is not part of a general acute care hospital facility providing 24-hour inpatient care with basic services. This bill would require the above-described notice to also be given to the agency in charge of the provision of health services. This bill would apply retroactively to decisions to close or reduce capacity of emergency rooms operated by non-profit health centers since 2015.

BACKGROUND

Since 1997, California law has required nonprofit health facilities that are subject to public benefit corporation law to obtain written consent from the Attorney General prior to entering into an agreement to sell, transfer, lease, exchange, option, convey, or otherwise dispose of assets, or transfer control or governance of assets. Additionally, the Attorney General is required to conduct at least one public meeting in the county where the health facility is located before issuing a written opinion making the determination whether to consent to, give conditional consent to, or not consent to any elimination or reduction of emergency medical services. The Attorney General has also had the ability to contract with experts regarding information needed to make this determination and obtain reimbursement for the costs of this contract from the health facilities being reviewed since 1997 (AB 3101, Isenberg, Ch. 1105, Stats. 1996).

This bill would extend these requirements to a nonprofit health facilities' decision to close or reduce capacity of their emergency departments. In its current form, this bill is also retroactive to 2015, allowing it to potentially impact the closure of the Saddleback Memorial San Clemente

Hospital and possible closure of Alta Bates Medical Center.

The Saddleback Memorial Medical Center in San Clemente was a 73 bed hospital that was part of MemorialCare Health System, which is a non-profit health care delivery system with six hospitals, as well as a number of surgical centers and outpatient services, including an advanced urgent care facility. In response to community concerns about the loss of the emergency room, in particular, MemorialCare sought the ability, via SB 787 (Bates, 2015) to maintain just the emergency room on the hospital campus as a satellite extension of its hospital in Laguna Hills which is 14 miles away. SB 787 ultimately failed passage in Senate Health Committee in January of 2016, and the San Clemente Hospital closed on May 30, 2016. However, in an attempt to ensure hospital and emergency room access for its residents, the City of San Clemente rezoned the property to require that the property be used for a hospital with an emergency room, which prompted MemorialCare to file a lawsuit against the city regarding the zoning decision. In the meantime, the hospital buildings are fenced off and sit idle. The provisions of this bill that would require the Attorney General's consent prior to a non-profit selling or otherwise disposing of the assets resulting from the reduction or elimination of an emergency room, and making this provision retroactive to January 1, 2015, could give the Attorney General the ability to have a say in how the assets of San Clemente Hospital are used in the future.

In 2015, SB 787 (Bates) would have permitted Saddleback Memorial Medical Center to operate an emergency department at its San Clemente campus, subject to approval by the California Department of Public Health (CDPH), even if the San Clemente campus stopped providing acute care services, thereby permitting a freestanding emergency department, subject to specified conditions. This bill before this Committee, would prohibit the State Department of Public Health from licensing a stand-alone emergency room or freestanding emergency center that is not a part of a general acute care hospital facility providing 24-hour inpatient care with basic services, including, but not limited to, medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services. This issue is not the subject of the pending lawsuit.

CHANGES TO EXISTING LAW

Existing law provides that any nonprofit corporation that operates or controls a health facility shall be required to provide written notice to, and obtain the written consent of, the Attorney General prior to entering into any agreement or transaction to do either of the following:

* sell, transfer, lease, exchange, option, convey, or otherwise dispose of, its assets to a for-profit corporation or entity or to a mutual benefit corporation or entity when a material amount of the assets of the nonprofit corporation are involved in the agreement or transaction; and/or

* transfer control, responsibility, or governance of a material amount of the assets or operations of the nonprofit corporation to any for-profit corporation or entity or to any mutual benefit corporation or entity. (Corp. Code Sec. 5914(a)(1).)

Existing law deems the substitution of a new corporate member or members that transfers the control of, responsibility for, or governance of the nonprofit corporation a transfer for the purposes of this article. Additionally, the substitution of one or more members of the governing body, or the arrangement, written or oral, that would transfer voting control of the members of the governing body, shall also be deemed a transfer for purposes of this article. (Corp. Code Sec. 5914(a)(2).)

Existing law provides for the notice provided to the Attorney General to include and contain the

information the Attorney General determines is required. The notice and any other information provided to the Attorney General, and in the public file, shall be made available to the public in written form by the Attorney General as soon as is practicable. (Corp. Code Sec. 5914(b).)

Existing law provides for the Attorney General to give a corporation a written waiver of this section as to a proposed agreement or transition and shall not apply to a nonprofit corporation if the agreement or transaction is in the usual and regular course of its activities. (Corp. Code Sec. 5914(c).)

Existing law provides for the same notice requirements that apply to any agreement or transaction regarding the transfer or sale of a nonprofit health facility's assets also apply to the transfer or sale of a nonprofit health facility's assets to another nonprofit corporation. (Corp. Code Sec. 5920.)

Existing law provides for an exception from these notice requirements for an agreement or transaction if the other party to the agreement or transaction is an affiliate of the transferring nonprofit corporation or entity, and the nonprofit corporation or entity has given the Attorney General 20 days of advance notice of the agreement or transaction. (Corp. Code Sec. 5920(e).)

Existing law defines "health facility" as meaning a facility, place, or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer. The following types of facilities are included:

* general acute care hospital;

* acute psychiatric hospital;

* skilled nursing facility;

* intermediate care facility;

* intermediate care facility/developmentally disabled habilitative;

* special hospital;

* intermediate care facility/developmentally disabled;

* intermediate care facility/developmentally disabled-nursing;

* congregate living health facility;

* correctional treatment center;

* nursing facility;

* intermediate care facility/developmentally disabled-continuous nursing; and

* hospice facility. (Health & Saf. Code Sec. 1250.)

Existing law defines "general acute care hospital" as meaning a health facility having a duly

constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services. (Health & Saf. Code Sec. 1250(a).)

Existing law provides for the state department to inspect and license health facilities. The state department shall license facilities to provide their respective basic services specified in Section 1250, as well as inspecting and approving a general acute care hospital to provide special services. (Health & Saf. Code Sec. 1254(a).)

Existing law provides for the state department to issue a separate license for the provision of services, as specified, in acute care hospitals, as well as specified for requirements as to the number of beds licensed to an acute care hospital. (Health & Saf. Code Sec. 1254.)

Existing law provides for a range of additional services an acute care hospital may be licensed to provide, including an emergency center. (Health & Saf. Code Sec. 1255.)

Existing law provides that any hospital that provides emergency medical services shall, no later than 90 days prior to a planned reduction or elimination of the level of emergency medical services, provide notice of the intended change to the state department, the local government entity in charge of the provision of health services, and all health care service plans or other entities under contract with the hospital to provide services to enrollees of the plan or other entity. (Health & Saf. Code Sec. 1255.1(a).)

Existing law provides that in addition to the notice requirement, the hospital shall provide public notice of the intended change in a manner that is likely to reach a significant number of residents of the community services by that facility. (Health & Saf. Code Sec. 1255.1(b).)

Existing law exempts a hospital from providing this notice regarding a change to emergency services, if the state department does either of the following:

* determines that the use of resources to keep the emergency center open substantially threatens the stability of the hospital as a whole; or

* cites the emergency center for unsafe staffing practices. (Health & Saf. Code Sec. 1255.1(c).)

This bill would require any nonprofit corporation that operates or controls a health facility to provide written notice to, and to obtain the written consent of, the Attorney General prior to entering into any agreement or transaction to either sell, transfer, lease, exchange, option, convey, or otherwise dispose of the assets resulting from the reduction or elimination of emergency medical services provided at an emergency center licensed pursuant to Sections 1255 and 1277 of the Health and Safety Code to a for-profit corporation or entity, or to a mutual benefit corporation or entity, or to another nonprofit corporation or entity after the Attorney General gives, pursuant to Section 5940, consent or conditional consent to the reduction or elimination of emergency medical services.

This bill would provide for a nonprofit corporation that operates or controls a health facility to provide written notice to, and obtain the written consent of, the Attorney General prior to a planned reduction in the level of emergency medical services provided or elimination of those services, unless:

* the Attorney General has given the corporation a written waiver of this section as to the planned elimination or reduction of the level of emergency medical services; or

* the State Department of Public Health determines that the use of resources to keep the emergency center open substantially threatens the stability of the hospital as a whole, or cites the emergency center for unsafe staffing practices.

This bill would provide for the notice provided to the Attorney General regarding a planned reduction in the capacity of emergency medical services shall include and contain the information the Attorney General determines is required to make a decision in the public interest pursuant to this section. The notice and other information in the public file shall be made available to the public by the Attorney General as soon as practicable.

This bill would provide for the Attorney General to notify the nonprofit corporation in writing of the decision to consent to, give conditional consent to, or not consent to the reduction or elimination in emergency medical services within 90 days of the receipt of notice from the nonprofit corporation. The Attorney General may extend this period for one additional 45-day period if either of the following conditions is satisfied:

* the extension is necessary to obtain information to make a determination that the planned elimination or reduction in the level of emergency medical services is consistent with the charitable trust on which the assets are held by the health facility or by the affiliated nonprofit health system; or

* the plan to reduce or eliminate emergency medical services is substantially modified after the first public meeting conducted by the Attorney General.

This bill would provide for the Attorney General to conduct one or more public meetings, one of which shall be in the county in which the facility is located, to hear comments from interested parties, prior to issuing any written decision. The Attorney General shall provide written notice of the time and place of the public meeting at least 14 days before conducting the public meeting through publication in one or more newspapers of general circulation in the affected community and to the board of supervisors of the county in which the facility is located.

This bill would provide for the Attorney General to conduct an additional public meeting if a substantive change in the plan to eliminate or reduce emergency medical services is submitted to the Attorney General after the initial public meeting.

This bill would provide the Attorney General with the discretion to consent to, give conditional consent to, or not consent to any elimination or reduction of emergency medical services. In making the determination the Attorney General shall consider any factors that the Attorney General deems relevant, including, but not limited to, whether any of the following apply:

* the planned elimination or reduction in the level of emergency medical services is consistent with the charitable trust on which the assets are held by the health facility or by the affiliated nonprofit health system;

* the planned elimination or reduction involves or constitutes any breach of trust;

* the Attorney General has been provided, pursuant to Section 5250, with sufficient information and data by the nonprofit corporation to adequately evaluate the reduction or elimination of emergency medical services, or effect thereof on the public;

* the reduction or elimination of emergency medical services may create a significant effect on the availability or accessibility of health care services to the affected community; and

* the proposed reduction or elimination of emergency medical services to the affected community.

This bill would provide that if the Attorney General gives consent or conditional consent to the reduction or elimination of emergency medical services pursuant to this section, and the assets resulting from the reduction or elimination are sold, transferred, leased, exchanged, optioned, conveyed or otherwise disposed of, the disposal of those assets shall be subject to Sections 5914 or 5920 of the Corporations Code.

This bill would provide for the Attorney General to contract with, consult, and receive advice from any state agency on those terms and conditions that the Attorney General deems appropriate, as well as any experts or consultants to assist in reviewing the proposed changes to the level of emergency services provided to aid the Attorney General in making the determination whether to consent to, give conditional consent to, or not consent to any elimination or reduction of emergency medical services.

This bill would provide that these contract costs shall not exceed an amount that is reasonable and necessary to conduct the review and evaluation, and any contract entered into under this section shall be on a noncompetitive bid basis and shall be exempt from Chapter 2 of Part 2 of Division 2 of the Public Contract Code. The nonprofit corporation, upon request, shall pay the Attorney General promptly for all contract costs.

This bill would provide for the Attorney General to be entitled to reimbursement from the nonprofit corporation for all actual, reasonable, direct costs incurred in reviewing, evaluating, and making the determination referred to in this chapter, including administrative costs. The nonprofit corporation shall promptly pay the Attorney General, upon request, for all of those costs.

This bill would not provide a method allowing the nonprofit corporation to dispute the costs requested by the Attorney General.

This bill would provide for the Attorney General to be able to contract with experts and consultants to assist the Attorney General in monitoring effectively ongoing compliance with any terms and conditions the Attorney General may impose pursuant to decisions to consent to, give conditional consent to, or not consent to any elimination or reduction of emergency medical services. These contracts would face the same limitations as those entered into to aid the Attorney General in making a determination.

This bill would provide for the Attorney General to adopt regulations to implement this section. It would not provide for the Attorney General to be able to authorize emergency medical services be provided by a facility that does not meet the requirements of the Health and Safety Code, or to authorize a nonprofit general acute care hospital to reduce operations to provide emergency medical services without providing 24-hour inpatient care with basic services, including, but not limited to, medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

This bill would clarify that it shall not be construed to authorize, allow for, or permit operation of a stand-alone emergency room or freestanding emergency center, except as provided in subdivision (b) of Section 1798.101 of the Health and Safety Code.

This bill would provide that the state department shall not license a stand-alone emergency room or freestanding emergency center that is not part of a general acute care hospital facility providing 24-hour inpatient care with basic services, including, but not limited to, medical nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

This bill would be retroactive, applying to closures of emergency rooms or reduction in emergency services since January 1, 2015.

COMMENT

1. Stated need for this bill

According to the Author:

California experienced a 12% reduction in hospital emergency departments from 1996 to 2009 despite a 27% increase in visits. Studies evaluating the impacts of hospital closures show that loss of hospital emergency departments increases the risk of death by 15% for patients in the affected area who have a stroke or heart attack.

As of 2014, California had the lowest number of emergency departments per capita in the nation - 6.7 per 1 million people. As a result, California received an 'F' for lacking emergency room beds in a 2014 national report by the American College of Emergency Physicians.

Hospital and emergency department closures have had a particularly large impact on California's rural areas. The Central Valley and rural regions north of Sacramento to the Oregon border have experienced more than a dozen hospital closures since the early 2000s. Within Senate District 9, the 2015 closure of San Pablo's Doctors Medical left over 250,000 residents of West Contra Costa County with only one full service hospital, the 50-bed Kaiser Richmond facility. Closures of full service hospitals has resulted in overcrowding, longer waits, and diverted ambulances, which can lead to lower quality patient care and outcomes.

Under current law, the Attorney General has oversight on the sale or transfer of nonprofit hospitals. However there are currently no checks and balances in place on the closure of nonprofit hospitals. These facilities can make the decision to reduce or eliminate vital services without having to assess impacts to the community and region.

Given the statistics on California's emergency service shortage, decisions to further reduce hospital or emergency services deserve to be reviewed to ensure that necessary lifesaving services remain accessible.

Support also points to the Alta Bates Medical Center's potential closure as a reason why this bill is needed. The Alta Bates Medical Center is a 347 bed hospital located in Berkeley. Alta Bates merged with Summit in 1999, which is part of Sutter Health, a non-profit hospital chain. Sutter has stated that it does not plan to bring the Alta Bates campus up to seismic safety standards that would be required by 2030, and therefore intends to close the Alta Bates campus sometime prior to 2030. Sutter states that it intends to consolidate services at its Summit campus in Oakland a few

miles away, which has a new 238 bed tower that is compliant with the 2030 deadline, with future plans for another tower and upgraded and expanded emergency services. However, Berkeley officials and many community members are especially concerned about the potential loss of the only emergency department in Berkeley, and fear increased transport time and emergency room overcrowding throughout the East Bay region. Obviously, should this bill become law, any closure of the Alta Bates campus would also necessitate a closure of its emergency room, which would trigger the Attorney General review process.

2. Existing oversight of stopping or reduction of emergency services

Writing in opposition, the California Hospital Association notes "that there are existing procedures in place for hospitals to notify the California Department of Public Health (CDPH) and local county governments prior to downgrading or closing emergency services." They go onto state that because existing law requires this, additional oversight by the Attorney General would be unnecessary and duplicative.

The California Hospital Association appears to be referencing Section 1255.1 of the Health and Safety Code. This section does require any hospital that provides emergency medical services to notify CDPH no later than 90 days prior to a planned reduction or elimination of the level of emergency services. Additionally, this section requires the hospital to provide public notice in a manner that is likely to reach the residents of the affected community. Yet, nothing in this code section enables any oversight of this decision. Should CDPH or the residents of the affected community raise concerns regarding the closure or reduction, existing law provides no method for the hospital's decision to be prevented or even modified.

By providing the Attorney General with the ability to make a determination whether to consent to, give conditional consent to, or not consent to any elimination or reduction of emergency medical services prior to this action taking place, the bill provides actual oversight to the reduction of these services. Additionally, the requirement for a public hearing provides a venue for the public to voice their concerns over the impact this change will have on them, rather than just provide them with notice of upcoming changes.

Writing in support, Lowell Hurst, the Mayor Pro-Tempore of the City of Watsonville, writes:

There are currently few restrictions in place on the closure of emergency services; hospitals decide to reduce or eliminate them without a robust review of the impact to the surrounding community. Nonprofit hospitals are heavily subsidized by taxpayers and have an obligation to their communities. Given the startling statistics on California's emergency service shortage, hospital decisions to further reduce emergency services should be heavily scrutinized. The Attorney General already possesses supervisory authority over nonprofit hospitals, as a matter of common law and statute. The Corporations Code provides that the Attorney General reviews and supervises nonprofit sales closely to protect the community's interest; this bill would expand on that power. SB 687 gives the Attorney General the authority to oversee the reduction or closure of emergency services and act on the public's behalf by assessing the impacts that a closure or reduction would have on the community, and deciding whether to approve such proposed closures or reductions.

3. Retroactive application

This bill would apply the Attorney General's oversight of the reduction or elimination of

emergency medical services retroactively to changes in non-profit corporation's operation of health facility's emergency medical services on, and after, January 15, 2015.

"Generally, statutes operate prospectively only." (McClung v. Employment Dev. Dept. (2004) 34 Cal.4th 467, 475.)

[T]he presumption against retroactive legislation is deeply rooted in our jurisprudence, and embodies a legal doctrine centuries older than our Republic. Elementary considerations of fairness dictate that individuals should have an opportunity to know what the law is and to conform their conduct accordingly; settled expectations should not be lightly disrupted. For that reason, the principle that the legal effect of conduct should ordinarily be assessed under the law that existed when the conduct took place has timeless and universal appeal. (Landgraf v. USI Film Products (1994) 511 U.S. 244, 265 (internal citations omitted).)

"A statute does not operate [retroactively] merely because it is applied in a case arising from conduct antedating the statute's enactment, or upsets expectations based in prior law. Rather, the court must ask whether the new provision attaches new legal consequences to events completed before its enactment." (Landgraf, 511 U.S. at 269-70 (internal citations omitted).) "This is not to say," however, "that a statute may never apply retroactively." (McClung, 34 Cal.4th at 475.) In California, "[a] statute's retroactivity is, in the first instance, a policy determination for the Legislature and one to which courts defer absent some constitutional objection to retroactivity." (Id., at 475.) Under California law, "a statute may be applied retroactively only if it contains express language of retroactivity or if other sources provide a clear and unavoidable implication that the Legislature intended retroactive application." (Myers v. Philip Morris Companies, Inc. (2002) 28 Cal.4th 828, 844.)

On the other hand, legislation that merely clarifies existing law may be found not retroactive in effect. (See, e.g., Colmenares v. Braemar Country Club, Inc. (2003) 29 Cal.4th 1019, 1028). "Courts are not to infer that legislation merely clarifies existing law unless (1) the nature of the amendment clearly demonstrates such an intent or (2) the legislature has itself stated that the particular amendment is merely declaratory of existing law." (Goldman v. Standard Ins. Co. (9th Cir. 2003) 341 F.3d 1023, 1029.)

To address concerns regarding retroactivity, the Author suggests the following amendments to narrow the retroactivity clause while still ensuring the goals of this legislation are still met:

Proposed amendments:

On page 4, strike line 26 through 27.

On page 4, between line 21 and line 22, insert:

(i) The changes made to this section by the act adding this subdivisions shall apply to the sale, transfer, lease, exchange, option, conveyance or disposal of any assets resulting from a qualifying nonprofit corporation's reduction or elimination of emergency medical services that occurred between January 1, 2016 and the effective date of this section, provided those assets remain under the control of the qualifying nonprofit corporation as of the effective date of this section, notwithstanding the fact that the Attorney General did not review or consent to the closure or reduction pursuant to section 5940. If such assets no longer remain in the control of the qualifying nonprofit corporation, but were sold transferred, leased, optioned, conveyed, or disposed of

between January 1, 2017 and the effective date of this section, the qualifying nonprofit corporation shall notify the Attorney General of the details of the transaction and the Attorney General shall review whether the transaction, in whole or in part, was intended to avoid the application of this section. If the Attorney General makes such a determination, the Attorney General may assess a civil penalty upon the qualifying nonprofit corporation in an amount not to exceed the value of such assets.

On page 5, between line 31 and line 32, insert:

The changes made to this section by the act adding this subdivisions shall apply to the sale, transfer, lease, exchange, option, conveyance or disposal of any assets resulting from a qualifying nonprofit corporation's reduction or elimination of emergency medical services that occurred between January 1, 2016 and the effective date of this section, provided those assets remain under the control of the qualifying nonprofit corporation as of the effective date of this section, notwithstanding the fact that the Attorney General did not review or consent to the closure or reduction pursuant to section 5940. If such assets no longer remain in the control of the qualifying nonprofit corporation, but were sold transferred, leased, optioned, conveyed, or disposed of between January 1, 2017 and the effective date of this section, the qualifying nonprofit corporation shall notify the Attorney General of the details of the transaction and the Attorney General shall review whether the transaction, in whole or in part, was intended to avoid the application of this section. If the Attorney General makes such a determination, the Attorney General may assess a civil penalty upon the qualifying nonprofit corporation in an amount not to exceed the value of such assets.

One page 6, strike line 1 through line 2.

4. Author's Amendments

The Author has worked with the California Nurses Association (CNA) to address their concerns, as raised prior to and during the Senate Health Committee Hearing. These discussions resulted in the following proposed amendments, primarily focusing on "freestanding emergency departments."

As discussed in Senate Health Committee, there are currently no freestanding emergency departments licensed in California, although they do operate in other states. In California, in order to offer emergency medical services, a facility must provide certain services, such as intensive care, radiology, and surgical services that are immediately available for life-threatening situations. These requirements have the effect of preventing a freestanding emergency department, because the requirements ensure the emergency department be part of a full-fledged hospital. This bill contains language highlighting that these changes do not grant the Attorney General the authority to approve a freestanding emergency department. The following amendments proposed by the author further clarify this, while addressing additional CNA concerns.

Proposed amendments:

On page 3, line 22, insert "1254," between "Sections" and "1255"

On page 4, on line 21, after "transaction" insert:

except that this subdivision shall not apply to (a)(1)(c).

On page 4, after line 25, insert:

(e) This section shall not be construed to allow the Attorney General to authorize emergency medical services to be provided by a facility that does not meet the requirements of Section 1798.175 of the Health and Safety Code or is not licensed to provide emergency medical services pursuant to Sections 1254, 1255, and 1277 of the Health and Safety Code or to authorize a nonprofit general acute care hospital to reduce operations to provide emergency medical services without providing 24-hour inpatient care with basic services, including, but not limited to, medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services. This section shall not be construed to authorize, allow for, or permit operation of a stand-alone emergency room or freestanding emergency center, except as provided in subdivision (b) of Section 1798.101 of the Health and Safety Code.

On page 5, line 7, insert "1254," between "Sections" and "1255"

On page 5, on line 31, after "transaction" insert:

except that this subdivision shall not apply to (a)(1)(c).

On page 5, after line 40, insert:

(f) This section shall not be construed to allow the Attorney General to authorize emergency medical services to be provided by a facility that does not meet the requirements of Section 1798.175 of the Health and Safety Code or is not licensed to provide emergency medical services pursuant to Sections 1254, 1255, and 1277 of the Health and Safety Code or to authorize a nonprofit general acute care hospital to reduce operations to provide emergency medical services without providing 24-hour inpatient care with basic services, including, but not limited to, medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services. This section shall not be construed to authorize, allow for, or permit operation of a stand-alone emergency room or freestanding emergency center, except as provided in subdivision (b) of Section 1798.101 of the Health and Safety Code.

On page 6, on line 17, after "services," insert:

The written notice required by this section shall be provided to the Attorney General as soon as possible, but in no case later than 135 days before the planned reduction in the level of emergency medical services provided or elimination of those services.

On page 6, strike lines 18 to 27.

On page 9, on line 16, after "code" insert:

, or is not licensed to provide emergency medical services pursuant to Section 1245, 1255, and 1277 of the Health and Safety code,

On page 9, on line 23, after "emergency room" insert:

, or freestanding emergency department,

On page 9, on line 39, after "emergency room" insert:

, or freestanding emergency department,

Support: Al Austin, Council Member, Eighth District, City of Long Beach; City of Berkeley; City of Oakland; City of San Clemente; Felipe Hernandez, Council Member, District One, City of Watsonville; John Gioia, Supervisor, District One, Contra Costa County; Lowell Hurt, Mayor Pro-Tempore, City of Watsonville; Marilyn Sanabria, Mayor, City of Huntington Park; Multi-faith ACTION Coalition; Santa Clara County Board of Supervisors; SEIU California

Opposition: California Hospital Association

HISTORY

Source: Author

Related Pending Legislation:

AB 651 (Muratsuchi, 2017) extends the time frame that the AG has to approve or reject the proposed sale of a non-profit health facility from 60 to 90 days, requires that public notice of a hearing regarding the proposed sale be provided in English and any other language that is widely spoken in the county where the facility is located, and requires the AG to consider whether the sale will have an adverse impact on the significant cultural interests in the affected community. AB 651 passed the Assembly Judiciary Committee on April 18, 2017 with 10 "aye" votes.

Prior Legislation:

SB 787 (Bates, 2015) would have permitted Saddleback Memorial Medical Center to operate an emergency department at its San Clemente campus, subject to approval by the California Department of Public Health (CDPH), even if the San Clemente campus stopped providing acute care services, thereby permitting a freestanding emergency department, subject to specified conditions. SB 787 failed passage in the Senate Health Committee.

SB 1094 (Lara, 2014) would have provided an additional 30 days for the AG to review proposed transactions involving non-profit health facilities. This bill would also have allowed the AG to enforce the conditions of an approved agreement, and to amend the conditions of an agreement or transaction involving a non-profit health facility if a party to the transaction or agreement made material misrepresentations to the AG. Finally, this bill would have required the AG, prior to imposing an amended condition, to provide the parties to the agreement written notice of the proposed condition and allowed the parties 30 days to respond. SB 1094 was vetoed by the Governor.

SB 932 (Bowen, Ch. 65, Stats. 2003) prohibits the Attorney General from consenting to an agreement or transaction involving the sale, transfer, lease, or other disposition of a health facility owned by a non-profit corporation to a for-profit corporation, a mutual benefit corporation or another non-profit corporation, if the seller restricts the type or level of medical services that may be provided at the facility.

AB 890 (Cedillo, Ch. 427, Stats. 2002) subjects health facilities owned by religious corporations to the same requirements as other non-profit hospitals with regard to obtaining the consent of the Attorney General prior to transferring hospital ownership. The bill also adds to the factors that may be considered by the Attorney General when considering transfers of a health facility from

one non-profit to another non-profit, and clarifies that the Attorney General may collect the costs of the review from either the transferring or receiving entity.

AB 254 (Cedillo, Ch. 850, Stats. 1999) requires non-profit health facilities to obtain the consent of the Attorney General prior to the sale, transfer, or lease of a material amount of assets to another non-profit corporation.

AB 3101 (Isenberg, Ch. 1105, Stats. 1996) requires non-profit health facilities that are subject to public benefit corporation law to obtain written consent from the Attorney General prior to entering into an agreement to (1) sell, transfer, lease, exchange, option, convey, or otherwise dispose of assets, or (2) transfer control or governance of assets. AB 3101 requires the Attorney General to conduct at least one public meeting in the county where the facility is located, to contract with experts, and to obtain reimbursement for the costs from health facilities being reviewed.

Prior Vote: Senate Health (Ayes 6, Noes 2)

Recommendation(s)/Next Step(s):

CONSIDER recommending to the Board of Supervisors a position of "Support" on SB 687 (Skinner): Health Facilities: Emergency Centers: Attorney General, as recommended by the County Director and Health Officer Contra Costa Health Services and the County Director Emergency Medical Services.

Fiscal Impact (if any):

Unknown.

Attachments

No file(s) attached.
