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Re: **2018 Contra Costa County Year End Wrap-Up**

When the dust settled....

2017, the first year of the two-year legislative session, ended with a good deal of drama and nervous anticipation of what 2018 would bring for local governments. SB 649 (Hueso), which streamlined the deployment of small-cell wireless technology, and AB 1250 (Jones-Sawyer), which restricted counties' ability to contract out for services, demanded the lion's share of local government advocacy efforts for that year. AB 1250 was shelved in early September and SB 649 was vetoed by Governor Brown. Though both efforts failed to become law, all parties anticipated the probable return of both bills in the 2018 session.

And so it began...

Fortunately, the 2018 Legislative Session did not begin with renewed drama related to the aforementioned bills. On the other hand, 2018 saw the effect of the "Me Too" movement as it left the legislature to deal with three member resignations and the prospect replacing those members coupled with the difficulty of Democrats losing the 2/3 majorities they had fought so hard to attain. The "Me Too" movement also sparked the introduction of numerous bills related to public and private sector employer and employee conduct, harassment reporting, and statutes of limitation for harassment complaint filing. The legislature also grappled with its own ongoing member and staff harassment issues by forming a Joint Subcommittee on Sexual Harassment Prevention Response. Needless to say this issue will continue to demand attention and oversight into future sessions.

On March 21st, Senator Toni G. Atkins (D – San Diego) was sworn in as the 48th President pro Tem of the State Senate, replacing Kevin de León. Atkins, who also served as Speaker of the California State Assembly, is the first woman (in 146 years) to serve as President pro Tem of the Senate.

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Governor Brown's last budget proposal...

Governor Brown released his proposed \$132 billion 2018-19 budget on January 10th. Unlike years past, his proposal was relatively non-controversial, leaving the legislature to grapple with issues related to homelessness, affordable housing, the effects of numerous and devastating wildfires that continue to plague communities across California, bail reform and climate change. (And hovering over all of this, the prospect of the departure of Governor Brown (his brand of pragmatism and fiscal prudence) and the probable election of Lieutenant Governor Gavin Newsom as his replacement.)

The Governor's initial proposal included a \$3.5 billion deposit into the state's rainy day fund, full funding for the LCFF, \$134 million to purchase new voting systems in counties, \$200 million in business tax credits (California Competes and Employment Hiring credits), and \$40 million for outreach and other programs related to the 2020 Census. It contained no changes to the In Home Supportive Services (IHSS) maintenance of effort (MOE) from last year, and included nearly \$28 million General Fund (GF) dollars for related administrative costs in 2018-19. Governor Brown's plan was consistent with his past proposals that stressed debt payment, growing the rainy day fund and overall fiscal conservatism.

The 11th of May...

Governor Brown released his revised budget plan on May 11th. Like his introduced plan, the May Revision didn't include many surprises. An unanticipated \$8.8 billion in tax revenue didn't lead Brown from his path of fiscal prudence. This infusion would grow the rainy day account to its constitutional maximum of \$13.8 billion...an amazing feat considering that California faced a \$27 billion deficit when he came into office (again) in 2011.

The May Revision included, among other things:

- An increase of \$1.6 billion for Medi-Cal workload
- An extra (roughly) \$1 billion for the state's discretionary reserve
- \$3.2 billion in new spending (mostly one-time purposes)
- \$200 million for flood control projects
- \$50 million for counties for homeless persons with mental illness
- \$250 million for homeless aid block grants to local governments for housing and shelter construction
- \$64 million for ongoing spending to local governments for housing support and homelessness assistance programs
- Proposal for a proposition, (Proposition 2) to go on the November 2018 ballot, to allow the state to use existing county mental health funds to pay for housing for those who are homeless and are mentally ill

The Newman recall...

Democratic Senator Josh Newman, elected in 2016 by a margin of less than 2,500 votes, was recalled on June 5th and replaced by former Assemblymember Ling Ling Chang. Despite the support of former Senate pro Tempore Kevin de León, the California Teachers Association and the Sierra Club, Newman was unable to thwart the recall effort that was fueled by voter anger over Newman's vote in support of SB 1 (the California Road Repair and Accountability Act of 2017). The success of the recall and the reaction to the tax increases in SB 1 signaled the end of the Senate Democrat's 2/3 house majority, and in part, fueled the effort to place Proposition 6 on the November 2018 ballot. If passed, Prop 6 would eliminate the taxes initiated by SB 1, and force the legislature to readdress the issue of critical transportation funding, but this time without the Democrats having a 2/3 majority.

Yet another on-time budget...

The Governor signed the 2018-19 State Budget on June 27th after one of the least controversial and non-cantankerous budget negotiations in recent history. Budget conference committees were relatively unremarkable and trailer bills transacted through the committee process and to the legislative floors relatively quickly, pausing only briefly to abide by the 72 hour "in print rule," as prescribed by Proposition 54, passed by voters in 2017. The final plan did not hew far from the May Revision proposal. Unlike most past years, Governor Brown did not choose to blue pencil any provisions of the spending plan that the legislature sent to his desk. As has become the practice of the legislature in recent years, lawmakers included only a handful of budget trailer bills in their initial salvo of spending bills to the governor. Various trailer bills made their way to the governor up until the final days of the legislative session at the end of August.

Of note for counties in the budget package:

- \$700 million to address homelessness and affordable housing
- \$280 million to repay counties for debt related to repealed mandates
- \$67 million for debris removal and lost property tax in counties impacted by this year's unprecedented wildfires
- Nearly \$40 million for administrative costs for CalWORKs and IHSS
- \$1.3 billion in lease revenue funds for courthouse construction

On housing and homelessness...

The budget and associated trailer bills pushed plans and funding for addressing the state's dire housing and homelessness problem forward, and not a moment too soon. The plan includes:

- A one-time allocation of \$500 million for block grants to local governments to fund various homelessness services

- \$150 million of those grants is divided among California's 11 most populous cities (based on homeless populations)
- The remaining funds are divided among Continuums of Care, roughly based on their homeless populations
- Putting the No Place Like Home program on the November 2018 ballot. If passed, the program would issue bonds, backed by personal income tax revenue raised by Prop 63 of 2004. Funds would be used for construction and rehabilitation of permanent supporting housing for those with mental illness who are homeless
- \$109 million in homelessness related funding augmentations for outreach, mental health services, and assistance targeted to CalWORKs families, seniors, youth and victims of domestic violence

A legislative victory for Contra Costa County...

This session, CCC sponsored SB 522 (Glazer, Chapter 133, Statutes of 2018). The bill sought to replace the West Contra Costa Healthcare District's elected governing body with a district board appointed by the Board of Supervisors. The change in governance sought to reduce administrative costs, increase operational efficiencies, and maximize the District's funding of health care. SB 522 passed the Senate and Assembly unanimously and was signed by the Governor on July 18, 2018.

In the waning days of session...

As is the regular course of business for the legislature, many or most of the big ticket or controversial bills are dealt with in the final two weeks of session. Since 2018 is the second year of the two year legislative session, extra pressure was placed on lawmakers because both current year introductions and bills they'd been working on and carried over from 2017 would die at midnight on August 31st if they had not completed the legislative process.

One notable factor that has changed the pace of the end of session madness has been the aforementioned 72 hour "in print rule." Prior to the passage of Prop 54, the last few days of session were always extremely chaotic because of the ability of the majority party to amend bills very quickly, hear them in committee and report them to the floor for vote and concurrence, often before legislators and staff would or could have a chance to fully digest what was being voted on. Now that bills have to be in their final amended form for 72 hours, the real action to twist arms and negotiate bills (with enough time to get the amendments into print) must happen by midnight, three days before the last day of session. For the last two years, it has had the effect of somewhat lowering the level of controversy on the legislative floors, as no party can opine that they did not have time to analyze a potentially controversial bill. As such, the end of session, this year, was characterized by more working and less "yelling" on both Assembly and Senate floors.

The final push...

The legislature acted on hundreds of bills over the last two weeks of August, most of them non- controversial, but some worth highlighting in this year-end summary.

SB 10 (Hertzberg) - Creates a risk-based non-monetary pre-arraignment and pretrial release system for people arrested for criminal offenses including preventative detention procedures for person's determined to be too high a risk to assure public safety if released.

Status: *Signed by Governor, Chapter 244, Statutes of 2018*

SB 100 (de León) - Establishes the 100 Percent Clean Energy Act of 2017 which increases the Renewables Portfolio Standard (RPS) requirement from 50 percent by 2030 to 60 percent, and creates the policy of planning to meet all of the state's retail electricity supply with a mix of RPS-eligible and zero-carbon resources by December 31, 2045, for a total of 100 percent clean energy.

Status: *Signed by Governor, Chapter 312, Statutes of 2018*

SB 822 (Wiener) - Enacts the Internet Consumer Protection and Net Neutrality Act and prohibits certain fixed and mobile Internet service providers that provide broadband Internet access service from engaging in specified actions concerning the treatment of Internet traffic. SB 822 also prohibits the blocking of lawful content, applications, services, or non-harmful devices, impairing or degrading lawful Internet traffic on the basis of Internet content, application, or service, or use of a non-harmful device, and other specified practices.

Status: *Signed by Governor, Chapter 976, Statutes of 2018*

SB 828 (Wiener) - Amends the Planning and Zoning Law to prohibit the prior underproduction of housing in a city or county from the previous cycle and stable population numbers in a city or county from the previous cycle from being used as a justification for a determination or a reduction in the jurisdiction's share of a regional housing need. SB 828 includes lands zoned or designated for agricultural protection or preservation that are subject to a local ballot measure that prohibits their conversion to nonagricultural uses.

Status: *Signed by Governor, Chapter 974, Statutes of 2018*

SB 901 (Dodd) - Addresses numerous issues concerning wildfire prevention, response and recovery, including funding for mutual aid, fuel reduction and forestry policies, wildfire mitigation plans by electric utilities, and cost recovery by electric corporations of wildfire-related damages.

Status: *Signed by Governor, Chapter 626, Statutes of 2018*

SB 1303 (Pan) - Replaces the coroner with an independent office of the medical examiner in counties with 500,000 or more residents.

Status: *Vetoed by Governor*

SB 1343 (Mitchell) - Requires an employer who employs a specified amount and type of employees, to provide sexual harassment training to all supervisory employees and nonsupervisory employees by a specified date and subsequently in a certain number of years. SB 1343 also requires the Department of Fair Employment and Housing to make existing informational posters, fact sheets, and online training courses available.

Status: *Signed by Governor, Chapter 956, Statutes of 2018*

The final analysis...

As was 2017, 2018 was a productive year for the State Legislature. Californian's got another on-time budget despite Legislative Democrats losing their supermajorities. Legislative leaders were able to negotiate agreements to keep several initiatives off the November 2018 ballot, including one that would have requires new local taxes to be approved by a two-thirds vote.

Leaders were also able to make long strides in dealing with the effects of rebuilding and reacting to the numerous and historically large wildfires that plagued the Golden State. Among other things, they moved forward on dealing with many facets of the state's lingering and chronic homelessness and housing issues, and launched the opening salvo in what promises to be a lengthy legislative and judicial battle to reform and recast California's bail system.

The legislature will undoubtedly have to continue to grapple with these and other issues into the 2019-2020 session and beyond. They will also have to have to assess and formulate new strategies in order to form new relationships with the next Governor, their administration, priorities and sensibilities. As of the drafting of this document, not much is known about possible composition of a likely Newsom administration. We will all be waiting with anticipation to see how much or little the next Governor decides to adhere to fiscally conservative and pragmatic legacy of Edmund G. Brown Jr. The democratic leadership and majority caucuses in both houses of the legislature will likely be ready to test the mettle of the next Governor. Democrats will undoubtedly approach a new governor with an eye to ending the Brown era of limited and often one-time spending on programs and squirreling real or perceived surpluses into reserves. We will all have to wait and see.

Contra Costa County: Legislative Advocacy Program

AB 605 (Mullin) - Amends the Child Day Care Facilities Act, and requires the State Department of Social Services, in consultation with stakeholders, to adopt regulations to create a child care center license to serve infant, toddler, preschool,

and school age children. This bill also requires that all day care centers to be licensed as child care centers before a specified date. Requires the regulations to include components for infant, toddler, preschool, and school age children, health and safety standards, among other specified components.

Status: *Signed by Governor, Chapter 574, Statutes of 2018*

CCC Position: *Support*

AB 626 (E. Garcia) - Amends the Retail Food Code and establishes requirements for microenterprise home kitchen operations. AB 626 also requires an internet food service intermediary that lists or promotes a microenterprise home kitchen on its website or app, to be registered with the Department of Public Health, to post on its website or app the requirements for the permitting of a such operation, and to submit other specified information relating to a microenterprise home kitchen to local enforcement agencies.

Status: *Signed by Governor, Chapter 470, Statutes of 2018*

CCC Position: *Oppose*

AB 1795 (Gipson) - Authorizes a local emergency medical services agency to submit, as part of its emergency medical services plan, a plan to transport specified patients who meet triage criteria to a behavioral health facility or a sobering center. AB 1795 also authorizes a city or county to designate, and contract with, a sobering center to receive patients and establishes sobering center standards.

Status: *Died on Assembly Suspense*

CCC Position: *Support*

AB 1804 (Berman) - Exempts from Environmental Quality Act residential or mixed use housing projects located in unincorporated areas of a county meeting certain requirements. It also requires a lead agency to file a notice of exemption with the Office of Planning and Research and the county clear in the county which the project is located.

Status: *Signed by Governor, Chapter 670, Statutes of 2018*

CCC Position: *Support*

AB 1876 (Frazier) - Makes the provisions establishing the Delta Stewardship Council inoperative on a specified date. This bill also provides for the Delta Protection Commission on that date to succeed to, and to be vested with, the duties of the previous Council. AB 1876 also provides for the Commission to adopt, instead of recommend, various measures for inclusion in the Delta Plan, subject to making the determinations previously made by the Council.

Status: *Failed Passage in Assembly Committee on Water, Parks, and Wildlife*

CCC Position: *Support (DCC letter)*

AB 1909 (Nazarian) - Clarifies that the Department of Social Services is required to provide translations of written content in languages spoken by a substantial number of providers of in home supportive services in the state. Permits the Department to work with counties and the County Welfare Directors Association to repurpose existing, county produced translations of written content.

Status: *Vetoed by Governor*

CCC Position: *Support*

AB 1980 (Quirk) - Relates to existing law which requires that actions for civil penalties or punitive damages relating to hazardous waste and hazardous substances be commenced within 5 years after the discovery by the agency bringing the action. It includes actions relating to aboveground storage of petroleum within the 5-year limitations period.

Status: *Signed by Governor, Chapter 141, Statutes of 2018*

CCC Position: *Support*

AB 2441 (Frazier) - Amends existing law authorizing the State Lands Commission to take immediate action, without notice, to remove from areas in its jurisdiction a vessel that is left unattended and is moored, docked, beached, or made fast to land creating a hazard. It also requires the Commission, upon receipt of funds appropriated by the Legislature and any federal or private funds for this purpose, to develop a plan for the removal of abandoned commercial vessels, as prescribed, by a specified date.

Status: *Signed by Governor, Chapter 540, Statutes of 2018*

CCC Position: *Support*

AB 2923 (Chiu) - Requires the San Francisco Bay Area Rapid Transit District's Board to adopt by ordinance new transit oriented development zoning standards for each station that establishes minimum local zoning requirements for height, density, parking, and floor area ratio only, that apply to an eligible TOD project. Requires the TOD zoning standards to become the local zoning for any BART owned land within a certain distance of any existing or planned BART station entrance within the District in areas represented.

Status: *Signed by Governor, Chapter 1000, Statutes of 2018*

CCC Position: *Oppose*

AB 3138 (Muratsuchi) - Increases the lesser maximum amount of civil or administrative liability imposed on a person or stationary source for a violation to a specified amount for each day in which the violation occurs, and would authorize the greater maximum civil or administrative liability to be imposed on a person or stationary source that knowingly violates those provisions regardless of whether the violation was committed after reasonable notice.

Status: *Signed by Governor, Chapter 308, Statutes of 2018*
CCC Position: *Support*

SB 168 (Wieckowski) - Amends the Beverage Container Recycling and Litter Reduction Act to require a beverage container that is a PET plastic container to be constructed with a minimum percentage of postconsumer recycled plastic. SB 168 also requires the Department of Resources Recycling and Recovery to establish minimum postconsumer recycled content standards for beverage containers that are constructed of plastic, material other than metal, glass or plastic, or any combination of plastic and material other than metal, glass or plastic.

Status: *Failed Passage on Assembly Floor*
CCC Position: *Support*

SB 212 (Jackson) - Establishes a stewardship program, under which a manufacturer or distributor of covered drugs or sharps, distributor, or other entity defined to be covered by the bill, would be required to establish and implement a stewardship program for covered drugs or for sharps. It also authorizes an operator of a stewardship program, after the stewardship plan has been approved, to establish a mail back or other collection program for covered products for a county in which it operates.

Status: *Signed by Governor, Chapter 1004, Statutes of 2018*
CCC Position: *Support*

SB 522 (Glazer) - Dissolves the existing elected board of the West Contra Costa Healthcare District and requires the Board of Supervisors of the County of Contra Costa, at its election, to either serve as the district board or appoint a district board.

Status: *Signed by Governor Chapter 133, Statutes of 2018*
CCC Position: *Support/Sponsor*

SB 905 (Wiener) – Requires the Department of Alcoholic Beverage Control to conduct a pilot program that would authorize the issuance of an additional hours license to an on sale licensee located in a qualified city to authorize the selling, giving, or purchasing of alcoholic beverages at the licensed premises between certain hours, upon completion of specified requirements by the qualified city in which the licensee is located. This bill would apply to nine cities in California.

Status: *Vetoed by Governor*
CCC Position: *Oppose*

SB 1043 (Newman) - Defines a workload unit for purposes of provisions of the Department of Veterans Affairs funds disbursement, to mean a specific claim activity that is used to allocate subvention funds to counties, which is approved by the department, and performed by county veterans service officers. Makes an

annual basis of a specified sum appropriated by the General Fund to the Department of Veterans Affairs to be available for allocation to counties to fund the activities of county veterans' service officers.

Status: *Died in Assembly Committee on Veterans Affairs*

CCC Position: *Support*

SB 1093 (Jackson) - Extends a prohibition on Department of Motor Vehicle records to the disclosure of the home addresses of an adult abuse investigator or social worker working in protective services within a social services department.

Status: *Died on Senate Appropriations Committee Suspense File*

CCC Position: *Support*

SCR 166 (Dodd) - Declares the week of September 10, 2018, and that week every year thereafter, as Sacramento-San Joaquin Delta Week.

Status: *Signed by Governor, Chapter 239, Statutes of 2018*

CCC Position: *Support*

2018 Qualified Ballot Propositions for November General Election

Proposition 1 – Issues \$4 billion in bonds for housing programs and veterans' home loans.

Proposition 2 – Authorizes the state to use revenue from the millionaire's tax for \$2 billion in bonds for homelessness prevention housing.

Proposition 3 – Issues \$8.77 billion in bonds for water related infrastructure and environmental projects.

Proposition 4 – Issues \$1.5 billion in bonds for children's hospitals.

Proposition 5 – Revises the process for homebuyers who are 55 or older or severely disabled to transfer their tax assessments.

Proposition 6 – Repeals 2017's fuel tax and vehicle fee increases and requires a public vote on future increases.

Proposition 7 – Authorizes the legislature to provide for permanent daylight saving time, if the federal government allows.

Proposition 8 – Requires dialysis clinics to issue refunds for revenue above a certain amount.

Proposition 10 – Allows local governments to regulate rent.

Proposition 11 – Allows ambulance providers to require workers to remain on-call during breaks, paid at their regular rate.

Proposition 12 – Bans the sale of meat from confined in spaces below specific sizes.

One final note ...

In May, the Department of Water Resources gave notice to the Joint Legislative Budget Committee that it intended to modify the terms and conditions of certain

long-term water supply contracts delivering water for the State Water Project. California Water Code Section 147.5 requires the Committee to hold an informational hearing about the modifications before implementation.

The Delta Counties commented at the hearing that the changes were intended to facilitate the transfer of water out of the delta pursuant to the California Water Fix without transparency or legislative oversight. At the end of the hearing, Senator Mitchell, Chair, commented that the Legislature intended to address this issue in the 2019 session.