



Contra Costa County

To: Board of Supervisors
From: Legislation Committee
Date: January 17, 2012

Subject: 2012 Federal and State Legislative Platforms and 2011 Year-End Reports

RECOMMENDATION(S):

1. ACCEPT the Year-End reports on the County's 2011 federal and state legislative programs.
2. ADOPT the Contra Costa County 2012 Federal and State Legislative Platforms.
3. DIRECT the County Administrator to return to the Board of Supervisors as necessary to update the County's legislative platforms to reflect intervening legislative actions and final Army Corps of Engineers' project capacity figures.
4. DIRECT the County Administrator to review legislation to identify bills that affect the County's adopted legislative platforms and to recommend appropriate positions on specific bills for consideration by the Board of Supervisors.
5. AUTHORIZE Board members, the County's federal and state legislative representatives and the County Administrator, or designee, to prepare and present information, position papers and testimony in support of the 2012 Federal and State Legislative Platforms.

☒ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY
ADMINISTRATOR

☒ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **01/17/2012** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

Contact: L. DeLaney,
925-335-1097

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 17, 2012

David Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc:

RECOMMENDATION(S): (CONT'D)

FISCAL IMPACT:

No direct impact to the County from the acceptance of the year-end reports and adoption of the platforms.

BACKGROUND:

Each January, the County Administrator submits Year-End reports to the Board of Supervisors on the County's Federal and State Legislation Programs for the prior year. At the same time, the Board also considers its Legislative Platforms for the upcoming year.

Year-End reports were prepared by the County's federal advocates, Alcalde & Fay--represented by Mr. Paul Schlesinger, as well as by the County's state advocates, Nielsen Merksamer--represented by Ms. Cathy Christian and Mr. James Gross. Staff of the CAO's office, Ms. Lara DeLaney, and staff of the Department of Conservation and Development, Mr. John Greitzer and Mr. John Cunningham, provided input into the development of the Year-End Reports and the Legislative Platforms.

The Legislation Committee reviewed the Draft 2012 Federal and State Platforms at their meeting on November 21, 2011 and recommend that the Board of Supervisors adopt the Proposed Platforms, as amended. The Transportation, Water, and Infrastructure Committee of the Board of Supervisors also reviewed and approved the transportation sections of the Proposed 2012 Federal and State Platforms.

2011 FEDERAL LEGISLATIVE PROGRAM YEAR-END REPORT

After several very successful years with our federal efforts, during which time over \$87 million in funding was secured working with our congressional delegation for projects specifically requested by the County, in 2011 a congressional moratorium on earmarks, in conjunction with an increasingly partisan environment that impeded consideration of authorizing legislation, conspired to limit our ability to realize appropriations successes commensurate with those of previous years.

Congress' self-imposed moratorium on earmarks affected our efforts to secure funding for our Appropriations agenda, which was as follows:

- Delta LTMS-Pinole Shoal Management - \$2.5 million
- Safe and Bright Futures for Children Exposed to Domestic Violence - \$400,000
- Mt. Diablo Mercury Mine Clean-up - \$483,000
- Lower Walnut Creek - \$600,000
- Grayson and Murderer's Creeks - \$600,000
- CALFED Levee Stability Improvement Program - \$20 million

- Suisun Bay Channel/New York Slough Maintenance Dredging - \$5.275 million
- San Pablo Bay/Mare Island Strait/Pinole Shoal Dredging - \$5.4 million
- San Francisco to Stockton Ship Channel Deepening - \$1.8 million
- County's VHS Public Safety Radio System - \$1,063,200
- State Route 4/Old River Bridge Study - \$1 million

Of these projects, \$2.715 million was ultimately provided for Suisun Bay Channel, with an additional \$3.402 million for San Pablo Bay/Mare Island Strait. These projects were specifically funded because they were included in the Administration's budget request for the year.

We would note that our House Delegation did everything we asked of them to implement a strategy designed to secure funding for the Mt. Diablo Mercury Mine clean-up project through a programmatic/non-earmark provision that would not have been site-specific but – we believe – would have yielded the same result. Unfortunately, the House Appropriations Committee did not accede to our Delegation's collective request.

In addition to funding projects requested by the Administration, the final Appropriations bill for FFY 2012, enacted on December 23, 2011, included unencumbered funding for each of the primary Army Corps of Engineers' accounts, along with instructions on the types of projects the money should be used for in their 2012 workplan. In the days ahead, our federal advocates hope to work with County staff, the Army Corps District office, and our Congressional Delegation to determine a strategy for securing some of these funds for one or more of our earmark requests. The Army Corps workplan for FFY '12 must be submitted to Congress the week of February 6, 2012.

The widely-noted inability of Congress to move important legislation in 2011 extended to two major infrastructure reauthorization bills; reauthorization of the nation's surface transportation programs, and reauthorization of programs and projects of the Army Corps of Engineers. It is quite possible, particularly with regard to the highway/transit legislation, that this bill could be enacted during the year ahead. Our needs, with regard to both bills, have been articulated to our Members of Congress and the pertinent committees, and we would continue to hope (and work to assure) that they are reflected in any such bills that might move forward in the months ahead.

While a major impediment to a surface transportation reauthorization bill in 2011 was the inability to identify sufficient revenues to fund these programs at an amount reflecting the nation's needs (the current user fee structure is insufficient to fund the program at even current levels), the WRDA bill, which does not actually contain spending authority, is hung up on what such a bill would look like absent earmarks. Unlike virtually all other federal programs, Congress has traditionally dictated which specific Army Corps projects are studied and then, pending the outcome of such studies, which specific projects proceed to construction. So, the conundrum facing Congress gets to the very essence of how our nation's water resource programs should work absent earmarking.

Substantial time was invested in 2011 on the County's efforts, often in conjunction with the Delta Counties Coalition, to protect our interests with regard to the use of Delta resources and assure the protection of the Delta. Our federal advocates worked regularly with County officials and staff to develop and implement a strategy for furthering our interests. While this entailed interfacing with our Congressional delegation and their staffs, it included as well, working with pertinent authorizing and appropriations subcommittees of the Senate and House. The effectiveness of the County's and the DCC's efforts to secure the support of our House delegation was manifested by the vigor and persistence they demonstrated during the November visit of the DCC to Washington, and in their efforts relating to assuring our fair treatment by, and involvement in, the Bay Delta Conservation Plan. As this is being written, we are working with Senator Boxer's office, following up on the Senator's commitment to make inquiries on the matter directly with Governor Brown.

Our federal advocates helped to coordinate the schedules and prepare documents relating to the trips to Washington by the DCC in February and November of 2011. Those trips were certainly critical in securing the level of support from the Delegation which we have enjoyed on this most vital issue of importance to the County and the region.

Similarly, our advocates were pleased to help coordinate the trip to Washington, D.C. in March of this year by County Supervisors and senior staff. This trip was helpful to the County, to those in our Delegation and elsewhere on the Hill, and in federal agencies to whom our County officials articulated County needs and learned of ways in which the federal government might assist in helping to assure that these needs are met.

One such program in which the County has a particular interest is the Second Chance Act (which funds an adult offender reentry program). Our federal advocates assisted the County in advocating for federal funding for this program in FY '12. The Senate had proposed eliminating all funding for the Second Chance Act, while the House had included \$70 million in its bill. Along with strong advocacy efforts of other supporters of the program, the County's work resulted in the inclusion of \$63 million in FY '12. As a result, we anticipate that the County will again seek a grant from this program in the coming months.

In addition to the above-mentioned legislative activity and the business of the Legislation Committee throughout the year, at its September 26, 2011 meeting, the Legislation Committee reviewed a request from the Alcohol and Other Drugs Advisory Board to consider recommending that the Board of Supervisors support H.R. 707, the "Drug Testing Integrity Act of 2011," introduced by Congressman Engel. While supportive of the intent of the bill, the Committee noted that the Federal Platform did not contain a policy to support a position on this bill. Moreover, as the bill was not directly related to the programs or services of Contra Costa County or its priorities, they declined to send it on to the Board of Supervisors for action but, instead, referred the matter to staff to follow-up with the National Association of Counties.

Finally, at its November 21, 2011 meeting, the Legislation Committee received a request from a citizen to consider including a policy in its platform related to supporting federal funding for strengthening and seismically retrofitting active rail structures and track within Contra Costa County. The Committee referred this matter to staff for further consideration.

PROPOSED 2012 FEDERAL LEGISLATIVE PLATFORM

Each year, the Board of Supervisors adopts a Federal Legislative Platform that establishes project priorities and policy positions with regard to potential federal legislation and regulation. The Proposed 2012 Federal Legislative Platform includes 13 requests for FFY 2013 federal appropriations or grants; 4 requests for the reauthorization of the federal transportation act; and 5 requests for the reauthorization of the Water Resources Development Act. The Proposed 2012 Federal Legislative Platform is included as Attachment A.

Due to the ban on federal earmarks that was implemented for FFY 2011, staff is skeptical that appropriations for specific projects will be included in budget bills for FFY 2013. However, our federal advocate, Paul Schlesinger of Alcalde & Fay, detects dissatisfaction among congressional members, including newer Republicans, about the ban. Therefore, while it is unlikely that appropriations requests will be considered in budget bills for FFY 2012 and 2013, that does not mean we should not prepare for such an eventuality - should the opportunity arise.

In addition, if there is another short-term extension for the federal transportation bill this year or if a two-year bill (as advocated by Senator Boxer) is passed, Congress could start work some time in 2012 on a longer-term reauthorization bill that could include earmarks, and the County should be prepared for that.

Therefore, our advocate recommends that the County identify specific projects, whether transportation or otherwise, that help tell our Delegation what our federal needs are, help us identify specific federal programs for which we need to seek program increases or, at least, protect against cuts, and help the County look for federal grants to address the specified needs.

One thing, aside from generalized pent-up frustration among many Members that could drive review of/return to earmarks, is the Army Corps of Engineers' reauthorization bill, WRDA (the Water Resources Development Act). By its very nature, and for many decades (going back to the early 19th century for a lighthouse in Virginia), Congress has specified specific water projects. Unlike the nation's transportation programs, in which only a very small percentage of the federal money is designated for specific projects by Congress, Congress has authorized for study and then for construction specific Army Corps projects. Unlike transportation or housing or education, Army Corps money does not generally go to states or local governments in discretionary grants or by some

formula. Projects are first authorized and then money is allocated, on a project-by-project basis, for projects which are carried out by the Corps itself. And while Army Corps can choose among its authorized projects to determine which get funded each year, there is simply no current mechanism for determining which projects are authorized, except by Congress.

In summary, our advocate suggests that we should not count out all earmarks for next year, and regardless of whether there are earmarks or not, he recommends that specifying specific County needs is a useful exercise. Thus, staff reviewed prior year Appropriation Requests, made adjustments as needed, and recommended a list of priorities to the Legislation Committee. The Legislation Committee at its November 21, 2011 meeting made amendments to the list and recommends that the Board approve the FFY 2013 Appropriations Requests contained in Attachment A.

Notable Changes from the 2011 Federal Platform for FFY 2013 Appropriations Requests include the following:

- Reprioritization of 2011 project #5 “Grayson and Murderer’s Creeks (Walnut Creek Basin)” to #13. The Army Corps has nearly completed their analysis of a number of detention basin alternatives. They prepared benefit cost ratios (b/c ratios) for a few alternatives, but ran out of federal funds before looking at the rest of the alternatives or completing their planning report. Of the six detention basin alternatives, most came out with b/c ratios near 1, meaning they were justified, but not to a level that would get federal funding for construction. The Corps intended to next look at a number of ‘conveyance options’, but ran out of federal funds. Whether this study continues (using 100% local funds) to include conveyance options depends on the future direction from the South Pleasant Hill Ad-hoc Task Force. (p. 4)

The Legislation Committee recommended that this project be prioritized lower in the 2012 Platform.

- Add project #4: "Bay-Delta Area Studies, Surveys and Technical Analysis" – \$2,500,000 appropriation for the Delta Counties Coalition to carry out technical analysis and planning associated with participation in the Bay-Delta Conservation Plan (BDCP) or implementation of any projects resulting from the Plan. The technical analysis and planning will focus on issues related to the planning of water delivery projects and conservation plans that are included in the BDCP. This funding requested is supported by the Delta Counties Coalition. (p. 2)

The Legislation Committee directed staff to prioritize the request at a higher level than presented in the Draft 2012 Platform at #13.

- Add project #12: "Knightsen/Byron Area Transportation Study" - \$300,000 appropriation to re-evaluate the Circulation Element of the County General Plan

(GP) to improve its consistency with the Urban Limit Line (ULL) and related policies that ensure preservation of non-urban, agricultural, open space and other areas identified outside the ULL. (p. 4)

Notable Changes from the 2011 Federal Platform to Reauthorization of Transportation Act Requests: (p. 4-6)

- Change the amount for project #1 “Vasco Road Safety Improvement Project” from \$30 M to \$18 M.
- Add project #1b: “Vasco Road Safety Improvement Project Continuation -- \$30 million for improvements to the remaining 9 miles of accident-prone sections of Vasco Road.
- Add text change to #2 “North Richmond Truck Route,” to allow for “or other alternate access improvements.”
- Add text change to #3 “Eastern Contra Costa Trail Network,” to include “facilities and projects improving access to existing or planned transit stations.”
- Add project #4: “eBART Extension Next Phase Study/Environmental and Engineering” -- \$10 million for environmental review and engineering work on the project identified in the Bay Area Rapid Transit District’s (BART) eBART Next Segment Study in eastern Contra Costa County.
- Add support for the following program: “Highway Bridge Program” – The County supports the continuation of the Highway Bridge funding program that will provide funds for rehabilitating and replacing our aging bridges.

Notable Change from the 2011 Federal Platform to Reauthorization of Water Resources Development Act (WRDA) Requests: (p. 7-8)

- Reprioritize list by adding a new #1 request: “Army Corps Vegetation Policy” – Proposed amendments to 1996 Water Resources Development Act, Section 202: Flood Control Policy, (g) Vegetation Management Guidelines include the following: Engineering Technical Letter 1110-2-571 is suspended until that time a new policy is adopted. The policy guidelines shall be revised in accordance with the following: (A) Levee vegetation management guidelines shall represent regional variations based on a process that includes consultation with federal and state resource agencies, and preparation with local and state flood control agencies and corps districts. (B) Guidelines must undergo independent peer review which evaluates the structural and natural resource functions of vegetation on levees and the risks and benefits to the levee structure. (C) Guidelines and exemptions to them shall provide for protection of riparian and aquatic resources, reduction of costs and other community impacts in balance with public safety. (D) Existing projects in which the Corps has integrated vegetation into levees and floodwalls to meet project objectives and regulatory requirements shall be exempt from the guidelines.”

Notable Changes from the 2011 Federal Platform to Appropriations and Grant Support

Positions: (p. 9-10)

- Delete reference to specific amount for the East Bay Regional Communications System (EBRCS) project.
- Minor text change to the “Energy Efficiency & Conservation Block Grant (EECBG) Program” to allow support for funding above the amount authorized in 2007.
- Delete reference to specific year for the “Regional Habitat Planning and Conservation” funding.
- Delete support for the “San Francisco LTMS” project, as there has been no advocacy support requested of the County in several years.
- Delete the amount of the bill for the “Delta National Heritage Area.” The amount in the bill has been subject to change, and the County supports the maximum amount of federal funding for an NHA that can be provided.

Notable Changes from the 2011 Federal Platform to Policy Positions:

a. Affordable Housing and Homeless Programs (p.11)

- Text change to add support for full funding for HUD homeless assistance programs and funding for full implementation of the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act of 2009.
- Text change to delete McKinney Vento reauthorization support, as the bill has been reauthorized and there is a slightly expanded definition of homelessness in the bill.
- Text change to support the "National Affordable Housing Trust Fund."

b. Child Care(p.12)

- Text change to add information about Contra Costa County impact.

c. Community Development Block Grant and HOME Programs (p.13)

- Text changes to include “CDBG formula funding has declined by 25 percent since FY 2004 while the HOME program’s funding has declined by 15 percent during the same period. Furthermore, Congress has proposed to cut the percentage of the County’s CDBG entitlement grant that it can allocate for administering the program from 20 percent to 10 percent.”
- Text change to include “The County will continue to vigorously oppose proposed cuts in these vital community development programs and opposes the proposal to reduce CDBG funds available to the County to administer the CDBG program.”

d. Public Housing Programs(p.16-17)

Complete re-write of these policies to include the following:

- The County will support legislation that results in the transformation of existing programs to improve their effectiveness and efficiency, in tandem with the design of new and innovative responses, both to build upon recent progress and address outstanding issues.

The County will support legislation to protect the nation's investment in Public Housing:

- Enact affordable housing industry proposal to allow public housing agencies (PHAs) to voluntarily convert public housing units to Section 8 project-based rental assistance in order to preserve this vital component of the national infrastructure;
- Oppose the Administration's proposal to impose a \$1 billion offset against the operating reserves of responsible, entrepreneurial PHAs;
- Support the revitalization of severely distressed public housing units;
- Address safety and security concerns connected to drug-related crime;
- The County will support legislation to preserve vital community and economic development programs;
- Fully fund the Community Development Block Grant Program in order to create and save jobs, revitalize local economies, and support critical services for vulnerable populations;
- Maintain funding for HUD's cost-effective economic development tools.

The County will support legislation to strengthen and simplify the Section 8 Rental Assistance programs:

- Provide adequate funding for Housing Assistance Payment contract renewals and ongoing administrative fees;
- Enact the Section Eight Voucher Reform Act (SEVRA);
- Implement overdue regulatory and administrative revisions that ensure the efficient use of program funds.

The County will support legislation to expand Affordable Housing Opportunities and combat homelessness

- Fully fund the Home Investment Partnerships Program and HUD's homeless assistance programs.
- Capitalize the Housing Trust Fund through a revenue-neutral approach.
- Preserve and strengthen the Low Income Housing Tax Credit Program.

The County will support legislation to foster innovation, increase efficiency, and streamline the regulatory environment

- Promote reasonable and flexible federal oversight.
- Incentivize green building and increased Energy Efficiency.
- Support HUD's ongoing transformation efforts.
- Ensure that HUD releases and distributes federal funding in a timely manner.

- Eliminate statutory and regulatory barriers that prevent PHAs and redevelopment authorities from accessing federal programs they are qualified to administer.

e. Second Chance Act(p. 18)

- Text change to add support for this program: “The County will advocate to support funding for the Second Chance Act, which helps counties address the growing population of individuals returning from prisons and jails. Despite massive increases in corrections spending in states and jails nationwide, recidivism rates remain high: half of all individuals released from state prison are reincarcerated within three years. Here in California, unfortunately, the recidivism rate is even higher. Yet there is reason for hope: research shows that when individuals returning from prison or jail have access to key treatments, education, and housing services, recidivism rates go down and the families and communities they return to are stronger and safer. The Second Chance Act ensures that the tax dollars on corrections are better spent, and provides a much-needed response to the "revolving door" of people entering and leaving prison and jail.”

f. Supplemental Nutrition Assistance Program (SNAP) (p. 18)

- Text change to delete bullet related to increasing administrative matching funds.

g. Workforce Investment Act (WIA) Reauthorization (p. 20)

- Text change to amend the year to reflect possible reauthorization in 2012.

2011 STATE LEGISLATIVE PROGRAM YEAR-END REPORT

Following is a description of the major State legislative work undertaken by staff and our state advocates, Nielsen Merksamer, on behalf of the County in the 2011 Legislative session.

2011-12 Budget Summary

When Governor Jerry Brown started his first day as California Governor on January 4, 2011, the state was facing a \$25.4 billion deficit. The Governor proposed \$12.5 billion in spending reductions, as well as certain taxes to close the budget gap, including income and sales tax extensions for a special election in June. Other solutions included a Realignment strategy to shift more responsibilities to the county level for public safety and health and human services, and the elimination of redevelopment agencies which would free up property tax dollars for the schools. By February, the Department of Finance reported the deficit had grown to \$26.6 billion and Republicans in the Legislature announced they would not vote for any tax increases and would block efforts to include tax-hike measures on the statewide ballot.

The Governor then declared a state of fiscal emergency and, in March, the Legislature approved and Governor Brown signed into law a series of budget-related measures that reduced the deficit by \$11 billion through spending reductions and other modifications. Deep cuts were made to higher education, child care, health care, cash assistance for low-income children and people with disabilities, and a range of other state services. However the main budget bill (SB 69) was not sent to the Governor as Democrats and Republicans could not agree on how to close the remaining deficit, such as additional reductions, tax extensions, other revenue enhancements, or further program changes.

The Governor's May Revision of the 2011-12 budget projected higher-than-anticipated revenues of \$6.6 billion. The Governor called for an additional \$10.8 billion in spending reductions and other modifications while maintaining that a tax extension or other revenue enhancements would be needed to avoid an "all cuts" budget. The Senate Republicans rejected Governor Brown's plan and in June, the Legislature passed a budget through a majority party-line vote, which the Governor vetoed on the basis that it was not "financeable" and did not present a "balanced solution." Soon after, State Controller John Chiang proclaimed the 2011-12 budget was incomplete and unbalanced by nearly \$2 billion. Since the budget did not meet the requirements of Proposition 58, requiring the state to enact a balanced budget, Legislators could not be paid under the provisions of Proposition 25 as they missed the June 15th deadline for a balanced budget.

By the end of June, a final budget package was agreed upon by the Governor and Democratic members of the Legislature which provided for \$15 billion in cuts, including \$5 billion to health and human services. The Governor also vetoed \$23.8 million in additional expenditures. To close the remaining budget gap without revenue enhancements, \$1.5 billion in triggered cuts was enacted. If an anticipated \$4 billion in projected revenues didn't materialize by the end of the year, there will be further reductions in public safety, health and human services, social services, Medi-Cal programs, and education.

Other budget trailer bills signed by the Governor include legislation to collect use tax from on-line companies (Amazon Tax), impose a fire protection fee on rural property owners, establish a realignment structure for allocating funds, and elimination of redevelopment agencies.

Amazon vowed to fight the tax measure and the Governor negotiated with the company to forge a compromise in order to avoid a costly ballot battle. Under that compromise, the state will delay collecting sales taxes until September 15, 2012 and will give companies like Amazon the time to work on a uniform national law. Amazon also agreed to create 10,000 new full-time jobs in California by 2015.

Senator Ted Gaines (R) led the effort to overturn the fire protection fee on rural property owners. However, referendum backers had to pull the measure when it became apparent they could not collect the 500,000 signatures needed to place it on next year's ballot.

Senator Gaines indicated he may try and repeal the fee in the Legislature, but such a proposal would likely have a slim chance.

The Budget provided for a realignment of government services with respect to public safety programs by moving state responsibility for decision-making and budget authority to cities, counties, special districts and school boards. The criminal justice aspect of this realignment shifted to local government responsibility for low level offenders, adult parolees, and juvenile offender inmates. The Department of Finance estimates that Contra Costa County will see an increase of 104 inmates to its average prison population for which the press reports the County will receive approximately \$4.5 million. We understand County law enforcement officials have expressed concern regarding the adequacy of this funding. Although the Governor promised that revenues necessary to implement these realignment programs would be constitutionally guaranteed, the Legislature failed to place a constitutional amendment guaranteeing those revenues on the ballot. As a result, only one year of funding has been appropriated. We are working with the California State Association of Counties (CSAC) to place a constitutional amendment on the 2012 ballot to guarantee these revenues and are legal counsel to the initiative effort as well.

Legislation was introduced in June to eliminate redevelopment agencies and to exempt any redevelopment agency from elimination if it makes specified payments to the state. The June budget agreement between the Democratic members of the Legislature and the Governor was contingent upon \$1.7 billion from redevelopment agencies, and the two measures were signed into law on June 29.

On July 18, the California Redevelopment Association and the League of California Cities filed a lawsuit in the state Supreme Court requesting the Court declare unconstitutional ABX1 26 and ABX1 27, the bills implementing the Governor's redevelopment plan. The Court announced that it would hear the challenge and issued a partial stay regarding the effectiveness of the measures until it could rule on its constitutionality. Oral arguments were heard November 10, 2011 and the Court announced its decision earlier than anticipated, on Dec. 29, 2011. On that date, the California State Supreme Court announced its ruling upholding Assembly Bill ABx1 26 (dissolution of redevelopment agencies), but overturning and invalidating Assembly Bill ABx1 27 (allowing redevelopment agencies to continue with voluntary payments to the State). The Court's bifurcated decision means that all redevelopment agencies will be dissolved under the constitutional Dissolution Act, and none will have the opportunity to opt into continued existence under the unconstitutional Voluntary Redevelopment Program Act. The Court also determined to push back all deadlines in the Dissolution Act by four months. For instance, all redevelopment agencies will be dissolved and their successor agencies will begin to function on February 1, 2012 under the Court's decision (as opposed to the October 1, 2011 deadline specified in the Dissolution Act itself).

Throughout the entire budget process, our advocates, Nielsen Merksamer, remained actively engaged to protect County interests. In addition to the statewide issues affecting

county government, they carefully assessed budget proposals to ensure that the County's property tax allocations were protected.

Review of 2011 Legislation

The Contra Costa County Board of Supervisors sponsored three measures (one related to the creation of Pension Tier C, another to extend the Double Fine Zone on a portion of Vasco Road, and a bill co-sponsored by CSAC related to transportation impact fees) and took positions on 38 other bills. The County supported 29 measures (one of which was gutted and amended into an unrelated bill--AB 946) of which 17 were signed into law, one was vetoed, and 11 may be carried over into 2012. Of the 12 measures the County opposed (most of which were opposed by local government statewide), four were signed, two were vetoed, one failed passage, and 5 are carryover. It is likely that many of the carryover bills will fail to meet legislative deadlines for passage in 2012.

In addition, we monitored 67 bills to ensure they were not amended to negatively impact the County and 38 bills pertaining to the Delta and water. We remain extremely active in responding to bills affecting the Delta in conjunction with the Delta Counties Coalition.

See Attachment B for a summary of state bills on which Contra Costa County took action in 2011.

Review of 2011 Transportation Legislation

The County had notable successes in achieving some of its transportation-related goals in 2011:

AB 147 (Dickinson): Subdivisions was co-sponsored by the County and the California State Association of Counties (CSAC) and was approved by the Governor on September 6, 2011. Prior to passage of AB 147 state law (the Subdivision Map Act) restricted the use of impact fee revenues to improvements on major roads and bridges. AB 147 allows for a broader use of impact fee revenues to include public transit, bikeway, pedestrian and traffic-calming facilities, in addition to major road and bridge projects. Local jurisdictions can now use the fee revenues for any type of transportation improvement that is needed to mitigate the impacts of the new development. CSAC sponsored this measure to provide cities and counties with the tools necessary to build required infrastructure to support infill development by expanding the allowable uses for transportation mitigation impact fees. These changes are consistent with statewide directives for infill development, transit-oriented development, more compact growth, and complete streets.

AB 348 (Buchanan): Highways: Safety Enhancement-Double Fine Zone was sponsored by the County and provides for the designation of a specified segment of Vasco Road as a double fine zone (DFZ). AB 348 was signed by the Governor on September 20, 2011. Prior authorization to designate the segment a DFZ expired in

January 2010. Concerns from Caltrans persisted during the legislative session. However, Contra Costa Transportation Authority (CCTA) supported the bill and with assistance from the Randy Iwasaki, CCTA Executive Director, Caltrans concerns were addressed clearing the way for approval.

AB 710 (Skinner): Local Planning threatened to usurp local policies by prohibiting a city or country from requiring a minimum parking standard greater than one parking space per 1,000 square feet of nonresidential improvements and one parking space per unit of residential improvements for any new development project in transit sensitive areas. The author worked with County staff and the County advocate to craft an amendment that would exempt the Contra Costa Centre/Pleasant Hill and Pittsburg/Bay Point BART station areas. However, the bill ultimately failed to pass the Senate.

After substantial transportation budget gyrations in 2010, the 2011 session was relatively quiet on budget issues. AB 105, by the Committee on Budget, is the transportation budget trailer bill that CSAC supported for several reasons. First, it validated the “gas tax swap” legislation initially passed by the Legislature in March 2010. Recall that the swap repealed the sales tax on gasoline (Prop 42 and spillover) and replaced it with a 17.3-cent increase in the gasoline excise tax (HUTA) and a 1.75 percent increase in the sales tax on diesel, which corresponded to the amount of revenue the sales tax on gasoline was generating at the time the legislation was passed. Due to the passage of Proposition 22 and Proposition 26 this validation was necessary to preserve the state general fund savings agreed to under the swap and continue \$1.5 billion of annual investment for funding state highways, local streets and roads and transit.

AB 105 also included the two technical changes requested by CSAC. The first technical fix extends the use-it-or-lose-it period for expenditure of Prop 1B local streets and roads funds by one year due to previous Highway User Tax Account (HUTA) deferrals. The second technical fix relates to ensuring that Prop 42 provisions, such as, maintenance of effort, use-it-or-lose-it, and limitations on project eligibility types do not apply to the new HUTA funds under the swap. Therefore, all HUTA or gas tax monies (Sections 2103 – 2106) will be treated equally. AB 105 was signed by the Governor on March 24, 2011.

AB 1308 (Miller) attempted to resolve cash flow issues resulting from delays in the distribution of Highway Users Tax Account funds by allowing for continuous appropriation regardless of the status of the state budget. The bill is anticipated to carryover and be readdressed in 2012. AB 1134 (Bonilla) was meant to address the cost of project study report development. The bill was to have locally funded projects reviewed by the Department of Transportation at its expense. The bill is anticipated to carryover and be readdressed in 2012.

PROPOSED 2012 STATE LEGISLATIVE PLATFORM

Each year, the Board of Supervisors adopts a State Legislative Platform that establishes

priorities and policy positions with regard to potential State legislation and regulation. The State Legislative Platform includes County-sponsored bill proposals; legislative and regulatory priorities for the year; and policy issues that provide direction and guidance for identification of bills which would affect the services, programs or finances of Contra Costa County.

In light of the decision by the California Supreme Court regarding the dissolution of Redevelopment Agencies, several policy positions that had been reviewed and amended by the Legislation Committee in November have been further amended by staff and are presented to the Board of Supervisors for its consideration and action. Owing to these changes, as well as to the amendments requested by the Legislation Committee at their November 21, 2011 meeting, the Proposed 2012 State Legislative Platform is presented in a redline version (Attachment C), reflecting changes from the Draft 2012 State Platform, as well as a "clean copy" version (Attachment D).

Notable changes from the 2011 State Legislative Platform include the following:

1. The **County-Sponsored Bills** have been revised to include two new proposals for 2012: "New Pension Tiers Legislation," and "Retain In Home Supportive Services (IHSS) Savings Through Targeted Program Management." (p. 1-2 of redline copy)

With regard to "New Pension Tiers Legislation," the County is seeking enabling legislation to amend the County Employees Retirement Act of 1937 to allow Tier IV and/or Tier D to apply to each bargaining unit that agrees to implement the new Tier. The County may also seek in legislation, as appropriate, additional general authority for the County and its Unions to agree to different retirement benefits for future employees for different bargaining units or subgroups, if approved in a Memorandum of Understanding. In addition, the County may also seek, as appropriate, additional general authority for the County and its Unions to agree that employees hired after December 31, 2012 may pay part of the Employer's retirement contributions, if approved in a Memorandum of Understanding.

Note: The Legislation Committee at its November 21, 2011 meeting provided direction to staff with regard to seeking the additional general authority specified above in legislation during 2012, as an appropriate legislative proposal emerges. The Proposed 2012 State Platform also reflects the status of an approved MOU with the DSA with respect to Tier D legislation.

With regard to the legislative proposal for IHSS, it is still undergoing refinement by staff. However, the concept is that Contra Costa County IHSS believes it can save service hours – and thereby costs – through an on-going Target Program Management. By aiming to stay below the "natural growth rate" in hours of 3.2 – 7.5% per year, Contra Costa County IHSS projects that it can achieve annual savings of up to \$2.0 million to the State General Fund during the next five years. Beginning FY 2011-12, Contra Costa

County requests that the State share any savings between the projected “natural growth rate” in IHSS service hours and the actual service hours achieved by the County each year, in a share ratio formula to be determined. Savings retained by the County would be kept within the IHSS program, or possibly applied to other endangered safety net programs for seniors – such as Adult Day Health Care, Legal Services and community-based nutrition and transportation programs.

(Further developments in Realignment and the implementation of State Budget trigger cuts could affect the development of this legislative proposal for the County's IHSS program.)

2. The **Legislative/Regulatory Advocacy Priorities** have been amended as follows: (p. 2-4)

- The State Budget priority has been updated to reflect the most current state budget forecast information from the Administration.
- The Delta priority has been updated to indicate that the County may work with the Delta Counties Coalition (DCC) on sponsored legislation related to levee funding and the impacts of Delta plans on local land use authority.
- The 2011 priority on Redevelopment has been deleted.
- A priority has been added related to "Constitutional Protections and Realignment Implementation."

3. The **Policy Positions** have been amendment as follows:

a. Agricultural Issues (p. 5): Text change to 2011 policy #4 to include other invasive species.

b. Elections Issues (p. 9) : Text change to 2011 policy #19 to include rationale for seeking full reimbursement for state mandates imposed on registrars and consideration of having the state pay its pro-rata share of costs.

c. General Revenues/Finance Issues (p. 10-11):

- Text change to 2011 policy #32 to delete the reference to opposition to the shift of “additional” redevelopment property tax increment revenues “(beyond what was shifted in ABx1-17).” *(This change reflects the California Supreme Court decision on December 29, 2011, upholding the legislative action dissolving redevelopment agencies.)*
- Text change to 2011 policy #44 to include support of legislative compliance with "Proposition 22 on an issue-by- issue basis." *The qualification to support for Prop. 22 was recommended by the Legislation Committee.*
- Addition of policy #50: "SUPPORT legislation that provides constitutional protections and guaranteed funding to counties under Realignment."

d. Human Services Issues (p. 15-17):

- Text change to 2011 policy #79 to include supporting efforts to identify and eliminate elder financial abuse or other elder crimes that may be committed through: “powers of attorney, notaries and others who have the right to control elder assets.”
- Text change to 2011 policy #80 to reframe supporting efforts related to IHSS management: “effectively manage the In Home Supportive Services (IHSS) to establish and maintain cost control mechanisms while delivering quality, targeted services and maintaining program integrity. Efforts include, but are not limited to, establishing an IHSS Volunteer Coordination component coupled with the rebalancing of available hours. Retired volunteer social workers and registered nurses could act as local Care Coordinators, enabling IHSS Social Workers to increase their capacity to perform more timely reassessments that would enable the management of available hours and target services to those clients most in need and at risk of institutionalization.”
- Delete 2011 policy #88 related to the mandate on counties for AB 3632, mental health services for special education students, which has been transferred to the schools by the Legislature.
- Text change to 2011 policy #89: SUPPORT efforts by the Contra Costa County’s executive directors and program administrators of all Child Care and Development Programs to restore state budget allocations to the FY 2009-10 levels for the California State Preschool Program (CSPP), California Center-Based General Child Care Program (CCTR), CalWORKs Stage 2 (C2AP), CalWORKs Stage 3 (C3AP), Alternate Payment Program (CAPP), Child Care and Development Grant and the Child Care Retention Program (AB 212)

e. Indian Gaming Issues(p.17)

- Text change to the preamble to indicate that there is now only one casino proposal in West County—in North Richmond. The Point Molate location is no longer viable.

f. Land Use/Community Development Issues(p. 18-20)

- Text changes to 2011 policy #97 regarding the “establishment” of a CEQA exemption for affordable housing financing.
- Text change to 2011 policy #98 regarding efforts to seek a CEQA exemption for infill development in unincorporated areas.
- Delete 2011 policy #99 regarding a Government Code section related to the supply of affordable housing. Staff indicates that it is somewhat redundant to policy #98. Further, the provisions related to density bonus and inducements to them have been partly achieved, and thus diminish the need for further legislative action.
- Text change to 2011 policy #102 to add: “This issue was partly addressed by SB 450 (Lowenthal), which was vetoed by the Governor in 2011 and will likely be reintroduced in some form.”
- Add policy #103: "If the Supreme Court invalidates the Redevelopment Restructuring Acts of 2011, SUPPORT reform of the existing redevelopment process, as appropriate to consider as part of a budget solution. Specifically,

SUPPORT legislation that would give local agencies specific tools for economic development purposes in order to enhance job opportunities, with emphasis on attracting and retaining businesses, and promote smart growth and affordable housing development."

- Add policy #104: OPPOSE legislation that would create substantial uncertainty over the tax allocation bonds issued by redevelopment agencies and possible negative credit impact.

g. Law and Justice System Issues(p. 20)

- Delete 2011 policy #106: "SUPPORT full funding of the state Juvenile Probation and Camps Funding (JPCF)." This policy is no longer necessary as JPCF is now part of the Local Law Enforcement Services (LLESAs) pot that is guaranteed under Realignment. State Sales Tax and VLF shortfalls will degrade Realignment allocations while LLESAs will be preserved. The overarching issue is the Constitutional Amendment to guarantee continued Realignment funding.
- Delete 2011 policy #107: 3. SUPPORT Adult Probation Funding that would provide State funding for adult probation services to enhance public safety and provide realistic opportunities for the rehabilitation of probationers." This was accomplished with Public Safety Realignment, though our County received insufficient revenues. The Legislative Priority related to Realignment focuses on efforts to change the statewide allocation formula and increasing the overall pot of funds for counties because the state underestimated what counties would need to provide these services/capacity at the local level and the formula is inequitable.
- Delete 2011 policy #109: SUPPORT legislation that removes the sunset of Vehicle License Fees designated for law enforcement agencies that are currently set to expire on June 30, 2011." This issue has been replaced by the need for a Constitutional Amendment to protect our Realignment revenue. Realignment did not extend the temporary sales tax and VLF increases that expired June 30, 2011 but, instead, reallocated \$6.5 billion of state sales tax and state and local VLF for the purposes of 2011/12 Realignment. There is no guarantee of realignment funding beyond 2011/12, only a promise.
- Add policy #107: "OPPOSE legislative proposals to realign additional program responsibility to counties without adequate funding and protections."
- Add policy #108: "OPPOSE legislation that would shift the responsibility of parolees from the state to the counties without adequate notification, documentation and funding."
- Add policy #109: "SUPPORT legislation that will help counties implement the 2011 Public Safety Realignment as long as the proposal would: provide for county flexibility, eliminate redundant or unnecessary reporting, and would not transfer more responsibility without funding."

h. Levee Issues, Sacramento-San Joaquin Delta Issues(p. 21-24)

- Add policy #111: "SUPPORT legislation that requires the levee repair funds generated by Proposition 1E be spent within one year. Many public agencies,

including reclamation districts charged with maintaining levees, have complained about the state's inaction in allocating and distributing the levee funds that were raised by the bond sales authorized by Proposition 1E in 2008. Legislation could require the immediate distribution of these funds to local levee projects. The Delta Reform Act of 2009 authorized over \$202 million for levee repairs. It has been difficult to obtain explanations from the state as to why these funds are not being distributed."

- Add policy #112: "SUPPORT legislation to amend California Water Code Section 12986, to maintain the state/local funding ratio of 75/25 for the state's Delta Levees Subventions Program, which provides funds for local levee repair and maintenance projects. The code provisions that have the state paying 75 percent of project costs will expire on July 1, 2013. At that time the matching ratio will change to 50/50. This means local reclamation districts will have to pay a larger portion of project costs (50%, compared to their current 25% requirement). Many districts do not have the funding to do so. This legislative request could also include direction that the Delta Levees Subventions Program should continue to use funds from bonds or other dedicated sources, rather than the state's General Fund. For the past several years the program has been funded from bonds. When these bond funds run out, the program will have to be funded from the General Fund, unless some other new dedicated funding source is established. This is something that should be included in the next Water Bond, if and when there is one."
- Add policy #115: "SUPPORT legislation to amend California Water Code Section 85057.5 to bring the Delta Stewardship Council's "covered actions" land-use review process into consistency with CEQA."

i. Transportation Issues (p. 26)

- Text change to 2011 policy #199 to add to important regional transportation projects "that benefit the state and local road system...."
- Text change to 2011 policy #123 to add the words "regulated," "roads," and "joint use facilities."
- Delete 2011 policy #126 regarding the reauthorization of Vasco Road as a Double Fine Zone. A bill to this effect was signed by the Governor in 2011.

j. Waste Management Issues (p. 26)

- Add policy #132: "SUPPORT legislation that seeks to remedy the environmental degradation and solid waste management problems on a State-wide basis of single-use plastic bags typically given away for free at grocer, retail and other establishments."
- Add policy #133: "SUPPORT legislation that does not require increased diversion from landfills without out an adequate funding mechanism."
- *Note that policy #134 is not new. It was mistakenly omitted by staff during the development of the Draft 2012 State Platform.*

CONSEQUENCE OF NEGATIVE ACTION:

Without adopted legislative platforms, the legislative priorities and policies of the Board of Supervisors would not be established and communicated, and staff, legislative advocates and our congressional and legislative delegations would not be able to support the policies and priorities of the Board of Supervisors.

CHILDREN'S IMPACT STATEMENT:

Not applicable.

CLERK'S ADDENDUM

CONTINUED to January 24, 2012.

ATTACHMENTS

Attachment A--Proposed 2012 Federal Platform

Attachment B--2011 Legislative Summary

Attachment C--Proposed 2012 State Platform, Redlined from Draft

Attachment D--Proposed 2012 State Platform, Clean Copy