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Legislative Report to the El Dorado County Board of Supervisors
Tuesday, February 26, 2008
By Donald F. Peterson, Legislative Advocate

I. Disaster Assistance Legislation

A. * SB 1308 (Cox) – Stand Alone bill for El Dorado County’s 2007 Angora Fire.

1. The California Disaster Assistance Act authorizes a local agency to receive state financial assistance for a repair or restoration project following the proclamation of a local emergency. The state share for eligible projects is generally no more than 75% of total state eligible costs; however, SB 1308 would allow 100% of total state eligible costs and would apply to losses associated with the Angora Fire.
2. This bill contains an urgency clause, making the bill effective immediately upon being signed by the Governor.
3. The measure was introduced on February 21, 2008, and will be eligible for a hearing on March 22.
4. We have consulted with Senator Cox’s staff on this bill.

B. * SB 1064 (Hollingsworth) – Disaster Relief bill for Southern California Wildfires and High Winds (Reimbursement of property tax losses.)

1. This measure will be amended to include El Dorado County’s 2008-2009 property tax losses so that also be reimbursed.

2. The measure will next be heard in the Senate Appropriations Committee. No hearing date has been set. (We have drafted and submitted amendments to the author's office. The intention is to add the amendments before the bill leaves the Senate.)

II. Self Help County Transportation Funding (Proposition 1B)

- A. Senator Corbett and Assembly Member Levine both have measures to allocate the Self Help portion of Proposition 1B.
 1. * SB 748 (Corbett) makes eligible those regional transportation agencies that have received voter approval for the imposition of taxes or fees, or impose developer fees, dedicated to transportation projects. This measure is on the Assembly Appropriations Suspense File.
 2. * AB 1351 (Levine) limits the eligibility for funding only to those counties that have imposed a transportation-related sales tax. This measure is on the Senate Appropriations Suspense File. Your legislators have supported the expansion of the definition to include developer fees dedicated to transportation projects.
- B. Senate President *Pro Tem* Perata had indicated that the allocation of these funds would absolutely include bridge tolls.
- C. Many legislators have taken the position that if the authorizing legislation is opened to more than the traditional definition of self-help (*i.e.* bridge tolls), then the legislation should include any stream of funding used for transportation.
- D. Those counties that have the transportation-related sales tax may put together their delegation of legislators to move the Levine version, should the Legislative Leadership not reach compromise. Unofficially, we understand if this happens, Leadership may not resist the effort if all the legislators from counties which have imposed sales taxes for transportation projects join together, as that would form a majority in both houses. Such unanimity is rare.

* (It may prove desirable to have a member of the El Dorado Board testify on the bills marked with an " * ". We will keep your staff informed.

III. County Courthouse Transfer Legislation

- A. AB 1491 (Jones) is the legislative vehicle for courthouse transfer from the county to the state.
- B. This bill would require the agreements concerning the transfer of responsibility for court facilities to be executed no later than December 31, 2009. Penalties are attached to the failure to transfer.
- C. The bill is being heard this afternoon and we will be there to represent you and report back.

IV. 2007-2008 Mid-Year Budget Reductions – Six Bills Signed By the Governor Last Week

- A. AB XXX 3 – General Fund Reductions - \$167 million in reductions, \$409 million transit funding changes.
- B. AB XXX 4 – Education Cuts - \$506 million savings/re-appropriations, reduces categorical programs, defers payments.
- C. AB XXX 5 – Medi-Cal Cuts, Development Centers, cost containment in health services.
- D. AB XXX 6 – Human Services – delays SSI and CalWorks COLA to Oct.1, defers other payments to counties (assurances made on the Senate floor that very small, rural counties will be assisted in these deferrals).
- E. AB XXX 7 – Gas tax transfers delayed 6 months, Prop 1B funds used at the local level – is a cash flow "adjustment," not a reduction.
- F. AB XXX 8 – Government Operations: mandates payments - pays actual costs instead of estimated costs - \$75 million, STRS payments to Nov.1 instead of earlier, new judgeships delayed - \$75 million in savings.

V. Status of the 2008-2009 Budget

- A. The Governor has requested that the Legislature enact the 2008-2009 Budget by March 2008. The request will most likely not be

honored, judging from the Legislative Leadership's public comments.

- B. The Legislative Analyst (LAO) is expected to present her alternative proposed budget to the Senate Budget Committee this afternoon.
- C. The LAO released budget projects for next year which included a \$16.5 billion budget shortfall for 2008-2009.
- D. The Governor has already publicly stated he will not ask for a tax increase to bridge the shortfall.

VI. State of Extraordinary Sessions 1X and 2X

- A. The First Extraordinary Session of the Legislature (Health Care) has not been meeting. After the LAO released her report on AB 1X 1 (Nunez) which estimated substantial funding shortfalls in out-years, the Senate did not pass the bill, and it has remained in the Senate Health Committee. With the failure of Proposition 93 (term limits), and a massive budget shortfall, the window of opportunity for passing health care reform this year may have passed. We expect renewed efforts in the coming Legislative session.
- B. The Second Extraordinary Session may soon see new life. Senator Dianne Feinstein and Governor Schwarzenegger are working to get nearly \$11 billion in new bonds for water storage and conveyance as well as Delta repair approved through the legislative process. A few issues remain unresolved, according to Senator Feinstein, who has not officially announced her support for the measure, and is waiting until those unnamed issues are resolved to her satisfaction. The California Chamber of Commerce is also working on an initiative measure to fund water storage and conveyance. Because of the severe financial situation, however, it is probably unrealistic to expect another huge bond measure.