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Legislative Bulletin

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BOARD OF SUPERVISORS

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County of Orange Positions on Proposed Legislation

The Legislative Bulletin provides the Board of Supervisors with analyses of measures pending in Sacramento and Washington that are of interest to the County. Staff provides recommended positions that fall within the range of policies established by the Board. According to the County of Orange Legislative Affairs Procedures adopted by the Board of Supervisors on June 3, 2003, staff recommendations for formal County positions on legislation will be agendaized and presented in this document for Board action at regular Board of Supervisors meetings. When the Board takes formal action on a piece of legislation, the CEO will direct the County's legislative advocates to promote the individual bills as approved by the Board. The Legislative Bulletin also provides the Board of Supervisors with informative updates on State and Federal issues.

The 2009 Legislative Platform was adopted by Board of Supervisors' Minute Orders dated November 25, 2008, and December 16, 2008. On August 25, 2009, the Board of Supervisors will consider the following actions:

RECOMMENDED ACTIONS

1. SUPPORT – SB 678 (Leno and Benoit) – Criminal Recidivism
2. SUPPORT – AB 1506 (Anderson) – Issuance of Registered Warrants
3. SUPPORT - LAFCO Governance Study of MWDOC
4. Receive and File Legislative Bulletin

SACRAMENTO LEGISLATIVE REPORT

SACRAMENTO UPDATE

The Legislature returned from its summer recess on August 17, 2009 and will adjourn on September 11, 2009. There are in excess of 550 bills pending in both houses and the Governor is asking that the Legislature consider funding substantial upgrades to the state water project that would insure adequate delivery of water to the farms and homes in the central and south of the state while protecting the environment and the farms of the delta region. In addition the Governor has introduced the idea of

major reform of public employee pensions as a means of addressing the state's chronic budget shortfalls. Both of these issues are controversial.

State Controller John Chang has announced that he will halt the issuance of warrants on September 4, 2009 and will redeem the outstanding warrants that same day.

The securitization of the Proposition 1A borrowing triggered in the latest round of budget votes is proceeding normally. The California Statewide Communities Development Authority was authorized in AB 15 4X to conduct a securitization program for affected local governments and the County of Orange has elected to participate in this program. At present it appears that the County will be made whole and will receive one hundred percent of the property tax revenue to which we are entitled on schedule due to the securitization program. This program is being closely monitored by the CFO and his staff with the support of Legislative Affairs.

ACTION ITEMS

SB 678 (Leno and Benoit) – Criminal Recidivism – As Amended on June 25, 2009 – SUPPORT

Author: Senators Mark Leno and John Benoit
Status: Assembly Appropriations
Hearing: TBD
Reviewed: Probation and CEO/Legislative Affairs

Existing law establishes provisions authorizing the Department of Corrections and Rehabilitation to oversee programs for the purposes of reducing parolee recidivism. SB 678 creates the California Community Corrections Performance Incentives Act of 2009, which would establish a system of performance-based funding to support evidence-based practices relating to the supervision of adult felony probationers.

This bill would authorize each county to establish a Community Corrections Performance Incentives Fund (CCPIF) and would authorize the state to annually allocate money into a State Corrections Performance Incentives Fund to be used for specified purposes relating to improving local probation supervision practices and capacities, as specified. This bill would require each county using CCPIF funds to identify and track specific outcome-based measures, as specified, and report to the Administrative Office of the Courts on the effectiveness of the programs paid for by the CCPIF. This bill would require the community corrections programs to be developed and implemented by the chief probation officer, as advised by a Community Corrections Partnership.

OC Probation and CEO/Legislative Affairs Comments

OC Probation and CEO Legislative Affairs recommend that your Honorable Board take a support position on SB 678. The effects of this bill will foreseeably reduce caseloads, enhance training and increase evidence-based rehabilitative services. Under the Governor's revised budget AB X4 1 outlines how Byrne/JAG funding will be distributed. It provides \$45 million statewide to county probation departments as start up funding for the purpose of implementing SB 678. In addition \$450,000 has been allocation to the Administrative Office of the Courts (AOC) to be used as technical assistance to counties for defining how outcomes will be determined from the use of evidenced based

practices as required in SB 678. However, these funds may supplement but not supplant any other related state or local funding.

AB 1506 (Anderson) – Issuance of Registered Warrants – As Amended on July 1, 2009 – SUPPORT

Author: Assemblymember Joel Anderson
Status: Assembly Appropriations
Hearing: TBD
Reviewed: Budget and CEO Legislative Affairs

Assembly Bill 1506 by Assemblymember Joel Anderson would require a state agency to accept, from any person or entity, a registered warrant or other similar evidence of indebtedness issued by the Controller endorsed by that payee, at full face value, for the payment of any obligations owed by that payee to that state agency. This is an urgency statute requiring a 2/3 vote that would become law immediately upon signature by the Governor.

Budget and CEO Legislative Affairs Comments

CEO Legislative Affairs recommends that your Honorable Board take a position in support of AB 1506. This bill addresses a need among businesses that serve as vendors to the State of California and among local governmental entities that provide state-funded services. The State of California has issued warrants, commonly referred to as 'IOU's', during this current budget impasse and has done so in the past during similar difficulties. These warrants create a cash-flow problem for the payee because they are expected to continue to provide the good or service for which they should be paid without receiving payment. For many vendors and local governments the receipt of these warrants can mean layoffs, borrowing or even bankruptcy. This bill would mandate that the state accept its own warrants as payments for any obligation that the payee may owe to the state. For example, a business could submit a state warrant as payment for withholding taxes on its payroll if AB 1506 passes.

AB 1506 is supported by a variety of businesses and local elected officials and is endorsed by the California State Controller John Chang. It passed the Committee on Appropriations 11-0 on July 7, 2009 and is scheduled for rehearing before the same committee on August 19, 2009.

Municipal Water District of Orange County – Local Agency Formation Commission

The Municipal Water District of Orange County (MWDOC) was formed in 1951 to facilitate the importation and distribution of water for cities and water districts that were not members of the Metropolitan Water district of Southern California (MET). MET is the agency that has partial ownership of the state water project and brings water from northern California and the Colorado River to Southern California. MET in turn sells this water to MWDOC who conveys and filters it so that it is suitable for domestic use by the households served by the cities and water districts of Orange County.

MWDOC is governed by a seven member board of directors that are elected by district.

MWDOC currently represents the entirety of Orange County except for the cities of Anaheim, Fullerton and Santa Ana which are original member agencies of MET. In 2000 the Coastal Municipal Water

District of Orange County was merged into MWDOC, bringing the balance of the cities and water districts of south Orange County into MWDOC. This consolidation of almost all of Orange County into a single water entity was done to enhance the ability of MWDOC to influence MET decision making. The three cities mentioned earlier consistently work with MWDOC on issues of importance to Orange County that are before the MET.

Currently the Orange County Local Agency Formation Commission (LAFCO) is conducting a governance study for MWDOC. LAFCO staff plans to present their findings to the Commission in September. Some water districts in south Orange County are urging the breakup of MWDOC so that they can form a separate water wholesaling agency for south Orange County. This is, in some ways, a reversal of the consolidation of 2000 discussed above.

CEO/Legislative Affairs Comments

Water policy is critical to our region. Orange County is a densely populated urban county blessed with a Mediterranean climate that affords us a wonderful lifestyle but inadequate water to support our population. We are reliant upon an elaborate infrastructure of canals, pipelines, pumping plants and reservoirs operated by MET and MWDOC for our daily water needs. Any change to this system has the potential to greatly impact the daily lives of millions of residents of Orange County.

The public debate over MWDOC and its possible breakup is already under way. LAFCO is the appropriate venue for this discussion. There are arguments on both sides. Some assert that a breakup will yield more local control and a more fair allocation of costs and benefits, especially in south Orange County. These points are countered by those who argue that a breakup will increase costs to ratepayers and result in a loss of influence for Orange County in MET.

There are concerns that the California Legislature may act to amend existing legislation as the session ends to foreclose debate and make the decision in Sacramento instead of letting this issue be fully debated and decided here at home. In the interest of letting this matter be fully vetted and debated where the consequences of the decision will be felt Legislative Affairs recommends that this Honorable Board transmit letters to the Orange County delegation, the Governor and leaders in the Legislature opposing any action by the Legislature during this session that might foreclose the ongoing debate on this matter here in Orange County.

WASHINGTON LEGISLATIVE REPORT

WASHINGTON UPDATE

Congress will return from its August recess on September 8, 2009 after having held a remarkable series of town hall forums in their respective districts to hear from the electorate on the issue of reform of the health care system. These forums have been contentious and have had a significant impact on the national debate. As this is written it appears that the Administration is adapting its position on health care reform to accommodate the vocal concerns expressed regarding this issue. While it is too early at this point to identify specific compromises and reforms that will be incorporated into the pending legislation, it is reasonable to conclude that the final form of the legislation will not include many of the bold reforms proposed by the Congressional authors less than two months ago.

ACTION ITEMS

None at this time.

COUNTY OF ORANGE - SPONSORED BILLS STATUS/UPDATE

SB 40 (Correa) Personal information: social security numbers.
Introduced: January 6, 2009
Last Amended: August 17, 2009
Status: August 17, 2009 – Read third time. Amended. To third reading.
Location: August 17, 2009 – A Third Reading
Calendar: August 20, 2009, A – Senate Third Reading File

SB 752 (Correa) County Employees' Retirement: Orange County
Last Amended: July 23, 2009
Status: August 18, 2009 – Read second time. To third reading.
Location: August 18, 2009 – A Third Reading
Calendar: August 20, 2009, A – Senate Third Reading File

A copy of the 2009 County of Orange Legislative Platform is available at: <http://www.oc.ca.gov/> under OC Links.

If you or your staff have any questions or require additional information on any of the items in this bulletin, please contact Bruce Matthias, at 714.834.7010.