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SB 594 Substantially Amended to Remove Troublesome Provisions; Next Step is Assembly Floor

As a result of overwhelming opposition from the League, the California State Association of Counties (CSAC), other statewide associations representing schools, public safety, and a growing coalition of local chambers of commerce and other groups, today the Assembly Appropriations Committee approved a substantially amended version of SB 594 (Hill). These amendments enhance campaign finance disclosure and accountability in a positive way while allowing groups such as the League to continue to be involved in statewide ballot measure campaigns with their clearly nonpublic funds. The League has reviewed the amendments and expects to remove its opposition once the bill is in print next week. *For more, see Page 2.*



Governor's Prison Plan Supported by the League among Other Local Government and Public Safety Groups

League Executive Director Chris McKenzie joined a broad coalition of law enforcement, local government and a bipartisan group of legislators at a Capitol news conference on Tuesday where Gov. Jerry Brown presented details of his prison plan, alongside Speaker John Pérez (D-Los Angeles). Not willing to put criminals back on the street, the Governor's proposal meets the court order's prison population reduction requirement without threatening public safety. Senate President Pro Tem Darrell Steinberg (D-Sacramento) on Wednesday announced an alternative plan. The Assembly Budget Committee on Thursday took up the Governor's plan, SB 105, and approved it by a vote of 21-0. *For more, see Page 2.*



More Budget Trailer Bills Amended and Heard in Committee this Week

The Legislature amended multiple bills this week to clean up the 2013-14 Budget. Bills that are marked with an asterisk (*) in the summaries below were quickly passed by the budget committees on Thursday and are expected to be heard next week on the Senate and Assembly floors. All bills will return to the house of origin for a concurrence vote. *For more, see Page 3.*



"These amendments reflect the League's commitment to transparency and disclosure and also retain our ability to be active in state ballot measure campaigns to protect local funds and services. We appreciate the good faith negotiations that led to the amendments being adopted," said Bill Bogaard, League president and Pasadena mayor.

The League wishes to thank the city officials, CSAC and the many other members of the No on SB 594 coalition who helped secure changes that serve the public interest in disclosure while respecting the right of all groups to participate in ballot measure elections with nonpublic funds.

Below are the highlights of how the bill has changed in its current version:

- 1) The bill no longer redefines "public funds" in a broad way that captures currently nonpublic revenues that many associations use for ballot campaign advocacy, consistent with the League's conservative practices and use of funds. The amendment included in committee on Aug. 21 to include schools in the definition of "public agency" was removed. Nonprofits can continue to have political action committees and to support ballot measures or candidates with funds from those committees.
- 2) Nonprofit organizations like the League that receive 20 percent or more of their annual operating budgets from public resources and that participate in campaign activities, must file reports detailing sources of fund for such campaign activities with the Franchise Tax Board (not the Attorney General as originally proposed) under the following circumstances:
 - Expenditures on state measures/candidates exceed \$50,000 in a quarter (quarterly report) or \$100,000 in a calendar year (biennial reports).
 - Expenditures on local measures/candidates that exceed \$2,500 in a quarter (quarterly report) or \$10,000 in a calendar year quarter (biennial reports).

FTB may conduct discretionary audits. Mandatory audits occur after an annual expenditure in excess of \$500,000. Violations are subject to civil fines of \$10,000/violation.

Note: The League does not participate in candidate campaigns but it does participate in ballot measure campaigns.

Governor's Plan Utilizes Community Corrections Facilities and Out-of-State Prisons

The federal court order requires California to lower its prison population to 137.5 percent of capacity by Dec. 31, 2013. The state has since 2006 reduced its prison population by 42,000. More than half (25,000) of that reduction has occurred following the enactment of AB 109 in 2011. The Governor had repeatedly expressed great concern with the dangers of putting criminals back on the street in order to comply with the court order and unsuccessfully asked the U.S. Supreme Court to reconsider.

Along with Speaker Pérez, the plan introduced this week is backed by both Senate Republican Leader Bob Huff (R-Diamond Bar) and Republican Assembly Leader Connie Conway (R-Tulare). SB 105 lays out a 24-month plan to achieve compliance and its provisions sunset in three years.

SB 105 authorizes additional out-of-state inmate transfers as well as transfers between state and local facilities in California. It also authorizes the potential use of private correctional facilities. The bill contains a provision that may constitute a CEQA waiver to implement any necessary related agreements. Under SB 105 approximately 3,000 inmates will be shifted to 14 community corrections facilities in California with another 5,000 slated for transfer to private out-of-state prisons. The state previously closed the community corrections facilities, but they would be re-opened and operated by the California Department of Corrections and Rehabilitation. Four of the community corrections facilities have been operated by cities: Coalinga, Delano, Shafter and Taft.

Implementing SB 105 is estimated to cost \$315 million in FY 2013–14 and \$415 million annually for each of the next two years. In resuming control of the community corrections facilities, the state is assuming significant costs that will be ongoing. This will result in General Fund expenditures beyond this time frame.

Assembly Member Nancy Skinner (D-Berkeley), who chairs the Assembly Budget Committee, voiced concerns in committee about the bill's lack of cost containment measures. She questioned whether the state feels sufficient urgency for crafting a long-term solution.

Corrections officials assured the committee that once implemented, SB 105 would bring California into compliance with the 137.5 percent of capacity required by the federal court order. Some committee members, however, questioned whether the state would remain in compliance without additional long-term measures geared toward a permanent solution. Corrections officials testified that a long-term solution would be forthcoming but that there is an immediate need to implement SB 105.

Sen. Steinberg's Alternative Plan Seeks Extension of Prison Reduction Deadline, Focuses on Services

The Senate leader was quick to criticize Governor Brown's proposal on Tuesday and on Wednesday held his own news conference flanked by about a dozen Democratic senators to roll out an alternative. He wants to negotiate a settlement with the proponents of the law suit demanding a reduction in prison population to extend compliance an additional three years. Counties under Sen. Steinberg's proposal would receive \$200 annually to enhance drug treatment programs and mental health services for criminals. He also wants to create a commission to examine California sentencing laws.

The senator contends that his approach will result in greater long-term success in maintaining a lower prison population level and cost less than Gov. Brown's proposal at an estimated \$400 million in the next two years.

'Budget Bills' Continued from Page 1...

***AB 101/*SB 95: Budget Bill Jr.**

Includes the line item changes that are necessary to implement the trailer bills listed below as well as technical clean up amendments from the main budget bill (AB 110, Chapter 20, Statutes of 2013).

AB 102/*SB 96: Public Resources

Makes a variety of changes to environmental and resource programs, including:

- Requires funds allocated to the Lower-Emission School Bus Program shall be prioritized to retrofit or replace the most polluting school buses in small air districts first and then to medium air districts as defined by the California Air Resources Board.
- Requires the California Public Utilities Commission to develop and implement the Electric Program Investment Charge program to award funds for projects that will benefit electricity ratepayers and lead to technological advancement and breakthroughs to overcome the barriers that prevent the achievement of the state's statutory energy goals.
- Amends the Renewable Resource Trust Fund to provide funding for the New Solar Homes Partnership (NSHP). NSHP provides financial incentives to encourage the installation of eligible solar energy systems on new residential construction. It is focusing efforts on new residential buildings and seeks to achieve 400 megawatts of distributed solar photovoltaic electric capacity by the end of 2016.
- Amends the Property Assessed Clean Energy Program (PACE) to allow the authority to develop and administer a PACE risk mitigation program for PACE loans to increase their acceptance in the marketplace and protect against the risk of default and foreclosure.

- Requires the California Public Utilities Commission to conduct a zero-based budget for all of its programs by Jan. 10, 2015. The zero-based budget shall be completed for the entire Commission, rather than on a division-by-division basis.
- Limits the California Public Utilities Commission's ability to form a "non-state entity," as defined, with moneys other than moneys that would otherwise belong to the public utility's shareholders.

AB 102 failed to pass when taken up this week by the Senate Budget and Fiscal Review Committee.

AB 103/*SB 97: Education (Local Control Funding Formula)

Clean up language for the Local Control Funding Formula, including changes to grants to charter schools, Proposition 39 funding for schools, and former redevelopment funding for schools.

AB 104/*SB 98: Public Health

Technical corrections and clarifications to health and human services budget trailer bills.

***AB 105/*SB 99: Active Transportation Program**

Creates the Active Transportation Program by combining funding from the federal Transportation Alternative Program funding, \$21 million of federal Highway Safety Improvement funding, and specified funds in the State Highway Account. This program will replace the federal Transportation Alternative Program, Bicycle Transportation Account, the Safe Routes to Schools Program, and the recreational trails program. The bill also includes placeholder language to allow ATP to receive funding from Cap-and-Trade revenues in the future.

The funding, which totals \$129.5 million in 2013–14, will be divided between the state and the regions subject to guidelines that will be adopted by the California Transportation Commission. The bill requires that 25 percent of all program funds benefit disadvantage communities. Safe Routes to Schools are guaranteed at least \$24 million, with at least \$7.2 million of that going to non-infrastructure programs.

The Environmental Enhancement and Mitigation Program will remain a standalone program, which is a change from the Governor's January budget proposal.

***SB 100: General Government**

Contains changes and technical corrections to a variety of general government law, including census tracts, Executive Officer exemptions for a 501(c)(5), and income tax credits for purchases of qualified property in an enterprise zone prior to Jan. 1, 2014. Also specifies that the director of the Governor's Office of Business and Economic Development will serve as the chair of the California Competes Tax Credit Committee and clarifies that a state legislator may not sit on the committee.

***AB 107/*SB 101: Health**

Makes technical corrections to health-related budget trailer bills. Also appropriates private foundation and matching federal funding received for Medi-Cal application assisters and outreach grants for counties.

***SB 102: State Employees: Memoranda of Understanding**

Contains required provisions to amend various Memoranda of Understanding with state employees to reflect recent agreements with the Governor.

***SB 105: Corrections**

Contains the Governor's prison plan, which would utilize community corrections facilities and out-of-state prisons. For more information, please see "Governor's Prison Plan Supported by the League among Other Local Government and Public Safety Groups."

California Civic Leadership Institute® Brings Next Generation of State Leaders to Sacramento for High-Level Discussions on Capitol Politics and Policy Making

More than 30 members of the 2012–13 California Civic Leadership Institute® (CCLI) class and alumni traveled to Sacramento this week for two days of sessions with some of California’s top political experts. Now in its ninth year, CCLI is the League Partner program’s premiere training for local leaders who are interested in running for the Legislature and is designed to give local leaders an in-depth understanding of the critical issues affecting the state.

The League launched CCLI in 2005 and to date more than 100 people have participated in the prestigious program. This year in the Assembly alone, 69 percent of members have local government roots and the League is proud to see so many former city officials rising to become state leaders taking on the challenges that entails. Local leaders are truly valuable to statewide office because they understand the state-local relationship and how decisions at the state level affect local neighborhoods, schools, communities, businesses, nonprofits and the environment.

The focus this week was on the day-to-day realities of the political climate in Sacramento and served as the second half of the prestigious program. Participants convened in July at Southern California Edison’s Big Creek Hydroelectric facility for policy discussions about energy and the state-local fiscal relationship.

League Executive Director Chris McKenzie opened the event Thursday morning, welcoming the local leaders to Sacramento. “We are here today to talk about what is happening in California and how you can become even better leaders,” said McKenzie.

League First Vice President and San Francisco Treasurer José Cisneros concluded the two days by inspiring the participants remember their local government roots when they get to the Legislature.

The two-day event in Sacramento included six individual sessions:

- California’s Economy
- The Role of the Lobbyist and Legislative Staff in a Changing Legislature
- From Local Government to the Legislature — Remembering Your Roots
- Hot Issues in the Next Legislative Cycle
 - Water Bond
 - Transportation Infrastructure
- Governing California
- The Life of a Legislator

CCLI has developed an extensive alumni network that is recognized at League events well after their time in local government. The current freshman class in the Legislature includes a record nine CCLI alumni. *Western City* magazine earlier this year featured interviews with these new legislators in April (<http://www.westerncity.com/Western-City/April-2013/From-Local-Government-to-the-Legislature>) and May (<http://www.westerncity.com/Western-City/May-2013/From-Local-Government-to-the-Legislature2/>). Numerous others are also serving as county supervisors throughout California.

Brady List Bill Now on Governor’s Desk, Veto Request Letters Needed *Bill Poses Threat to Local Public Safety and Autonomy*

Now that [SB 313 \(De León\)](#) is on its way to Gov. Jerry Brown for action city officials are urged to submit a veto request letter immediately. A sample letter is available online for city officials to use at <http://ct3k1.capitoltrack.com/public/search.aspx?id=ad485199-37cd-42cd-8217-d19b4d257119&session=13&s=SB%20313&t=bill>.

SB 313 creates a dangerous public safety precedent in that it prevents cities and public agencies from replacing or reprimanding officers who have been placed on Brady lists. The bill ties the hands of local governments from taking appropriate personnel actions against law enforcement officers. Current law requires state and local prosecutors maintain a Brady list consisting of public safety officer names identified by the department as untrustworthy or dishonest. In some circumstances, such officers have engaged in lying in an official capacity or similar acts that can tarnish an officer’s credibility.

The League has several concerns with SB 313. Cities should be able to take appropriate personnel action when an officer has been placed on a Brady list. If the sponsors are concerned as they've expressed about district attorneys wrongfully placing officers on a Brady lists the bill should be amended to deal with that narrow issue. Instead of dealing with the narrow issue the sponsors raise, the bill is unnecessarily punitive toward local governments and ignores the lack of due process in some jurisdictions.

The criteria for who is placed on a list can differ from county to county because sole discretion is left to the district attorney. This means that in some jurisdictions officers may not have any input. Some counties have implemented due process measures. In Los Angeles County, for example, a panel reviews the case and issues a preliminary decision and the officer has the option to appeal that preliminary decision to a secondary panel. The author may also consider putting into place an opportunity for appeal once an officer is placed on a Brady list.

Governor Signs Legislation Severely Restricting Charter Cities' Ability to Address Labor-Related Issues

League-opposed SB 311 (Padilla) will become law in January after Gov. Jerry Brown signed the measure on Wednesday. Sponsored by the State Building and Construction Trades Council and the California Professional Firefighters this is just one of several labor-sponsored measures headed to the Governor's desk that propose to weaken charter city and other local flexibility.

Under SB 311 cities will now be restricted on when they are able to put a labor-related charter proposal or amendment before voters. Instead of being able to take any proposals or charter changes to voters in a timely fashion when issues arise, on labor issues cities will be limited to just statewide general elections. Requiring that charter cities wait up to two years means it is impossible to make fiscal and other changes expeditiously, severely hampering cities' ability to address important issues.

The Governor's action this week reflects much of Sacramento's current political climate. The bill creates a different standard for labor issues as opposed to others. Earlier the bill was represented as a measure intended to address low voter turnout. This, however, changed vastly in the Assembly Local Government Committee hearing on June 12 when Sen. Alex Padilla (D-Pacoima) remarked that the bill was intended to address changes that impacted worker protections.

The League lobbied legislative members extensively, pressuring the author to amend the measure to narrow it. The original version of the bill would have prohibited charter cities from amending their charters at any election except for a statewide general election. The League argued that such restrictions would have significant negative impacts on cities because oftentimes charter amendments deal with very technical issues, are needed to avoid litigation or may put into place cost savings measures and may need to be dealt with expeditiously.

Although amendments to SB 311 narrowed the scope and gave local agencies more flexibility, the League remained opposed and concerned that charter amendments and proposed adoption of charters were singled out for attack.

The League appreciates the actions by charter cities to oppose this measure. These efforts were vital including opposition from the mayors of the cities of San Jose, San Francisco, Sacramento, Los Angeles, Anaheim, Santa Ana, and Bakersfield. The League thanks these mayors and all of the cities that sent opposition letters and veto requests.

Given that this bill was signed, with numerous other labor-sponsored bills heading to the Governor that would restrict charter city and other local flexibility, the League hopes he balances this decision when examining other bills.

HEAL Cities Campaign Webinar Announcement

The Small Communities Toolbox: Best Practices and Messages for Healthy Eating and Active Living in Rural and Small Jurisdictions

Across the country local elected officials are working to make their communities healthier places to live, work, learn, and play. In rural and small communities, elected officials are examining and implementing solutions to improve access to healthy food and make it easier for people to be physically active.

HEAL is offering a 75-minute webinar on Sept. 24 from 11:00 a.m. to 12:15 p.m. on best practices and messages for healthy eating and active living in rural and small jurisdictions. This webinar, designed for local elected officials and their staff, will provide examples of best practices that smaller cities and towns are implementing. It will also provide tips on how best to communicate and get the support of fellow elected public officials and the public. Speakers will include city officials from around the United States.

Register online at <https://www4.gotomeeting.com/register/409961223>. The webinar is sponsored by: the HEAL Cities Campaign, Prevention Institute, American Public Health Association.

NLC Invites City Officials to Apply for Committee Membership

The National League of Cities (NLC) has announced the opening of the application period for 2014 NLC committees.

NLC Committee and Council Chairs and Vice Chairs

Online applications and biographical statements for NLC committee chairs and vice chairs for all standing committee and councils are due by Sept. 27. Committee chairs and vice chairs will be notified of their selection in late October or early November.

The committee and council chair and vice chair application can be found at www.nlc.org.

NLC Committee and Council Members

City officials from NLC member cities who are interested in serving as members on any of the 2014 standing committees and councils should complete online applications by Nov. 22. Please note that this deadline is after the Congress of Cities in Seattle.

To learn more about these committees and councils, visit www.nlc.org. Committee and council member appointments will be announced in late December 2013. All committees and councils will meet for the first time at the Congressional City Conference, which will be held March 8–12, 2014, in Washington, D.C.

Apply Online

Visit the NLC website to learn more about the [committees and councils](#) and to complete the online application.
