



**SAN MATEO COUNTY  
BOARD OF SUPERVISORS  
LEGISLATIVE COMMITTEE MEETING**

*Rose Jacobs Gibson, President  
Adrienne Tissier, Supervisor*

*Mary McMillan, Deputy County Manager  
John Beiers, Chief Deputy County Counsel  
400 County Center, Redwood City, CA 94063  
650-363-4123*

TO: Legislative Committee

FROM: Ross Nakasone, Legislative Coordinator

SUBJECT: Legislative Committee Meeting—Agenda for November 19, 2007

DATE: November 16, 2007

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**PLEASE NOTE THE TIME and ROOM CHANGE**

**Meeting Date and Time:** November 19, 2007, 2:30 pm

**Place:** County Manager's Office Conference Room, Office of the Board of Supervisors  
First Floor, 400 County Center, Redwood City, California

1. Call to order
2. Approval of the Minutes for the Legislative Committee Meeting of October 9, 2007
3. Corbett and Associate's Activities Report—**Attachment I**
4. Update on the Annual Meeting of the California State Association of Counties—**Attachment II**
5. Update on State Legislative Extraordinary Session on health care reform
6. The Legislative Analyst's Office report, California's Fiscal Outlook: LAO Projections, 2007-08 Through 2012-13—**Attachment III**  
The full report and the Legislative Analyst's webcast can be found at the LAO website: [www.lao.ca.gov](http://www.lao.ca.gov)
7. Update on the San Mateo County Mental Health Pharmacy and Lab Pilot
7. Oral Communications and Public Comment
8. Adjournment

*A COPY OF THE SAN MATEO COUNTY BOARD OF SUPERVISORS LEGISLATIVE COMMITTEE AGENDA PACKET IS AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARDS OFFICE, HALL OF JUSTICE, 400 COUNTY CENTER, FIRST FLOOR. THE CLERK OF THE BOARDS OFFICE IS OPEN MONDAY THRU FRIDAY 8 A.M. - 5 P.M., SATURDAY AND SUNDAY – CLOSED.*

*MEETINGS ARE ACCESSIBLE TO PEOPLE WITH DISABILITIES. INDIVIDUALS WHO NEED SPECIAL ASSISTANCE OR A DISABILITY-RELATED MODIFICATION OR ACCOMMODATION (INCLUDING AUXILIARY AIDS OR SERVICES) TO PARTICIPATE IN THIS MEETING, OR WHO HAVE A DISABILITY AND WISH TO REQUEST AN ALTERNATIVE FORMAT FOR THE AGENDA, MEETING NOTICE, AGENDA PACKET OR OTHER WRITINGS THAT MAY BE DISTRIBUTED AT THE MEETING, SHOULD CONTACT CONNIE JUAREZ-DIROLL, INTERGOVERNMENTAL AFFAIRS ASSISTANT AT LEAST TWO (2) WORKING DAYS BEFORE THE MEETING AT (650) 363-4125 AND/OR [CJuarez-Diroll@co.sanmateo.ca.us](mailto:CJuarez-Diroll@co.sanmateo.ca.us). NOTIFICATION IN ADVANCE OF THE MEETING WILL ENABLE THE COUNTY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING AND THE MATERIALS RELATED TO IT. ATTENDEES TO THIS MEETING ARE REMINDED THAT OTHER ATTENDEES MAY BE SENSITIVE TO VARIOUS CHEMICAL BASED PRODUCTS.*

*If you wish to speak to the Committee, please fill out a speaker's slip. If you have anything that you wish distributed to the Committee and included in the official record, please hand it to the Legislative Coordinator who will distribute the information to the Supervisors and staff.*



**SAN MATEO COUNTY  
BOARD OF SUPERVISORS  
LEGISLATIVE COMMITTEE MEETING**

**Rose Jacobs Gibson, Chair  
Adrienne Tissier, Vice-Chair**

*Mary McMillan, Deputy County Manager  
John Beiers, Chief Deputy County Counsel  
400 County Center  
Redwood City, CA 94063  
650-363-1345*

TO: Legislative Committee

FROM: Connie Juarez-Diroll

SUBJECT: Legislative Committee Meeting—Agenda MINUTES for October 9, 2007

DATE: October 15, 2007

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**Meeting Date and Time:** October 9, 2007, 2:00 p.m.

**Place:** Board Conference Room, Office of the Board of Supervisors  
First Floor, 400 County Center, Redwood City, California

**1. Call to order**

President Jacobs Gibson called the meeting to order. Supervisor Tissier was also present.

**2. Update on Federal Legislative Activities**

Staff reported on federal legislative activities, including FY 2008 appropriations projects and the recent presidential veto of SCHIP.

Congresswoman Anna Eschoo will be holding a Town Hall Meeting in the Board Chambers on Saturday, October 13, 2007 from 1:00-2:30 p.m.

**3. State Legislative Extraordinary Session on health care reform**

Staff reported that the Governor signed AB 1124 (Karnette), County employee's retirement and two budget trailer bills in the area of transportation, which will provide funding for local roads and streets. The Governor has five hundred and ninety-six bills left to sign by October 14<sup>th</sup> deadline.

The healthcare reform special session continues with little movement. CSAC is drafting a response regarding how the existing proposal will affect counties, both fiscally and administratively.

As a next step in the healthcare debate, staff suggested preparing a one-page document that outlines how San Mateo County is different from other counties because of the existence of the Health Plan of San Mateo.

Staff expressed concern over the possible affects of an expanded health care coverage program on the County hospital. This issue will also be one of concern to other counties that run County hospitals.

**4. State Legislative Extraordinary Session on water management, quality and storage**

Staff reported that the Senate is currently meeting to vote on Senator Perata's water bill, which is not expected to pass. Republicans have publicly stated they will vote against the bill, as well as the Governor's water bill. It is expected that two water bond measures will appear on the ballot in 2008, including a Perata measure that will focus on clean, safe water and the Delta (worth about \$6.1 Billion) and the Governor's initiative that will provide for the building of additional above ground water storage dams in Colusa and Fresno and the expansion of the Los Vaqueros reservoir in Contra Costa County (worth about \$5.8 Billion).

The Public Works Department will prepare a list of County projects that could potentially qualify for direct grants to local jurisdictions. These include levy projects in Colma Creek, San Francisquito Creek and the San Bruno flood control district. The City of San Mateo will also provide a list of their water projects for inclusion in the final tally.

If advocates for healthcare and water reform fail to meet the October 16<sup>th</sup> deadline for an initiative inclusion on the 2008 ballot, both issues could be taken up again in January 2008 or the Governor could call another special session at the close of the current session.

Staff reported on new legislation that will aid in addressing jail overcrowding and passed as an urgency statute. SB 959 (Romero), Involuntary home detention permits a county board of supervisors to authorize a county correctional administrator to require that county inmates committed to a county jail or other correctional facility or granted probation, or inmates participating in work furlough programs participate in involuntary home detention when the administrator has determined that conditions in such a facility warrant the necessity of releasing sentenced misdemeanor inmates prior to them serving the entirety of their sentences due to lack of jail space.

Staff will look into how this new legislation will affect an inmate's ability to receive public services (e.g., Medi-Cal and Medicaid), as well as the issue of payment of restitution.

**5. Oral Communications and Public Comment**

No public comment.

**5. Adjournment**

The Committee adjourned.

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**LEGISLATIVE, REGULATORY & ADMINISTRATIVE ACTIVITIES**  
**DURING THE 2007 LEGISLATIVE SESSION**

**Michael Y. Corbett**  
**October 18, 2007**

Listed below are the various activities in which I was involved on behalf of San Mateo County during the first half of the 2007-08 legislative session. The list focuses on only those activities in which I was engaged beyond mere contact or simple inquiries, because to include those activities would be difficult and lengthy. For the convenience of the Legislative Committee, I have broken down my activities into three distinct categories: legislation, regulatory and administrative.

**Legislative Activities & Status (in parentheses)**

SB 48 (Perata) – Health Care Coverage (Held by Assembly Appropriations)  
SB 77 (Ducheny) – State Budget Bill (Enacted as Chapter 171)  
SB 137 (Torlakson) – Children’s Health: Medical Treatment (Vetoed)  
SB 145 (Corbett) – Court Facilities (Senate Floor – Two-year bill)  
SB 241 (Kuehl) – Minors: Legal Proceedings (Enacted as Chapter 719)  
SB 416 (Ashburn) – Design-Build (Enacted as Chapter 585)  
SB 418 (Migden) – Local Government Finance: Excess ERAF (Enacted as Chapter 463)  
SB 523 (Yee) – Child Support: Order to Seek Work  
SB 613 (Simitian) – Vehicle Fee for Congestion and Storm Water Management (Vetoed)

AB 8 (Nunez) – Health Care Coverage (Vetoed)  
AB 120 (Laird) – State Budget (Not used – Senate version in odd years)  
AB 191 (Budget Committee) – Juvenile Justice (Enacted as Chapter 257)  
AB 239 (DeSaulnier) – Recording Fees (Senate Local Government Committee –  
Two-year bill)  
AB 241 (Price) – Horse Racing: Satellite Wagering (Enacted as Chapter 594)  
AB 900 (Solorio) – Prison Construction (Enacted as Chapter 7)  
AB 931 (Ruskin) – Community Corrections (Assembly Public Safety Committee –  
Two-year bill)  
AB 1053 (Nunez) – Regional Planning, Housing and Infill Incentives (Enacted as  
Chapter 692)  
AB 1054 (Mullin) – Autopsies: Notification and Consent (Held by Assembly  
Appropriations)  
AB 1124 (Karnette) – County Employees Retirement (Enacted as Chapter 327)

Foster Care – Regional Rates. This proposal would have appropriated funds to provide for a higher rate for foster care to reflect the high cost of living in San Mateo County.

Status: Funding for the rate increase was pursued via the State Budget and Assembly Member Mullin took the lead on the effort. However, due to the state’s fiscal dilemma augmentation requests were routinely rejected.

RDA Pooling for Housing Construction. This proposal would have authorized redevelopment agencies within a specified region to pool funds to facilitate housing construction. The Western Center on Law and Poverty strongly opposed this proposal, viewing it as a slippery slope regarding the continued commitment of cities to provide for low and moderate income housing.

Status: Unable to secure an author

Proposition 1C – Funding for Local Housing Trusts. This proposal sought to secure a portion of Prop 1C (the 2006 Housing Bond) funds for local housing trusts.

Status: Unable to secure an author.

ERAF—Funds for Housing. This proposal would have provided for a redirection of certain funds scheduled for transfer to the Education Augmentation Fund (ERAF) to help finance housing construction. The proposal was strongly opposed by the education community.

Status: Unable to secure an author.

### **Regulatory Activities**

Testified before the California Horse Racing Board regarding satellite wagering at Bay Meadows.

### **Administrative Activities**

Coordinated contact between the Department of Corrections and Rehabilitation and the County regarding efforts to establish a gender response program in the County.

Status: Assembly Member Fiona Ma has written a letter to the department requesting that it attend a meeting she wishes to convene to discuss a gender response program in San Mateo County.

Established a dialogue with the Department of Finance regarding the County's effort to secure payment of overdue funds for a mental health services contract.

Status: Open. Currently looking at options to secure funding in the current fiscal year.

Provided monthly reports to the Legislative Committee.

Participated telephonically in monthly meetings of the Legislative Committee.

Participated in a legislative training day for county department heads and various local community based organizations.



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Manager's Office

**DATE:** November 15, 2007

**COMMITTEE MEETING DATE:** November 19, 2007

**TO:** Legislative Committee Members

**FROM:** Ross Nakasone, xt. 1345

**SUBJECT:** Update on the Annual Meeting of the California State Association of Counties

**RECOMMENDATION:**

None. Information only.

**VISION ALIGNMENT:**

**Commitment:** Responsive, effective and collaborative government

**Goal(s):** 22—County and local governments effectively communicate, collaborate and develop strategic approaches to issues affecting the entire County.

**BACKGROUND:**

The California State Association of Counties Annual Meeting was held November 13 through 16 in Alameda County.

**DISCUSSION:**

The key issues of discussion included:

**Health Care Reform**

On November 14, ABx1 1 (Núñez, Perata) heard by the Assembly Health Committee. AB x1 1 passed from the committee along party lines. Most stakeholders see ABx1 1 as the most likely mechanism for passage of health care reform. This bill represents the bulk of the policy elements of health care reform.

A companion petition ballot initiative (currently expected to appear on the November 2008 ballot) would include the finance mechanism. This bifurcation will avoid a two-thirds vote requirement of the Legislature. With an expected total cost of approximately \$14 billion annually, the health care reform proposals from both the Administration and the Legislature currently include a \$1 billion contribution from counties due to the expected reduction in medically indigent adults that would participate in a form of health care coverage other than current Welfare and Institutions Code Section 17000 safety

net services. The Speaker's proposal would also include an individual mandate requirement, a four percent fee on hospital patient revenues and increases in Med-Cal reimbursement rates.

There are a number of hurdles needed for health care reform including passage from the Legislature, the Governor's signature, qualification and passage of a petition ballot initiative for the financing mechanism, survival of subsequent litigation and the challenges of implementing such significant reforms by the current deadline of July 1, 2010. However, a number of participants believe this is the most viable of efforts to date.

#### Eminent Domain

Defeated in the November 2006 General Election, Proposition 90 would have restricted the ability of local governments to use eminent domain. While this proposition was defeated by a wide array of advocates, proponents of limiting government's eminent domain powers are currently circulating a similar effort titled the California Property Owners and Farmland Protection Act. A recent analysis of the petition noted a number of implications for local government including limitations on local land use authority, the development of public water projects and local rent control ordinances.

In 2007, CSAC worked to advance ACA 8, a less broad and simpler limitation on the use of eminent domain. ACA 8 failed to garner the two-thirds votes needed to pass from the Assembly. It remains on Third Reading, but barring a significant change, passage of ACA 8 seems unlikely.

#### Proposition 92, the Community College Governance, Fund Stabilization and Student Fee Reduction Act

Proposition 92 would require a minimum level of state funding for community college districts, allocates 10.46 percent of Proposition 98 funding to community colleges and would set student fees to \$15 per unit (with limited increases). The LAO estimates that the proposition would cost approximately \$300 million per year through FY 2009-2010 and unknown impact thereafter.

CSAC took no action on Proposition 92. CSAC staff recommended no position to the Government Finance & Operations Policy Committee. After hearing comments from both proponents and opponents to the proposition, the Committee recommended the CSAC Board adopt an oppose position. After discussion the CSAC Board was unable to garner enough votes to take an oppose position.

Other Annual Meeting activities of note include:

- Supervisor Rich Gordon was elected as President of CSAC.
- Gale Bataille, Director of Behavioral Health and Recovery Services, presented for the workshop Partnering for Corrections Reform: 2007 and Beyond.
- Iliana Rodriguez, Director of the Department of Child Support Services, presented on California's Child Support Automation System for the Health and Human Services Policy Committee.

C A L I F O R N I A ' S

# Fiscal Outlook

LAO Projections

2007-08 Through 2012-13



November 2007  
Elizabeth G. Hill  
Legislative Analyst

# Summary

## Deterioration of the 2007-08 Budget

At the time the *2007-08 Budget Act* was enacted in August 2007, the budget plan focused on closing the gap between General Fund revenues and expenditures for the fiscal year and maintaining a \$4.1 billion reserve. Since that time, the 2007-08 budget situation has deteriorated by almost \$6 billion. Under our forecast, absent corrective action, the state would end the current fiscal year with a \$1.9 billion deficit. The state's dimming fiscal outlook is due to:

- Continued softness in the state's economy lowering the forecast of revenues.
- Lower property taxes, driving state General Fund spending on K-14 education upwards.
- A likely delay in the sale of EdFund and a reduction in anticipated revenues.
- Delayed implementation of new tribal gambling compacts.
- A court-ordered payment to the state's teacher retirement system.

## State Also Faces \$8 Billion Shortfall in 2008-09

In addition to a negative carry-in balance from 2007-08, we project the state will face an \$8 billion operating shortfall in 2008-09. Revenues are projected to grow by 4.6 percent, hampered by the ongoing effects of the weakened economy. On the

expenditure side, spending is projected to grow by 7 percent—reflecting both cost increases in most state programs and the end of many 2007-08 one-time budget solutions.

## Multibillion Dollar Shortfalls Through 2012-13

Like in 2008-09, we project state costs will exceed revenues by \$8 billion in 2009-10. After that, the shortfall will drop to the range of \$3 billion each year. The primary factor responsible for this drop between 2009-10 and 2010-11 is that \$11.3 billion in previously issued deficit-financing borrowing would be fully paid off in the spring of 2010. This will free up over \$3 billion in annual debt service payments beginning in 2010-11.

## LAO Bottom Line

In order to balance the 2008-09 budget, the state will have to adopt nearly \$10 billion in solutions. Addressing the state's current budget problem is even more urgent because we forecast a *continuing* gap between revenues and expenditures. A plan to permanently address the state's fiscal troubles must involve a substantial portion of ongoing solutions. This is not only because of the persistent operating deficits projected throughout the forecast, but also because of the downside risks inherent with the economy, General Fund revenue volatility, and a wide range of budgetary uncertainties. Making tough choices now will allow the state to move closer to putting its fiscal woes in the past.