

MEMORANDUM

To: East Contra Costa Fire Protection District
From: Townsend Public Affairs
Date: June 6, 2019
Subject: Monthly Update – May 2019

STATE UPDATE

May was a busy month in Sacramento as the legislative calendar included the non-fiscal policy committee, fiscal committee, and floor session bill deadlines. May 17 was the Appropriations Committee deadline for both the Senate and the Assembly. If a bill is deemed as having a fiscal impact to the State, it must pass the Appropriations Committee before it has a vote on the Floor.

On May 16, the Senate and Assembly Appropriations Committee both conducted their Suspense Files hearings, which considered over 1,000 bills in as little as a couple of hours. The over 400 bills that did not pass out of their Appropriations Committees are now two-year bills and can be considered again in January 2020. May 31 was also the last day for bills to be passed out of their house of origin. All bills that did not pass out of their house of origin by May 31 are now two-year bills.

Additionally, both the Assembly and Senate have adopted their respective budgets and have now entered the budget conference committee negotiations phase of the budget process. The 2019 Conference Committee on the Budget conferees from each house are:

Senate

- Holly Mitchell (D-Los Angeles) - Conference Chair
- Jim Nielsen (R-Roseville)
- Richard Roth (D-Riverside)
- Nancy Skinner (D-Oakland)
- John Moorlach (R-Costa Mesa)

Assembly

- Phil Ting (D-San Francisco) - Conference Co-Chair
- Chad Mayes (R-Rancho Mirage)
- Kevin McCarty (D-Sacramento)
- Jay Obernolte (R-Hesperia)
- Shirley Weber (D-San Diego)

The Budget Conference Committee has been working late into the evenings throughout the week of

June 3. The conferees have completed their first pass through all five sections, leaving most major items “open” for a vote later this week. They are expected to work through the weekend to close out all open items. The expectation is that the budget bill, AB 74, will be on both floors middle of next week. The Legislature must pass a budget to send to the Governor for his signature or veto by June 15. Below is a list of other key upcoming deadlines in the Legislature:

June 3 – Committee hearings may resume

June 15 – Budget bill must be passed by midnight

July 12 – Last day for policy committees to meet and report bills to the floor

Governor Newsom’s May Revise

On May 9, Governor Newsom released his May Revision Budget proposal for FY 2019-20. The May Revise incorporates changes to the Governor’s January Budget proposal after taking into account actual state tax revenue and a more accurate financial forecast for the upcoming fiscal years.

The January Budget proposal totaled \$209.1 billion, however, the May Revise projects additional revenues bringing the total proposed Budget to approximately \$213.5 billion. The Governor noted that the majority of these revenue funds are largely constitutionally obligated to fund statewide reserves (rainy day fund), debt repayment, and Proposition 98 education investments, making the Budget surplus levels more or less unchanged. The May Revise also forecasts slower economic growth over the next three years, a decrease from the January forecast of approximately \$1.6 billion overall by FY 2022-23.

The Governor highlighted his top budget priorities in his presentation, including additional education investment, expanding access to Medi-Cal for undocumented immigrants, and establishing The Parent’s Agenda. Other major takeaways include:

Emergency Preparedness, Response and Recovery

- \$769.6 million in additional funding to enhance the State’s fire preparedness, including increased capacity to respond to emergency incidents and increased public safety. The May Revise also makes significant investments in the following areas:
 - \$20 million one-time General Fund for a task force within the Cal OES budget. In addition, \$1.5 million and 12 positions are proposed for Cal OES to coordinate with all State agency responders as a part of effectively managing and monitoring this appropriation given it will be responsible for the distribution of these funds. When State entities are mission tasked, some staffing costs associated with those activities are not absorbable within existing budgets, nor are these costs eligible for the California Disaster Assistance Act or Disaster Response-Emergency Operations Act funding. This proposed State mission tasking appropriation provides a resource to fund state entities for costs incurred when mission tasked, and to fund surge capacity needs of the Statewide Disaster Reserve Corps described below.
 - One-time \$518,000 General Fund to reimburse cities, counties and special districts for 2018-19 property tax losses resulting from the 2018 wildfires. This augments the \$31.3 million proposed in the 2019-20 Governor’s Budget, and subsequently added to the 2018 Budget Act by Chapter 1, Statutes of 2019 (AB 72).

California for All Emergency Management Preparedness Summit

On June 3, 2019, Governor Gavin Newsom and the California Governor's Office of Emergency Services (Cal OES) kicked off the California for All Emergency Management Preparedness Summit in downtown Sacramento. The Summit was a new call to action for emergency managers and first responders across all jurisdictions and disciplines to collectively plan and prepare for large-scale disasters, including new ways to integrate a whole-community approach to emergency management.

The one-day Summit included opening remarks from Director Ghilarducci and a keynote speech from Governor Newsom, followed by panel discussions from various emergency management specialists from throughout the state with subsequent breakout sessions. Among the topics discussed included: Enhancing emergency management capacity and individual preparedness; strategies and priorities for risk reduction; and understanding disaster recovery.

FEDERAL UPDATE

In May, the House Appropriations Committee began public release and committee approval of Fiscal Year 2020 funding bills, moving the goal post with significant differences from the President's budget request. The House and Senate returned to their districts for the Memorial Day holiday but will return in June for additional appropriations hearings and debate.

Appropriations Markups

While Congress was out of session for the Memorial Day holiday, congressional staff and stakeholders analyzed progress on the federal appropriations process and current proposed funding levels.

- The House of Representatives' Appropriations Committee has so far introduced 10 out of 12 Fiscal Year (FY) 2020 funding bills, and approved 8 of those bills.
- The Senate plans to begin introducing appropriations bills early next month.
- Thanks to continued advocacy, we are seeing many of the proposed funding levels for FY 2020 to be about the same as the FY 2019 levels, most of which also saw increases in priority areas.
- Many funding increases trigger better chances of receiving grant funding, both through federal programs and state programs that receive federal dollars

Public Safety:

Program	FY 2019 enacted	FY 2020 President's Request	FY 2020 House	FY 2020 Senate	FY 2020 Enacted
Community Oriented Policing Services (COPS)***	\$225.5 million	\$99 million	\$323 million	N/A	N/A
Recidivism/Reentry Grants	\$87.5 million	\$85 million	\$80 million	N/A	N/A
Assistance to Firefighters Grants (AFG)	\$350 million	\$344 million	\$375 million	N/A	N/A
Staffing for	\$350 million	\$344 million	\$375 million	N/A	N/A

Adequate Fire and Emergency Response (SAFER) Grants					
FEMA Pre-Disaster Mitigation Grant Program	\$250 million	\$0	\$250 million	N/A	N/A

PRIORITY LEGISLATION

On May 23 2019 the Legislative Ad-Hoc met to discuss and take positions on the following bills:

- Assembly Bill 1705 (Bonta) – Requires a new Medi-Cal intergovernmental transfer program (IGT) for public ground emergency medical transportation providers (public ambulance providers) that would provide additional payments to these providers in fee-for-service (FFS) Medi-Cal and Medi-Cal managed care (MCMC) plans that is equal to 100% of projected costs. This bill replaces the existing certified public expenditures program used to fund FFS public ground providers with the new IGT-funded program. This bill further exempts public ambulance providers from the Quality Assurance Fee (QAF) and the resulting Medi-Cal add on payments resulting from revenue from the QAF. Requires implementation of the new program to be on July 1, 2021. This bill is sponsored by the California Fire Chiefs Association and the Fire Districts Association of California. **The District has taken a SUPPORT position on this bill.**
- Senate Bill 33 (Wiecowski) - This bill makes a number of changes to law governing accessory dwelling units (ADUs) including a provision that limits impact fees. Local governments can charge a variety of fees to a development. These fees, commonly known as impact or mitigation fees, go toward infrastructure development (such as adding lanes to roads or supporting additional traffic) or other public benefits (such as new parks, schools, or affordable housing). In the wake of the passage of Proposition 13 in 1978 and the loss of significant property tax revenue, local governments have also turned to development fees as a means to generate revenue. Given that California cities have tightly restricted funding sources, fees are one of the few ways cities can pay for the indirect costs of growth. **The District has taken an OPPOSE position on the bill.**

Other priority legislation

- Assembly Constitutional Amendment 1 (Aguilar-Curry)—Proposes amendments to the California Constitution to allow a city, county, or special district, with 55 percent voter approval, to incur bonded indebtedness or impose specified special taxes to fund projects for affordable housing, permanent supportive housing, or public infrastructure. **The District has taken a SUPPORT position on this bill. This bill is currently on the Assembly floor awaiting a floor vote.**
- Assembly Bill 1116 (Grayson) Would create the Firefighter Peer Support and Crisis Referral Services Pilot Program. The bill would, for purposes of the act, define a “peer support team” as a team composed of emergency service personnel, hospital staff, clergy, and educators who have been appointed to the team by a Peer Support Labor-Management Committee, as defined, and who have completed a peer support training course developed and delivered by the California Firefighter Joint Apprenticeship Committee. This bill is sponsored by the California Professional Firefighters and supported by the Fire Districts Association of California.

The District has taken a SUPPORT position on this bill. This bill has cleared the Assembly and is currently in the Senate Rules Committee awaiting assignment to a policy committee.

- Assembly Bill 1486 (Ting) would expand the definition of “local agency” to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. This bill is opposed by the California Special District’s Association. **The District has taken an OPPOSE position. This bill has cleared the Assembly and is currently in the Senate Rules Committee awaiting assignment to a policy committee.**
- Senate Bill 438 (Hertzberg) prohibits a public agency from delegating, assigning, or contracting for 911 call processing or emergency notification duties regarding the dispatch of emergency response resources unless the delegation or assignment is to, or the contract is with, another public agency or made pursuant to a joint powers agreement or cooperative agreement. **The District has taken a SUPPORT position on this bill. This bill passed the Senate floor and is now in the Assembly awaiting referral to a policy committee.**