
MEMORANDUM

To: City of Fullerton
From: Townsend Public Affairs
Date: September 1, 2018
Subject: Monthly Report for the City of Fullerton — August 2018

Legislative Platform	Topic	Specific Activity	Status
FUNDING			
Guiding Principles: Support Funding Opportunities Parks and Recreation: Support funding for the acquisition of additional land in West Coyote Hills.	West Coyote Hills Funding	TPA is working with City staff and Blaise on creating and tracking a funding strategy for West Coyote Hills. <i>Statewide Legislation:</i> With the recall of Senator Newman, SB 714 is now dead. TPA is working with key stakeholders in Sacramento to allocate the \$15 million that was secured in the 2017 State Budget to the City of Fullerton	<i>Statewide Legislation:</i> Assemblymember Quirk Silva was successful in reallocating the \$15 million that was secured in the 2017 State Budget. The funding will be approved by the Department of Finance and must be used to “enhance public access and for other public purposes in the West Coyote Hills area.”
LEGISLATION			
Legislative Action	Pending Legislation	TPA has provided the City with a priority legislative funding matrix and tracker along with draft letters of support and opposition on various bills that are consistent with the priorities adopted in the platform. A comprehensive list of bills as well as the status of letters can be found in the attached legislative matrix.	TPA has provided timely updates on several state federal issues of importance to the City. TPA has provided draft letters of support and opposition and has transmitted signed letters to the appropriate Legislators and Committee staff.

State Political Update

On August 31, the Legislature completed the final year of the 2018-2019 legislative session. There are still over one thousand bills awaiting the Governor’s approval. All bills that were sent to the Governor’s desk will need to be signed or vetoed by September 30. In the final days of the

legislative session, the Legislature took up key topics, including reforming the bail bond system, public safety, a proposed water tax, and wildfire liability. The Legislature is now on Recess and will reconvene in January for the start of the 2019-2020 legislative session.

Wildfire Liability Legislation

In the last year, California has experienced, perhaps, the most devastating wildfire season on record. Billions in damages from the various wildfires have been traced to infrastructure from some of the state's electric utility companies.

One of the major concerns for lawmakers this year has been the potential for destabilization among utility companies. Pacific Gas & Electric Co. (PG&E) has warned that it faces crippling legal liability from the 2017 fires, some of which have been traced to PG&E equipment. Southern California Edison is facing lawsuits from governments and homeowners affected by the Thomas Fire in Southern California.

In March, the Governor called for the legislature to convene a conference committee to put forth legislation to strengthen disaster preparedness and set forth appropriate policies to respond to the potential costs incurred by utilities.

The conference committee used SB 901 (Dodd) as the vehicle to implement any changes agreed to by the committee. In the last week of session, the committee approved a plan that would allow power companies to seek bonds to repay the liabilities from the wildfires. To facilitate repayment of these bonds the companies could charge customers even if the utility was found to be negligent or unreasonable in building, maintaining or operating their equipment.

The language in SB 901 would direct the Public Utilities Commission to charge investors as much as possible without harming ratepayers, such as by forcing utilities into bankruptcy. The commission could then decide whether to allow the utility to pass along the remaining costs to consumers through a surcharge on bills that could potentially last for decades.

The effects of this bill have the potential to increase the cost of electricity to residents as well as on large electricity customers such as water and sanitation districts, cities and industrial manufacturers. SB 901 is expected to be signed into law by the Governor.

Bail Reform Legislation

Over the last two years, Democratic legislators have been working to reform the State's bail system. In 2017, two bills by Assemblymember Rob Bonta (D-Oakland) and Senator Bob Hertzberg (D-Van Nuys) aimed to prevent criminal defendants from having to post money as a condition of release. After intense debate in committee last year both authors agreed to continue working with stakeholders in an effort to build broader support for new legislation in 2018.

Earlier this year, Senator Hertzberg introduced SB 10 to address this issue. Under SB 10 California would become the first state in the nation to eliminate its cash-based bail system. Instead of bail, the new bill orders local courts to create a "risk-based" pre-trial analysis that will be used to determine who is held and who isn't. SB 10 faced an intense debate on the Assembly floor, where even supporters of the legislation acknowledged that there are inherent flaws – such as giving extraordinary discretion to judges. Lawmakers argued that while the legislation is not

perfect, it will be an improvement of the status quo. SB 10 ultimately passed the Assembly and was signed into by the Governor.

Federal Legislative Update

The House stayed in recess throughout the month of August while the Senate conducted limited business and observed a shortened recess of two weeks. In an attempt to rectify the behind-schedule consideration of Fiscal Year 2019 appropriations bills, the Senate passed a minibuss appropriations package containing four of the twelve appropriations bills. The House, having passed fewer bills than the Senate has a longer process ahead of it this fall.

The Senate will encounter additional legislative scheduling delays in September, since Judge Kavanaugh's Supreme Court confirmation hearings are scheduled to begin in the first week of the month. Leading up to the hearings, Democrats have requested extensive documentation from Judge Kavanaugh's time working in the second Bush Administration, and many have called for postponement of the hearings entirely due to recent developments in court cases against Paul Manafort and Michael Cohen. Both efforts could further delay legislative progress in September and force a full or partial continuing resolution.

Budget and Appropriations

In August, the Senate continued to work to advance appropriations legislation to fund the federal government in Fiscal Year 2019 while the House was in recess. So far, none of the 12 traditional spending bills have been signed into law by President Trump. Congressional leaders have begun to package these spending bills together to avoid a government shutdown on October 1, 2018.

The Senate passed a \$875 billion minibuss appropriations bill that covers funding for the Departments of Defense, Health and Human Services, Labor, and Education (approximately 70 percent of total discretionary spending). Most of this funding must also be approved by the House, which has currently proposed significantly different funding levels for the Departments of Labor and Health and Human Services.

Now, all eyes turn to the House as members return from summer recess this month and resume tackling spending bills. Lawmakers are planning an appropriations sprint through September, working to iron out differences between nine House and Senate spending bills before the end of the fiscal year. If appropriators want to stick to that ambitious schedule, they'll have to reach agreements on funding for the Yucca Mountain waste repository, a Veterans Affairs health-care law, family planning groups such as Planned Parenthood, and a series of policy riders on immigration.

City of Fullerton Legislative Priorities

Housing and Economic Development

Legislative Platform: Policy Statements – Land Use Planning and Housing

- *Support housing measures that promote the development and enhancement of safe and affordable housing and accessible housing within the City for all economic segments of the population, while still retaining local control*

- *Support efforts to strengthen the legal and fiscal capability of local agencies to prepare, adopt and implement plans for orderly growth, development, beautification and conservation of local planning areas.*
- *Support local control over the licensure and regulation of alcoholism or drug abuse recovery or treatment facilities.*

Legislative Platform: Policy Statements – Public Works

- *Support the City securing their fair share of funding from SB 1 revenues to fund local transportation projects.*

Sober Living Homes - Federal

Senate leadership is reporting that it may take up an opioid package early in September, to follow the House's bipartisan passage of an opioid package earlier this year. Senate leaders from both parties floated an opioids package recently to gauge support before it's on the floor. The package floated is more modest than the House-passed slate of bills, making fewer changes to Medicare and Medicaid payment rules.

As a reminder, a provision to address abuses in sober living homes was included in the House package. Inclusion of a similar provision in the Senate package would ensure that the provision would be in the final bill.

Local Control Legislation

Legislative Platform: Guiding Principles – Preserve Local Control

- *Preserve and protect the City's powers, duties and prerogatives to enact local legislation and policy direction concerning local affairs and oppose legislation that preempts local authority. Local agencies should preserve authority and accountability for revenues raised and services provided*

Legislative Platform: Policy Statement - Administration

- *Support legislation that facilitates the ability of local government to share resources to increase efficiencies and decrease costs, including local efforts to address regional management of public safety personnel.*
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Legislative Platform: Policy Statement – Public Works

- *Oppose efforts that remove local regulatory authority on wireless infrastructure development.*

AB 1912 (Rodriguez) – Joint Powers Authorities

AB 1912 (Rodriguez), which proposes liability changes as it relates to JPAs, was significantly amended before the July recess. The amendments clarify that this apportionment and financial

reporting of liability only applies when a JPA dissolves, ceases operations, or has its contract with the retirement system terminated. The amendments succeeded in removing opposition from the League of California Cities, the California Special Districts Association, and the California State Association of Counties. This bill is on the Governor's desk.

Fiscal Sustainability

Legislative Platform: Guiding Principles – Promote Fiscal Sustainability

- *Oppose measures that shift local funds to the County, State or Federal Governments and/or make cities more dependent on the County, State or Federal Governments for financial stability, such as unfunded mandates or mandated costs with no guarantee of local reimbursement or offsetting benefits.*

Legislative Platform: Policy Statements – Administration

- *Support local sales and use tax reform to create an equitable distribution structure that appropriately captures and allocates online sales tax.*

State and Local Tax Deduction

On August 23, the Internal Revenue Service and Treasury Department moved to block efforts by lawmakers in California and other Democratic-controlled states to help their residents avoid a new limit on state and local tax deductions.

The proposed rule, which is likely to face legal challenges, targets legislation in those states that would allow taxpayers to claim a charitable deduction for state and local tax payments above the \$10,000 limit set in the tax cuts passed by Congress last year.

The Treasury Department said the legislation being considered in various states amounts to a tax dodge for wealthier Americans. However, the limits on state and local tax deductions is predicted to hurt some middle-class families in California even though the wealthy gain the most benefits from it. Some 6.1 million California residents filed for the deduction in 2015, reducing their federal taxable income by \$18,438 on average, the third highest rate among states.

The IRS will accept comments on the rule through October 11 and then will hold a public hearing on November 5. The rule is likely to be in place by the end of the year.

Water Quality and Water Supply

Legislative Platform: Policy Statements – Water Quality and Water Supply

- *Monitor the development of a State framework for long term water conservation measures.*

Legislative Platform: Guiding Principles – Promote Fiscal Sustainability

- *Oppose measures that shift local funds to the County, State or Federal Governments and/or make cities more dependent on the County, State or Federal Governments for financial stability, such as unfunded mandates or mandated costs with no guarantee of local reimbursement or offsetting benefits.*

An effort in Sacramento to impose a “voluntary” water tax on residents to pay for safe drinking water projects died in the Legislature on the final day of session. After failing to win approval of a mandatory tax on water bills earlier this year, Senator Monning (D-Napa) introduced a new pair of bills that would apply a voluntary levy on ratepayers of less than \$1 per month a few weeks ago. Senate Bill 844 and 845, which were backed by Governor Brown, would have also established a required tax on dairies and fertilizer manufacturers. However, on the final day of session, Assembly Speaker Rendon stated that “a piecemeal funding approach” to the problem “won’t work” and did not allow the legislation to be heard in the Assembly.

The State has reported that more than 1 million residents face potential exposure to unsafe water, largely in low-income communities, without the funding to fix the problems. A 2018 McClatchy investigation similarly found that 360,000 Californians are served by water systems that violate state standards for nitrates, arsenic, uranium and other pollutants. This discussion will continue, and it is anticipated that water tax legislation will be reintroduced next year.

Public Safety

Legislative Platform: Public Safety

- Support measures that encourage community safety and well-being including those which support state and federal reimbursement of homeland security related expenses

In August, the Legislature focused on a wide range of public safety legislation including changes to use of force and public access to law enforcement body camera recordings.

A salient issue in Sacramento this year has been addressing the highly public recent police shootings. In March, police officers in Sacramento fatally shot a young unarmed African American named Stephon Clark. Officers mistook his cellphone for a weapon. After significant public backlash Senator Shirley Weber (D-San Diego) introduced SB 931 which would have changed the rules governing when police officers can use deadly force. In the last week of August, the legislation was held by Senate President pro Tem Toni Atkins who argued the bill needed more dialogue with stakeholders. Assemblymember Weber had hoped this legislation could set a model for the nation, however Senator Toni Atkins argued that while reform is necessary, it would be ill-fated to do so by jeopardizing the safety of law enforcement officers.

In the final hours of the legislative session, AB 478 (Ting) passed the Legislature for the first time. The proposal requires the release of video or audio within 45 days of a critical incident, unless doing so interferes with an investigation. A critical incident is defined as the discharge of a firearm or use-of-force that causes death or great bodily harm. Under current California law, the Public Records Act does not have clear or consistent standards regarding release of these recordings. In April, the Los Angeles Police Commission adopted a policy similar to AB 748. But other departments commonly cite “pending investigation” as a reason to withhold body camera footage, further increasing mistrust. Recordings can show whether or not an officer was in compliance with the law when critical incidents occur and help clear an officer of any perceived wrongdoing. If extra time is needed for an investigation, AB 748 also allows for 30-day delays in the release of footage. The bill is now on the Governor’s desk.