



City Advocate Weekly

LEGISLATION AND POLICY AFFECTING CALIFORNIA CITIES

IN THIS ISSUE:

March 6, 2009
Issue #9-2009

- Page 3: Clean Water Fund Deadline Fast Approaching
- Page 4: Bill Restricting Harmful Local Sales Tax Shifts Moves from Committee
CEC and CDCSD to Host Web Meeting on Energy Funding Opportunities from Federal Stimulus
League Produces Webcast of AB 32 & SB 375 Road Show
- Page 5: Air Resources Board Offering Local Government Assistance AB 32 Workshop – March 9
- Page 6: CDCR to Discharge Deported Criminal Aliens from State Parole
NLC Promotes Mayors' Action Challenge for Children and Families
- Page 7: U.S. EPA Honors California Cities for Energy Star Buildings
Information Requested on City Climate Change Activities
City Attorneys Spring Conference – May 6-8
- Page 8: 2009 Advanced Leadership Workshops - May 29-30
2009 Mayors and Council Members Executive Forum - May 27-29
Welcome to *City Advocate Weekly*
- Page 9: Job Opening? *Western City Magazine* Can Help You Find the Best Candidate
Find a Bill, Legislators, Leg Committee, or Ask League Leg Staff

LEAGUE OPPOSES AB 155: REQUIRES STATE PERMISSION FOR LOCAL BANKRUPTCY

The League is opposing AB 155 (Mendoza – Artesia), which would require local agencies contemplating bankruptcy to first obtain approval from a state-level Local Agency Bankruptcy Committee, established by the bill, before filing for bankruptcy. *For more, see Page 2.*

.....

LAO COMPLETES ANALYSIS OF MAY 19 BUDGET MEASURES

The non-partisan Legislative Analyst's Office (LAO) has posted analyses on its Web site (www.lao.ca.gov) of the six budget measures that must be approved by voters at a special election set for May 19, 2009. *For more, see Page 2.*

.....

LEAGUE UPDATES "CITY FUNDING BOOK" ON FEDERAL ECONOMIC STIMULUS PACKAGE

The League of California Cities is continuing to update the "City Funding Book" released on Feb. 19. The book is intended to guide cities on how to access and apply for federal funds available through the federal American Recovery and Reinvestment Act of 2009 (ARRA), signed by President Barack Obama. *For more, see Page 3.*

'AB 155' Continued from Page 1...

The Committee would consist of the State Controller, the State Treasurer, and the Director of the State Department of Finance. The bill is supported by the California Professional Firefighters, Los Angeles County Fire Fighters Local 1014, and Production Strategies Inc.

The League's concerns focus on why the author believes it is necessary to amend a long-standing statute related to municipal bankruptcy (Chapter 9) and substitute, in a local decision-making process, the judgment of state officials for that of the local officials elected to represent a community.

Cities Not Responsible for State's Poor Credit Rating. An information sheet on the bill prepared by the author's staff argues that the bill is needed to protect against a weakening of the state's credit that might potentially occur if a city were to declare bankruptcy.

We frankly are astonished by this argument. The state today has one of the worst credit ratings in the nation – not due to a city, but due to lack of confidence among major bond rating and financial institutions that the state can't solve its own budget problems.

Further, municipal bankruptcy is rarely used – and when it is used, it is a last resort. Since the adoption of Chapter 9 of the state Bankruptcy Code, 60 years ago in 1949, only two cities have petitioned for its use: the City of Desert Hot Springs in 1994, and last year the City of Vallejo. Municipal bankruptcy is not an attractive alternative for local communities, nor is it an easy process. It is difficult, and certainly not popular with local voters – the ultimate decision-makers at the local level.

State Should Focus on Solving State Budget Problems. The League believes that if the state is concerned about agencies petitioning for bankruptcy, the most important assistance it can provide is to fix its own budget problems quickly, and do so without borrowing, shifting, or taking local revenues. Since 1986 the state budget has been late 22 times – in good economic times and bad. Local agencies working to solve their own budget problems are greatly affected by the uncertainty of whether a state budget will take, borrow or shift funds from local sources.

AB 155 Is A Questionable Solution in Search of a Problem. AB 155 will do nothing to address the factors affecting the state's credit rating. It will insert state elected officials into what is fundamentally a local decision-making process, and substitute the judgment of those state officials for that of the local officials who are elected by a community to manage a city's affairs. Moreover, most cities are doing a good job of managing their affairs.

Status: The bill has been referred to the Assembly Local Government Committee, but has not yet been set for hearing. To view a copy of the League's letter of opposition, visit www.cacities.org/billsearch.

'LAO' Continued from Page 1...

As noted in last week's story about the final budget and trailer bills comprising the budget package, these measures are needed to implement key components of the budget agreement passed two weeks ago.

The following ballot measures comprise this package:

Proposition 1A. State Finance (Budget Reform - Reserve Funds and Spending Cap). Makes major changes to the way in which the state sets aside money in one of its "rainy day" reserve accounts and how this money is spent. Creates a **Budget Stabilization Fund**, which requires the annual deposit of 3 percent of state General Fund (GF) revenues, except when the amount in that fund would exceed 12.5 percent of the GF revenue estimate. Also creates a **state expenditure cap**, limiting the Legislature's ability to withdraw money from the Budget Stabilization Fund to one of three narrowly defined criteria.

If this measure is approved, the duration of tax increases passed as part of the February 2009 budget package would be extended by one to two years. These tax measures include the state sales and use tax, the Vehicle License Fee (VLF), the personal income tax rate, and lowering the dependent tax credit.

Proposition 1B. Education Finance. Contingent upon provisions contained within Proposition 1A (spending cap). If both Proposition 1A and this measure are approved, schools and community colleges will receive supplemental education payments totaling \$9.3 billion in funding obligations to schools commencing in FY 2011-12. These payments are in lieu of designated maintenance factor payments to schools under Prop. 98 for FY 2007-08 and FY 2008-09.

Proposition 1C. Allows the State to Borrow from State Lottery Profits. One of the major components of the state budget package. Makes major changes to increase lottery ticket sales and allow the state to borrow \$5 billion in the 2009-10 fiscal year from future lottery profits.

Proposition 1D. California Children and Families Act: Use of Funds: Services for Children. Temporarily redirects a significant portion of Proposition 10 after-school program funds to achieve budgetary savings and makes permanent changes to state and local commission operations

Proposition 1E. The Mental Health Services Act: Proposition 63 Amendments. Allows for the temporary redirection of some Prop. 63 funds currently used to support mental health services, to be used instead to offset state costs that would otherwise be borne by the General Fund.

Proposition 1F. State Officer Salary Increases. Amends the constitution to prevent the California Citizens Compensation Commission from approving increases in the annual salary of elected state officials in certain cases when the state General Fund is expected to end the year with a deficit.

'Funding Book' Continued from Page 1...

The most recent version is now available on the Federal Economic Stimulus section of the League's Web site (www.cacities.org/federalstimulus). (See also, "Clean Water Fund Deadline Fast Approaching.")

The \$787 billion appropriated in ARRA includes nearly \$355 billion for upgrades to transportation, infrastructure, construction, health care programs, education and housing assistance, and energy efficiency projects; \$144 billion in state and local fiscal relief; and \$288 billion in personal and business tax credits. Applications for some of the funding programs have very tight deadlines, so it is important that cities act quickly to register their city to be eligible for the federal dollars. Please note that the first few pages of the book provide important details on how to do this.

League staff will continue to update the book weekly as more information becomes available.

Clean Water Fund Deadline Fast Approaching

The State Water Resources Control Board has set a **March 24, 2009** deadline to get projects on the Clean Water State Revolving Fund (CWSRF) priority list to apply for funding.

ARRA provides a significant amount of funding for clean water grants and loans through the State's existing CWSRF. Additionally, the California CWSRF is expected to receive approximately \$283 million to fund "shovel ready" projects that will create jobs.

The purpose of the CWSRF program is to implement the federal Clean Water Act and various state laws by providing financial assistance for the construction of facilities or implementation of measures necessary to address water quality problems and to prevent pollution of the waters of the state.

Eligible uses for the funds include construction of publicly-owned wastewater treatment facilities, local sewers, sewer interceptors, water recycling facilities, as well as expanded use projects such as implementation of nonpoint source (NPS) projects or programs, development and implementation of estuary Comprehensive Conservation and Management Plans, and storm water treatment.

Bill Restricting Harmful Local Sales Tax Shifts Moves from Committee

Legislation designed to restrict a practice promoted by some tax consultants where a retailer is provided lucrative sales tax incentive to relocate the situs location of a business, but the physical location of the business is not moved, passed the Senate Local Government Committee on Wednesday.

SB 27 is identical to last year's AB 697, which the League supported after many amendments were taken to ensure the bill had no unintended consequences. That bill was vetoed by the Gov. Arnold Schwarzenegger, among 136 bills he vetoed without any particular stated prejudice, other than in reaction to the budget standoff.

SB 27 would prohibit a city, county, or city and county, including a chartered city or county, from entering into any form of agreement that results, directly or indirectly, in the payment, transfer, diversion or rebate of any amount of Bradley-Burns local sales and use tax proceeds to any person for any purpose when both of the following apply: (1) the agreement results in a reduction in the amount of Bradley-Burns tax proceeds received by another local agency from a retailer within the territorial jurisdiction of that other local agency; and (2) the retailer continues to maintain a physical presence within the territorial jurisdiction of that other local agency.

Currently before the Senate, SB 27, with broad support and no opposition, is expected to find its way to the Governor's desk for signing. A copy of the League support letter can be found on the Bill Search function on the League's Web site (www.cacities.org/billsearch).

CEC and CDCSD to Host Web Meeting on Energy Funding Opportunities from Federal Stimulus

The California Energy Commission (CEC) and the California Department of Community Services and Development (CDCSD) will host a web-based informational meeting on Friday, March 13, from 11 a.m. to 12:30 p.m. State officials will be presenting information about the estimated federal funds that are likely come to California state agencies to support existing and new energy programs and initiatives.

For more information about this briefing and how to participate, please go to:
<http://www.energy.ca.gov/recovery/meetings/>.

Written comments and questions are also welcome before, during and after the March 13 web meeting. Please fill out the on-line form at: <http://www.energy.ca.gov/recovery/contactus/>.

Reinvestment Act of 2009 and estimated funds coming to the California Energy Commission are available at the Energy Commissions California Energy-Related Economic Recovery Web site at: <http://www.energy.ca.gov/recovery>. You are encouraged to register on the Listserv at this Web site to receive the most current information on the federal stimulus.

League Produces Webcast of AB 32 & SB 375 Road Show

League legislative representatives Kyra Ross and Bill Higgins have been traveling the state in recent weeks, with a presentation they created to help city officials understand AB 32 and SB 375, the state's recently enacted landmark climate change and regional planning legislation.

Now city officials everywhere can view this presentation from the comfort of their desks, through a Webcast of the presentation: **"AB 32 & SB 375 Implementation – 2008, 2009 and Beyond."**

The webcast will be available for viewing on the **"Climate Change & SB 375 Updates"** section of the League Web site (<http://www.cacities.org/index.jsp?displaytype=11&story=27615>) next week.

The view the power point slides of the AB 32 & SB 375 Implementation – 2008, 2009 and beyond please visit

http://www.cacities.org/resource_files/27730.AB%2032%20Update%20PPT%2020Feb09.pdf

The League is very grateful to the **City of Roseville** for volunteering their Roseville Community TV Studio Channel 18 Comcast/77 SureWest production studio to videotape and produce the presentation. Special thanks to the team who gave up a Friday night to help with this presentation: Media Specialist Mark Murphy; City of Roseville, Utility Exploration Center; Patty Short: volunteer producer; Brett Van Blaricom: Comcast, manager of the studio; and Jessie Nix, Comcast.

Air Resources Board Offering Local Government Assistance AB 32 Workshop – March 9

On March 9, the California Air Resources Board (ARB) will host a workshop for local government officials on cost-effective strategies to assist local governments in reducing greenhouse gas (GHG) emissions as part of the ARB implementation of the California Global Warming Solutions Act of 2006 (AB 32). The workshop will be held in the Coastal Hearing Room from 9 a.m. to 12 p.m. at the Cal/EPA Headquarters building at 1001 I Street. It will also be available via webcast.

California's Climate Change Scoping Plan encourages local governments to adopt GHG reduction goals consistent with statewide targets to reduce emissions by about 15 percent. In addition, SB 375 sets out a process for achieving these GHG reductions through better land use and transportation planning.

The public workshop will focus on ARB's efforts related to reducing GHG emissions with an overview of local government related climate change activities and how they contribute to the statewide goals of AB 32 and SB 375 implementation.

Participants will receive a Local Government Toolkit which includes important information on cost-saving actions to reduce greenhouse gas emissions including energy efficiency and conservation, renewable energy, green transportation, green building, waste reduction and recycling, water conservation, recycling and reuse, and environmentally preferable purchasing.

The toolkit will also include financial resources and case studies that highlight California local governments that have successfully and profitably reduced GHG emissions. This toolkit is a compendium of guidance and resources to assist local governments to reduce GHG emissions and save money.

You can view the public workshop notice at:

<http://www.arb.ca.gov/cc/localaction/meetings/meetings.htm>. A workshop agenda and presentation will also be posted to this Web site prior to the workshop meeting.

More information on local government activities will be available at ARB's Local Action for Climate Change Emission Reductions Web site at:

www.arb.ca.gov/cc/localaction/localaction.htm

For further information, please contact Dana Papke, staff lead for the Local Government Toolkit, at (916) 324-9615 or dpapke@arb.ca.gov or Annmarie Mora, manager, at (916) 323-1517 or amora@arb.ca.gov.

CDCR to Discharge Deported Criminal Aliens from State Parole

The California Department of Corrections and Rehabilitation (CDCR) is adjusting its parole policy to discharge criminal aliens from state parole after they have been deported by federal authorities. The new discharge policy, being implemented immediately by CDCR's Division of Adult Parole Operations, is expected to reduce the number of parolees returned to state prison for the federal violation of illegally entering the United States.

Under prior CDCR policy, once a criminal alien had served their time for violating California law, and been deported back to their country of origin, CDCR would verify that they were out of the country and the parole division would place them on an agent's caseload, with no active supervision. Under the new policy, those criminal aliens will be discharged from parole. According to CDCR, this change in policy will not affect local law enforcement's ability to search for and arrest these individuals due to their undocumented presence in California. There are existing procedures for law enforcement in California to determine if an individual is in this country illegally. CDCR has stated they are committed to working with local law enforcement in turning these cases over to the federal government for proper adjudication.

The parole discharge plan is expected to save \$10 million annually, helping ease the \$400 million budget cut handed down to CDCR. For more information about this parolee policy change, please visit: <http://www.cdcr.ca.gov/Parole/index.html>.

NLC Promotes Mayors' Action Challenge for Children and Families

Echoing President Obama's inaugural appeal for "a new era of responsibility," the National League of Cities (NLC) is working with mayors across the nation to speak with one collective voice on behalf of the children and families in their cities -- and to hold themselves accountable for improving child and family well-being.

The new Mayors' Action Challenge for Children and Families (www.mayorsforkids.org) calls on mayors to set at least one bold, measurable, locally-defined goal in each of the following areas to ensure that every child has:

- Opportunities to learn and grow;
- A safe neighborhood to call home;
- A healthy lifestyle and environment; and
- A financially fit family in which to thrive.

Founded by 26 of the nation's most prominent mayors and unveiled at NLC's Congress of Cities in November 2008, nearly 100 mayors have already joined the Challenge. These mayors are working hard to cope with the economic crisis, which has highlighted the importance of long-term investments in children and families that serve as the underpinning for local growth and vitality.

Setting Measurable Targets to Ensure Accountability. Following the maxim that "what gets measured gets done," numerous mayors have already established ambitious local benchmarks for measuring progress and are implementing concrete strategies to achieve their goals. As their cities experience severe fiscal strain, they have resolved to work more efficiently by collaborating with other community partners and will develop timetables for evaluation and action to guide local efforts.

To learn more about and sign on to the Mayors' Action Challenge for Children and Families, visit www.mayorsforkids.org. For general questions about the Challenge, contact Michael Karpman at (202) 626-3072 or karpman@nlc.org.

U.S. EPA Honors California Cities for Energy Star Buildings

Once again, California cities are leading the way in sustainability. This week, the U.S. Environmental Protection Agency (EPA) honored the city of Los Angeles for having the most Energy Star buildings – structures that use approximately one-third less energy – in the nation. Leading the way with 25 buildings completed in 2008, L.A. was joined by San Francisco, Riverside, Sacramento and 21 other cities nationwide for U.S. EPA recognition.

Energy Star buildings generally use 35 percent less energy and emit 35 percent less greenhouse gas emissions, commented U.S. EPA Administrator Lisa P. Jackson. According to the U.S. EPA, in 2008 more than 3300 commercial buildings and manufacturing plants earned the Energy Star – EPA's label for high energy efficiency.

To learn more about the Energy Star for buildings and plants, visit <http://www.energystar.gov/>.

To learn more about best practices for green building and energy efficiency, visit the Institute for Local Government's California Climate Action Network at www.ca-ilg.org/climatechange.

Information Requested on City Climate Change Activities

Has your city adopted policies or programs to help reduce greenhouse gases emissions? If so, the Institute for Local Government's California Climate Action Network (CCAN) seeks your participation in a quick, online survey to gather information about local agency activities in any or all of five climate leadership areas: *Civic Engagement, Green Building, Commercial Recycling, Land Use & Community Design, and Efficient Transportation*.

This survey builds upon the information gathered by the Public Policy Institute of California in 2008 and is an opportunity to highlight the good work going on in your community. Survey results will ultimately afford the opportunity to share information among cities and counties.

The CCAN survey is undertaken in cooperation with the California Air Resources Board and the California Integrated Waste Management Board to demonstrate how cities and counties are actively engaged in efforts to reduce greenhouse gases and address climate change. Your city may have previously received the survey by e-mail, but if not, it can be accessed at www.ca-ilg.org/climatechange.

City Attorneys Spring Conference – May 6-8

Registration is now open for the City Attorneys Spring Conference at the Resort at Squaw Creek. This is the premier meeting for attorneys who specialize in municipal law. The sessions are planned to keep municipal attorneys up-to-date on court cases and other municipal law issues. The courses are also approved for MCLE credits.

The program planning committee has put together a plethora of sessions covering a wide range of issues and updates to meet a wide variety of needs. There is a pre-conference session "Writing that works: 20 ways to transform your prose." In addition to the requisite law updates on various issues, there are also sessions on public works contracts; public employee/military reservist issues; public sector insolvencies and bankruptcies; AB 32/SB 375; elimination of bias and much, much more.

Register online today at www.cacities.org/events and scroll down to the May calendar. The registration and housing deadline is Friday, April 10. You must first register online before you will be sent the link to reserve hotel nights.

2009 Advanced Leadership Workshops - May 29-30

The Advanced Leadership Workshops, scheduled May 29-30 at the Paradise Point Hotel and Conference Center in San Diego, are two day workshops that are essential to city officials and staff of all levels. There are three workshops to choose from:

- Workshop 1: Redevelopment: Building Better Communities (Friday), and Economic Development for Cities (Saturday).
- Workshop 2: A Toolbox of Meeting Management and Group Process Skills for Local Elected Officials
- Workshop 3: City Finances – What You Need to Know

These workshops are instructed by leading industry experts and will prove to be highly beneficial to you the attendee and you city.

Register online today at www.cacities.org/events and scroll down to the May calendar and look under the main calendar title for the Mayors and Council Members Executive Forum. The registration and housing deadline is Friday, May 1. You must first register online before you will be sent the link to reserve hotel nights. NOTE: You can only register for one (1) workshop as it continues over two days.

2009 Mayors and Council Members Executive Forum - May 27-29

Register now for the Mayors and Council Members Executive Forum scheduled May 27-29 at the Paradise Point Hotel and Conference Center in San Diego. The educational sessions offered are designed to meet the priorities and needs of elected officials at all levels of their careers, as well as invaluable strategy sessions and networking opportunities.

There are excellent keynote speakers, ranging from past senators to an organizational expert, as well as great networking opportunities with other elected officials and corporate partner companies specializing in goods and services essential to municipal governments.

Your program planning committee has designed sessions to assist your city in recognizing the opportunities that can arise from adversity, tools and solutions to be used during challenging times, lessons to be learned for issues facing California cities and various insights from experts.

Register online today at www.cacities.org/events and scroll down to the May calendar. The registration and housing deadline is Friday, May 1. You must first register online before you will be sent the link to reserve hotel nights.

We look forward to seeing you there!

Welcome to *City Advocate Weekly*

Yes! You are reading the League's weekly newsletter: *City Advocate Weekly*, formerly known as *Priority Focus*.

Why the name change? After discussions with many readers and our staff, we concluded that *City Advocate Weekly* better reflects the purpose and intent of our newsletter. This name change is just one part of the League's effort to better serve its members by updating and streamlining our communications tools. Subscribers will automatically receive *City Advocate Weekly* without having to re-subscribe.

Job Opening? *Western City Magazine* Can Help You Find the Best Candidate

List your job opening in *Western City* magazine. When you advertise your job opportunity in *Western City*, you also receive a Web site posting at no additional charge. Visit www.westerncity.com or call (800) 262-1801 for more information.

In a hurry to get the word out? Place your ad on our Web site today by visiting:
www.westerncity.com/postjobs.

Interim Management Needs?

MuniLink is the League of California Cities' interim management employee directory. Featuring searchable categories of interim resumes, MuniLink is still the best online tool to connect with highly trained municipal veterans eager to meet your agency's needs.

SEARCHING THE ONLINE DIRECTORY IS FREE for agencies looking for products and services, and offers individuals and companies a fast and effective way of connecting with city officials in California.

MuniLink is a joint project of the League, the Institute for Local Government and *Western City* magazine. Proceeds from MuniLink benefit the League's research and advocacy efforts on behalf of cities.

Visit Today! www.cacities.org/munilink

Find a Bill, Legislators, Leg Committee, or Ask League Leg Staff

Visit (and bookmark!) the League's [Legislative Resources](http://www.cacities.org/legresources) Web page (www.cacities.org/legresources). You'll find a roster and contact information for the League's legislative staff; the online Bill Search program, background materials on lobbying your legislators, and more.
