

# PRIORITY FOCUS



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## STATE BUDGET AGREEMENT APPEARS NEAR VOTE

A state budget deal appears close, and is anticipated to come up for vote in both houses this weekend. Details are sketchy, as the bills comprising the budget are still being written. And the deal being discussed could unravel if legislators balk at casting the two-thirds vote necessary in each house for passage. So far information the League has obtained indicates that the final package leaves cities' revenues largely intact, which is very important given the many budget difficulties at the local level. *For more, see Page 2.*

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## AMERICAN RECOVERY AND REINVESTMENT ACT UPDATE

*Bill to Be Sent to President this Weekend*

This week, the United States Senate passed their version of the American Recovery and Reinvestment Act (ARRA). The \$828 billion package passed with a vote of 61-39 after Democratic leaders worked with a small group of moderate Republican members to amend the bill enough to win some republican votes. *For more, see Page 2.*

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## STATE WATER RESOURCES CONTROL BOARD HOLDING WEBCAST ON FEDERAL STIMULUS FUNDS

The State Water Resources Control Board will be holding an Economic Recovery Workshop webcast on Wednesday, Feb. 18 from 1-3 p.m. to discuss potential funding from the federal stimulus for the California Clean Water State Revolving Fund (CWSRF). The webcast will focus on how applicants can prepare for funding and how to apply for the funds. According to CWSRF, fund priorities will be focused on "shovel-ready" projects that will create jobs immediately. *For more, see Page 3.*

**'Budget' Continued from Page 1...**

Preliminary information indicates that the state budget package will not suspend Proposition 1A protections for local property and sales tax, nor will it shift or borrow additional funds from redevelopment agencies. Furthermore, it will preserve local public safety funds (COPS, juvenile justice and booking fees), providing the same allocations as occurred in the 2008-09 budget.

Key elements of the budget package have been widely reported in the press. The \$41.6 billion package is designed to resolve the state's deficit problems for the current and upcoming fiscal years. It consists of **\$15.8 billion in cuts, \$14.3 billion in tax increases, \$10.9 billion in borrowing (lottery and revenue anticipation warrants)**. If California gets \$10 billion in federal stimulus money, cuts would drop by \$1.2 billion, tax increases by \$1.8 billion, and borrowing by \$5.5 billion.

This is not a pleasant state budget by any standard. The budget cuts are deep and painful, particularly coming on top of deep cuts made in February 2008, and in the 2008-09 budget adopted last September. Key cuts include \$5 billion for K-12 education (less than Proposition 98 requires); 10 percent for UC and CSU; 10 percent for the Corrections Department's medical budget; and elimination of cost-of-living increases for CALWorks and SSI-SSP recipients. The budget eliminates two paid holidays for state workers, and continues the Governor's policy of requiring state workers to take two unpaid furlough days each month. (The final number of furlough days is still subject to negotiation.)

The budget also eliminates funding for local public transit agencies.

**New Revenues Tied to Budget Reform.** The package includes tax increases that would be in place for two years, and an additional one to three years if a state spending restriction measure is approved on the ballot. These consist of a 1 cent on the dollar increase in sales tax; increasing vehicle license fees from current 0.65 percent of vehicle value to 1.15 percent; and increasing gasoline taxes by 12 cents a gallon with proceeds dedicated to paying off transportation bonds. A new 2.5 percent surcharge on tax liability would be imposed on the income tax, increasing to 5 percent if federal stimulus assistance to California is less than \$10 billion. The package also reduces tax credit for dependents from \$309 to \$99.

The package borrows tax revenues from Proposition 63 (tax on millionaires for mental health services) and Proposition 10 (tobacco tax for early childhood education program championed by then-actor Arnold Schwarzenegger).

**Ultimately, Voters Have the Final Word.** Voters would have to approve all the budget actions that involve changes in programs established by voter-passed measures. These include borrowing from the **lottery**, reducing school funding required by **Prop. 98** and taking funds from **Prop. 10** and **Prop. 63**. Voters would also have to approve the proposed new spending cap.

The League will continue to gather information and a complete analysis and summary of the budget will be released as the details become available.

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**'Recovery Act' Continued from Page 1...**

Even before the Senate bill was approved, the White House met with Conference Committee members to begin working out the differences between the Senate and House versions. Late Wednesday it was announced that the Conference Committee had agreed to a \$790 billion recovery package. Final votes are expected to take place in the House today followed by the Senate on Saturday. The President is expected to sign the bill on Monday.

**Cities Need to be Working with Their Regional Transportation Agencies**

The final legislation includes \$29 billion for improvements to roads and bridges. While the specific breakdown of funding has not been announced, we do know that the funding will flow through metropolitan planning organizations (MPOs). Cities and counties will not receive a direct allocation. As such, *it is very important that cities are working with their MPO to secure funding from the regional share.*

### **League Members Act to Save Neighborhood Stabilization Account**

On Monday, the League learned that the amendments agreed to in the Senate eliminated funding for the Neighborhood Stabilization Fund (Fund), which cities use to address local foreclosure problems. Rep. Maxine Waters (D-35) circulated a "Dear Colleague" letter sharing and encouraging the Conference Committee to keep the \$4.19 billion for the Fund in the final version of the bill that will be sent to the President. After action from California cities, an additional five California members signed onto the letter, and \$2 billion was restored to the Fund in Conference Committee.

### **California Congressman Suggests Partnering With Schools and Counties**

On Thursday, the Monterey Division of the League received a briefing on the Economic Stimulus Package via conference call with Rep. Sam Farr (D-17). On the call, Rep. Farr stressed the importance that cities do everything in their power to bring as much stimulus money to their region as possible. He suggested that this was the time to put all differences aside and work with other government partners, such as schools and counties, to access every dollar that California can use.

The League is continuing to follow the developments of the ARRA closely, and will continue to release information as soon as it is available. Please visit our Economic Stimulus Updates Web page (<http://www.cacities.org/index.jsp?displaytype=11&story=27580>) for further information.

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#### **'Webcast' Continued from Page 1...**

The CWSRF Program provides low-interest loans and other financing mechanisms for construction of publicly-owned wastewater treatment facilities, local sewers, sewer interceptors, water recycling facilities, storm water treatment facilities, as well as, expanded use projects such as implementation of nonpoint source (NPS) projects or programs, and development and implementation of estuary Comprehensive Conservation and Management Plans (CCMPs).

CWSRF will potentially receive several hundred million dollars from the pending federal Economic Stimulus Package. This webcast is to give potential applicants information on applying and receiving funding from the CWSRF.

To access the webcast, go to: [www.calepa.ca.gov/broadcast/](http://www.calepa.ca.gov/broadcast/) and select the video icon for the SWRCB meeting. The link that goes directly to the meeting will not be added until 15 minutes prior to the start of the workshop.

To submit questions for the workshop, e-mail [CleanWaterSRF@waterboards.ca.gov](mailto:CleanWaterSRF@waterboards.ca.gov). Questions will also be accepted during the webcast. In the subject line of your e-mail, indicate your question is for the Webcast Workshop.

Your system will need to have the following video webcasting system requirements:

- Internet Explorer 4.1+ or Netscape 4.x+ Web browser
- Microsoft Windows Media Player client software
- ISDN, DSL, T1, cable modem or high-speed network connection
- Sound card

For further information, please go to: [www.swrcb.ca.gov](http://www.swrcb.ca.gov) or call Kyra Ross, legislative representative for the League of California Cities at (916) 658-8200.

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### **AB 32 Implementation Update**

*Editor's Note: On Jan. 30, we ran a story on AB 32 Implementation. Since then, we have received a number of questions which prompted us to further clarify our original remarks. Therefore we have revised and updated the story.*

With the passage of the AB 32 Scoping Plan by the California State Air Resources Board (ARB) in December, 2008 (see "Air Board Adopts Climate Change Scoping Plan" – *Priority Focus*, Dec.

12, 2008); we now begin the two-year process to implement the proposals outlined in the plan. On Jan. 29, the ARB provided an updated timeline of those ideas for 2009 and beyond.

In 2009 and 2010, the focus of the climate change work at the ARB and other state agencies will be to adopt regulations implementing the Scoping Plan. ARB plans to continue to use their formal structure of public workshops, draft regulations and formal comment periods for these regulations. Under existing law, the regulations developed in the next two years, will go into effect no later than Jan. 1, 2012.

The key requirements for any regulations developed in this process must meet the following:

- Use open public process for new regulations
- Minimize costs and maximize benefits
- Protect low-income communities
- Complement existing smog and air toxics programs
- Minimize greenhouse gas emission leakage and administrative burdens

The measures listed below are contained within the ARB Scoping Plan and have either been adopted by the ARB or are expected to go before the ARB for adoption in 2009 or 2010. It is important to note that with the exception of city operated landfills (landfill methane control); the measures listed below are not local government mandates. Instead, they are listed here because they are likely to apply to any type of building or facility (including those owned by a city) or raise issues that may affect local decision-making.

| <b>AB 32 Scoping Plan Implementation Measures</b> |                                      |                                                            |                                      |                                               |                                                    |                                                                                                                                                                                                                                                                 |
|---------------------------------------------------|--------------------------------------|------------------------------------------------------------|--------------------------------------|-----------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Scoping Plan Measure</b>                       | <b>Responsible Lead State Agency</b> | <b>Projected Date Measure to be Adopted by Lead Agency</b> | <b>Projected Implementation Date</b> | <b>Million Tons of GhG Reductions by 2020</b> | <b>Type of Action (Regulation, Voluntary, etc)</b> | <b>Proposal and Link to Regulations</b>                                                                                                                                                                                                                         |
| Pavley tailpipe emissions (AB 1493)               | ARB                                  | September 2004                                             | 2009-2016                            | 27.7                                          | Regulation                                         | Requires auto manufacturers to reduce emissions from passenger vehicles starting in 2009.<br><a href="http://www.arb.ca.gov/cc/ccms/ccms.htm">www.arb.ca.gov/cc/ccms/ccms.htm</a>                                                                               |
| Ship Electrification at Ports**                   | ARB                                  | December 2007                                              | 2010                                 | 0.2                                           | Regulation                                         | Requires fleet operators to reduce at-berth emissions from vessels' engines at every California Port by 80 percent by 2020.<br><a href="http://www.arb.ca.gov/ports/shorepower/shorepower.htm">www.arb.ca.gov/ports/shorepower/shorepower.htm</a>               |
| Tire Pressure Program**                           | ARB                                  | March 2009                                                 | 2010                                 | 0.1                                           | Regulation                                         | Would require automotive repair dealers to perform a tire check and inflate service as part of every maintenance or repair service.<br><a href="http://www.arb.ca.gov/cc/tire-pressure/tire-pressure.htm">www.arb.ca.gov/cc/tire-pressure/tire-pressure.htm</a> |
| Low Carbon Fuel Standard**                        | ARB                                  | April 2009                                                 | 2010                                 | 15                                            | Regulation                                         | Would require fuel providers in California to ensure that the mix of fuel they sell into the California market meets low carbon standards.<br><a href="http://www.arb.ca.gov/fuels/lcfs/lcfs.htm">www.arb.ca.gov/fuels/lcfs/lcfs.htm</a>                        |
| Landfill Methane Control**                        | ARB                                  | April 2009                                                 | 2012                                 | 1                                             | Regulation                                         | Would require landfills in California that have accepted waste since 1977 to meet requirements for control of methane emissions.<br><a href="http://www.arb.ca.gov/cc/landfills/landfills.htm">www.arb.ca.gov/cc/landfills/landfills.htm</a>                    |

| AB 32 Scoping Plan Implementation Measures (continued)                                                   |                                                  |                                                     |                               |                                        |                                             |                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|-------------------------------|----------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scoping Plan Measure                                                                                     | Responsible Lead State Agency                    | Projected Date Measure to be Adopted by Lead Agency | Projected Implementation Date | Million Tons of GhG Reductions by 2020 | Type of Action (Regulation, Voluntary, etc) | Proposal and Link to Regulations                                                                                                                                                                                                                                                        |
| Stationary Equipment Refrigeration Management                                                            | ARB                                              | May 2009                                            | 2010                          | 11                                     | Regulation                                  | Would require facilities that own or operate stationary refrigeration or air conditioning systems with high GWP refrigerants of 50 lbs or more to monitor leakage of systems.<br><a href="http://www.arb.ca.gov/cc/reftrack/reftrack.html">www.arb.ca.gov/cc/reftrack/reftrack.html</a> |
| Green Buildings                                                                                          | DGS, ARB, CEC, CPUC, HCD                         | Ongoing                                             | unknown                       | 26                                     | NA                                          | Includes update to state green building standard through the state building standards commission<br><a href="http://www.bsc.ca.gov/prosd_sids/default.htm">http://www.bsc.ca.gov/prosd_sids/default.htm</a>                                                                             |
| Commercial Recycling                                                                                     | CIWMB                                            | 2010                                                | unknown                       | 5                                      | Regulation                                  | Would require businesses that generate solid waste to recycle that waste.<br><a href="http://www.ciwmb.ca.gov/climate/Recycling/default.htm">www.ciwmb.ca.gov/climate/Recycling/default.htm</a>                                                                                         |
| Regional Transportation Related Greenhouse Gas Targets                                                   | ARB, Local Government Regional Planning Agencies | September 2010                                      | Set targets by 2010.          | 5                                      | NA                                          | Set regional emission targets in which metropolitan planning organizations must develop a plan to achieve<br><a href="http://www.arb.ca.gov/cc/rtac/rtac.htm">www.arb.ca.gov/cc/rtac/rtac.htm</a>                                                                                       |
| ARB- California State Air Resources Board                                                                |                                                  |                                                     |                               |                                        |                                             |                                                                                                                                                                                                                                                                                         |
| CEC- California Energy Commission                                                                        |                                                  |                                                     |                               |                                        |                                             |                                                                                                                                                                                                                                                                                         |
| CPUC- California Public Utilities Commission                                                             |                                                  |                                                     |                               |                                        |                                             |                                                                                                                                                                                                                                                                                         |
| DGS- California Department of General Services                                                           |                                                  |                                                     |                               |                                        |                                             |                                                                                                                                                                                                                                                                                         |
| HCD- California Department of Housing and Community Development                                          |                                                  |                                                     |                               |                                        |                                             |                                                                                                                                                                                                                                                                                         |
| ** Discrete Early Action Items are required under AB 32 to be enacted and enforceable by January 1, 2010 |                                                  |                                                     |                               |                                        |                                             |                                                                                                                                                                                                                                                                                         |

A full timeline of all ARB implementation measures can be found at:

[http://www.arb.ca.gov/cc/scopingplan/meetings/012909/sp\\_measures\\_implementation\\_timeline\\_012909.pdf](http://www.arb.ca.gov/cc/scopingplan/meetings/012909/sp_measures_implementation_timeline_012909.pdf)

## CCS Fiscal Reform Task Force Holds First Meeting

State budget reform and restoration of local tax authority were identified as key issues to explore by the newly formed Cities, Counties and Schools (CCS) Partnership Task Force on Fiscal Reform. The group held its first meeting on Feb. 11, chaired by Richard Gordon, immediate past president of the California State Association of Counties (CSAC) and San Mateo County supervisor.

The Task Force is comprised of representatives from the League of California Cities, CSAC, and the California School Boards Association (CSBA). It plans to work over the next months to identify ways to improve California's budget process, its fiscal management and the relationship between the state and local government.

The League is represented on the task force by Ken Cooley, League 1st vice president and Rancho Cordova council member; Terry Henderson, La Quinta council member; Rod Gould, Poway city manager; Bill Statler, director of Finance & Information Technology for the city of San Luis Obispo; Mike Kasperzak, Mountain View council member; Allan Songstad, Laguna Hills council member; Ed Tewes, Morgan Hill city manager; Jim Gray, Roseville council member; and Don Saylor, mayor pro tem of the city of Davis.

In forming its priorities the task force is considering information collected from past studies which have also sought reform. These include the California Constitution Revision Commission, the

Speaker's Commission on State and Local Government Finance, Proposition 1A and the Bipartisan Commission to Review California's Outdated Revenue Laws. (For more information and links to other background materials please visit <http://www.caforward.org/resources>.)

Guest speakers at Wednesday's meeting included Fred Silva, senior policy consultant for California Forward and Jim Wunderman, executive director of the Bay Area Council. Both spoke about the need for reform and their ideas on how to achieve it.

Task force members requested that information such as each participating association's ideas, advocacy papers, and written summaries, be shared with the group, as well as a timeline for completion of the group's goals.

The task force plans to meet on the first Wednesday of each month rotating the meetings among the Sacramento offices of the three associations. The partnership with the next meeting will be held at CSAC.

For more information about the CCS Partnership Task Force on Fiscal Reform, visit [www.ccspartnership.org](http://www.ccspartnership.org) or contact Connie Busse, executive director at (916) 323-6011.

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### **Speed Limit Setting Hearing Scheduled For Feb. 24**

The California Traffic Control Devices Committee (CTCDC) will hold a special hearing to review the on-going issue of speed limit-setting in local communities, and under what circumstances speed limits can be altered to address local safety concerns. Cities are encouraged to attend and provide input on how this issue will impact their transportation and public safety needs.

The meeting will be held on Tuesday, Feb. 24, at the Water Resources Building, located at 1416 9th Street in Sacramento. The agenda notice and a map are available at: <http://www.dot.ca.gov/hq/traffops/signtech/newtech/index.htm>.

For those cities who are not able to attend in person, you are encouraged to send written correspondence expressing your views to Devinder Singh, executive secretary of the CTCDC, at: [Devinder\\_Singh@dot.ca.gov](mailto:Devinder_Singh@dot.ca.gov).

The CTCDC is the vehicle by which the California Department of Transportation fulfills its obligation to consult with local agencies and the public, before adopting rules and regulations prescribing uniform standards and specifications for all official traffic control devices used in California.

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### **PPIC Survey Concerning the Economic Climate for Cities**

California cities will have an important opportunity to make their economic issues and concerns known if they participate in a new survey being conducted by the Public Policy Institute of California (PPIC).

The survey seeks to gather information about cities' adjustment to the current fiscal and economic climate. While there are a range of topics, it is not a long survey, and the League recommends that your city take the time to complete it. Achieving a high response rate is very important for this research, and PPIC will strive to elicit participation from as many cities as possible, since it is important that the views of every type of city are represented in the study.

PPIC will contact city officials and supply a link to the survey questions. Instructions for the survey will also be included, as you can respond to part of the survey and stop and come back to complete it another time. Also, you are free not to answer a particular question or not participate in the survey at all, although the League would greatly encourage participation.

PPIC abides by the strictest human subjects protection policies, and are committed to ensuring the anonymity and confidentiality of respondents. Individuals and names will never be used in a way that links responses to reports or findings or any PPIC publications, unless explicit permission is received from the individuals concerned.

For further questions about the survey, please contact Max Neiman at [neiman@ppic.org](mailto:neiman@ppic.org) at (415) 291-4441 or Daniel Krimm at [krimm@ppic.org](mailto:krimm@ppic.org) at (415) 291-4423.

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### **2009 Employee Relations Institute: Passport to Tomorrow, March 12-13**

Join us for the Employee Relations Institute, scheduled March 12-13 at the Westin San Francisco Airport in Millbrae. We are sure this will be a rewarding event where human resource technicians, specialists and analysts can learn, network, meet a mentor, and become interested in participating in the League of California Cities legislative activities.

You won't want to miss keynote speaker Marty Sklar, imagineering ambassador, Walt Disney Parks & Resorts. Sklar is the only active Disney employee who has participated in the opening of all 11 Disney parks around the world. Additionally, he has written books that guide you through the principles of what each park was built upon. Sklar has been speaking about leadership principles for over 30 years. The Employee Relations Institute has a wonderful and dynamic conference program that you won't want to miss! Register online today at [www.cacities.org/events](http://www.cacities.org/events). The registration and housing **deadline has been extended to Feb. 27**.

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### **2009 League of California Cities Planners Institute - March 25-27**

Register now for the League of California Cities Planners Institute scheduled March 25-27 in Anaheim at the Marriott Hotel and Conference Center. This year's Planners Institute is filled with educational sessions designed to meet the priorities of planning professionals, as well as invaluable strategy sessions and networking opportunities.

This educational event is newly approved for AICP credits from the American Planning Association. For information and AICP credits go to:  
[http://lccannualconference.com/index.php?option=com\\_content&task=view&id=159&Itemid=399](http://lccannualconference.com/index.php?option=com_content&task=view&id=159&Itemid=399)

Don't miss Keynote Speaker Van Jones, the Founder/CEO of Green For All in Oakland. Jones testified before Congress at a hearing on Jan. 15 focused on green jobs and economic stimulus through renewable energy and energy efficiency. Jones' testimony can be read at <http://org2.democracyinaction.org/dia/track.jsp?v=2&c=cCkqRxAAGfD2v3F%2BiyG4oJ8YdQxvCzZa>.

At the hearing, Jones dispelled several myths about green jobs, and urged Congress to "move aggressively from inspiration to implementation" - starting with fully funding the Green Jobs Act. The hearing was held by the Select Committee on Energy Independence and Global Warming, chaired by climate champion Rep. Ed Markey, and focused on creating jobs and stimulating the economy through renewable energy and energy efficiency.

Your program planning committee has sessions for the advanced and beginner planning commissioners.

Fundamental courses include:

- Update on SB 375
- California Environmental Quality Act (CEQA) 101
- Planning Commissioners' Role & Responsibilities
- Finance 101
- Housing Elements and Housing Laws: What every commissioner should know
- How to run a meeting
- How to read an environmental impact report (EIR)

Register online today at [www.cacities.org/events](http://www.cacities.org/events) and scroll down to the March calendar. The registration and housing deadline is Tuesday, March 3. You must first register online before you will be sent the link to reserve hotel nights.

You can save your city money! The Anaheim Marriott Hotel & Convention Center has lowered their housing price from \$189 to \$169 (plus applicable state & local taxes per room night). If you have already registered for the hotel, they will honor the lower price.

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### **City Managers' Department Present Top Awards in Field**

**Rob Braulik**, former assistant city manager for the **City of Rocklin** and **Sean Joyce**, Irvine city manager have been honored with the top awards in their field by the League of California Cities' City Managers' department.

Braulik was named the winner of the **2009 John H. Nail Award**. The award, established in honor and memory of longtime, highly regarded Monterey City Manager John H. Nail, is presented annually to an outstanding municipal assistant who has contributed significantly to city government and to the advancement of the community as a whole. Braulik was honored for his work at the city of Rocklin and recognized for his diverse skills, breadth of experience, problem-solving approach, passion for the community, and positive attitude.

Joyce was named recipient of the **2009 Award for the Advancement of Diverse Communities**. The award was established to honor a city manager who has successfully promoted and encouraged the advancement of diversity within the community and the workplace through the development and implementation of effective programs, policies, and/or practices. Joyce was recognized for being a positive force, his ability to set examples for the community, and the various diversity programs under his direction.

These prestigious awards were presented to Braulik and Joyce at the League's Annual City Managers Department Conference in Monterey on Feb. 5, 2009.

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### **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](http://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.

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