

AGENDA
LEGISLATIVE SUBCOMMITTEE
of the
NAPA COUNTY BOARD OF SUPERVISORS



A Tradition of Stewardship
A Commitment to Service

MONDAY

SEPTEMBER 24, 2012

10:30 A.M.

COUNTY OF NAPA
1195 THIRD STREET • SUITE 310
NAPA, CALIFORNIA

Diane Dillon
Member

Mark Luce
Member

1. CALL TO ORDER; ROLL CALL

2. APPROVE MINUTES

3. PUBLIC COMMENT

In this time period, anyone may address the Legislative Subcommittee of the Napa County Board of Supervisors regarding any subject over which the Subcommittee has jurisdiction but which is not on today's posted agenda. In order to provide all interested parties an opportunity to speak, time limitations shall be at the discretion of the Chair. As required by Government Code, no action or discussion will be undertaken on any item raised during this Public Comment period.

4. LEGISLATIVE UPDATE FROM PAUL YODER AND KAREN LANGE, LEGISLATIVE LOBBYISTS FOR COUNTY OF NAPA

5. SUBCOMMITTEE REPORTS, ANNOUNCEMENTS, AND GENERAL BUSINESS

6. CONSIDERATION OF SENATE AND ASSEMBLY BILLS/STATE ISSUES

a) **SB 1030:** ERAF bill now on governor's desk

b) **AB 2031 (Fuentes):** Now on Governor's desk. Seeks to change the composition of local Community Corrections Partnership groups that oversee the counties' Corrections Performance Incentives Fund that receives state funds (the bill adds a rank-and-file deputy sheriff, a rank-and-file probation officer or deputy probation officer, a rank-and-file social worker, and a counselor employed by a county alcohol and substance abuse program, to be appointed by a local labor organization).

c) **State Ballot Propositions:** Summaries of Propositions 30-40 and list of those supporting/opposing

7. CONSIDERATION OF CONGRESSIONAL LEGISLATION/FEDERAL ISSUES

a) **Pathway Home at Veterans Home:** Letter from Napa Noon Rotary Club asking for funding from all levels to support Pathway Home.

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

ADJOURN TO THE LEGISLATIVE SUBCOMMITTEE OF THE NAPA COUNTY BOARD OF SUPERVISORS REGULAR MEETING ON MONDAY, OCTOBER 8, 2012.

Meeting facilities are accessible to persons with disabilities. Request for disability related modifications or accommodations; aids or services may be made to the clerk of the Board's office no less than 72 hours prior to the meeting date by contacting (707) 253-4580.

November 2012 - Statewide Ballot Measures

PROPOSITIONS:

- 30 – Temporary tax increases: funding education and public safety
 - 31 – Budget reform - state and local government
 - 32 – Campaign finance: political contributions to candidates
 - 33 – Auto insurance: continuous coverage discount
 - 34 – Death penalty: repeal death penalty and work requirement
 - 35 – Human trafficking: expands definition; increases penalties and fines
 - 36 – Three strikes law: reduces some sentences for non-serious/non-violent offenders
 - 37 – Genetically-engineered foods: more stringent labeling requirements; penalties
 - 38 – Temporary tax increase: funding education and early childhood programs
 - 39 – Tax requirements for multi-state businesses: funding clean energy jobs
 - 40 – Referendum on new State Senate district maps
-

PROPOSITION 30:

Temporary taxes to fund education. Guaranteed local public safety funding. Initiative constitutional amendment.

Summary:

- Increases sales and use tax by ¼ cent for four years.
- Increases personal income tax on annual earnings over \$250,000 for seven years.
- Allocates temporary tax revenues - 89% to K-12 schools and 11% to community colleges.
- Bars use of funds for administrative costs, but provides local school governing boards discretion to decide, in open meetings and subject to annual audit, how funds are to be spent.

- Guarantees funding for public safety services realigned from state to local governments.

Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

Additional state tax revenues of about \$6 billion annually from 2012–13 through 2016–17. Smaller amounts of additional revenue would be available in 2011–12, 2017–18, and 2018–19. These additional revenues would be available to fund programs in the state budget. Spending reductions of about \$6 billion in 2012–13, mainly to education programs, would not take effect.

PROPOSAL:

This measure temporarily increases the state sales tax rate for all taxpayers and the personal income tax (PIT) rates for upper-income taxpayers. These temporary tax increases provide additional revenues to pay for programs funded in the state budget. The state's 2012–13 budget plan—approved by the Legislature and the Governor in June 2012—assumes passage of this measure. The budget, however, also includes a backup plan that requires spending reductions (known as “trigger cuts”) in the event that voters reject this measure. This measure also places into the State Constitution certain requirements related to the recent transfer of some state program responsibilities to local governments. Its main components:

Increases Sales Tax Rate From 2013 Through 2016.

This measure temporarily increases the statewide sales tax rate by one-quarter cent for every dollar of goods purchased. This higher tax rate would be in effect for four years—from January 1, 2013 through the end of 2016.

Increases Personal Income Tax Rates From 2012 Through 2018.

This measure increases the existing 9.3 percent PIT rates on higher incomes. The additional marginal tax rates would increase as taxable income increases.

New Tax Revenues Available to Fund Schools and Help Balance the Budget.

The revenue generated by the measure's temporary tax increases would be included in the calculations of the Proposition 98 minimum guarantee—raising the guarantee by billions of dollars each year. A portion of the new revenues therefore would be used to support higher school funding, with the remainder helping to balance the state budget.

Guarantees Ongoing Revenues to Local Governments.

This measure requires the state to continue providing the tax revenues redirected in 2011 (or equivalent funds) to local governments to pay for the transferred program responsibilities. The measure also permanently excludes the sales tax revenues redirected to local governments from the calculation of the minimum funding guarantee for schools and community colleges.

Restricts State Authority to Expand Program Requirements.

Local governments would not be required to implement any future state laws that increase local costs to administer the program responsibilities transferred in 2011, unless the state provided additional money to pay for the increased costs.

Requires State to Share Some Unanticipated Program Costs.

The measure requires the state to pay part of any new local costs that result from certain court actions and changes in federal statutes or regulations related to the transferred program responsibilities.

Eliminates Potential Mandate Funding Liability.

Under the Constitution, the state must reimburse local governments when it imposes new responsibilities or “mandates” upon them. Under current law, the state could be required to provide local governments with additional funding (mandate reimbursements) to pay for some of the transferred program responsibilities. This measure specifies that the state would not be required to provide such mandate reimbursements.

Ends State Reimbursement of Open Meeting Act Costs.

The Ralph M. Brown Act requires that all meetings of local legislative bodies be open and public. In the past, the state has reimbursed local governments for costs resulting from certain provisions of the Brown Act (such as the requirement to prepare and post agendas for public meetings). This measure specifies that the state would not be responsible for paying local agencies for the costs of following the open meeting procedures in the Brown Act.

SUPPORT/OPPOSE

CSAC – support

RCRC – not yet voted

PROPOSITION 31

State budget. State and local government. Initiative constitutional amendment and statute.

Summary:

- Establishes two-year state budget cycle.
- Prohibits Legislature from creating expenditures of more than \$25 million unless offsetting revenues or spending cuts are identified.
- Permits Governor to cut budget unilaterally during declared fiscal emergencies if Legislature fails to act.
- Requires performance reviews of all state programs.
- Requires performance goals in state and local budgets.
- Requires publication of bills at least three days prior to legislative vote.
- Allows local governments to alter how laws governing state-funded programs apply to them, unless Legislature or state agency vetoes change within 60 days.

Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

Decreased state sales tax revenues of about \$200 million annually, with a corresponding increase of funding to certain local governments. Other, potentially more significant changes in state and local spending and revenues, the magnitude of which would depend on future decisions by public officials.

PROPOSAL:

This measure changes certain responsibilities of local governments, the Legislature, and the Governor. It also changes some aspects of state and local government operations. Its main components:

Changes Annual State Budget Process to a Two-Year Process.

This measure changes the state budget process from a one-year (annual) process to a two-year (biennial) process. Every two years beginning in 2015, the Governor would submit a budget proposal for the following two fiscal years.

Restricts Legislature's Ability to Increase State Costs.

This measure requires the Legislature to show how some bills that increase state spending by more than \$25 million in any fiscal year would be paid for with spending reductions, revenue increases, or a combination of both. The requirement applies to bills that create new state departments or programs, expand current state departments or programs, or create state-mandated local programs. Exemptions from these requirements include bills that allow one-time spending for a state department or program, increase funding for a department or program due to increases in workload or the cost of living, provide funding required by federal law, or increase the pay or other compensation of state employees pursuant to a collective bargaining agreement. The measure also exempts bills that restore funding to state programs reduced to help balance the state budget in any year after 2008–09.

Allows Governor to Reduce Spending in Certain Situations.

Under this measure, if the Legislature does not pass legislation to address a fiscal emergency within 45 days, the Governor could reduce some General Fund spending. The Governor could not reduce spending that is required by the Constitution or federal law—such as most school spending, debt service, pension contributions, and some spending for health and social services programs. (These categories currently account for a majority of General Fund spending.) The total amount of the reductions could not exceed the amount necessary to balance the budget. The Legislature could override all or part of the reductions by a two-thirds vote in both of its houses.

Sets Aside Specific Time Period for Legislative Oversight of Public Programs.

Currently, the Legislature oversees and reviews the activities of state and local programs at various times throughout its two-year session. This measure requires the Legislature to reserve a part of its two-year session—beginning in July of the second year of the session—for oversight

and review of public programs. Specifically, the measure requires the Legislature to create a process and use it to review every state-funded program—whether managed by the state or local governments—at least once every five years. While conducting this oversight, the Legislature could not pass bills except for those that (1) take effect immediately (which generally require a two-thirds vote of both houses) or (2) override a Governor’s veto (which also require a two-thirds vote of both houses).

Imposes New State and Local Budgeting Requirements.

Currently, state and local governments have broad flexibility in determining how to evaluate operations of their public programs. This measure imposes some general requirements for state and local governments to include new items in their budgets. Specifically, governments would have to evaluate the effectiveness of their programs and describe how their budgets meet various objectives. State and local governments would have to report on their progress in meeting those objectives.

Allows Local Governments to Develop New Plans.

Under this measure, counties and other local governments (such as cities, school districts, community college districts, and special districts) could create plans for coordinating how they provide services to the public. The plans could address how local governments deliver services in many areas, including economic development, education, social services, public safety, and public health. Each plan would have to be approved by the governing boards of the (1) county, (2) school districts serving a majority of the county’s students, and (3) other local governments representing a majority of the county’s population. Local agencies would receive some funding from the state to implement the plans (as described below).

Allows Local Governments to Alter Administration of State-Funded Programs.

If local governments find that a state law or regulation restricts their ability to carry out their plan, they could develop local procedures that are “functionally equivalent” to the objectives of the existing state law or regulation. Local governments could follow these local procedures—instead of state laws or regulations—in administering state programs financed with state funds. The Legislature (in the case of state laws) or the relevant state department (in the case of state regulations) would have an opportunity to reject these alternate local procedures. The locally developed procedures would expire after four years unless renewed through the same process.

Allows Transfer of Local Property Taxes.

California taxpayers pay about \$50 billion in property taxes to local governments annually. State law governs how property taxes are divided among local government entities in each county. This measure allows local governments participating in plans to transfer property taxes allocated to them among themselves in any way that they choose. Each local government affected would have to approve the change with a two-thirds vote of its governing board.

Shifts Some State Sales Tax Revenues to Local Governments.

Currently, the average sales tax rate in the state is just over 8 percent. This raised \$42.2 billion in 2009–10, with the revenues allocated roughly equally to the state and local governments. Beginning in the 2013–14 fiscal year, the measure would shift a small part of the state’s portion to counties that implement the new plans. This would not change sales taxes paid by taxpayers. The shift would increase revenues of the participating local governments in counties with plans by a total of about \$200 million annually in the near term. The state government would lose a corresponding amount, which would no longer be available to fund state programs. The sales taxes would be allocated to participating counties based on their population. The measure requires a local plan to provide for the distribution of these and any other funds intended to support implementation of the local plan.

SUPPORT/OPPOSE

CSAC – no position

RCRC – not yet voted

PROPOSITION 32

Political contributions by payroll deduction. Contributions to candidates. Initiative statute.

Summary:

- Prohibits unions from using payroll-deducted funds for political purposes. Applies same use prohibition to payroll deductions, if any, by corporations or government contractors.
- Permits voluntary employee contributions to employer-sponsored committee or union if authorized yearly, in writing.
- Prohibits unions and corporations from contributing directly or indirectly to candidates and candidate-controlled committees.
- Other political expenditures remain unrestricted, including corporate expenditures from available resources not limited by payroll deduction prohibition.
- Prohibits government contractor contributions to elected officers or officer-controlled committees.

Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:

Increased costs to state and local government—potentially exceeding \$1 million annually—to implement and enforce the measure’s requirements.

PROPOSAL:

This measure changes state campaign finance laws to restrict state and local campaign spending by:

- Public and private sector labor unions.
- Corporations.

- Government contractors.

These restrictions do not affect campaign spending for federal offices such as the President of the United States and members of Congress. Its main components:

Bans Use of Payroll Deductions to Finance Spending for Political Purposes.

The measure prohibits unions, corporations, government contractors, and state and local government employers from spending money deducted from an employee's paycheck for "political purposes." Under the measure, this term would include political contributions, independent expenditures, member communications related to campaigns, and other expenditures to influence voters. This measure would not affect unions' existing authority to use payroll deductions to pay for other activities, including collective bargaining and political spending in federal campaigns.

Prohibits Political Contributions by Corporations and Unions.

The measure prohibits corporations and unions from making political contributions to candidates. That is, they could not make contributions (1) directly to candidates or (2) to committees that then make contributions to candidates. This prohibition, however, does not affect a corporation or union's ability to spend money on independent expenditures.

Limits Authority of Government Contractors to Contribute to Elected Officials.

The measure prohibits government contractors (including public sector labor unions with collective bargaining contracts) from making contributions to elected officials who play a role in awarding their contracts. Specifically, government contractors could not make contributions to these elected officials from the time their contract is being considered until the date their contract expires.

SUPPORT/OPPOSE

CSAC – not yet voted

RCRC – not yet voted

PROPOSITION 33

Auto insurance companies. Prices based on driver's history of insurance coverage. Initiative statute.

Summary:

- Changes current law to allow insurance companies to set prices based on whether the driver previously carried auto insurance with any insurance company.
- Allows insurance companies to give proportional discounts to drivers with some history of prior insurance coverage.

- Will allow insurance companies to increase cost of insurance to drivers who have not maintained continuous coverage.
- Treats drivers with lapse as continuously covered if lapse is due to military service or loss of employment, or if lapse is less than 90 days.

Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

Probably no significant fiscal effect on state insurance premium tax revenues.

PROPOSAL:

This measure allows an insurance company to offer a "continuous coverage" discount on automobile insurance policies to new customers who switch their coverage from another insurer. Under this measure, continuous coverage generally means uninterrupted automobile insurance coverage with any insurer. Consumers with a lapse in coverage would still be eligible for this discount, however, if the lapse was:

- Not more than 90 days in the past five years for any reason.
- For no more than 18 months in the last five years due to loss of employment resulting from layoff or furlough.
- Due to active military service.

Also, children residing with a parent could qualify for the discount based on their parent's eligibility.

If an insurance company chose to provide such a discount, it would be provided on a proportional basis. The discount would be based on the number of years in the immediate previous five years (rounded to a whole number) that the customer was insured. For example, if a customer was able to demonstrate that he or she had coverage for three of the five previous years, the customer would receive 60 percent of the total continuous coverage discount.

SUPPORT/OPPOSE

CSAC – not yet voted

RCRC – not yet voted

PROPOSITION 34

Death penalty. Initiative statute.

Summary:

- Repeals death penalty as maximum punishment for persons found guilty of murder and replaces it with life imprisonment without possibility of parole.
- Applies retroactively to persons already sentenced to death.

- States that persons found guilty of murder must work while in prison as prescribed by the Department of Corrections and Rehabilitation, with their wages subject to deductions to be applied to any victim restitution fines or orders against them.
- Directs \$100 million to law enforcement agencies for investigations of homicide and rape cases.

Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:

State and county savings related to murder trials, death penalty appeals, and corrections of about \$100 million annually in the first few years, growing to about \$130 million annually thereafter. This estimate could be higher or lower by tens of millions of dollars, largely depending on how the measure is implemented and the rate at which offenders would otherwise be sentenced to death and executed in the future.

One-time state costs totaling \$100 million for grants to local law enforcement agencies to be paid over the next four years.

PROPOSAL:

This measure repeals the state’s current death penalty statute. In addition, it generally requires murderers to work while in prison and provides new state funding for local law enforcement on a limited-term basis. Its main components:

Elimination of Death Sentences.

Under this measure no offender could be sentenced to death by the state. The measure also specifies that offenders currently under a sentence of death would not be executed and instead would be resentenced to a prison term of life without the possibility of parole. This measure also allows the California Supreme Court to transfer all of its existing death penalty direct appeals and habeas corpus petitions to the state’s Courts of Appeal or superior courts. These courts would resolve issues remaining even after changing these sentences to life without the possibility of parole.

Inmate Work Requirement.

Current state law generally requires that inmates—including murderers—work while they are in prison. California regulations allow for some exceptions to these work requirements, such as for inmates who pose too great a security risk to participate in work programs. In addition, inmates may be required by the courts to make payments to victims of crime. This measure specifies that every person found guilty of murder must work while in state prison and have their pay deducted for any debts they owe to victims of crime, subject to state regulations. Because the measure does not change state regulations, existing prison practices related to inmate work requirements would not necessarily be changed.

Establishment of Fund for Local Law Enforcement.

The measure establishes a new special fund, called the SAFE California Fund, to support grants to police departments, sheriffs’ departments, and district attorneys’ offices for the purpose of increasing the rate at which homicide and rapes are solved. For example, the measure specifies

that the money could be used to increase staffing in homicide and sex offense investigation or prosecution units. Under the measure, a total of \$100 million would be transferred from the state General Fund to the SAFE California Fund over four years—\$10 million in 2012–13 and \$30 million in each year from 2013–14 through 2015–16. Monies in the SAFE California Fund would be distributed to local law enforcement agencies based on a formula determined by the state Attorney General.

SUPPORT/OPPOSE

CSAC – not yet voted

RCRC – not yet voted

PROPOSITION 35

Human trafficking. Penalties. Initiative statute.

Summary:

- Increases criminal penalties for human trafficking, including prison sentences up to 15-years-to-life and fines up to \$1,500,000.
- Fines collected to be used for victim services and law enforcement.
- Requires person convicted of trafficking to register as sex offender.
- Requires sex offenders to provide information regarding Internet access and identities they use in online activities.
- Prohibits evidence that victim engaged in sexual conduct from being used against victim in court proceedings.
- Requires human trafficking training for police officers.

Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:

- Increased costs, not likely to exceed a couple million dollars annually, to state and local governments for criminal justice activities related to the prosecution and incarceration of human trafficking offenders.
- Potential one-time local government costs of up to a few million dollars on a statewide basis, and lesser additional costs incurred each year, due to new mandatory human trafficking-related training requirements for law enforcement officers.
- Potential additional revenue from new criminal fines, likely a few million dollars annually, which would fund services for human trafficking victims and for law enforcement activities related to human trafficking.

PROPOSAL:

This measure makes several changes to state law related to human trafficking. Specifically, it (1) expands the definition of human trafficking, (2) increases the punishment for human trafficking

offenses, (3) imposes new fines to fund services for human trafficking victims, (4) changes how evidence can be used against human trafficking victims, and (5) requires additional law enforcement training on handling human trafficking cases. The measure also places additional requirements on sex offender registrants. Its main components:

Expanded Definition of Human Trafficking.

This measure amends the definition of human trafficking under state law. Specifically, the measure defines more crimes related to the creation and distribution of obscene materials depicting minors as a form of human trafficking. For example, duplicating or selling these obscene materials could be considered human trafficking even if the offender had no contact with the minor depicted. In addition, with regard to sex trafficking cases involving minors, prosecutors would not have to show that force or coercion occurred. (This would make state law similar to federal law.)

More Severe Criminal Penalties for Human Trafficking.

This measure increases the current criminal penalties for human trafficking under state law. For example, the measure increases the prison sentence for labor trafficking crimes to a maximum of 12 years per offense, and for sex trafficking of adults to up to 20 years per offense. Sex trafficking of minors that involved force or fraud would be punishable by up to a life term in prison. Figure 1 lists each of the measure's increases in the maximum prison sentences, sentence enhancements, and criminal fines.

In addition, the measure specifies that offenders convicted of human trafficking with previous convictions for human trafficking receive additional five-year prison terms for each of those prior convictions. Under the measure, offenders convicted of human trafficking that resulted in great bodily injury to the victim could be punished with additional terms of up to ten years. The measure also permits criminal courts to impose fines of up to \$1.5 million for human trafficking offenses.

SUPPORT/OPPOSE

CSAC – not yet voted

RCRC – not yet voted

PROPOSITION 36

Three strikes law. Repeat felony offenders. Penalties. Initiative statute.

Summary:

- Revises three strikes law to impose life sentence only when new felony conviction is serious or violent.

- Authorizes re-sentencing for offenders currently serving life sentences if third strike conviction was not serious or violent and judge determines sentence does not pose unreasonable risk to public safety.
- Continues to impose life sentence penalty if third strike conviction was for certain nonserious, non-violent sex or drug offenses or involved firearm possession.
- Maintains life sentence penalty for felons with nonserious, non-violent third strike if prior convictions were for rape, murder, or child molestation.

Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

State savings related to prison and parole operations of \$70 million annually on an ongoing basis, with even higher savings—up to \$90 million annually—over the next couple of decades. These estimates could be higher or lower by tens of millions of dollars depending on future state actions.

One-time state and county costs of a few million dollars over the next couple of years for court activities related to the resentencing of certain offenders.

PROPOSAL:

This measure reduces prison sentences served under the three strikes law by certain third strikers whose current offenses are nonserious, non-violent felonies. The measure also allows resentencing of certain third strikers who are currently serving life sentences for specified nonserious, non-violent felonies. Its main components:

Shorter Sentences for Some Third Strikers.

The measure requires that an offender who has two or more prior serious or violent felony convictions and whose new offense is a nonserious, non-violent felony receive a prison sentence that is twice the usual term for the new offense, rather than a minimum sentence of 25-years-to-life as is currently required. For example, a third striker who is convicted of a crime in which the usual sentence is two to four years would instead receive a sentence of between four to eight years—twice the term that would otherwise apply—rather than a 25-years-to-life term. The measure, however, provides for some exceptions to these shorter sentences. Specifically, the measure requires that if the offender has committed certain new or prior offenses, including some drug-, sex-, and gun-related felonies, he or she would still be subject to a life sentence under the three strikes law.

Resentencing of Some Current Third Strikers.

This measure allows certain third strikers to apply to be resentenced by the courts. The measure limits eligibility for resentencing to third strikers whose current offense is nonserious, non-violent and who have not committed specified current and prior offenses, such as certain drug-, sex-, and gun-related felonies. Courts conducting these resentencing hearings would first determine whether the offender's criminal offense history makes them eligible for resentencing. The court would be required to resentence eligible offenders unless it determines that resentencing the offenders would pose an unreasonable risk to public safety. In determining whether an offender poses such a risk, the court could consider any evidence it determines is

relevant, such as the offender's criminal history, behavior in prison, and participation in rehabilitation programs. The measure requires resentenced offenders to receive twice the usual term for their most recent offense instead of the sentence previously imposed. Offenders whose requests for resentencing are denied by the courts would continue to serve out their life terms as they were originally sentenced.

SUPPORT/OPPOSE

CSAC – not yet voted

RCRC – not yet voted

PROPOSITION 37

Genetically-engineered foods. Labeling. Initiative statute.

Summary:

- Requires labeling on raw or processed food offered for sale to consumers if made from plants or animals with genetic material changed in specified ways.
- Prohibits labeling or advertising such food, or other processed food, as "natural."
- Exempts foods that are: certified organic; unintentionally produced with genetically engineered material; made from animals fed or injected with genetically engineered material but not genetically engineered themselves; processed with or containing only small amounts of genetically engineered ingredients; administered for treatment of medical conditions; sold for immediate consumption such as in a restaurant; or alcoholic beverages.

Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

Increased annual state costs ranging from a few hundred thousand dollars to over \$1 million to regulate the labeling of genetically engineered foods.

Potential, but likely not significant, costs to state and local governments due to litigation resulting from possible violations of the requirements of this measure. Some of these costs would be supported by court filing fees that the parties involved in each legal case would be required to pay under existing law.

PROPOSAL:

This measure makes several changes to state law to explicitly require the regulation of GE foods. Specifically, it (1) requires that most GE foods sold be properly labeled, (2) requires DPH to regulate the labeling of such foods, and (3) allows individuals to sue food manufacturers who violate the measure's labeling provisions. Its main components:

Labeling of Foods.

This measure requires that GE foods sold at retail in the state be clearly labeled as genetically engineered. Specifically, the measure requires that raw foods (such as fruits and vegetables) produced entirely or in part through genetic engineering be labeled with the words “Genetically Engineered” on the front package or label. If the item is not separately packaged or does not have a label, these words must appear on the shelf or bin where the item is displayed for sale. The measure also requires that processed foods produced entirely or in part through genetic engineering be labeled with the words “Partially Produced with Genetic Engineering” or “May be Partially Produced with Genetic Engineering.”

Retailers (such as grocery stores) would be primarily responsible for complying with the measure by ensuring that their food products are correctly labeled. Products that are labeled as GE would be in compliance. For each product that is not labeled as GE, a retailer generally must be able to document why that product is exempt from labeling. There are two main ways in which a retailer could document that a product is exempt: (1) by obtaining a sworn statement from the provider of the product (such as a wholesaler) indicating that the product has not been intentionally or knowingly genetically engineered or (2) by receiving independent certification that the product does not contain GE ingredients. Other entities throughout the food supply chain (such as farmers and food manufacturers) may also be responsible for maintaining these records. The measure also excludes certain food products from the above labeling requirements. For example, alcoholic beverages, organic foods, and restaurant food and other prepared foods intended to be eaten immediately would not have to be labeled. Animal products— such as beef or chicken—that were not directly produced through genetic engineering would also be exempted, regardless of whether the animal had been fed GE crops. In addition, the measure prohibits the use of terms such as “natural,” “naturally made,” “naturally grown,” and “all natural” in the labeling and advertising of GE foods. Given the way the measure is written, there is a possibility that these restrictions would be interpreted by the courts to apply to some processed foods regardless of whether they are genetically engineered.

State Regulation.

The labeling requirements for GE foods under this measure would be regulated by DPH as part of its existing responsibility to regulate the safety and labeling of foods. The measure allows the department to adopt regulations that it determines are necessary to carry out the measure. For example, DPH would need to develop regulations that describe the sampling procedures for determining whether foods contain GE ingredients.

Litigation to Enforce the Measure.

Violations of the measure could be prosecuted by state, local, or private parties. It allows the court to award these parties all reasonable costs incurred in investigating and prosecuting the action. In addition, the measure specifies that consumers could sue for violations of the measure’s requirements under the state Consumer Legal Remedies Act, which allows consumers to sue without needing to demonstrate that any specific damage occurred as a result of the alleged violation.

SUPPORT/OPPOSE
CSAC – not yet voted
RCRC – not yet voted

PROPOSITION 38

Tax to fund education and early childhood programs. Initiative statute.

Summary:

- Increases personal income tax rates on annual earnings over \$7,316 using sliding scale from .4% for lowest individual earners to 2.2% for individuals earning over \$2.5 million, for twelve years.
- During first four years, allocates 60% of revenues to K–12 schools, 30% to repaying state debt, and 10% to early childhood programs. Thereafter, allocates 85% of revenues to K–12 schools, 15% to early childhood programs.
- Provides K–12 funds on school-specific, per-pupil basis, subject to local control, audits, and public input.
- Prohibits state from directing new funds.

Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:

Increase in state personal income tax revenues from 2013 through 2024. The increase would be roughly \$10 billion in 2013–14, tending to increase over time. The 2012–13 increase would be about half this amount.

In each of the initial years, about \$6 billion would be used for schools, \$1 billion for child care and preschool, and \$3 billion for state savings on debt payments. The 2013–14 amounts likely would be higher due to the additional distribution of funds raised in 2012–13.

From 2017–18 through 2024–25, the shares spent on schools, child care, and preschool would be higher and the share spent on debt payments lower.

PROPOSAL:

This measure raises personal income taxes on most California taxpayers from 2013 through 2024. The revenues raised by this tax increase would be spent on public schools, child care and preschool programs, and state debt payments. Its main components are:

Increases PIT rates:

This measure increases state PIT rates on all but the lowest income bracket, effective over the 12-year period from 2013 through 2024. The additional marginal tax rates would increase with each higher tax bracket. For example, for joint filers, an additional 0.7 percent marginal tax rate would be imposed on income between \$34,692 and \$54,754, increasing the total rate to 4.7

percent. Similarly, an additional 1.1 percent marginal tax rate would be imposed on income between \$54,754 and \$76,008, increasing the total rate to 7.1 percent. These higher tax rates would result in higher tax liabilities on roughly 60 percent of state PIT returns. (Personal, dependent, senior, and other tax credits, among other factors, would continue to eliminate all tax liabilities for many lower-income tax filers even if they have income in a bracket affected by the measure's rate increases.) The additional 1 percent rate for mental health services would still apply to income in excess of \$1 million. This measure's rate changes, therefore, would increase these taxpayers' marginal PIT rates from 10.3 percent to as much as 12.5 percent. Proposition 30 on this ballot also would increase PIT rates. The nearby box describes what would happen if both measures are approved. Its main components:

Provides Funds for Public Schools, Early Care and Education (ECE), and Debt Service.

The revenues raised by the measure would be deposited into a newly created California Education Trust Fund (CETF). These funds would be dedicated exclusively to three purposes. As shown in Figure 2, in 2013–14 and 2014–15, the measure allocates 60 percent of CETF funds to schools, 10 percent of funds to ECE programs, and 30 percent of funds to make state debt payments. In 2015–16 and 2016–17, the same general allocations are authorized but a somewhat higher share could be used for state debt payments. This is because beginning in 2015–16, the measure: (1) limits the growth in total allocations to schools and ECE programs based on the average growth in California per capita personal income over the previous five years and (2) dedicates the funds collected above the growth rate to state debt payments. From 2017–18 through 2023–24, up to 85 percent of CETF funds would go to schools and up to 15 percent would go to ECE programs, with revenues in excess of the growth rate continuing to be used for state debt payments.

Cannot Be Amended by the Legislature.

If adopted by voters, this measure could be amended only by a future ballot measure. The Legislature would be prohibited from making any modifications to the measure without voter approval.

Distributes School Funds Through Three Grant Programs.

Proposition 38 requires that CETF school funds be allocated as follows:

Educational Program Grants (70 Percent of Funds). The largest share of funds—70 percent of all CETF school funding—would be distributed based on the number of students at each school. The specific per-student grant, however, would depend on the grade of each student, with schools receiving more funds for students in higher grades. Educational program grants could be spent on a broad range of activities, including instruction, school support staff (such as counselors and librarians), and parent engagement.

Low-Income Student Grants (18 Percent of Funds). The measure requires that 18 percent of CETF school funds be allocated at one statewide rate based on the number of low-income students (defined as the number of students eligible for free school meals) enrolled in each school. As with the educational program grants, low-income student grants could be spent on a broad range of educational activities.

Training, Technology, and Teaching Materials Grants (12 Percent of Funds).

The remaining 12 percent of funds would be allocated at one statewide rate based on the number of students at each school. The funds could be used only for training school staff and purchasing up-to-date technology and teaching materials.

Requires Funds Be Spent at Corresponding School Sites.

Funds received by school districts from this measure must be spent at the specific school whose students generated the funds. In the case of low-income student grants, for example, if 100 percent of low-income students in a school district were located in one particular school, all low-income grant funds would need to be spent at that specific school. As with most other school funding, however, the local governing board would determine how CETF funds are spent at each school site. To ensure that Proposition 38 funds would result in a net increase in funding for all schools, the measure also would require school districts to make reasonable efforts to avoid reducing per-student funding from non-CETF sources at each school site below 2012–13 levels. If a school district reduces the 2012–13 level, it must explain the reasons for the reduction in a public meeting held at or near the school.

Requires School Districts to Seek Public Input Prior to Making Spending Decisions.

Proposition 38 also requires school district governing boards at an open public hearing to seek input from students, parents, teachers, administrators, and other school staff on how to spend CETF school funds. When the governing board decides how to spend the funds, it must explain—publicly and online—how CETF school expenditures will improve educational outcomes and how those improved outcomes will be measured.

Creates Budget Reporting Requirements for Each School.

The measure also includes several reporting requirements for school districts. Most notably, beginning in 2012–13, the measure requires all school districts to create and publish an online budget for each of their schools. The budget must show funding and expenditures at each school from all funding sources, broken down by various spending categories. The state Superintendent of Public Instruction must provide a uniform format for budgets to be reported and must make all school budgets available to the public, including data from previous years. In addition, school districts must provide a report on how CETF funds were spent at each of their schools within 60 days after the close of the school year.

Other Allowances and Prohibitions.

The measure allows up to 1 percent of a school district's allocation to be spent on budgeting, reporting, and audit requirements. The measure prohibits CETF school funds from being used to provide salary or benefit increases unless the increases are provided to other like employees that are funded with non-CETF dollars. The measure also has a provision that prohibits CETF school monies from being used to replace state, local, or federal funding provided as of November 1, 2012.

Establishes Statewide Rating System to Assess the Quality of Individual ECE Programs.

The measure requires the state to implement an “Early Learning Quality Rating and Improvement System” (QRIS) to assess the effectiveness of individual ECE programs. Building on initial work the state already has undertaken, the state would have until January 2014 to develop a scale to evaluate how well programs contribute to children’s social and emotional development and academic preparation. All ECE programs could choose to be rated on this scale, and ratings would be available to the public. The state also would develop a training program to help providers improve their services and increase their ratings. Additionally, Proposition 38 would provide supplemental payments—on top of existing per-child subsidy rates—to child care and preschool programs that achieve higher scores on the QRIS scale.

Provides Preschool to More Children From Low-Income Families.

Proposition 38 expands the number of slots available in state-subsidized preschool programs located in neighborhoods with high concentrations of low-income families. Funding to offer these new slots would only be available to preschool providers with higher quality ratings. Funding would be allocated to providers based on the estimated number of eligible children living in the targeted neighborhoods who do not currently attend preschool. (At least 65 percent of these new slots must be in programs that offer full-day, full-year services.) Program participation would be limited to children meeting existing family income eligibility criteria or living in the targeted neighborhoods regardless of family income, with highest priority given to certain at-risk children (including those in foster care).

Establishes New Program for Infants and Toddlers From Low-Income Families.

Proposition 38 establishes the California Early Head Start (EHS) program, modeled after the federal program of the same name. Up to 65 percent of funding for this program would offer both child care and family support services to low-income families with children ages birth to three. (At least 75 percent of these new slots must be for full-day, full-year care.) At least 35 percent of EHS funding would provide support services for families and caregivers not participating in the child care component of the program. In both cases, family support services could include home visits from program staff, assessments of child development, family literacy programs, and parent and caregiver training.

At Least 30 Percent of Revenues for Debt- Service Relief Through 2016–17.

Until the end of 2016–17, at least 30 percent of Proposition 38 revenues would be used by the state to pay debt-service costs. The measure requires that these funds first be used to pay education debt-service costs (pre-kindergarten through university school facilities). If, however, funds remain after paying annual education debt-service costs, the funds can be used to pay other state general obligation bond debt-service costs.

Limits Growth of School and ECE Allocations Beginning 2015–16, Uses Excess Funds for Debt-Service Payments.

Beginning in 2015–16, total CETF allocations to schools and ECE programs could not increase at a rate greater than the average growth in California per capita personal income over the previous five years. The CETF monies collected in excess of this growth rate also would be used

for state debt payments. (The measure provides an exception for 2017–18, given the changes in the revenue allocations.)

SUPPORT/OPPOSE

CSAC – not yet voted

RCRC – not yet voted

PROPOSITION 39

Tax treatment for multi-state businesses. Clean energy and energy efficiency funding.

Summary:

- Requires multistate businesses to calculate their California income tax liability based on the percentage of their sales in California.
- Repeals existing law giving multistate businesses an option to choose a tax liability formula that provides favorable tax treatment for businesses with property and payroll outside California.
- Dedicates \$550 million annually for five years from anticipated increase in revenue for the purpose of funding projects that create energy efficiency and clean energy jobs in California.

Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:

Approximately \$1 billion in additional annual state revenues—growing over time—from eliminating the ability of multistate businesses to choose how their California taxable income is determined. This would result in some multistate businesses paying more state taxes.

Of the revenue raised by this measure over the next five years, about half would be dedicated to energy efficiency and alternative energy projects.

Of the remaining revenues, a significant portion likely would be spent on public schools and community colleges.

PROPOSAL:

Under this measure, starting in 2013, multistate businesses would no longer be allowed to choose the method for determining their state taxable income that is most advantageous for them. Instead, most multistate businesses would have to determine their California taxable income using the single sales factor method. Businesses that operate only in California would be unaffected by this measure. This measure also includes rules regarding how all multistate businesses calculate the portion of some sales that are allocated to California for state tax purposes. These include a set of specific rules for certain large cable companies. It major components:

Provides Funding for Energy Efficiency and Alternative Energy Projects.

This measure establishes a new state fund, the Clean Energy Job Creation Fund, to support projects intended to improve energy efficiency and expand the use of alternative energy. The measure states that the fund could be used to support: (1) energy efficiency retrofits and alternative energy projects in public schools, colleges, universities, and other public facilities; (2) financial and technical assistance for energy retrofits; and (3) job training and workforce development programs related to energy efficiency and alternative energy. The Legislature would determine spending from the fund and be required to use the monies for cost-effective projects run by agencies with expertise in managing energy projects.

The measure also (1) specifies that all funded projects must be coordinated with CEC and CPUC and (2) creates a new nine-member oversight board to annually review and evaluate spending from the fund.

The Clean Energy Job Creation Fund would be supported by some of the new revenue raised by moving to a mandatory single sales factor. Specifically, half of the revenues so raised—up to a maximum of \$550 million—would be transferred annually to the Clean Energy Job Creation Fund. These transfers would occur for only five fiscal years—2013–14 through 2017–18.

SUPPORT/OPPOSE

CSAC – not yet voted

RCRC – not yet voted

PROPOSITION 40

Redistricting. State Senate districts. Referendum.

Summary:

- A “Yes” vote approves, and a “No” vote rejects, new State Senate districts drawn by the Citizens Redistricting Commission.
- If the new districts are rejected, the State Senate district boundary lines will be adjusted by officials supervised by the California Supreme Court.
- State Senate districts are revised every 10 years following the federal census.

Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:

If the voters vote “yes” and approve the state Senate district maps certified by the Citizens Redistricting Commission, there would be no fiscal effect on state or local governments.

If the voters vote “no” and reject the state Senate district maps certified by the Citizens Redistricting Commission, the state would incur a one-time cost of about \$500,000 to establish new Senate districts. Counties would incur one-time costs of about \$500,000 statewide to develop new precinct maps and related election materials for the new districts.

PROPOSAL:

This referendum allows the voters to approve or reject the Senate district boundaries certified by the Citizens Redistricting Commission. (The Assembly, Board of Equalization, and Congressional district boundaries certified by the commission are not subject to the referendum.) Copies of the certified Senate district maps are included in the back of this voter information guide. A “yes” vote would approve these districts and a “no” vote would reject them.

If Voters Vote “Yes.” The Senate district boundaries certified by the commission would be used until the commission establishes new boundaries based on the 2020 federal census.

If Voters Vote “No.” The California Supreme Court would appoint “special masters” to establish new Senate district boundaries in accordance with the redistricting criteria specified in the Constitution. (In the past, the court has appointed retired judges to serve as special masters.) The court would certify the new Senate district boundaries. The new boundaries would be used in future elections until the commission establishes new boundaries based on the 2020 federal census.

SUPPORT/OPPOSE

CSAC – not yet voted

RCRC – not yet voted



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 3/16/2010
Agenda Placement: 11A

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Lawrance Florin - Director
Community and Intergovernmental Affairs Division
REPORT BY: Michael Karath, STAFF ASSISTANT - BOS - 299-1477
SUBJECT: Support letter for Pathway Home seeking federal funding sources

RECOMMENDATION

Community and Intergovernmental Affairs Manager, on behalf of the Legislative Subcommittee, requests approval of and authorization for the Chair to sign letter of support for The Pathway Home, a veterans residential treatment program in Yountville, which is seeking federal funding sources. (Unanimous vote required)

EXECUTIVE SUMMARY

In 2007, the California Department of Veterans Affairs and the California Veterans Home in Yountville applied for and received a three-year, \$5.6 million grant from the California Community Foundation's Iraq Afghanistan Deployment Impact Fund Direct Service Grants program to create and staff The Pathway Home, an innovative residential treatment center in Yountville for young soldiers suffering from post traumatic stress syndrome (PTSD).

The Pathway Home is an independent program that is managed by the Tides Foundation in San Francisco and overseen by the California Department of Veterans Affairs and the Veterans Home of California in Yountville, where The Pathway Home is housed.

Unfortunately, the grant is nearly exhausted, and The Pathway Home is in danger of closing before the year's end. The California Community Foundation has shifted its focus and is no longer funding PTSD-residential treatment programs. Because of the State's ongoing budget crisis, there is little hope for State funding. Therefore, The Pathway Home is seeking local support letters in its effort to secure federal funding to keep the program alive and sustainable. The Pathway Home is being assisted by U.S. House of Representative Mike Thompson, who is seeking a general allocation in the federal budget as well as helping with other funding opportunities. The Pathway Home is applying for grants with the U.S. Department of Defense and federal Veterans Administration, which has made homelessness prevention a priority. About 16 percent of all The Pathway Home patients are homeless veterans.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In 2007, the California Department of Veterans Affairs and the California Veterans Home in Yountville applied for and received a three-year, \$5.6 million grant from the California Community Foundation's Iraq Afghanistan Deployment Impact Fund Direct Service Grants program to create and staff The Pathway Home, an innovative residential treatment center in Yountville for young soldiers suffering from post traumatic stress syndrome (PTSD).

The Pathway Home is an independent program that is managed by the Tides Foundation in San Francisco and overseen by the California Department of Veterans Affairs and the Veterans Home of California in Yountville, where The Pathway Home is housed.

Unfortunately, the grant is nearly exhausted, and the Pathway Home is in danger of closing before the year's end. The California Community Foundation has shifted its focus and is no longer funding PTSD-residential treatment programs. Because of the State's ongoing budget crisis, there is little hope for State funding. Therefore, The Pathway Home is seeking local support letters in its effort to secure federal funding to keep the program alive and sustainable. The Pathway Home is being assisted by U.S. House of Representative Mike Thompson, who is seeking a general allocation in the federal budget as well as helping with other funding opportunities. The Pathway Home is applying for grants with the U.S. Department of Defense and federal Veterans Administration, which has made homelessness prevention a priority. About 16 percent of all Pathway Home patients are homeless veterans.

The Pathway Home, which opened in 2008, began with the concern that the post-deployment needs of soldiers fighting in the "Wars of Terror" in Iraq and Afghanistan were not being met fully by existing government and nonprofit groups. The goal was to create an independent program that would be a "Center of Excellence" that would provide a comprehensive and state-of-the-art approach to the often complex medical, physical, psychological, spiritual, and transitional issues of post traumatic stress disorder (PTSD) facing these combatants.

The Pathway Home is a residential treatment facility with a total of 38 beds, including four beds for patients transitioning out of the facility. The program has been certified by the California Department of Mental Health for residential treatment. It is an integrated model of care for young soldiers suffering from PTSD who need assistance transitioning from deployment to post-deployment, re-deployment or civilian roles and responsibilities.

The average patient age is 24. Most patients have suffered some level of traumatic brain injury. So far, more than 150 young soldiers have been treated at The Pathway Home. There are nine young soldiers currently on the waiting list.

The Pathway Home gives priority to soldiers who are California residents or who have family living in California. Many current and former patients are from the Bay Area, including Napa and Sonoma. In general, the Pathway Home receives about 73 percent of its patients from federal VA hospitals and about 22 percent from active duty military groups. Some families have placed homeless relatives in the program who suffer from PTSD.

The Pathway Home is unique in that it oftentimes includes the entire family in the treatment and healing process. The program may house spouses, children and other family members of patients for 3 to 10 days. The Pathway Home works in partnership with the federal VA to provide transportation to the facility for family members.

The Pathway Home provides a variety of treatments that are conducted in a group format and lead by health care professionals. The program is tailored to individual needs and lasts from three to five months, depending on treatment needs. The Pathway Home's treatment regimen focuses on reducing fear and anxiety, gaining control over traumatic stress reactions, making sense of combat and other traumatic experiences, functioning better at work, and strengthening family relationships. More specifically, it is a comprehensive program that includes mental health services, group discussions, appropriate medication, physical therapy and exercise, anger management, and other forms of treatment.

SUPPORTING DOCUMENTS

A . The Pathway Home support letter

CEO Recommendation: Approve

Reviewed By: Maiko Klieman



A Tradition of Stewardship
A Commitment to Service

Board of Supervisors

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Diane Dillon
Chair

March 16, 2010

The Honorable Mike Thompson
U.S. House of Representatives
231 Cannon Office Building
Washington, D.C. 20515

Dear Representative Thompson,

The Napa County Board of Supervisors today unanimously endorsed the work of The Pathway Home in Yountville and its efforts to secure federal funding sources to keep its innovative residential treatment program alive for young soldiers suffering from post traumatic stress syndrome (PTSD). The Board respectfully requests your help in assisting The Pathway Home to secure this funding.

The Pathway Home is an independent program that is managed by the Tides Foundation in San Francisco and overseen by the California Dept. of Veterans Affairs and the Veterans Home of California in Yountville, where The Pathway Home is housed. In 2007, the program was created with a three-year, \$5.6 million grant from the California Community Foundation. The funding is now depleted, and The Pathway Home is in danger of closing if new funding is not secured.

The Pathway Home opened its doors in 2008 with the concern that the post-deployment needs of soldiers fighting in the "Wars of Terror" in Iraq and Afghanistan were not being met fully by existing government and nonprofit groups. The goal was to create a "Center of Excellence" that would provide a comprehensive and state-of-the-art approach to the often complex medical, physical, psychological, spiritual, and transitional issues stemming from PTSD. The program has treated nearly 150 young soldiers thus far with priority given to California residents.

In closing, the Napa County Board of Supervisors again respectfully requests your assistance in helping The Pathway Home secure federal funding to continue its critical work.

Sincerely,

Diane Dillon, Chair
Napa County Board of Supervisors

Brad Wagenknecht
District 1

Mark Luce
District 2

Diane Dillon
District 3

Bill Dodd
District 4

Keith Caldwell
District 5

U.S. Rep. Mike Thompson
March 16, 2010
Page 2 of 2

Cc: U.S. Senator Dianne Feinstein
U.S. Senator Barbara Boxer
Senator Patricia Wiggins
Assembly Member Noreen Evans
Napa County Board of Supervisors
Nancy Watt, County Executive Officer
Karen Lange, Peterson Consulting Inc.
California State Association of Counties (CSAC)
Regional Council of Rural Counties (RCRC)