

ITEM 11
LEGISLATIVE UPDATE
2014 LEGISLATION

Commission on State Mandates (Commission) staff continues to monitor legislation for bills that might affect the mandates process. There are no new mandates bills to report at this time.

There are, however, two bills related to existing state-mandated local programs.

AB 1861 (Harkey)

Staff previously reported on this bill at the March 28, 2014 Commission meeting. This bill would appropriate \$7,553,000 from the General Fund to pay for mandate claims for *Voter Identification Procedures*, 03-TC-23, which is currently suspended. This bill would declare that it is to take effect immediately as a Budget Bill. As of the writing of this report, the bill is in the Assembly Committee on Budget.

AB 2343 (Gatto)

Introduced on February 21, 2014, this bill would amend certain sections of the Food and Agriculture Code underlying the state-mandated local program known as *Animal Adoption*, 98-TC-11, and would provide block grant funding through the Department of Public Health for specified purposes. The bill also provides that the block grant constitutes the Constitutionally required funding for the mandated program. As of May 14, 2014, this bill is in the Assembly Local Government Committee.

Budget Committee Hearings

The proposed Commission budget was heard in the Assembly and Senate Budget Subcommittees on March 25 and March 27 respectively. Assembly Budget Subcommittee 4 voted to fund and suspend mandates consistent with the Governor's proposal except for the proposed suspension of *Local Agency Ethics*, 07-TC-04 and *Tuberculosis Control*, 03-TC-14. Senate Budget Subcommittee 4 approved the funded mandates as proposed but rejected suspension of eight election mandates:

- *Absentee Ballots*, CSM-3713
- *Absentee Ballots-Tabulation by Precinct*, 00-TC-08
- *Brendon Maguire Act*, CSM-4357
- *Fifteen-Day Close of Voter Registration*, 01-TC-15
- *Modified Primary Election*, 01-TC-13
- *Permanent Absentee Voters II*, 03-TC-11
- *Voter Identification Procedures*, 03-TC-23
- *Voter Registration Procedures*, 04-LM-04

Senate Subcommittee 4 also approved suspension of *Local Agency Ethics* and placeholder trailer bill language to revise the underlying statutes. The Senate Subcommittee referred *Tuberculosis Control* to Senate Subcommittee 3 on Health and Human Services and approved conformity with action in

that subcommittee. On April 24, 2014, Senate Subcommittee 3 decided to hold open the issue of suspending the *Tuberculosis Control* mandate because the LAO, Administration, and local health offers are in discussions about potential alternatives to suspending this mandate. As of May 14, 2014, Subcommittee 3 has not voted on funding or suspending the *Tuberculosis Control* program.

Budget May Revise

On May 13, 2014, the Governor issued the *May Revision* to his budget that includes the following changes to state-mandated local programs as they were in the initial proposed budget:

Local Government:

- Allots an additional \$100 million to repay a portion of existing mandate reimbursement claims that have been owed to local governments since at least 2004. The state owes counties, cities, and special districts \$900 million in mandate reimbursements for costs incurred prior to 2004 that must be repaid under current law by 2020-21. Proposed trailer bill language would amend Section 17617 of the Government Code to allow appropriation of funds in 2014-15 to accelerate the repayment. Approximately 73 percent of the payment will go to counties, 25 percent to cities, and 2 percent to special districts. A local agency will receive a portion of this payment based on the proportion of total pre-2004 mandate debt owed to that local agency.

School Districts:

- K-12 Mandates Block Grant — An increase of \$1.6 million Proposition 98 General Fund to align mandate block funding with revised ADA estimates. This additional funding is required to maintain statutory block grant funding rates assuming 100 percent program participation.
- K-12 Deferred Mandate Funding— An increase of \$5,000 Proposition 98 General Fund to reflect the addition of five mandates to the mandate claiming process. Specifically, \$1,000 is provided for each of the following new mandates: Parental Involvement Programs (03-TC-16); Williams Case Implementation I, II, and III (05-TC-04,07-TC-06, 08-TC-1); and Developer Fees (02-TC-42). An additional \$1,000 is provided for both the existing Student Records and Graduation Requirements mandates, which were inadvertently omitted from the claims process budget bill item last year.

Community College Districts (CCD):

- CCD Mandates Block Grant — A decrease of \$345,000 Proposition 98 General Fund to align mandate block grant funding with the revised full-time equivalent students estimate.