



CALIFORNIA FARM BUREAU FEDERATION

# FRIDAY REVIEW

LEGISLATIVE AND GOVERNMENTAL UPDATE

February 19, 2010

The Healthy and Safe School Zones Act has been introduced by Sandre Swanson (D –Oakland) that will not allow restricted-use pesticides used for the purposes of production agriculture or a state pest eradication or control program to be applied within one-half mile of a school site within 24 hours of when children are, or will, be present. While there are already precautions taken around schools to insure pesticides are not applied near schools when children are present, a 24 hour limit would curtail application to a short window only on weekends that would not be realistic in dealing with pest outbreaks and re-entry requirements during harvest.

AB 1721 would apply the same 24 hour restriction around schools to all other pesticides applied within one-quarter mile of a school, but it would exempt organic pesticides and pesticides used for any other purpose except production agriculture. Farm Bureau is opposed.

Assemblymember Mariko Yamada (D-Davis) has introduced a measure that creates a multi-tiered approach to the Williamson Act subvention program. The intent of AB 1965 is to provide a graduated level of subventions to counties with higher payments going to California’s most rural counties and those counties with the most enrolled land. The sliding scale would provide counties with 75-65-55-20 percent of their claimed subventions based on the existing formula of \$4.50 per acre of prime farmland and \$0.90 per acre of non-prime land.

The counties that would receive 75 percent of their subventions:

- Colusa (\$568,900)
- Glenn (\$706,730)
- Kings (\$1,804,625)
- Lassen (\$293,265)
- Mariposa (\$138,673)
- Modoc (\$105,071)
- Plumas (\$69,936)
- San Benito (\$517,874)
- Sierra (\$35,848)
- Siskiyou (\$519,634)
- Trinity (\$14,715)

The counties that would receive 55 percent of their subventions:

The counties that would receive 65 percent of their subventions:

- Amador (\$64,477)
- Calaveras (\$117,590)
- Fresno (\$3,282,985)
- Imperial (\$359,344)
- Lake (\$40,149)
- Madera (\$808,157)
- Sutter (\$135,881)
- Tehama (\$573,454)
- Tulare (\$2,060,381)
- Yolo (\$771,843)

More urban counties, and those with little contracted land, would receive 20 percent of their claimed subventions:

Butte (\$320,578)  
Humboldt (\$105,772)  
Kern (\$2,377,574)  
Mendocino (\$249,966)  
Merced (\$699,236)  
Mono (\$32,941)  
Monterey (\$477,887)  
San Joaquin (\$961,307)  
San Luis Obispo (\$544,167)  
Shasta (\$119,651)  
Solano (\$354,412)  
Stanislaus (\$796,459)  
Tuolumne (\$58,182)

Alameda (\$23,002)  
Contra Costa (\$12,549)  
El Dorado (\$7,512)  
Los Angeles (\$7,209)  
Marin (\$19,829)  
Napa (\$16,239)  
Nevada (\$3,124)  
Orange (\$63)  
Placer (\$11,458)  
Riverside (\$40,037)  
Sacramento (\$92,787)  
San Bernardino (\$2,373)  
San Diego (\$14,760)  
San Mateo (\$10,424)  
Santa Barbara (\$116,941)  
Santa Clara (\$ 62,207)  
Santa Cruz (\$4,927)  
Sonoma (\$78,956)  
Ventura (\$58,447)

Unfortunately, due to a drafting error, as introduced the bill would only apply to the fiscal year 2008-09 and those payments were paid to counties last April based on the existing formula. Farm Bureau greatly appreciates Assemblymember Yamada's unwavering vigorous support for the Williamson Act, and this concept may have merit if it significantly reduces the state's overall cost of the program while maintaining the property tax backfill for those counties that need it most.

Senator Pat Wiggins (D-Santa Rosa) has reintroduced SB 1142 that would allow the Department of Conservation (DOC) to use the California Farmland Conservancy Program to pursue Proposition 84 bond funds for flood and habitat conservation easements. These easements would be voluntary easements negotiated by the landowner with local land trusts. In the case of a flood easement, one of the potential restrictions might be a limitation on the planting of permanent crops, although the landowner would understand that going into the agreement. Also, for habitat conservation easements, if there are areas on a farm or ranch that have never been cultivated this bill would allow a new source of funding for conservation easements while allowing landowners to continue to farm or ranch the land surrounding the easement without restriction.

This bill is identical to AB 1180 (2007) and AB 929 (2009) by Assemblymember Sam Blakeslee (R-San Luis Obispo). Farm Bureau worked closely with Assemblymember Blakeslee to secure several amendments to the previous versions of the bill but both were held on the Senate Appropriations Committee's Suspense File. We have not taken a position on SB 1142, although it may be preferable for the DOC to administer these grants rather than the Wildlife Conservation Board (WCB).

With the February 19<sup>th</sup> deadline for bill introductions, a large number of new proposals will be in print next week.

The Senate Budget Committee acted on a number of the governor's proposed "solutions" to the current year's State Budget deficit and added a few of its own sending to the Senate Floor a number of bills to close the \$6.6 billion funding gap. The full Senate subsequently passed and sent to the Assembly a number of the proposals that totaled approximately \$4 billion. Two of the most controversial proposals to repeal the sales tax on fuel and increase the excise tax, known as the Fuel Swap, and the surcharge on

insurance premiums were not considered this week. A table describing the entire package is also provided below. All of the following bills were authored by the Assembly Budget Committee.

[ABX8 1](#) amends the Budget Act of 2009 to redirect \$3.5 million in federal funds within the Department of Public Health from department staffing and administration to health care services for HIV/AIDS patients. This measure was approved 38 to 0.

[ABX8 2](#) provides statutory direction that is intended to have the specified \$2.2 billion of General Fund reductions reflected in the 2010 Budget Act when it is eventually enacted. The bill would result in major savings of nearly \$2.2 billion General Fund in 2010-11, for various programs as follows:

- \$811 million from an unallocated reduction to the Receiver's prison medical care budget.
- \$579.6 million for reduced payroll and operating expenses within state departments and agencies.
- \$228 million related to suspending certain non-education state-mandated local programs.
- \$182 million from scoring the budget year savings related to the Governor's plan to commute the sentences of undocumented felons and turn them over to federal officials for deportation.
- \$140 million related to information technology and related savings by state agencies under the Governor's Reorganization Plan.
- \$98.1 million due to delaying prepayment of other post-employment benefits.
- \$48 million due to policies intended to reduce the number of wards supervised by the Division of Juvenile Justice in part from the early release of wards on their 21st birthday.
- \$45.1 million from shifting the operational costs of forensic labs operated by the Department of Justice from the General Fund to the DNA Identification Fund and will be supported by increased civil and criminal fines (mostly traffic infractions).
- \$28.3 million from additional Medi-Cal anti-fraud activities.
- \$17.4 million in General Fund savings for delaying implementation of the Omnibus Conservatorship and Guardianship Reform Act of 2006 by an additional year.
- \$5 million General Fund savings due to an unallocated\_budget reduction for the Department of Fish and Game.

This measure was approved 23 to 15.

[ABX8 3](#) would increase the existing penalty assessed on criminal offenses and traffic infractions that currently supports the Department of Justice's (DOJ's) implementation of the DNA Fingerprint, Unsolved Crime and Innocence Protection Act of 2004 (Proposition 69). This bill would transfer more than \$497,000 of federal funds from the Federal Trust Fund to the Alcohol Beverage Control Fund. This bill would also state legislative intent relating to the Department of Corrections and Rehabilitation's implementation of spending reductions to its rehabilitative programs enacted as part of the 2009-10 budget. This bill was approved 24 to 14.

[ABX8 4](#) for health and human services enacts statutory changes necessary to achieve savings for the 2010-11 fiscal year. The program savings are as follows:

- \$6 million in 2009-10 and \$69.5 million in 2010-11 as a result of expanding federal eligibility for foster care youth.
- \$60.9 million from the Department of Developmental Services budget in 2010-11 by extending a 3 percent reduction to regional center operations (\$11.2 million savings) and purchase of services (\$49.7 million savings). This reduction has been in place since 2008-09 but is currently scheduled to expire at the end of 2009-10.

This bill was approved 30 to 8.

[ABX8 7](#) which makes statutory changes to two programs, the Beverage Container Recycling Program by reallocating funding for specific programs and the Clean Water State Revolving Fund program to make it consistent with federal funding requirements.

- \$100 million in one-time revenue increase in 2009-10 from beverage distributor CRV payments used to fund recycling programs.
- \$28 million in 2009-10 and \$56 million in 2010-11 in program reductions.
- \$145 million in grants and loan funding opportunities for wastewater infrastructure from federal funding.

This measure passed 30 to 6.

[ABX8 8](#) enacts statutory changes to increase General Fund tax revenues to respond to the Governor’s Proposition 58 Special Session, through a variety of tax "enforcement" proposals. This bill would increase General Fund revenue by more than \$14.5 million in 2009-10 and \$159.8 million in 2010-11, based on estimates provided by the Franchise Tax Board and Board of Equalization, including the following components:

- \$107 million increase in 2010-11 related to extending the sales tax “nexus” to out-of-state sellers, such as Amazon.
- \$32 million increase in 2010-11 related implementing the Financial Institution Records Match system.
- \$14 million in 2009-10 (\$19 million in 2010-11) related to suspending state occupational and professional licenses because of unpaid income tax liabilities.
- \$0.5 million in 2009-10 (\$1.8 million in 2010-11) related to redefining “potentially abusive tax avoidance transactions.”

This bill passed 23 to 15.

[ABX8 10](#) would authorize the one-time use of approximately \$95 million of state tribal gaming compact funds for 2010-11 General Fund relief. This measure was approved 32 to 6.

### 8th Ex. Session: Senate Budget Committee Actions

Source	Type	Department and Issue	Amount (in millions)		
			2009-10	2010-11	2-year total
G-RS	E	Judicial: Delay Implementation of Conservatorship Program	\$0.0	\$17.4	\$17.4
G-SS	AF	Justice: Increase DNA Penalty Assessments for Support of DOJ Forensic Labs	13.7	45.1	58.8
C	R	BOE Revenues, tax enforcement: Sales tax nexus	0.0	107.0	107.0
G-RS/C	R	FTB Revenues: Credit Sharing, Limit NOL	0.0	650.0	650.0

C	R	FTB Revenues, tax enforcement: FIRM	0.0	32.0	32.0
C	R	FTB Revenues, tax enforcement: Abusive tax shelter definition–penalties	0.5	1.8	2.3
C	R	FTB Revenues, tax enforcement: Revoke professional licenses of delinquent taxpayers	14.0	19.0	33.0
G-RS	FS	Cal-Trans: Transfer of Tribal Gaming Compact Revenues to the General Fund	0.0	100.8	100.8
G-SS	AF	Cal-Trans: Fuel Tax Swap: Reduce General Fund for Transportation Debt Service.	219.0	929.1	1,148.1
G-SS	AF	CDF: Emergency Response Initiative: Partial Fund Shift for CDF Fire Protection Program	0.0	200.0	200.0
G-RS	E	Fish & Game: Unallocated reduction	0.0	5.0	5.0
G-SS	E	Medi-Cal — Defer Institutional providers (cost shift)	94.3	-38.5	55.8
G-SS	E	Medi-Cal — Anti-Fraud Initiative	0.0	28.3	28.3
G-SS	E	Developmental Services: Regional Centers—Extend the 3 Percent Provider Payment Reduction through 2010-11	0.0	60.9	60.9
G-SS	FF	Social Services: Expand Federal Eligibility for Foster Care	6.0	69.5	75.5
G-RS	E	Corrections: Reduce Inmate Medical Care Costs	0.0	811.0	811.0
G-RS	E	Corrections: Reduce Division of Juvenile Justice Population	0.0	41.3	41.3
C	E	Corrections: Commutation of sentences (Governor action)	0.0	182.0	182.0
G-RS	E	Local Government Mandates: Suspend <b>Certain Mandates &amp; Defer Payment on Prior Year Claims</b>	0.0	228.0	228.0
G-SS	E	Employee comp: 5% cap on payroll costs	0.0	449.6	449.6
G-SS	E	Employee comp: Delay OPEB pre-payments	0.0	98.1	98.1
G-RS	FS	Other: Miscellaneous Revenues	0.0	450.0	450.0
C	E	Other: OE&E savings resulting from 5% cap on payroll costs	0.0	130.0	130.0
C	E	IT: Statewide IT savings	0.0	40.0	40.0
		<b>TOTAL</b>	<b>\$347.5</b>	<b>\$4,657.4</b>	<b>\$5,004.9</b>
		Subtotals:			

		Expenditure Solutions	\$94.3	\$2,053.1	\$2,147.4
		Federal Funds	6.0	69.5	75.5
		Alternative Funding	232.7	1,174.2	1,406.9
		Fund Shifts and Other Revenues	0.0	550.8	550.8
		Revenues	14.5	809.8	824.3
		<b>Total</b>	<b>\$347.5</b>	<b>\$4,657.4</b>	<b>\$5,004.9</b>
		<b>KEY</b>			
	G-SS	<i>Governor's Budget, Special Session proposal</i>			
	G-RS	<i>Governor's Budget, Regular Session proposal</i>			
	C	<i>Committee proposal</i>			
	E	<i>Expenditure Solutions</i>			
	FF	<i>Federal Funds</i>			
	AF	<i>Alternative Funding</i>			
	FS	<i>Fund Shifts and Other Revenues</i>			
	R	<i>Revenues</i>			