

# 2014 YEAR IN REVIEW



2014

**Rural County Representatives of California**

1215 K Street, Suite 1650, Sacramento, CA 95814  
(916) 447-4806  
rccnet.org  
@RuralCounties



# TABLE OF CONTENTS

**EXECUTIVE SUMMARY ..... 3-5**

**ISSUES & SUBJECT MATTERS ..... 6-44**

- California Forest Watershed Alliance (CAFWA) Creation..... 6
- California Environmental Quality Act (CEQA) ..... 7
- California Land Conservation Act (Williamson Act) ..... 8-9
- Climate Change ..... 10-12
- Drought Assistance ..... 13
- Education..... 14
- Energy ..... 15
- Endangered Species Act (ESA) ..... 16
- Federal Tribal Acknowledgement..... 17-18
- Federal Wildfire Funding..... 19
- Land Use Management and Planning ..... 20
- Medical Marijuana ..... 21-22
- Medi-Cal Reimbursement Rates ..... 23
- Medical Injury Compensation Reform Act (MICRA) Ballot Initiative – Proposition 46 ..... 24
- Mining..... 25-26
- State and Federal Payment in Lieu of Taxes (PILT) ..... 27
- Indian Gaming Special Distribution Fund (SDF) ..... 28
- Solid Waste Management ..... 29-30
- Secure Rural Schools (SRS) ..... 31
- Timber Harvest Plan (THP) Changes..... 32
- Transportation..... 33-34
- Veterans Affairs ..... 35
- Water..... 36-40
  - Bay Delta Conservation Plan (BDCP)..... 36
  - Sustainable Groundwater Management ..... 37
  - Proposition 1 – Water Bond ..... 38

Wetland Area Protection and Dredge and Fill Permitting Policy ..... 39

Waters of the United States (WOTUS) ..... 40

Wildfire Strategy ..... 41-42

Workforce Investment Act Reauthorization..... 43

Other Health and Human Services Issues ..... 44

**FORECAST ..... 45-46**

# 2014 YEAR IN REVIEW

## EXECUTIVE SUMMARY

The *Year in Review* is intended to highlight the significant 2014 actions taken on issues impacting California's rural counties, and to outline the advocacy efforts RCRC Governmental Affairs staff engaged in on behalf of its members. The *Year in Review* aims to provide an overall summary of the most pressing issues of 2014 as they relate to RCRC member counties.

2014 proved to be the year of water, with drought, groundwater management, and the water bond dominating Capitol discussion and California headlines. The ongoing drought led to another catastrophic fire season, prompting RCRC to refocus and redesign its federal forestry reform strategy. Both the State and Federal Payment in Lieu of Taxes (PILT) and the Secure Rural Schools and Community Self Determination Act (SRS) programs once again required significant advocacy efforts, while the need to enact a State framework for medical marijuana led the RCRC Board of Directors to enact new Policy Principles. RCRC also grew its reach and increased its message penetration in 2014 as evidenced by secured media coverage, social media interaction, and overall increased readership of *The Barbed Wire*.

The Governor's official drought declaration led to an outpouring of available resources and information, and RCRC quickly developed a webpage on the RCRC website to feature and highlight specific, member-related economic assistance opportunities. This webpage, accessed [here](#) in the "Hot Issues" section of the website, is continually monitored and updated with the latest news and information related to the ongoing California drought.

A concerted effort by the Administration and the Legislature took place during the latter part of 2014 to develop and enact changes to California's groundwater management law. In



the last days of the 2014 Legislative Session, a three bill package was approved to advance the sustainable management of groundwater. RCRC was actively engaged in these groundwater discussions advocating for our member counties and their role in groundwater management.

Discussions revolving around the repeal of the twice-postponed \$11.1 billion water bond (originally passed in 2009), and its replacement on the November 2014 ballot with a smaller water bond, dominated much of the 2014 Legislative Session. Bipartisan agreement on the water bond provisions was reached mid-August. Proposition 1 – which was approved by 66.8 percent of California voters – authorizes the issuance of bonds in the amount of \$7.545 billion, which includes the reallocation of \$425 million of unissued water-related bonds previously authorized. RCRC was actively engaged in water bond discussions to ensure that key issues important to member counties were appropriately addressed.

Federal forestry reform has been a top priority for RCRC for many years, and 2014 was no different. Early in the year, RCRC strategically identified a disparate group of influential stakeholders to form what has become the California Forest Watershed Alliance (CAFWA). In addition to RCRC, CAFWA members include the Association of California Water Agencies, The Nature Conservancy, the

California Forestry Association, and the California Farm Bureau Federation. CAFWA is a bipartisan, urban-rural coalition of widely disparate entities representing water interests, local governments, the environmental community, agriculture, and the timber industry, created for the sole purpose of promoting the need of increasing the pace and scale of ecologically-based active management in California's forest and watersheds.

This year, CAFWA was successful in placing two opinion editorial pieces related to forest watershed health in the *Sacramento Bee* and the *San Jose Mercury News*. On the advocacy front, RCRC participated in a CAFWA federal lobbying trip to Washington, D.C. to introduce CAFWA to key policymakers, and express its support for S. 1875 of 2014 (Wyden, D-OR), and its companion measure, H.R. 3992 (Simpson, R-ID), known as the Wildfire Disaster Funding Act (W DFA).

In addition to CAFWA, RCRC developed a 2014 Wildfire Strategic Plan, outlining a proactive outreach effort to deliver key messages, mitigate misinformation, articulate the benefits of better forest management, and demonstrate the need for decisive action to prevent further devastation of California's forests, communities, habitat, and air and water quality due to catastrophic wildfires.

In 2014, RCRC worked to secure the more than \$19 million owed by the State to 36 California counties for the State PILT program through an all-out advocacy and media effort. This effort included working to secure funding in the State Budget and through the legislative process. On the legislative front, RCRC sponsored and Senators Lois Wolk (D-Davis) and Jim Nielsen (R-Gerber) authored Senate Bill 1410, legislation that would have paid the past due funds owed for PILT, and continually appropriated funding on an annual basis on monies owed going forward. Although SB 1410 was held in the Senate Appropriations Committee, RCRC is continuing its work with the authors of the legislation and the Administration to resolve the PILT issue. California PILT was established to offset adverse impacts to county property tax revenues that result when the State acquires private property for wildlife management areas.

Regarding Federal PILT, the 113<sup>th</sup> Congress passed and sent to the President H.R. 3979, known as the National Defense Authorization Act (NDAA) in its final days. While the primary purpose of NDAA is to set national defense policy, the measure included a federal lands package which provides a \$70 million appropriation for the Federal Payment in Lieu of Taxes (PILT) program. Additionally, the Congress included \$372 million for Federal PILT in H.R. 83 as part of the Interior Appropriations Bill, bringing total Federal PILT funding to \$442 million – just under historic Federal PILT funding levels.

Secure Rural Schools and Community Self Determination Act (SRS) funding was not reauthorized in the closing days of the 113<sup>th</sup> Congress, and this FY 2014 SRS payments remain in doubt.

The cultivation of marijuana continues to be an issue in rural counties. As a result, the RCRC Board of Directors adopted comprehensive Policy Principles to help guide RCRC staff through what would be a busy 2014 concerning medical marijuana. Two measures, Assembly Bill 1894 by Assembly Member Tom Ammiano (D-San Francisco), and Senate Bill 1262 by Senator Lou Correa (D-Santa Ana), were considered by the Legislature to enact a State regulatory framework for the cultivation, distribution, and sale of medical marijuana. Both bills failed passage in the Legislature. RCRC staff has been communicating the RCRC Board position to those taking the preliminary steps in crafting a legalization measure for the 2016 General Election ballot. Issues relating to the regulation of medical marijuana are expected to re-surface in 2015.

The U.S. Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (Corps) proposal to change the definition of Waters of the United States (WOTUS) under the Clean Water Act (CWA) proved to be even more controversial in 2014. The proposal, which would expand federal jurisdiction over bodies of water that have no significant nexus to federal waters, was opposed by a wide range of stakeholders (including RCRC) and received bipartisan Congressional criticism. RCRC has engaged on the proposed rule since its introduction in April 2014, filing comments and working with various

coalitions to demand that the rule be withdrawn. RCRC also supports Congressional attempts to block the implementation of the rule, should it be adopted, via riders on the Budget bills appropriating funding to EPA and the Corps, although the Administration has already vowed to veto any such bills. Another version of the rule may be released in 2015 in response to public outcry, but will likely still maintain significant expansions of federal jurisdiction.

RCRC and the Environmental Services Joint Powers Authority (ESJPA) continue active regulatory and legislative advocacy for solid waste management on behalf of California's rural counties. RCRC staff was instrumental in obtaining key provisions in this year's organics legislation, Assembly Bill 1826 by Assembly Member Wesley Chesbro (D-Arcata). The legislation requires businesses that generate organic waste to arrange for organic recycling services. The requirement will be phased in based upon amounts generated, and consideration for actual existing infrastructure will be considered during compliance reviews. AB 1826 also requires that jurisdictions implement an organics recycling program for businesses by January 1, 2016, and implement and report to the California Department of Resources Recycling and Recovery (CalRecycle) on education, outreach, and monitoring activities on an annual basis. RCRC was successful in including a provision for a five year temporary exemption for counties with a population of less than 70,000 persons, a total of 19 counties representing just 1.4 percent of the state's waste stream.

RCRC experienced success in defeating Senate Bill 1270 by Senator Fran Pavley (D-Angoura Hills), which sought changes to surface mining permitting and regulation, and would have undermined local land use planning authority. This change could have proven detrimental to the financial health of local governments that operate their own mines for public works projects.

Throughout the year, timely communications were provided to member counties through RCRC's electronic newsletter, *The Barbed Wire*, various social media platforms, and email blasts, when appropriate. RCRC's social media presence (through Facebook and Twitter) grew exponentially this year, exceeding more than 1,000 Twitter followers, and more than doubling Facebook connections. A valuable tool, Twitter allows for direct interaction with legislators, regulatory agencies/leaders, media representatives, stakeholder groups, partners, and industry/issue experts. These interactions further RCRC messages and work product, and help to position RCRC and its members as experts in rural California issues.

In addition to addressing specific policy issues, RCRC continued its mission of providing members of the Board of Directors up-to-date information on a variety of relevant matters during each meeting. RCRC's Annual Meeting highlighted a number of important public policy issues, with top speakers and panelists sharing their expertise. Through all of these efforts, Board Members and their colleagues on their respective Boards of Supervisors engaged firsthand in many public forums, including legislative hearings in the State Capitol, and regulatory agency meetings.

---

## ISSUES & SUBJECT MATTERS

### CALIFORNIA FOREST WATERSHED ALLIANCE CREATION

**Background:** The California Forest Watershed Alliance (CAFWA) was established to bring together key stakeholders with disparate interests, and promotes a common goal of advancing substantial forest and watershed management policy reforms. Coordinated and managed by RCRC, CAFWA is composed of representatives from RCRC, The Nature Conservancy (TNC), Association of California Water Agencies (ACWA), California Forestry Association (CFA), and California Farm Bureau Federation (CFBF). The diversity of CAFWA lends the credibility and political flexibility vital to the advancement of often polarizing forestry issues.

**Significant 2014 Actions:** CAFWA was formed as an alliance of urban and rural organizations dedicated to the restoration and improvement of California's watersheds and forests. The group's initial advocacy effort was the submission of joint comments on the California Water Action Plan (CWAP), encouraging more depth of focus on the connection between forest and watershed health. The coalition has also advocated in support of the Wildfire Disaster Funding Act (WDFSA) and other appropriations opportunities for forestry funding. In November, CAFWA joined together on an advocacy trip to Washington, D.C. to advocate in support of the passage of the WDFSA during the lame duck session of Congress, and to lay the foundation for additional funding for forestry activities in the 2015-16 Federal Budget.

**Public Affairs Efforts:** CAFWA has been successful in receiving several opinion-editorial placements on forestry and watershed issues in publications throughout the state, including the *Sacramento Bee* (2 placements) and the *San Jose Mercury News*. CAFWA media results can be accessed [here](#), on RCRC's "In the News" webpage.

**Staff:** Cyndi Hillery and Justin Caporusso

## CALIFORNIA ENVIRONMENTAL QUALITY ACT

**Background:** The California Environmental Quality Act (CEQA) requires a lead agency to prepare and certify the completion of an Environmental Impact Report (EIR) on a project that may have a significant impact on the environment, or to adopt a Negative Declaration if it finds that the projects will not have a significant impact. CEQA requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant impact on the environment if revisions to the project would avoid or mitigate that impact, and there is no substantial evidence that the project, as revised, would have a significant impact on the environment. CEQA also requires cities and counties to consult with California Native Tribes during the local planning process for the purpose of protecting traditional tribal cultural places.

**2014 Legislation:** In 2014, five of the six CEQA bills opposed by RCRC were either not pursued by the author or were amended to remove RCRC's opposition. The remaining bill of concern to RCRC was Assembly Bill 52 by Assembly Member Mike Gatto (D-San Francisco), which establishes a process for a California Native Tribe to engage in the CEQA review process to avoid significant impacts on tribal cultural resources. In the waning days of the legislative session, both RCRC and the coalition opposing the bill removed their opposition to the measure, and instead took a neutral stance as a result of amendments made to the bill. AB 52 was signed into law by the Governor.

The provisions of AB 52 are applicable to projects that have a Notice of Preparation or a Notice of Negative Declaration filed, or mitigated Negative Declaration, on or after July 1, 2015.

**2014 Regulatory Actions:** Senate Bill 743 by Senator Darrell Steinberg (D-Sacramento) directs the Office of Planning and Research (OPR) to update the CEQA Guidelines to establish new criteria for determining the significance of transportation impacts for projects within residential, mixed-use, and employment center projects located in infill areas served by transit. SB 743 seeks to replace vehicular delay, commonly referred to "Level of Service," as the primary metric for analyzing infill projects' transportation impacts. SB 743 was signed into law by the Governor.

In August, OPR released a preliminary discussion draft of the proposed amendments for public review. The draft proposes using vehicle miles traveled (VMT) as the primary metric for qualifying infill projects. Upon filing with the Secretary of State, the CEQA Guidelines would apply to the analysis of projects located within one-half mile of major transit stops or high quality transit corridors. After January 1, 2016, it would be applicable statewide. The draft has generated a lot of controversy in rural and urban areas alike. RCRC staff shares the concerns of representatives from the Rural County Task Force and county transportation planners, and submitted a comment letter to OPR. RCRC recommended that OPR apply any adopted alternative metric only as a "pilot project" within the transit priority areas in a select few larger metropolitan areas, before rolling it out statewide to all areas outside transit priority areas. Additional case studies and methodologies need to be considered for rural areas before a statewide application is required. OPR plans to review and incorporate changes to the preliminary draft and submit the proposed amended Guidelines to the Resources Agency for the formal rulemaking process.

**Staff:** Kathy Mannion and Mary Pitto

## CALIFORNIA LAND CONSERVATION ACT

**Background:** The California Land Conservation Act of 1965, commonly referred to as the Williamson Act, established a program under which local governments were authorized to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. In return, landowners receive lower property tax assessments based on farming/ranching and open space uses as opposed to full market value.

The Open Space Subvention Act of 1971 provided local governments an annual State subvention to provide for the partial replacement of the foregone property tax revenues. The 2008-09 State Budget reduced the State subvention by 10 percent, and the 2009-10 State Budget essentially eliminated the subvention by reducing the appropriation to \$1,000 statewide. There have been no State subvention payments to counties since 2009.

**2014 Legislation:** RCRC supported two Williamson Act-related bills in 2014. Senate Bill 1353 by Senator Jim Nielsen (R-Gerber) repeals the January 1, 2016 sunset date of the alternative “Williamson Act light” program, thus allowing counties to implement shorter Williamson Act contracts (nine years v. ten years, and 18 years v. 20 years) and to increase the assessed values of Williamson Act land by 10 percent indefinitely. According to the Department of Conservation, eleven counties have chosen to participate in the alternative Williamson Act funding program, including Butte, Kings, Lassen, Madera, Mendocino, Merced, Shasta, Stanislaus, Sutter, Tulare and Yolo. SB 1353 was signed into law by the Governor.

Assembly Bill 2241 by Assembly Member Susan Eggman (D-Stockton) changes the rescission fee when land under a Williamson Act contract or land designated as a farmland security zone (FSZ) enters into a solar-use easement (until January 1, 2020). AB 2241 increases the rescission fee for a Williamson Act contract from 6.25 percent to 10 percent of the fair market value of the property, and decreases the rescission fee for a FSZ contract from 12.5 percent to 10 percent of the fair market value. AB 2241 also allows the county to retain 50 percent of the rescission fee. AB 2241 was signed into law by the Governor.

**Other Significant 2014 Actions:** In 2014, the Williamson Act Coalition (which includes counties, agricultural organizations, and environmental/conservation organizations) conducted an extensive legislative lobbying and media effort to secure funding for the Williamson Act Subvention Program in the State Budget.

In a strong show of legislative support, a letter signed by 32 members of the Senate and Assembly was sent to the Senate and Assembly Budget Committees’ urging inclusion of Williamson Act subvention funding in the State Budget. The Assembly Budget Subcommittee discussed the issue of Williamson Act subventions at a hearing in the latter part of March, and held the item open for future action. The item was not, however, taken up again. Efforts to secure a hearing in the Senate Budget Subcommittee were unsuccessful, as was an attempt to have the item added to the Joint Budget Conference Committee agenda for discussion.

Given the efforts undertaken annually since the subvention payments were eliminated, discussions relating to changes to the Williamson Act in light of the lack of subventions need to be undertaken.

**Public Affairs Efforts:** Leveraging legislative support for the inclusion of Williamson Act subvention funding in the State Budget, RCRC issued a press release and shared both the legislative letter, and the Williamson Act Coalition letter. RCRC's efforts received significant coverage in both local and statewide print and online publications. Williamson Act subvention funding media results can be accessed [here](#), on RCRC's "In the News" webpage.

**Staff:** Kathy Mannion, Justin Caporusso, and Nick Konovaloff

## CLIMATE CHANGE

**Background:** The history of climate change regulation and legislation in California dates as far back as 1988, when Assembly Bill 4420 (Sher) became law, mandating the California Energy Commission to prepare a greenhouse gas (GHG) emissions inventory. The most sweeping climate change legislation came eighteen years later in the form of Assembly Bill 32 (Núñez), also known as the California Global Warming Solutions Act of 2006. AB 32 mandated the California Air Resources Board (CARB) to formulate and implement a comprehensive GHG emissions reduction plan (known as the AB 32 Scoping Plan), including the development of regulations and a Cap-and-Trade auction, to reduce GHG emissions to 1990 levels by the year 2020.

Since the passage of AB 32, climate change mitigation has been a main consideration in most all resource-related regulations and legislation, and climate change continues to drive not only major state policy, but federal policy as well.

**2014 Legislation:** In 2014, the Legislature adopted as part of the State Budget a permanent allocation scheme for Cap-and-Trade auction revenues. This funding system strongly favors urban communities, and makes it very difficult for rural counties to receive benefits from Cap-and-Trade funds. Annually, 35 percent will go to the newly created Transportation, Affordable Housing, and Sustainable Communities program (20 percent for the affordable housing and sustainable communities portion, and 15 percent for transit and intercity rail), 25 percent will fund the California High Speed Rail Authority, and the remaining 40 percent will be appropriated annually for resources, energy, low carbon transportation, and other programs. Despite RCRC's advocacy for a dedicated rural carve-out and funding for forest management projects on U.S. Forest Service (USFS) lands, the State allocated the estimated \$872 million available for the 2014-15 fiscal year as follows:

Program	2014-15
High Speed Rail	\$ 250 million
Transit and Intercity Rail Capital Program	\$ 25 million
Low Carbon Transit Operations	\$ 25 million
Affordable Housing and Sustainable Communities	\$ 130 million
Low Carbon Transportation	\$ 200 million
Weatherization	\$ 75 million
Agricultural Energy and Operational Efficiency	\$ 15 million
Energy Conservation Assistance Act for Public Buildings	\$ 20 million
Water Action Plan—Water-Energy Efficiency (SB 103- has been appropriated)	\$ 40 million
Water Action Plan—Wetlands and Watershed Restoration	\$ 25 million
Sustainable Forests (Reforestation, Forest Management, Fuels Treatment)	\$ 25 million

Sustainable Forests—Urban Forestry	\$ 17 million
Waste Diversion	\$ 25 million
<b>Total</b>	<b>\$ 872 million</b>

**2014 Regulatory Actions:** In 2014, CARB conducted the mandatory 5-year update of the AB 32 Scoping Plan. The draft Scoping Plan released early in the year did not adequately address the need for forest management to preserve carbon sequestration and reduce wildfire incidents. RCRC advocated both at CARB and California Department of Forestry and Fire Protection (CAL FIRE) to encourage the inclusion of more forest-related activities in the final Scoping Plan. As a result of RCRC's efforts, the final Scoping Plan includes the development of the Forest Carbon Plan, a comprehensive plan addressing greenhouse gas mitigation in California's forests, which will be developed by the newly formed Forest Climate Action Team (FCAT). RCRC staff was invited to participate in the FCAT, and has been working with the other members of the team to lay the groundwork for the Forest Carbon Plan.

The discussion draft of the Scoping Plan update also included many provisions to drastically decrease GHGs from the solid waste sector, including elimination of organic material disposal from landfills, additional methane control measures at new and existing landfills, and consideration of including landfills in the Cap-and-Trade Program. RCRC, along with the solid waste industry, advocated that any consideration of additional landfill methane control measures at landfills, and including landfills in the Cap-and-Trade Program, should be put off until there is a full evaluation of the effectiveness of the commercial and organics diversion and the recently enacted methane control measures at landfills. The final Scoping Plan has been delayed until 2016-17 to consider amending the Landfill Methane Regulation and/or moving landfills into the Cap-and-Trade Program. RCRC also advocated that sufficient infrastructure is the key to the success of organics diversion, and that there are funding and permitting challenges to constructing that infrastructure. The final Scoping Plan acknowledged the potential difficulties implementing the proposed measures in the waste management sector, and stressed the importance of incentive funding and inter-agency cooperation on permits and other issues.

Compostable organic waste has been identified as comprising 32 percent of landfilled waste, and as the major contributor to GHG production in landfills. The updated AB 32 Scoping Plan did include elimination of disposal of organic materials at landfills as a priority. A key recommendation in the plan stated that if legislation requiring businesses that generate organic waste to arrange for recycling services is not enacted in 2014, then CARB will initiate regulatory action to prohibit/phase out landfilling of organic materials with the goal of requiring initial compliance actions in 2016.

In addition, the California Natural Resources Agency finalized the Safeguarding California Plan in 2014, which details how the State will mitigate and adapt to the effects climate change will have on the State's communities and ecosystems. Similarly, the U.S. Environmental Protection Agency (EPA) released a policy statement on climate adaptation in June, and finalized 17 programs and regional adaptation implementation plans, which will result in programmatic and policy shifts in various agencies, including EPA, USFS, and the U.S. Fish and Wildlife Service.

Finally, CalEPA formally announced its criteria for disadvantaged communities for dissemination of Cap-and-Trade funds. Senate Bill 535 by Senator Kevin De León (D-Los Angeles), passed in 2012, mandates that 25 percent of the auction proceeds must go to projects that benefit disadvantaged communities. Despite opposition from RCRC and a number of stakeholders statewide, CalEPA has

decided to use a controversial tool developed by the Office of Environmental Health Hazard Assessment (OEHHA) called CalEnviroScreen to determine which communities qualify. Use of CalEnviroScreen excludes nearly all of the northern part of California, many communities in the Bay Area, and much of the eastern part of the state from receiving funds earmarked for disadvantaged communities. RCRC continues to advocate for a more equitable way to identify disadvantaged communities.

**Other Significant 2014 Actions:** A number of State agencies developed programs to award Cap-and-Trade funds for projects to reduce greenhouse gas emissions, including CALFIRE, the Department of Conservation, and the Strategic Growth Council. Those agencies will be accepting grant applications and awarding funds to projects through the end of 2014 and into 2015.

**Staff:** Staci Heaton and Mary Pitto

## DROUGHT ASSISTANCE

**Background:** After historically low rainfalls that left much of California with severe drought conditions, 2013 was recorded as the driest year in the State's history. On January 17, 2014, the Governor declared a statewide drought emergency prompting state and federal officials to increase their efforts and economic assistance opportunities for farmers, ranchers, small businesses, and communities impacted by the drought.

**2014 Legislation:** In February, Governor Brown and legislative leaders announced an emergency drought relief package aimed at increasing State efforts and drought assistance. The measures, Senate Bill 103 and Senate Bill 104, were signed by the Governor just two days after clearing both houses of the Legislature. The \$687.4 million package included funding for drought relief, housing and food assistance, and water conservation improvements.

**Other Significant 2014 Actions:** In September, Governor Brown issued an Executive Order aimed at streamlining efforts to provide drinking water to families who have been impacted by extreme drought conditions.

**Public Affairs Efforts:** Earlier this year, RCRC established a dedicated drought section on the RCRC website designed to keep members informed of the latest news and developments relating to California's drought. RCRC continues to monitor the current drought situation, its impacts to member counties, and ongoing economic assistance opportunities. Drought related information important to RCRC members can be accessed [here](#), on RCRC's "Drought Relief" webpage.

**Staff:** Cyndi Hillery, Kathy Mannion, Justin Caporusso, Santinia Pasquini, and Nick Konovaloff

## EDUCATION

**Background:** RCRC advocates on education issues that focus on ensuring rural students have adequate access to educational opportunities. These issues include increased access to distance learning, vocational education courses, and concurrent enrollment for high school students, as well as any efforts to bring equality and stability to the Home-to-School Transportation (HTST) program.

The HTST program began in 1947, and reimburses school districts for a share of transportation expenses. However, current districts' funding levels have been locked in at the rates they received in the early 1980s with no adjustments for increases in costs or enrollment numbers. The current HTST allocation formula is outdated, inequitable, and based upon antiquated population data, school district size, and geography, whereby one school district may receive less than 10 percent funding, while an adjacent district may receive more than 30 percent.

Additionally, HTST allocations are based on historical participation, and some school districts are excluded from receiving HTST funding altogether. With transportation costs only partially funded by the State, the remaining costs are incurred by the school district, causing a tremendous hardship for small and rural school districts that need to transport students across long distances.

**2014 Legislative Actions:** In 2014, the Legislature attempted to address inequities with the HTST program. RCRC supported Senate Bill 1166 by Senator Andy Vidak (R-Hanford) and Senate Bill 1137 by Senator Norma Torres (D-Pomona), which sought to equalize the funding formula for HTST.

SB 1166 would have provided each school district with 100 percent reimbursement for HTST costs. Despite Republican support, this measure was thwarted, and the Legislature opted to proceed with SB 1137, which would have reimbursed school districts for 50 percent of their approved transportation costs. Unfortunately, both measures failed passage in the Legislature.

RCRC strongly supported SB 1137 and SB 1166 and will continue to work towards policy that equalizes HTST and provides a higher level of reimbursement to ensure rural school districts get their fair share of funding.

**Staff:** Cyndi Hillery and Santinia Pasquini

## ENERGY

**Background:** The Solar Rights Act of 1978 (Solar Rights Act) was updated in 2004 to declare that solar energy system installation is a matter of statewide concern. The Solar Rights Act also made a local government's grant of permission to install a solar energy system ministerial rather than discretionary, unless the permitting agency has good cause to believe doing so would cause an adverse impact on public health and/or safety, in which case an application for a discretionary permit may be required.

**2014 Legislation:** RCRC opposed Assembly Bill 2188 by Assembly Member Muratsuchi (D-Torrance), which requires every city and county to adopt, on or before September 30, 2015, an ordinance that creates an expedited permitting process for small, residential rooftop solar energy systems. AB 2188 also alters the definition of what is a reasonable restriction on a solar energy system, and makes additional changes to the Solar Rights Act. AB 2188 was signed into law by the Governor.

While amendments taken during the last weeks of the legislative session provided greater flexibility for local jurisdictions, RCRC remained in opposition to the bill, as AB 2188 requires every city and county to adopt an ordinance and comply with the related requirements, irrespective of the demand for small residential rooftop solar permits, and any evidence demonstrating delays in issuing installation permits.

**Public Affairs Efforts:** RCRC members testified in opposition to AB 2188, and RCRC issued a press release outlining our position, and reinforcing our testimony. AB 2188 media results can be accessed [here](#), on RCRC's "In the News" webpage.

**Staff:** Kathy Mannion and Justin Caporusso

## ENDANGERED SPECIES ACT

**Background:** The Endangered Species Act (ESA) was passed by Congress in 1973 to protect and recover “at risk” species and the ecosystems upon which they depend. In 1984, California followed when the Legislature passed the California Endangered Species Act (CESA), the provisions of which were designed to mirror the ESA.

Both federal and state ESAs offer special protections to wildlife and plants deemed in danger of extinction by both the U.S. Fish & Wildlife Service (USFWS) and the California Department of Fish & Wildlife (CDFW). At times, those protections can prevent the development of rural economies through restrictions on critical habitat that slow or halt recreational use and development.

**2014 Regulatory Actions:** In 2014, the California Fish and Game Commission listed the gray wolf as endangered under the California ESA. While there are currently no wolves in California, the listing grants special protections to any future wolf populations that may establish themselves within the state. RCRC expressed concern that the CDFW would reintroduce wolves into California in the future, but the agency maintains that they have no intention of doing so.

The USFWS proposed a package of two regulations and one policy, which makes slight changes to the way critical habitat will be defined in the future. While the changes to the ESA language seem minor, the result could be an expansion of critical habitat designations in the future, and could expand USFWS discretion when deciding which lands will be automatically excluded from a specific designation. RCRC opposed the package, and will continue to advocate against its adoption into 2015.

In October, the USFWS proposed listing the West Coast Distinct Population Segment (West Coast DPS) of fisher as threatened under the ESA. The West Coast DPS fisher numbers have been decreasing steadily in recent years, and the USFWS admitted that their decline is largely due to rodenticides used in illegal marijuana cultivation activities on national forest lands. For many years, RCRC has been actively encouraging the USFS to investigate, prosecute, and clean up illegal marijuana grows because of the acute damage those activities have on wildlife and the water supply. Comments on the West Coast DPS fisher listing are due in January 2015.

**2014 Legislation:** Several bills were introduced by Congress that would “reform” the ESA and how it is implemented by the USFWS. Chief among them is H.R. 4315, also known as the Endangered Species Transparency and Reasonableness Act. H.R. 4315 would increase transparency in ESA listings and critical habitat designations, foster increased consultation with states, local governments, and tribes in species listings, and reduce taxpayer-financed attorneys’ fees to help invest more funding in actual species recovery. H.R. 4315 passed the House in July with bipartisan support, while the Senate has yet to consider the legislation.

In December 2014, Congress passed as part of the Budget Omnibus bill, a provision that restricts the USFWS from listing the greater sage grouse as endangered under the ESA. The restriction is effective for 2015, but will be lifted for 2016 if a similar provision is not included in next year’s spending scheme.

**Staff:** Staci Heaton

## FEDERAL TRIBAL ACKNOWLEDGEMENT

**Background:** The Bureau of Indian Affairs (BIA) proposed changes to the federal rules governing the process by which a tribal government can apply to be acknowledged by the United States. Originally, public comments on this rule were due August 1, 2014 but the Department of the Interior (DOI) extended the public comment period until September 30, 2014. This extension was granted to accommodate the numerous requests that the Department received from the public and Congress to allow more time for comments before the rule is finalized.

As a follow-up to the proposed acknowledgement rule, the DOI proposed a rule titled “Hearing and Re-Petition Authorization Processes Concerning Acknowledgement of American Indian Tribes,” outlining the appeals process under the new proposed acknowledgement rule. The comment deadline for this rule was changed to September 30, to align with the comment deadline on the proposed Acknowledgement rule.

**2014 Regulatory Action:** RCRC filed comments on both components, the Federal Acknowledgement Rule and the Appeals Rule.

### Acknowledgement Process Rule

Changes to the acknowledgement process highlighted in the proposed rule include reductions to the amount and types of evidentiary material required for a petition, as well as easing the burden of evidence that a tribe must produce to justify its petition for acknowledgment. The proposed rule also would limit notification of a filed acknowledgment petition, reduce by half the public comment period for acknowledgment petitions, and restrict the access of third parties to the hearing and appeals processes.

Also highlighted as a concern in RCRC’s comments is the direct conflict between the proposed rule and the Supreme Court decision in *Carcieri v. Salazar* (2009), which struck down the Secretary of Interior’s ability to take land into trust for those tribes not federally recognized on the date of enactment of the Indian Reorganization Act in 1934. The proposed rule would create a world of “have and have nots” between different tribes - those acknowledged under the old rule that can have land taken into trust under the *Carcieri* decision, and those that are being acknowledged under this new rule which are specifically prohibited trust lands under the Supreme Court’s decision. RCRC urged rule makers to consider waiting for Congressional action on the *Carcieri* fee-to-trust issue, thereby ensuring consistency in the code based upon the final outcome of the fee-to-trust debate.

### Appeals Rule

The “Hearing and Re-Petition Authorization Processes Concerning Acknowledgment of American Indian Tribes” rule deals with the process by which a tribe can appeal a denied petition for acknowledgment. RCRC focused its comments on the issues surrounding “intervenor” rights for counties and the level of proof that would be required to determine the counties’ eligibility in this role.

RCRC also expressed concerns regarding the shortened response timeframe required by the proposed rule itself - 180 days rather than the year it typically takes to assemble and hear this type of case. Several of the response times in the proposed rule are extremely short, and seem unrealistic for counties to be able to effectively participate. For example, an intervenor has only 15 days after the issuance of the referral notice to file their motion for intervention – including witness lists and exhibits, as well as a statement arguing what their interest is in the case and why they should be permitted intervenor status. Counties may require the approval of their full Board to become an intervenor in a federal case, and getting something agendaized for a meeting, approved, and filed within 2 weeks would be extremely difficult in most counties, but impossible in others where the Board doesn’t even meet

every week. This would be exacerbated since counties may not even be notified of these types of appeals since counties don't have a formal role in the tribal acknowledgement process.

Positively, the re-petition process in the proposed rule requires that all third parties who participated in the initial administrative or Court appeal process agree to the re-petitioning. The implication of this is that if a county is a third party involved in an acknowledgement petition that fails, the county would have to agree to the tribe's re-petitioning for acknowledgement. RCRC praised the rulemaking for this component, while cautioning that there needs to be a process added that ensures counties are notified of all re-petition filings and have the opportunity to be involved in those proceedings even if they were not a party to the original acknowledgement petition, which may have taken place years ago.

RCRC will remain engaged on these two rulemakings and additional legislative or regulatory actions regarding federal acknowledgement or changes to the fee-to-trust system.

**Staff:** Cyndi Hillery

## FEDERAL WILDFIRE FUNDING

**Background:** Twenty years ago, the U.S. Forest Service (USFS) was spending approximately 15 percent of its total budget on firefighting. In contrast, today the USFS spends 40 percent or more on firefighting. In the past two decades, the USFS has been forced to shift away from fire prevention and forest health activities and focus an increasing amount of their limited resources on fire suppression. Ultimately, this system creates a large backlog of unfunded, though much needed, prevention and forest health projects. Additionally, due to the structure of the current federal disaster funding scheme, as codified in the Stafford Act, wildfires – regardless of size or severity – are not funded in the same manner as other disasters such as hurricanes and floods. This funding disparity is damaging our natural resources, and creating an unsustainable snowball effect on firefighting costs.

The Federal Land Assistance, Management and Enhancement (FLAME) Act of 2008 attempted to address this issue. The goal of the FLAME Act was to create a “firewall” between fire prevention and suppression funding in order to prevent money from being siphoned out of the prevention fund to pay for firefighting costs. However, the FLAME Act included key language that continued to allow Congress to allocate the money in other ways as they deemed necessary—which happened within only a couple of years of its initial passage.

**2014 Legislation:** In December 2013, Senator Ron Wyden (D-OR) introduced S. 1875, known as the Wildfire Disaster Funding Act (WDFFA), which was followed by a companion measure, H.R. 3992 by Representative Michael Simpson (R-ID), in February 2014. The WDFFA seeks to alter the way wildfire disasters are funded, placing wildfire disasters on a similar footing to other types of disasters. The actual disaster response assistance would be issued from a different funding source than the prevention and forest management funds. Additionally, post-disaster mitigation funding could be utilized for future fire prevention and forest health activities. RCRC continues to advocate on behalf of the WDFFA, and participated in a lobbying trip to Washington D.C. in November on this issue.

In early 2014, S. 2593 was introduced by Senator John McCain (R-AZ), which would amend the original FLAME Act. The stated goal of S. 2593 was to strengthen the wall between fire prevention and firefighting funding and ensuring continued inputs into the fund for fire prevention activities utilizing the structure of existing law. It is likely that Senator McCain will work with the sponsors of the WDFFA to ensure that his goals are achieved by an overarching measure.

**Other Significant 2014 Actions:** In addition to the WDFFA, President Obama’s Budget proposal included the establishment of an emergency fund, similar to federal emergency funds already available for other disasters, but also similar to the way fire suppression costs are handled in California with the E-Fund. The emergency fund is a special set aside that would have funded the costs of catastrophic and costly wildfires, thereby protecting funding for critical fire prevention and forest health programs. The Senate’s version of the emergency supplemental funding requested by the President included funding for the child immigration issue and special wildfire disaster funding. Wildfire disaster funding also appears in the House version of the Homeland Security spending bill. However, ultimately, no change was made in Congress to the way wildfire prevention and suppression is funded.

**Staff:** Cyndi Hillery, Staci Heaton, and Justin Caporusso

## LAND USE MANAGEMENT AND PLANNING

**Background:** Cities and counties have the primary jurisdiction over land use planning and regulation in California. The California Constitution gives cities and counties the authority to regulate land use to protect the public health, safety and welfare.

State planning and zoning laws establish a detailed process for local planning, including authorization for the preparation of local General Plans and specific plans, and regulation of land use through zoning and subdivision regulations. A General Plan is local government's long-term blueprint for development.

The Governor's Office of Planning and Research (OPR) is responsible for updating the General Plan Guidelines, the "how to" resource for drafting a General Plan. The California Environmental Quality Act (CEQA) is also an important tool for local land use planning and regulation.

**2014 Regulatory Actions:** OPR began a comprehensive update of the 2003 General Plan Guidelines in 2013. The update will address the last eleven years of statutory amendments, as well as other emerging issues. RCRC has participated on an advisory group for preliminary discussions. As of publication, the initial draft has not been released.

**Staff:** Kathy Mannion and Mary Pitto

## MEDICAL MARIJUANA

**Background:** In 1996, California voters approved Proposition 215 which exempts patients and defined caregivers who possess or cultivate marijuana for medical treatment from criminal laws. In conjunction with Proposition 215, the Legislature approved Senate Bill 420 in 2003 to further implement the State's medical marijuana laws, guidelines, and practices. In the last several years, there has been a dramatic proliferation of marijuana cultivation in rural counties, and the scale and volume of individual grow sites has enlarged.

The Legislature has considered a variety of measures in the past several years to provide a State-oriented regulatory framework to manage the movement of medical marijuana. None of these measures have secured passage.

**2014 Legislation:** In 2014, the Legislature considered two medical marijuana-related bills – Assembly Bill 1894 by Assembly Member Tom Ammiano (D-San Francisco), and Senate Bill 1262 by Senator Lou Correa (D-Santa Ana). In May, AB 1894 was defeated in the Assembly despite a large number of amendments incorporated at the request of RCRC. The primary objection to AB 1894 by opponents was placing regulatory control under the existing State Department of Alcoholic Beverage Control. RCRC did not take any formal position on AB 1894.

Upon the defeat of AB 1894, all eyes turned to the approach offered in SB 1262, which was co-sponsored by the League of California Cities and the California Police Chiefs Association. Previous versions of SB 1262 garnered the opposition of RCRC and other county organizations due to its imposition of new local enforcement duties upon counties. By the time SB 1262 failed in the Assembly Appropriations Committee at the end of the Legislative Session, the bill had been amended to address a number of RCRC's concerns. However, there were several aspects that still needed improvement, and had the bill moved forward, RCRC and other county organizations would have had to retain an "oppose unless amended" position.

**2014 Regulatory Actions:** In September, the State Water Resources Control Board (State Water Board) approved a fee to accompany a pilot program to regulate marijuana cultivation activities. Initially, the program will only apply in the North Coast and Central Valley regions, and will impose an annual fee of \$500 for fewer than 0.25 disturbed acres, \$2,500 for 0.25 up to 5 disturbed acres, and \$10,000 for more than 5 disturbed acres.

The State Water Board has also joined with the Central Valley Regional Water Quality Control Board to create the Marijuana Working Group. The Marijuana Working Group's purpose is to explore different avenues for identifying, regulating, and enforcing environmental regulations on both medical and illegal marijuana cultivation activities, and to mitigate the impacts of current practices on water, wildlife, and other resources. Members include representatives from both the State and Regional Water Boards, staff members from various legislative offices, the California Department of Fish and Wildlife (CDFW), the California Department of Forestry and Fire Protection (CALFIRE), the California Environmental Protection Agency (CalEPA), the California Board of Forestry, and stakeholder groups such as the California Farm Bureau Federation. RCRC staff also actively participates in the Marijuana Working Group.

Finally, the California Board of Forestry is in the process of developing policy on illegal trespass marijuana grows (cultivation on public or private land not sanctioned by the land owner). The California Board of Forestry has been discussing the policy in its Resource Protection Committee, and has sought RCRC's input during the development process. The Board expects to release a draft policy in early 2015.

**Other Significant 2014 Actions:** In early 2014, the RCRC Board of Directors adopted a set of policy principles to help guide policymakers on the concerns of the state's rural counties. Highlights of those principles include:

- Continuing the ability for local governments to regulate, including ban, marijuana grows and/or dispensaries;
- Providing the explicit power of local governments to tax and/or exact fees associated with local marijuana activities;
- Eliminating the "collective model" for growing and distributing medical marijuana products;
- Mandating the proper labeling of THC levels and other products used for cultivation;
- Prohibiting mobile deliveries and online sales;
- Imposing statewide security and pre-retail transportation requirements upon grows and dispensaries;
- Restricting all types of licensees for previous criminal convictions; and,
- Requiring proper State enforcement of worker and worker safety standards.

**Staff:** Paul A. Smith, Staci Heaton, and Randall Echevarria

## MEDI-CAL REIMBURSEMENT RATES

**Background:** As part of the 2011-12 State Budget, rates to a variety of Medi-Cal providers, including Distinct Part/Skilled Nursing Facilities (DP-SNFs), pharmacies, and other fee-for-service Medi-Cal activities, were reduced by 10 percent off the 2008 reimbursement rates. Payment reductions of this scale threaten the accessibility of services to individuals who reside in rural and medically underserved areas. The DP-SNF rate cuts, in particular, disproportionately impact rural county hospitals, which are often dependent upon their DP-SNF population to support baseline funding for the entire hospital. The DP-SNF rate cuts may ultimately lead to the possible closure of facilities altogether, further exacerbating the existing access to care issues in rural areas.

Despite end of session actions in 2013 to ward off closure of DP-SNFs throughout the state, access to health care in rural areas continues to be threatened by the Medi-Cal reimbursement rate reductions. As the Affordable Care Act (ACA) continues to be implemented, the need to ensure that as many providers accept Medi-Cal as possible increases. However, increasing the number of providers who accept Medi-Cal will only happen if the reimbursement rate is sufficient to support a practice. In areas of low-population with high percentages of Medi-Cal patients, this is often difficult to achieve.

**2014 Legislation:** In addition to some providers being exempted from the “going forward” rate cuts at the end of 2013, the 2014-15 State Budget exempted some health care providers from having to repay the 10 percent reimbursement rate cut retroactive to 2011, also known as the “clawback.” However, even after those actions, some providers still face the clawback and others are still dealing with the future rate cuts.

To alleviate these and other Medi-Cal reimbursement rate issues regarding primary care providers, Assembly Member Nancy Skinner (D-Berkeley) and Assembly Member Richard Pan (D-Sacramento) introduced a package of two bills, Assembly Bill 1805 (Skinner/Pan) and Assembly Bill 1759 (Pan), which sought to stabilize the Medi-Cal reimbursement rates. RCRC worked with other advocacy organizations through the Alliance for Patient Care coalition, which included representative members from the California Medical Association (CMA) and the California Hospital Association (CHA) to support these measures, and continue to advocate for repeal of the Medi-Cal reimbursement rate cuts.

AB 1759 would have made the temporary match of Medi-Cal primary care provider rates to those of Medicare primary care providers permanent. AB 1805 would have repealed the provider rate reductions as instituted by AB 97, forcibly ending the clawbacks by repealing the initial law instituting the cut. It was hoped that since Assembly Member Skinner was the Assembly Budget Chair, this issue would have additional traction. Neither AB 1759 nor AB 1805 proved to be successful in the Legislature. The Administration made it clear early in the year that the State Budget component regarding clawback forgiveness for certain providers was as far as the Governor was willing to go this year on this issue.

**Staff:** Cyndi Hillery and Santinia Pasquini

---

## MEDICAL INJURY COMPENSATION REFORM ACT BALLOT INITIATIVE - PROPOSITION 46

**Background:** The Medical Injury Compensation Reform Act (MICRA) was signed into law by former and current Governor Jerry Brown in 1975 in an effort to curtail runaway non-economic damages in medical malpractice cases. Medical malpractice insurance was becoming prohibitively expensive and difficult to obtain in California, especially for certain specialties such as obstetrics. This in turn was driving physicians in numerous specialties out of California, making access to these specialized services difficult, if not completely unavailable, in many rural parts of the state.

MICRA caps all non-economic damages award in a malpractice lawsuit at \$250,000. There is no limit on awards for actual damages, including costs of ongoing care, loss of income, or punitive damages under MICRA.

**Significant 2014 Actions:** Consumer Watchdog, an offshoot of the Consumer Attorneys of California, announced that their anti-MICRA proposition had qualified for the November ballot (Proposition 46). Proposition 46 would have had significant implications for local governments concerned about the cost of health care and access to doctors, community clinics, and hospitals. The main provision of the trial lawyers' ballot measure would have more than quadrupled MICRA's non-economic damages cap from \$250,000 to nearly \$1.1 million.

The most threatening outcome of altering MICRA in rural areas is the potential for loss of access to health care. Increasing costs to local providers, community clinics, and local hospitals could force them to reduce services, or cease providing services altogether. Already a serious problem in rural areas, changes to MICRA would exacerbate access to healthcare dramatically.

Because of this risk, RCRC took an Oppose position to Proposition 46 along with a broad coalition of doctors, hospitals, community health clinics, local governments, nurses, businesses, and labor organizations. Proposition 46 was soundly defeated in the November election by a 2-1 margin.

**Public Affairs Efforts:** RCRC participated in media outreach in conjunction with Californians Allied for Patient Protection (CAPP), the coalition focused on the protection of MICRA. In addition, RCRC embarked upon independent media efforts following the Board of Directors' official position, garnering placement in local print and online publications throughout the state. Proposition 46 media results can be accessed [here](#), on RCRC's "In the News" webpage.

**Staff:** Cyndi Hillery and Justin Caporusso

## MINING

**Background:** Under existing law, the Surface Mining and Reclamation Act of 1975 (SMARA) requires a local lead agency (usually a county, and in certain cases cities) to review and approve a reclamation plan and financial assurances for reclamation before an entity can begin surface mining operations.

SMARA includes provisions by which the State can investigate, fine, or otherwise assume those responsibilities in the case of a jurisdiction who is not meeting the stated requirements of SMARA when conducting the required inspections and reviews.

**2014 Legislation:** Senate Bill 1270 by Senator Fran Pavley (D-Agoura Hills) was ostensibly introduced in an attempt to make changes to SMARA in order to create a more thorough regulatory process to mining inspections and reporting in order to further prevent abandoned and orphaned mines on which a reclamation plan was never implemented. The original version of the bill, which was strongly opposed by RCRC, would have shifted the annual inspection, review, and approval of the financial assurance responsibilities from local governments to a State agency.

Proponents of the measure contended that such a transfer would be necessary since local lead agencies are not meeting their obligations under SMARA, and that the State agency is not sufficiently exercising its current existing power to remove bad actor jurisdictions from their lead agency status under SMARA. RCRC and numerous other local governments opposed the measure, arguing, in part, that SB 1270 would have eroded local lead agency authority to regulate local mining operations, and set a dangerous precedent of the State usurping local land use authority from local governments.

Additionally, SB 1270 would have imposed increased costs on counties. Numerous Public Works Departments own and operate their own mines, and currently conduct their own inspections of those mines. SB 1270 would have increased the State's general administration fee, creating a direct fiscal impact to counties. In addition to this increase to the general oversight fee charged by the State, if counties lost the right to inspect their own mines, counties would additionally be charged for the time and costs of State inspectors and engineers to do that work - over and above the general oversight fee already required.

RCRC also opposed SB 1270 due to the potential economic impact in rural areas. In many rural "resource" counties, mining provides stable jobs and economic development opportunities in areas struggling with unemployment. Increasing fees on mining operators could lead to lay-offs and even closure of smaller facilities, exacerbating already high levels of unemployment in certain regions.

SB 1270 was amended several times in an attempt to address these and other concerns by local governments and other stakeholders. Ultimately, the bill failed passage in the Legislature.

Components of this issue will be returning in the next Legislative session. RCRC will continue monitoring any ongoing threat to counties' lead agency status as to mining inspections, the potential for dramatically increased direct costs for inspection of counties' own mines, reducing the types of trained staff members eligible to complete components of the requirements under SMARA, and the potential risk to mining operations in counties in need of skilled jobs, as any new legislation is considered and vetted next year.

**Other Significant 2014 Actions:** The Brown Administration and Department of Conservation (DOC) have been working this year to improve the effectiveness of SMARA. Actions this year include the development of a new and improved annual inspection form, lead agency guidance regarding notices of inspections, and the Office of Mine Reclamation Internal Review Panel that was convened by the Director of the DOC to conduct an independent assessment of the efficiencies and effectiveness of performance of that Office in implementing its internal functions and external communications.

**Staff:** Cyndi Hillery and Mary Pitto

## STATE AND FEDERAL PAYMENT IN LIEU OF TAXES

**Background:** California Payment in Lieu of Taxes (State PILT) was established in 1949 to offset adverse impacts to county property tax revenues that result when the State acquires private property for wildlife management areas. Fish and Game Code Section 1504 specifies that when income is derived directly from real property acquired and operated by the State as wildlife management areas, the Department of Fish and Wildlife (DFW) shall pay annually to the county in which the property is located an amount equal to the county taxes levied upon the property at the time title was transferred to the State. The DFW has failed to make annual State PILT payments for more than a decade, resulting in arrearages of approximately \$19 million to 36 California counties.

Similar to the State scheme, the Federal Payment in Lieu of Taxes (Federal PILT) program provides payments to counties and other local governments to offset losses in property tax revenues due to the presence of tax-exempt land which is owned by a variety of federal agencies, including the U.S. Forest Service (USFS), the Bureau of Land Management (BLM), the U.S. Fish and Wildlife Service (USFWS) and the National Park Service (NPS). Funding for Federal PILT requires Acts of Congress, and usually occurs within multi-year reauthorization measures. The current Federal PILT reauthorization expired in 2013, although final payments were made earlier in the year.

**2014 State Legislation:** In addition to efforts on the State Budget front, in 2014 RCRC sponsored Senate Bill 1410 by Senators Lois Wolk (D-Davis) and Jim Nielsen (R-Gerber). SB 1410 proposed to appropriate \$19 million from the General Fund to the DFW to make payments to counties for outstanding obligations, and to appropriate \$2 million annually, beginning in the 2014-15 fiscal years, to the DFW for ongoing annual payments to counties. Despite a bi-partisan coalition of 23 co-authors, SB 1410 was held in the Senate Appropriations Committee.

RCRC actively engaged with the Legislature and the DFW during the 2013-14 and 2014-15 State Budget discussions in pursuit of State PILT monies for counties. While unsuccessful, RCRC was successful in elevating the issue in the Legislature and the media.

RCRC will continue to advocate on behalf of State PILT funding before the Administration and the Legislature, building upon the efforts to date.

**2014 Federal Legislation:** In December 2014, Congress passed and sent to the President H.R. 3979, known as the National Defense Authorization Act (NDAA), and H.R. 83, the FY 2015 Omnibus spending bill. While the primary purpose of NDAA is to set national defense policy, the measure included a federal lands package which provides a \$70 million appropriation for the Federal PILT program. Additionally, Congress included \$372 million for Federal PILT in H.R. 83 as part of the Interior Appropriations Bill, bringing total Federal PILT funding to \$42 million – just under historic Federal PILT funding levels.

Throughout the year, RCRC made reauthorization of Federal PILT payments one of its top federal priorities (including the reauthorization of the Secure Rural Schools program). Those efforts will continue as we work with a number of coalition partners, including the National Association of Counties (NACo), to secure long-term funding in the next Congress.

**Media Efforts:** Leveraging both the legislation and the powerful legislative support behind State PILT, RCRC developed and executed a strategic state media effort which resulted in positive press coverage in print, electronic, and broadcast media outlets, including newspaper, television, radio and online publications. State PILT media results can be accessed [here](#), on RCRC's "In the News" webpage.

**Staff:** Paul A. Smith, Kathy Mannion, Justin Caporusso, Randall Echevarria, and Nick Konovaloff

## INDIAN GAMING SPECIAL DISTRIBUTION FUND

**Background:** Counties, especially small and rural counties that have Indian casinos, rely on allocations from the Indian Gaming Special Distribution Fund (SDF) to mitigate public safety and infrastructure pressures associated with having tribal gaming in their counties. For a county with a relatively small population base, the needs for critical maintenance and capital infrastructure projects goes up significantly when gaming is introduced.

SDF monies are collected from tribes based on negotiated Compact agreements between the tribe and the Governor on behalf of the State. These revenues are set aside into a Special Fund and are kept separate from the State's General Fund. In turn, this funding generates a better working relationship between tribes and the respective local governments, as well as the people of those communities. Additionally, these revenues help pay for tribal and county infrastructure.

In 2013, RCRC supported Assembly Bill 1042 authored by Assembly Member Isadore Hall (D-Los Angeles) which provided an allocation from the Indian Gaming Special Distribution Fund (SDF) to local governments. Entities reliant on the SDF were put on notice that the SDF's solvency was threatened by a funding mechanism situation due to the adoption and subsequent court overturning of certain tribal-state gaming compacts.

**2014 Legislation:** Assembly Bill 2066, also authored by Assembly Member Isadore Hall, was intended to provide the SDF allocations for this year. Unfortunately, the SDF was declared insolvent, and the Administration announced that there would be no local government allocations permitted from the SDF.

**Other 2014 Actions:** It is critically important for counties participating in the SDF to continue to complete and file their annual reports each year reflecting expenditures out of their SDF allocations from previous years. If counties eligible for SDF do not continue to complete and file annual reports, even if the report is zero allocation and zero expenditures, they can become ineligible for future allocations.

RCRC will continue to work with its local government, public safety, and tribal partners to advocate for changes to the existing SDF to allow for future allocations, or a new system by which local governments can more directly receive these important funds to mitigate the effects of tribal gaming in their jurisdictions.

**Staff:** Cyndi Hillery

## SOLID WASTE MANAGEMENT

**Background:** California imposes a variety of solid waste mandates upon cities and counties. A large number of products are banned from routine disposal and require special handling, which drives up costs for most local governments. While the State is striving to reach a goal of 75 percent waste diversion by 2020, under current law cities and counties have a mandated 50 percent diversion rate. Oversight of the day-to-day solid waste management at the municipal level, and enforcement of California's solid waste rules are primarily conducted through the Department of Resources Recovery and Recycling (CalRecycle).

The California Air Resources Board's (CARB) 2013 Scoping Plan Update identified measures dealing with organic waste diversion as a target for significant additional greenhouse gas emission reductions. As such, RCRC engaged with key stakeholders in crafting legislation to address the disposal and recycling of organic waste. RCRC maintained a number of principles to address how this waste can be managed in rural areas under the mandate of reducing these materials from entering landfills. The two key RCRC principles are: 1) ensuring generators/local governments are not penalized or face costly burdens when an organics recycling infrastructure simply does not exist; and, 2) providing a reprieve from the mandate for rural county/city solid waste managers where virtually no viable organics recycling can occur in the near future.

**2014 Legislation:** In 2014, the Legislature considered and subsequently enacted Assembly Bill 1826 authored by Assembly Member Wesley Chesbro (D-Arcata) to require organics generators to begin phased diversion and recycling of organics by January 1, 2016. Local jurisdictions are required to adopt a mandatory commercial organics recycling program, and are responsible for public education and outreach, monitoring, and reporting to CalRecycle, much the same as with the mandatory commercial recycling. While local jurisdictions would have no enforcement requirement, they will be evaluated on their program implementation during their overall jurisdictional review of diversion efforts. RCRC successfully advocated for language that requires CalRecycle to consider the availability of infrastructure capacity and rural challenges when determining good faith effort in their jurisdictional review.

At the end of the 2014 Legislative Session, RCRC was also able to secure an exemption for generators located in counties with a population of less than 70,000, which includes nearly 60 percent of RCRC member counties. This exemption will last for five years. However, in order to enjoy the exemption, the county Boards of Supervisors must adopt a resolution.

**2014 Regulatory Actions:** In 2014, CARB conducted the mandatory 5-year update of the Assembly Bill 32 Scoping Plan. The discussion draft of the Scoping Plan update included many provisions to dramatically decrease greenhouse gas (GHG) from the solid waste sector, including elimination of organic material disposal from landfills, additional methane control measures at new and existing landfills, and consideration of including landfills in the Cap-and-Trade Program. RCRC, along with the solid waste industry, advocated that any consideration of additional landfill methane control measures at landfills, and including landfills in the Cap-and-Trade Program, should be put off until there is a full evaluation of the effectiveness of the commercial and organics diversion and the recently enacted methane control measures at landfills. The final Scoping Plan has been delayed until 2016-17 to consider amending the Landfill Methane Regulation and/or moving landfills into the Cap-and-Trade Program. RCRC also advocated that sufficient infrastructure is the key to the success of organics diversion, and that there are funding and permitting challenges to building that infrastructure. The final Scoping Plan acknowledged the potential difficulties implementing the proposed measures in the waste management sector, and stressed the importance of incentive funding and inter-agency cooperation on permits and other issues.

The State Water Resources Control Board (State Water Board) adopted the new General Industrial Storm Water Permit (Permit) in April 2014, effective July 1, 2015. Over the past several years, RCRC and the Environmental Services Joint Powers Authority (ESJPA) worked with industry coalitions and State Water Board staff to negotiate more reasonable components in the permit than originally proposed. The original draft contained many new requirements that were much more stringent than those contained in the current Permit, and would have resulted in a significant increase in compliance costs for all permitted facilities, especially landfills.

The adopted Permit includes training requirements for key personnel involved in implementation of the requirements. The State Water Board convened a Training Team to develop the curriculum for the training. The ESJPA's consultant is a member of the Training Team. The ESJPA's focus is to have the rural county perspective for training requirements with respect to access, cost, and reasonableness of the requirements.

RCRC and the ESJPA continue to monitor CalRecycle proposals on regulatory reform for beverage container management, including efforts to increase enforcement, and the requirements on certification of recycling center operators. A primary focus is to protect the Handling Fees (incentive funding) for our rural recyclers, and the city/county payments that our recycling programs rely heavily upon for public education and outreach.

RCRC and the ESJPA are participating in the proposed Statewide Water Quality Control Plans to Control Trash (Trash Amendments). This proposal could modify municipal, industrial, and construction storm water permits to include a water quality objective for trash, a prohibition of discharge of trash, provide implementation requirements for permitted storm water dischargers and other discharges, set a time schedule for compliance, and provide a framework for monitoring and reporting requirements. Much like the General Industrial Storm Water Permit, RCRC staff is seeking reasonable and feasible components of the regulations. The State Water Board plans possible adoption by the end of 2014.

**Other Significant 2014 Actions:** RCRC and the ESJPA continue to address the implementation of programs for collecting and recycling carpet and paint products as prescribed in law through the Legislature's enactment of Extended Producer Responsibility (EPR) programs. This past year saw the completion of the pilot project for carpet recycling in six rural counties, and the roll-out of the program into four additional rural counties, with further expansion into six additional counties in the works. The ESJPA continues to work with Carpet America Recovery Effort (CARE), the organization implementing the recycling program to expand the program to each of our counties. The paint recycling program is continuing to expand its opportunities into the retail and public sector. The ESJPA continues to work with PaintCare, the organization implementing the recycling program to consummate contracts with each of our counties.

Through successfully obtaining a U.S. Department of Agriculture (USDA) grant, the ESJPA has provided hazardous waste training opportunities that are infrequently available to rural jurisdictions, and typically conducted only in urban areas. These opportunities include hazardous waste safety training for solid waste facility staff, household hazardous waste management programs, and Hazardous Waste Operations and Emergency Response (HAZWOPER) sessions. HAZWOPER are a regulatory requirement for solid waste staff operating Household Hazardous Waste programs that provide opportunities to divert hazardous wastes from the solid waste stream.

**Staff:** Mary Pitto and Staci Heaton

## SECURE RURAL SCHOOLS

**Background:** In 2000, Congress enacted the Secure Rural Schools & Community Self-Determination Act (SRS). SRS was created to provide a guaranteed payment option to counties and schools located in forested areas in light of dramatic reductions in monies derived from timber harvesting on national forest lands. Proceeds provide rural counties and school districts with funding for a number of services, including road maintenance, and day-to-day school operations. SRS has been reauthorized several times, with recent reauthorizations including a “ramp down” of payments to local jurisdictions.

**2014 Legislation:** At the federal level, the discussion of forestry reform and the continuation of SRS funding went hand-in-hand for much of 2014. In late 2013, a one-year SRS extension was enacted. As such, SRS payments to counties were made in Spring 2014. In the meantime, Congress remained divided on how to continue the SRS program and incorporate forestry reform. From the House of Representatives’ perspective, a comprehensive forestry reform measure – H.R. 1526 authored by Congressman Doc Hastings (R-WA) – was adopted by the House of Representatives, and included a long-term plan to return National Forests to health as well as a short-term continuation of SRS payments. Unfortunately, the U.S. Senate failed to consider any formal attempts in continuing SRS or adopting comprehensive forestry reform. Furthermore, leadership changes in the Senate Energy & Natural Resources Committee played a role in the stalemate as the Committee’s priorities shifted away from forestry reform to other national energy policies.

Despite the lack of action by Congress, House Speaker John Boehner (R-Ohio) has been quoted in national media outlets pledging to reform federal forestry policy in the first 90-days of the 114<sup>th</sup> Congress, and that discussion will likely include some aspect of SRS reauthorization. The key will be how a GOP-led U.S. Senate receives forest reform efforts from the House. In addition, House Majority Leader Kevin McCarthy (R-California) stated on the House floor during the final days of the 113<sup>th</sup> Congress that “enacting an extension to the Secure Rural Schools program is going to be an early priority for the next year,” although further information regarding how SRS would be funded and whether forestry reform would be considered as part of the SRS funding strategy was not discussed.

RCRC made SRS reauthorization/forestry reform one of its top priorities in 2014. RCRC officers and staff will continue to hold meetings on Capitol Hill with key policymakers, and work throughout the year with our federal advocates and partners, most notably the National Association of Counties (NACo), in the reauthorization effort.

**2014 Regulatory Actions:** Since 2012, the process by which counties secure their SRS payments has been modified. Counties must continue to declare their preferred percentages among Title I, Title II, and Title III payments. However, those declarations must be forwarded to each state’s Governor, who must then forward them to the U.S. Forest Service (USFS). Given the 2013 payment time frame was severely constricted, RCRC worked with member counties, the USFS and other county partners to ensure deadlines were met, and counties could receive their proper allocation.

**Staff:** Paul A. Smith and Randall Echevarria

## TIMBER HARVEST PLAN CHANGES

**Background:** Wildfire threats, especially high severity fires such as the devastating Rim Fire, could be mitigated by greater usage of Timber Harvest Plan (THP) exemptions. RCRC has long supported decreasing costs and barriers to improving forest management and safeguarding our forests from the risk of catastrophic wildfires. Additionally, RCRC has a long standing policy which supports the alleviation of restrictions on landowners who seek to make their homes and surrounding lands fire safe. In order to reduce wildfire risks in and around California's rural communities, wildfire prevention and fuels reduction efforts are a top priority for RCRC and its member counties. Assembly Bill 744 of 2013, authored by Assembly Member Brian Dahle (R-Bieber), established the Forest Fire Prevention Exemption (FFPE) pilot project, which allowed for the harvest of trees less than 24 inches in stump diameter as an expansion to the Forest Fire Prevention Act of 2004 by then Assembly Member Doug LaMalfa, which allowed for certain types of fire prevention timber harvesting without a THP.

**2014 Legislation:** Assembly Bill 2142, authored by Assembly Member Wes Chesbro (D-Arcata) and Assembly Bill 1867, authored by Assembly Member Jim Patterson (R-Fresno) were both signed into law, and will expand existing exemptions in current law from the requirement of Timber Harvest Plans (THPs) for fire prevention-type forestry projects, thereby reducing barriers to increased fuels reduction activities.

AB 2142 expands AB 744 from the previous year, which, in turn, was an expansion of the existing Forest Fire Protection Act of 2004. The provisions of AB 744 expanded the THP exemption available under the Forest Fire Protection Act to larger diameter trees as well as broadening certain other limitations in the Act, for a pilot program in a few inland California counties. AB 2142 extends that pilot program into additional North Coast counties.

AB 1867 expands the existing exemption regarding defensible space clearance around a habitable dwelling, and allows landowners to sell the timber generated from fire prevention vegetation management activities to help offset the costs of that vegetation management work without a THP. In some counties, 300 feet of defensible space clearing can cost as much as \$20,000, and getting a THP typically costs more than \$35,000. By eliminating the need for a THP, and allowing for the material to be sold, more landowners will likely perform this urgently needed fire prevention work.

RCRC strongly supported both AB 2142 and AB 1867, and will continue to work on future concepts to reduce the regulatory and financial burden of performing fire-prevention and forest health vegetation management projects.

**Staff:** Cyndi Hillery

## TRANSPORTATION

**Background:** The federal surface transportation program, known as the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), authorizes and directs funding into a variety of federally-sponsored state programs. MAP-21 was passed in 2012 and provided \$109 billion from the Highway Trust Fund (HTF) over two years. MAP-21 was scheduled to expire at the end of September, but Congress enacted a short-term extension through May of 2015.

The majority of federal MAP-21 funding is derived from the HTF, which receives the bulk of its revenue from federal motor vehicle fuel taxes. Due to advancements in vehicle fuel consumption and increased use of alternative fuels, overall transportation revenues are in decline. Since 2008, Congress has taken action to shore up the struggling HTF through general fund transfers.

California's contribution to transportation funding is mostly funded through a State excise tax on gasoline and diesel fuel, although a number of more urban counties are able to supplement state and federal funding with local proceeds. Conversely, many of California's rural counties have no realistic means – sales tax measures, public-private partnerships, etc. – to generate supplemental funding for transportation projects, making limited state and federal funds all the more critical.

RCRC works closely with various transportation stakeholder groups and organizations, including state agencies, commissions, and the Legislature to develop transportation programs that provide equity to the rural transportation system, and that strengthen our economic competitiveness. RCRC staff also works with these partners regarding MAP-21 implementation, and advocates for a transportation funding formula that provides funding protections or guarantees for California's rural transportation system.

**2014 Legislation:** In 2014, Congress passed H.R. 5021, the Highway and Transportation Funding Act of 2014 to extend funding to the HTF and reauthorize MAP-21 through May 31, 2015. RCRC continues to advocate for dedicated funding for locally-owned on-system bridges and high-risk rural roads, which were eliminated under the original MAP-21.

As part of the 2014-15 State Budget, the Legislature provided cities and counties \$100 million from a \$337 million early Highway Users Tax Account (HUTA) loan repayment. RCRC worked closely with local municipal organizations and legislative leaders to secure an approximate \$42 million increased share of HUTA loan repayment for cities and counties. However, during final deliberations of the State Budget, the additional revenue share beyond the \$100 million was eliminated.

In the final days of the Legislative Session, the Legislature passed Senate Bill 1077, authored by Senator Mark DeSaulnier (D-Concord), which requires the California Transportation Commission (CTC) and the California Department of Transportation (Caltrans) to form a committee to consider a variety of policy questions and address challenges associated with implementing a Vehicle Miles Traveled (VMT) or Mileage-Based User Fee (MBUF) program. RCRC provided preliminary comments during consideration of SB 1077, and recently met with Caltrans leadership to discuss the VMT/MBUF study process and future opportunities for engagement. RCRC will work closely with Caltrans, CTC, and the SB 1077 Committee over the next year to influence the development of the VMT/MBUF study.

**2014 Regulatory Actions:** In 2013, the Legislature passed Senate Bill 99, which was a State Budget bill that developed the Governor's Active Transportation Program (ATP). The ATP is a competitive grant program that consolidated various state and federal programs to support investments in biking, walking, safety, mobility, and reductions in greenhouse gas emissions. While RCRC worked closely with local and state transportation stakeholders to help design the ATP program and guidelines, RCRC along with our local rural transportation partners, discovered a number of issues with implementation

during the first round of funding availability. RCRC worked closely with Regional Transportation Planning Agencies (RTPAs), and regional transportation organizations to develop recommendations to update the ATP program and guidelines in an effort to enhance the competitiveness of California's rural counties.

In early 2014, the California State Transportation Agency (CalSTA) released two reports, the California State Smart Transportation Initiative and the California Transportation Infrastructure Priorities Report respectively. Combined, these reports seek to elevate the newly established CalSTA as a leader of state transportation, and to encourage a number of reforms centered around transportation system preservation, innovation, integration, and funding. RCRC continues to work with our local transportation partners and state transportation leaders to ensure that the unique challenges and needs of rural California are included in these discussions.

**Staff:** Paul A. Smith and Randall Echevarria

## VETERAN AFFAIRS

**Background:** County Veteran Service Offices (CVSOs) are local government agencies responsible for assisting veterans and their families in obtaining benefits and services to which they may be entitled to through the federal government. CVSOs play a critical role in providing vital services, especially in rural areas where the veteran population is higher, and resources are often limited.

Currently, the State Budget allocates \$2.6 million to CVSOs. The 2014-15 State Budget provided an additional one-time augmentation of \$3 million, for a total of \$5.6 million to fund the CVSO operations in the Budget year. Unfortunately, the additional augmentation must be appropriated each year through the State Budget process. The ongoing underfunding by the State has created a tremendous strain for CVSOs who have had suffered budget cutbacks and staffing reductions.

Removing the year-to-year Budget uncertainty and creating a permanent funding mechanism for CVSOs would allow counties to provide additional resources which would result in increased access to services for all of California's veterans.

**2014 Legislation:** In 2014, RCRC supported Assembly Bill 2703, authored by Assembly Member Sharon Quirk-Silva (D-Fullerton), which would have made State funding for CVSOs permanent at the \$5.6 million level as funded in prior Budget years. However, AB 2703 failed to gain passage in the Legislature. RCRC additionally supported the allocations for CVSOs in the 2014-15 State Budget bill.

**Staff:** Cyndi Hillery and Santinia Pasquini

**WATER: BAY DELTA CONSERVATION PLAN**

**Background:** The Bay Delta Conservation Plan (BDCP) was established to support the issuance of 50-year incidental take permits that meet the requirements of the Federal Endangered Species Act (Federal ESA) and the California Endangered Species Act (California ESA) for certain actions proposed within the Sacramento-San Joaquin Delta (Delta). The BDCP would make physical and operational changes to the State Water Project which includes the placement of underground twin tunnels to convey water south of the Delta.

**2014 Regulatory Actions:** RCRC submitted substantive comments on the BDCP, Draft Environmental Impact Report/Environment Impact Statement, and the draft Implementing Agreement. RCRC's comments noted significant deficiencies in all three documents. RCRC advocated that the State and Federal agencies significantly revise and then recirculate for public comment the BDCP package of documents. Of particular concern to RCRC is the 50-year permit term, the guarantees proposed to be afforded to the BDCP proponents, and the lack of assurances for areas upstream of the Delta and in-Delta not party to the BDCP.

On August 26, 2014 the U.S. Environmental Protection Agency (EPA) released a very critical critique of the BDCP and related documents. The next day, the California Department of Water Resources (DWR) and the other State and federal lead agencies announced that the BDCP and related documents will be partially recirculated in early 2015, and will include those portions of each document that warrant another public review prior to publication of final documents. The scope of the partially recirculated draft documents was not announced at that time.

RCRC will review the recirculated documents when they are made available in 2015, and submit additional comments as needed.

**Staff:** Kathy Mannion and Nick Konovaloff

---

## WATER: SUSTAINABLE GROUNDWATER MANAGEMENT

**Background:** Groundwater management law in California authorized certain local agencies to adopt and implement a groundwater management plan, required to contain specified components. Local agencies seeking State funds administered by the California Department of Water Resources (DWR) for groundwater projects and groundwater quality projects were required to prepare and implement a groundwater management plan that includes basin management objectives for the basin.

A concerted effort took place during the latter part of 2014 to develop and enact changes to California groundwater management law. The Administration, along with Senator Fran Pavley and Assembly Member Roger Dickinson, jointly held a series of “stakeholder” meetings during the July legislative summer recess to receive input. RCRC staff participated in the series of stakeholder meetings, as well as individual meetings with the Governor’s Office, the Governor’s Office of Planning and Research (OPR), and both Senator Pavley and Assembly Member Dickinson.

**2014 Legislation:** In the final days of the 2014 Legislative Session, a three-bill package was approved and signed into law by the Governor to advance the sustainable management of groundwater.

The three bills enact the Sustainable Groundwater Management Act. Senate Bill 1168 (Pavley) includes provisions related to establishing groundwater sustainability agencies and the adoption of groundwater sustainability plans, while Assembly Bill 1739 (Dickinson) includes provisions related to implementation tools and enforcement. SB 1319 is a “clean-up” bill that contains language changes requested by the Brown Administration - but too late to be amended into either of the two primary bills.

During an Assembly Appropriations Committee hearing, Senator Pavley pledged to work with the opposition and other stakeholders in 2015 to address unresolved issues, including the development of an expedited adjudication process.

Amendments to the bill package relating to local land use authority resulted in RCRC removing opposition to the bills. RCRC anticipates active involvement in the legislative negotiations next year.

RCRC will closely monitor and engage as needed in the rulemaking undertaken by the Department of Water Resources and the State Water Resources Control Board in 2015 and beyond relating to implementation of the Sustainable Groundwater Management Act.

**Staff:** Kathy Mannion

## WATER: PROPOSITION 1 – WATER BOND

**Background:** As part of the comprehensive water package enacted in 2009, the Legislature approved an \$11 billion water bond to fund various water-related projects and programs to improve water supply reliability and ecosystem health in the Delta. The water bond was originally set to be on the 2010 ballot, but it was moved to the 2012 ballot by the Legislature due to concerns about the potential for the bond to fail passage given the state of the economy. In 2012, still concerned about the possibility of failure, the Legislature moved the bond to the 2014 ballot.

Discussions revolving around the repeal of the twice-postponed \$11.1 billion water bond passed in 2009, and its replacement on the November 2014 ballot with a smaller water bond, dominated much of the Legislative Session in 2014.

**2014 Legislation:** Numerous water bond bills were introduced, and a series of hearings were held around the state in 2014. Utilizing a position paper developed from the RCRC adopted Policy Principles, RCRC staff provided both written and verbal comments on the various water bond proposals.

Shortly before the July legislative summer recess Governor Brown released a \$6 billion water bond proposal, and serious negotiations commenced. Issues at the heart of the negotiations included the total dollar amount of the bond, the dollar amount of funding for the public benefits of water storage, and where Delta funding and watershed funding would be directed (conservancies v. State agencies). In addition, the Governor specifically stated that any water bond must be “tunnel neutral,” as he did not want the bond linked to the Bay Delta Conservation Plan.

Bipartisan agreement on the water bond provisions was reached in mid-August, and Assembly Bill 1471, authored by Assembly Member Anthony Rendon (D-Lakewood), passed both houses and was shortly thereafter signed by the Governor. A separate bill also passed which assigned the bond the number one position on the November ballot. Proposition 1, which was approved by 66.8 percent of California voters, authorizes the issuance of bonds in the amount of \$7.120 billion and the reallocation of \$425 million of the unissued bonds authorized by Propositions 1E, 13, 44, 50, 85 and 204. The RCRC Board of Directors voted to support Proposition 1 at the September Board of Directors Meeting.

Given the relatively modest size of Proposition 1, RCRC staff anticipates that discussions revolving around a new water bond will commence in 2016.

**Staff:** Kathy Mannion

**WATER: WETLAND AREA PROTECTION AND DREDGE AND FILL PERMITTING POLICY**

**Background:** RCRC is a longtime member of a diverse coalition of interested stakeholders engaged in the State's wetlands rulemaking process. Shared coalition concerns include inconsistency between the proposed California wetlands definition and the federal wetlands definition, increased permitting burdens on public and private entities, increased regulatory demands on California regulatory agencies, and increased litigation.

**2014 Regulatory Action:** In early 2014, the State Water Resources Control Board (State Water Board) released a rulemaking schedule for a new Wetland Area Protection and Dredge and Fill Permitting Policy. Given the change in membership of the State Water Board over time, in February 2014 the coalition submitted a letter to the State Water Board spelling out once again significant issues of concern.

The rulemaking schedule tentatively identified Fall 2014 for the public comment period and State Water Board public hearing, and Winter 2014 for the State Water Board adoption hearing. However, this timeframe passed without action on the part of the State Water Board. RCRC staff will keep RCRC member counties informed as the tentative timeline becomes more definitive. RCRC will provide comments on the proposed Wetland Area Protection and Dredge and Fill Permitting Policy during the comment period and participate in the public hearings.

**Staff:** Kathy Mannion

## WATERS OF THE UNITED STATES

**Background:** The Federal Clean Water Act (CWA) clearly states that the federal government has jurisdiction over the “Navigable Waters of the United States” (WOTUS), with the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) serving as the governing bodies who implement CWA policies. Specifically, the EPA and the Corps serve as permitting agencies for all federal, state, and local actions that impact federal waters.

Since 1985, several rulings by the U.S. Supreme Court have brought into question the scope of federal jurisdiction under the CWA. Specifically, the central policy point is whether the federal government has the authority to oversee and regulate many of the nation’s wetlands and if they have a physical nexus to federal navigable waters. Since 2008, there have been many attempts at the federal level - both congressional and regulatory - to expand the EPA and Corps jurisdiction and definition of navigable waters. Such an expansion would heavily impact local control over permitting and land use by requiring federal involvement for any action affecting a body of water.

**2014 Regulatory Actions:** In 2014, EPA and the Corps jointly proposed a highly controversial rule which would alter the definition of WOTUS, expanding federal jurisdiction to include some wetlands, waters that are adjacent to traditional navigable water, and other undefined, marginal waters. The proposal was met with widespread criticism due to the additional authority the rule would give the agencies over various bodies of water, and was also widely panned as unclear and confusing as stakeholders called for the EPA and Corps to withdraw the proposal. EPA and the Corps accepted public comment on the rule through November 14, 2014 and expect to release a final rule sometime in 2015.

**2014 Legislation:** In response to the controversy surrounding the rule, Congress expressed bipartisan opposition, and proposed a number of bills that would block implementation of the new WOTUS definition should it be adopted by EPA and the Corps. Among these proposals were riders on both the FY 2015 Energy and Water Development appropriations bill and the Interior and Environment appropriations bill, which would have blocked the EPA and Corps from funding implementation of the rule. The 2015 Omnibus bill was passed in December 2014 without the WOTUS provisions. The fate of the remaining bills stopping the WOTUS rule will be decided by Congress in 2015.

**Staff:** Staci Heaton

## WILDFIRE STRATEGY

**Background:** Current state and federal forest management law makes fire prevention work prohibitively expensive, slow to gain approval, and subject to widespread legal challenge, leading RCRC to engage state and federal officials in order to obtain action in our wildlands and in the wildland urban interface. Selective fuel reduction work, along with other forest management tools, must be encouraged in private, state, and federal forestland in order to protect people, homes, businesses, and natural resources such as habitat and watersheds.

Over the years, RCRC has pursued numerous avenues to effect change in the wildfire policy arena, including facilitating meetings between RCRC Officers and key state and federal elected and agency officials, the creation and execution of a wildfire resolution drive, the negotiation and passage of a Memorandum of Agreement (MOA) between RCRC, the California State Association of Counties (CSAC), the Bureau of Land Management (BLM), and the U.S. Forest Service (USFS), and engaging the Legislature to hold hearings specific to the issues of wildfires.

**2014 Actions:** In 2014, RCRC staff reassessed the opportunities to influence forest management and fire prevention activities at both the state and federal levels, and developed an updated, refocused strategy for wildfire advocacy. The 2014-15 Wildfire Strategy (accessed [here](#), on RCRC's "Advocacy" webpage) includes a comprehensive strategic plan, as well as a historical timeline of RCRC's work on these issues dating back to 2008. This year, RCRC actively advocated for increasing the pace and scale of forest management on public lands in several different venues, including the strategic creation and facilitation of the California Forest Watershed Alliance (CAFWA), active participation in federal lobbying efforts for the Wildfire Disaster Funding Act (WDFCA), repeatedly urging the State to give forest management and fuels treatment projects a greater role in its greenhouse gas emissions reductions efforts, advocating for the use of Assembly Bill 32 Cap-and-Trade revenues to fund forest management projects, and elevating the issue in the public forum through a sharp ramp up of communications efforts in both traditional and social media platforms.

Events over the course of the past few fire seasons have brought wildfire to the forefront of the media and public attention, sparking state and federal policy discussions. The Rim and King Fires, movement at the federal level regarding the funding of wildfire disasters, the acknowledgement that forest fires are a contributing factor to climate change, the need to encourage the Governor to more aggressively engage on the issue of forest management and fire prevention, and new science emerging regarding the importance of forest management on water quality and quantity in this unprecedented drought situation have highlighted the need for enhanced forest management. Additionally, new opportunities to engage non-traditional new partners and innovative new media forums made 2014 an opportune time for RCRC to launch a refocused wildfire advocacy strategy.

The new Wildfire Strategy includes key components and tactics that address advocacy, outreach, and communications/media relations. The objective is to implement an action-oriented plan to effect improvements in California's forest health by:

- Increasing the fire resiliency of communities in and around California's forests and wildlands;
- Protecting California watersheds and thereby the downstream water quality and long-term availability;
- Improving California's wildlife habitat by preventing the "scorched earth" scale fires that devastate the environment;
- Maintaining the carbon sequestration potential and reducing carbon emissions from California's forest lands; and,

- Fostering internal change within the USFS to remake the agency in such a way that they are able to meet their stated 500,000 acres per year goal for forest management projects within California.

**Staff:** Cyndi Hillery, Justin Caporusso, and Staci Heaton

## WORKFORCE INVESTMENT ACT REAUTHORIZATION

**Background:** The Workforce Investment Act (WIA) was enacted in 1998 to establish the nation's employment and job training program through federal investments to states to fund a variety of job training, education, and employment services for unemployed and underemployed workers and youth. In California, WIA-funded programs and services help provide job seekers the skills they need for gainful employment, and businesses the skilled workforce they need to compete in the 21st Century global economy. WIA has been slated for reauthorization for more than decade; however, short-term continuations have occurred prior to the enactment of recent reforms. RCRC has long advocated for the reauthorization of WIA to ensure that local elected officials, in partnership with business-led Workforce Investment Boards (WIB), can continue to provide the guidance, support, and coordination to California's businesses and workforce.

**2014 Federal Legislation:** In 2014, Congress passed the Workforce Innovation and Opportunity Act (WIOA) to reform the WIA to keep pace with the modern needs of businesses and job seekers. WIOA represents a compromise between the House-passed Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act and the Senate Health, Education, Labor, and Pensions Committee's Workforce Investment Act of 2013. While passage of WIOA largely maintains the basic local governance structure of WIA through local and/or regional WIBs and the leadership of Chief Local Elected Officials, the measure includes a number of policy enhancements that aim to strengthen local and regional economic development through targeted investments in regional industry and sector-based job training and education initiatives. RCRC worked with our member county WIBs and our federal advocacy partners to advocate for the passage of WIOA.

**2014 Regulatory Actions:** In 2014, the U.S. Department of Labor (DOL), in partnership with the U.S. Departments of Education, and Health and Human Services (federal agency partners), held a number of webinars and regional meetings to discuss WIOA implementation with local WIBs, and economic development, education and other critical stakeholders. The DOL and their federal agency partners have released a timeline with statutory deadlines for overall implementation of WIOA, with the first major action – the Notice of Proposed Rulemaking – projected to occur mid-January 2015. In addition, the California Workforce Investment Board has developed a WIOA Implementation Workgroup to further analyze and discuss how WIOA should be implemented in California. RCRC will monitor the regulatory actions scheduled to commence in 2015, and will take action as necessary to maintain the current governance structure and various programs and services of importance to California's rural counties.

**Staff:** Paul A. Smith and Randall Echevarria

---

## OTHER HEALTH AND HUMAN SERVICES ISSUES

**Background:** RCRC advocates on Health and Human Services (HHS) issues that impact access to health care in rural areas, as well as issues specific to the operation of county health and human services departments and activities. In addition to the Medical Injury Compensation Reform Act (MICRA) and Medi-Cal Reimbursement Rates, RCRC successfully engaged on two other pieces of HHS legislation critical to health access and county operations.

**2014 Legislation:** RCRC supported Senate Bill 1341, authored by Senator Holly Mitchell (D-Los Angeles), which codified the existing agreement between the Administration, Covered California, and counties, regarding the roles of the State Automated Welfare System (SAWS) and the California Health Eligibility Enrollment and Retention System (CalHEERS). SB 1341 requires SAWS to be the system of record for Medi-Cal, and contain all Medi-Cal eligibility rules and case management functionality. The rollout of CalHEERS was fraught with problems, and SB 1341 was an attempt to equalize some of the issues surrounding its implementation. For years, counties have worked on behalf of the State to make eligibility and enrollment determinations for Medi-Cal, CalFresh and the CalWORKs programs – serving millions of Californians daily. This integrated system allows county administrators and caseworkers to work more efficiently, saving both time and money for the State, and providing customers with the best possible service delivery.

In its role as a voice for improved access to health and dental care for rural residents, RCRC has long been a vocal supporter of telehealth and teledentistry. In 2014, RCRC supported AB 1174 by Assembly Member Raul Bocanegra (D-Los Angeles), which establishes the Virtual Dental Home (VDH) system statewide, and extends the scope of practice for registered dental assistants and dental hygienists such that they are able to perform early intervention procedures on patients who traditionally are not able to go to a dental office for treatment. Many children and adults who live in isolated and underserved areas face significant challenges accessing quality dental care services. As a result, they often have considerably worse oral health than those who live in more urban areas. RCRC supported this measure as an expansion of the use of teledentistry, and will continue to support any effort which increases access to dental care for California's most vulnerable and remote populations.

**Staff:** Cyndi Hillery

## FORECAST

In 2015, much of Sacramento will be focused on how Governor Jerry Brown approaches his last of four terms as Governor. Many expect the Governor will continue with two specific legacy projects – the construction of the State’s high-speed rail project, and the building of the twin tunnels water project in the Delta. Equally important will be the Governor’s commitment to maintaining the fiscal health of the State, an issue he has tackled since returning to the Governor’s Office four years ago. The Governor’s desire to reduce debt and eliminate future fiscal difficulties will coincide with a new Legislature being sworn-in. Unlike two years ago, the Democrats will no longer hold a 2/3rds majority in either house of the Legislature. Therefore, any issues requiring a 2/3rds vote (tax measures, passing constitutional amendments, bond proposals, etc.) will now involve discussions with Republican members. However, the State Budget remains a mere majority vote issue. More importantly, a number of election reforms are starting to take effect (re-districting, change in the term limit clock, and the restructuring of the primary system). Overall, it appears that members have become less ideological, and are willing to exercise more patience in the law-making process.

RCRC will be focused on the Governor’s approach on a number of fiscal matters. First, RCRC will continue to advocate for funding of the State’s Payment In Lieu of Taxes program. Secondly, conversations will be had to either restore county Williamson Act payments, or reform this historic agricultural land preservation program. RCRC will also continue to advocate for dedicated Cap-and-Trade funds for projects that benefit rural communities, such as forest management projects and agriculture equipment upgrades. Finally, RCRC will continue to call for a repeal of State Responsibility Area (SRA) fees, and most likely, finding a replacement revenue source. These priorities come against the backdrop of a significant Budget surplus and a desire by the Governor to eliminate “the Wall of Debt.”

While there will be much attention focused on Sacramento, RCRC will continue to engage on priorities in Washington, D.C. Some of these federal priorities include federal forestry reform, funding for the Secure Rural Schools (SRS) program and the Federal Payment In Lieu of Taxes (PILT) program, reconstructing wildfire disaster funding, extending the federal transportation financing measure, working on tribal acknowledgement and fee-to-trust changes, and efforts to either dramatically modify or eliminate the Waters of the United States (WOTUS) regulatory proposal. These issues will now be reshaped in light of the U.S. Senate now being controlled by the GOP, and Republicans strengthening their numbers in the House of Representatives.

In addition to the items outlined above, RCRC staff anticipates the following issues on the 2015 agenda for rural counties:

- Making needed changes to last year’s groundwater legislation, including streamlining the groundwater adjudication process;
- Implementing the voter-approved water bond;
- Consideration of a regulatory structure for medical marijuana, and also working to ensure that if a recreational use ballot measure is pursued, rural county concerns are addressed;
- Working to restore the Medi-Cal provider rate cuts from 2011, and other efforts to improve access to healthcare in rural counties; and,
- Education access issues such as distance learning, home-to-school transportation, expansion of degree-granting authority for community colleges, and concurrent enrollment.

On the regulatory front, RCRC staff anticipates being involved in the following issues:

- Air Resources Board Cap-and-Trade investment plan;
- U.S. Fish & Wildlife Service attempts to expand critical habitat;
- Final drafts of the U.S. Forest Service's forest plan revisions;
- Bay Delta Conservation Plan;
- Sustainable Groundwater Management Act implementation;
- Implementation of Assembly Bill 1826 (Chesbro) which attempts to reduce the disposal of organic materials in landfills;
- Development of the Regional Flood Management Plans;
- Proposed listings under the state and federal Endangered Species Act;
- Federal tribal acknowledgement changes;
- Environmental enforcement on marijuana cultivation; and,
- Continued development of the Mobile Ag Regulations and private fleet diesel regulation revisions.

RCRC once again faces challenges on many public-policy objectives and in several venues. 2015 will be no different. The membership, its leadership team, and RCRC staff are poised to develop and execute strategies that raise awareness of issues impacting rural counties and how rural counties are impacted by policy changes, allowing us to meet the challenges presented.