County Executive Office

Memorandum

2010 MAR 12 PM 1:07

Date: March 12, 2010

To: Darlene Bloom, Clerk of the Board of Supervisors

From: Thomas G. Mauk, County Executive Officer

RE: Agenda Item(s) #27 for the March 16, 2010, Board Meeting

ASR Control # 10-000278

Subject: LEGISLATIVE ISSUES

☒ **Changes to the Exhibit:**

Please delete recommended action No. 6 of the Draft Legislative Bulletin: ***SUPPORT – SBX8 26 (Pavley) Energy: California Alternative Energy and Advanced Transportation Financing Authority: Property Assessed Clean Energy (PACE).*** No action is required since the 8th Extraordinary Session closed.

RECOMMENDED ACTIONS

1. OPPOSE – FY 2010-11 Governor's Proposed Budget: Redirect Mental Health Services Act (MHSA) Revenue to fund existing Mental Health Services and Programs
2. SUPPORT – AB 1782 (Harkey) Disaster Relief
3. OPPOSE – AB 2253 (Coto) Workers' Compensation: Cancer Presumption
4. SUPPORT – AB 2290 (Bradford) CDCR: Inmates: Summary Parole
5. SUPPORT – AB 2407 (Harkey) California Regional Water Quality Control Boards: Boundaries
6. ~~SUPPORT – SBX8 26 (Pavley) Energy: California Alternative Energy and Advanced Transportation Financing Authority: Property Assessed Clean Energy (PACE)~~
7. ~~7.~~6. SUPPORT AND ADOPT RESOLUTION – United States – Korea Free Trade Agreement
8. ~~8.~~7. Receive and File Legislative Bulletin

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Legislative Bulletin

RECEIVED
MAR 16 2010 23
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

A Publication of the County Executive Office/Legislative Affairs

March 16, 2010
Item No. 27
Vol. XVI, No. 6

County of Orange Positions on Proposed Legislation

The Legislative Bulletin provides the Board of Supervisors with analyses of measures pending in Sacramento and Washington that are of interest to the County. Staff provides recommended positions that fall within the range of policies established by the Board. According to the County of Orange Legislative Affairs Procedures adopted by the Board of Supervisors on June 3, 2003, staff recommendations for formal County positions on legislation will be agendized and presented in this document for Board action at regular Board of Supervisors meetings. When the Board takes formal action on a piece of legislation, the CEO will direct the County's legislative advocates to promote the individual bills as approved by the Board. The Legislative Bulletin also provides the Board of Supervisors with informative updates on State and Federal issues.

The 2010 Legislative Platform was adopted by Board of Supervisors' Minute Order dated November 24, 2009.

On March 16, 2010, the Board of Supervisors will consider the following actions:

RECOMMENDED ACTIONS

1. OPPOSE – FY 2010-11 Governor's Proposed Budget: Redirect Mental Health Services Act (MHSA) Revenue to fund existing Mental Health Services and Programs
2. SUPPORT – AB 1782 (Harkey) Disaster Relief
3. OPPOSE – AB 2253 (Coto) Workers' Compensation: Cancer Presumption
4. SUPPORT – AB 2290 (Bradford) CDCR: Inmates: Summary Parole
5. SUPPORT – AB 2407 (Harkey) California Regional Water Quality Control Boards: Boundaries
6. SUPPORT – SBX8 26 (Pavley) Energy: California Alternative Energy and Advanced Transportation Financing Authority: Property Assessed Clean Energy (PACE)
7. SUPPORT AND ADOPT RESOLUTION – United States – Korea Free Trade Agreement
8. Receive and File Legislative Bulletin

SACRAMENTO LEGISLATIVE REPORT

SACRAMENTO UPDATE

On March 4, 2010, the Legislature offered an alternative to the Governor's tax swap proposal that is seen as a "divorce" from the General Fund. This alternative, while providing General Fund relief also restores transportation funding levels both today and into the future. ABX8 6 and ABX8 9 follow the Governor's approach in swapping the growing sales tax on fuels for a declining excise tax on gas. However, this alternative is an improvement in several ways.

First, it would immediately provide an equal replacement level of funding without a tax reduction as proposed by the Governor. Second, it would include an annual adjustment to ensure that the replacement tax reflects the same amount of revenue that would have been generated through the current sales tax addressing the problem of exchanging a growing revenue stream with a declining one. This provides a truly revenue neutral approach compensating for what would have been a reduction in transportation investments into the future. Third, this alternative would partially restore the transit funding providing necessary levels of operating for both transit and intercity rail. A controversial regional fee authority for transit, bicycles and pedestrian travel was dropped from the alternative proposal.

Earlier this week, the Governor vetoed ABX8 2, a key piece of last month's push to trim California's deficit that called for more than $2 billion in spending reductions starting this summer. In his veto message, the Governor stated that the bill "does not actually implement spending reductions" to help close the state's $19.9 billion budget gap over the next 18 months. Among the bill's major provisions: slicing prison health care by $811 million and the state's payroll by $450 million.

The decision was based, in part, on a technicality. The governor's staff argued that the reductions were cast as intended cuts to 2010-11 budget proposals that have yet to be crafted, rather than spending appropriations. Perhaps, more important, to the governor was the fact that the bill failed to address the deeper cuts to social services he laid out when calling an emergency budget session in January.

He said the bill also offered some unrealistic savings estimates. Specifically, he pointed to $182 million that the Legislature said it could save by deporting illegal immigrants before they have served their full sentences. He said that because many of the felons' crimes are too serious to merit their release, savings would be closer to $19 million. The bill is one of several sent to Schwarzenegger as part of the emergency session, adding up to some $5 billion in budget fixes.

2010 Legislative Platform Update

Safety Enhancement Double Fine Zone on Live Oak Canyon Road and Trabuco Canyon Road in the Unincorporated Area of Orange County

Per the Board's direction, the County has investigated the legislative possibility of establishing a roadway segment as a Safety Enhancement Double Fine Zone on Live Oak Canyon Road in the unincorporated area of Orange County. A Double Fine Zone designation is a mitigation measure to address vehicle code violations, which include speeding, reckless driving, speed contests, and drunk driving.

The County has received a "Safety Enhancement, Double Fine Zones (DFZ)" report from Caltrans to the Legislature. According to the report, analysis of collision data indicates a slight increase in total collisions after implementation of DFZ. In addition, the report states that "There is a statistically insignificant reduction in the expected number of collisions for more severe types of collisions after the implementation of DFZ legislation." The report makes several statements, one of which is that a DFZ alone has not shown to stop excessive speeding. The report also states that if used, a DFZ should be temporary with limited application, used in combination with other safety measures and reevaluated. The report concludes that DFZ should be limited to situations where there are distinct changes in roadway features so that a motorist would logically conclude that driving conditions have changed, thus raising their awareness. In light of the Caltrans report, CEO/Legislative Affairs recommends that alternative measures be pursued instead of legislation seeking a DFZ designation on Live Oak Canyon Road.

ACTION ITEMS:

FY 2010-11 Governor's Proposed Budget: Redirect Mental Health Services Act (MHSA) Revenue to fund existing Mental Health Services and Programs – OPPOSE

The passage of Proposition 63 (now known as the Mental Health Services Act or MHSA) in November 2004, provided increased funding, personnel and other resources to support county mental health programs to provide services for children, transition age youth, adults, older adults and families. MHSA addresses a broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support this system. MHSA has non-supplanting and maintenance-of-effort provisions that prevent the state and local governments from cutting existing mental health programs and using MHSA revenue to backfill those cuts.

The Governor's Proposed Budget includes a reduction of $452.3 million in State General Fund while substituting MHSA funding for a portion of the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program and a portion of the Mental Health Managed Care program. The Governor's Proposed Budget also includes a Trigger Reduction to fund existing mental health services with MHSA funds in the amount of $847 million. This Trigger Reduction would be considered if California receives insufficient federal funds to balance its budget.

Both of these proposals require amending the non-supplanting and maintenance-of-effort provisions of Proposition 63 and require voter approval. This initiative may be included in the June 2010 election if approved by 2/3 of the Legislature. It is also possible that the Legislature may delay action until later in the spring, which would result in this initiative being included in the November 2010 election.

CEO/Legislative Affairs and Health Care Agency Comments

CEO/Legislative Affairs and the Health Care Agency recommend the Honorable Board to take an oppose position on FY 2010-11 Governor's Proposed Budget to Redirect Mental Health Services Act (MHSA) Revenue to fund existing Mental Health Services and Programs. The Legislature is not planning to change the mandate, which requires the counties to provide behavioral health services for Medi-Cal eligible persons and County indigents. MHSA Programs are largely (59%) contracted through community providers. The contract language includes a 30-day clause to terminate the contract if funding ceases. The current MHSA staffing level in HCA consists of approximately 274 positions.

While there would be no immediate impact due to the availability of reserves, by FY 2011-12, the Governor's proposed shift of MHSA funding may result in the loss of mobile crisis teams and other hospital diversion programs, MHSA clients would present in hospital emergency rooms in greater numbers. This would result in long delays in transfers from hospitals to the County's Emergency Treatment Service (ETS) and exacerbate emergency room overcrowding. Police would see increased psychiatric involvement, resulting in additional arrests and incarceration, raising the potential for delays in responding to accidents and other emergencies. Also, there would be a significant increase in the number of homeless as we now have hundreds of clients receiving housing assistance and treatment services from MHSA funding. Consequently, this could require major reductions in staffing and contracted services. It is probable that it would be necessary to layoff County staff and contractors would also have to reduce staffing.

The total statewide MHSA allocation available to the counties for FY 2010-11 is $1.1 billion. Of this amount, planning estimates indicate that HCA will receive $90.9 million. If the proposed funding diversion comes from the FY 2010-11 allocation, it is estimated that our portion of the statewide reduction of $452.3 million will be approximately $36.7 million. If the Trigger Reduction is implemented, it is estimated that our portion of the statewide reduction of $847 million will be approximately $68.8 million. However, there are currently sufficient state and local MHSA reserves available to offset this loss during FY 2010-11. The potential impact on FY 2011-12 funds cannot be estimated until more information is available.

California voters already rejected a similar proposal in last year's May 2009 special election (Proposition 1E) that would have diverted $226 million/year for two years from MHSA to EPSDT. The Governor's proposal not only ignores the voters' recent rejection, but would possibly double or triple the funds diverted from MHSA programs.

In recent years, Behavioral Health has absorbed substantial reductions in Mental Health Managed Care and Mental Health Realignment revenue due to State cuts and the declining economy. Behavioral Health has responded to these reductions by utilizing MHSA funds to provide alternative treatment services for the mentally ill. The loss of the MHSA funds would result in Behavioral Health having insufficient funds to effectively provide mandated services and would lead to increased homelessness, additional incarcerations, and more overcrowding in hospital emergency rooms.

This bill is consistent with the 2010 Legislative Platform: Legislative Priorities and Legislative Policies Guideline: 8. *The State and/or federal government shall provide full cost recovery for counties and cities for all mandates. State/or federally funded programs (such as Santa Ana River Project, State Child Health Insurance program (S-CHIP), medical research, housing, law enforcement, older adults and workforce investment, etc.) require adequate and continuous funding.*

AB 1782 (Harkey) Disaster Relief – As Introduced on February 9, 2010 – SUPPORT

Author:	Assembly Member Diane Harkey
Status:	Assembly Committee on Revenue and Taxation
Hearing Date:	April 12, 2010
Reviewed:	CEO/Legislative Affairs

Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune

or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding state allocations for specified disaster relief purposes.

This bill would authorize an eligible county to apply for state allocations to offset property tax revenue reductions resulting from the reassessment of property that was damaged in a Governor-declared emergency. This bill would make an appropriation by continuously appropriating moneys in the Special Fund for Economic Uncertainties for this purpose. It would also provide that any dwelling that qualified for the exemption and that was damaged or destroyed by a natural disaster in a designated area declared by the Governor to be in a state of emergency during a specified period of time may not be denied the exemption solely on the basis that, as a result of that disaster, the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner.

CEO/Legislative Affairs Comments

CEO/Legislative Affairs staff recommends that your Honorable Board adopt a support position on AB 1782 as it provides for cost recovery related to natural disasters. When natural disasters occur, the result is a reduction in property values, thus property taxes, from reassessment. This bill would mitigate the impact by providing allocations from the state with respect to property tax revenue reductions, as well as providing an exemption to properties or a dwelling that was temporarily damaged or destroyed or was being reconstructed by the owner during a natural disaster.

AB 2253 (Coto) Workers' Compensation: Cancer Presumption – As Introduced on February 18, 2010 – OPPOSE

Author: Assembly Member Joe Coto
Status: Assembly Print
Hearing Date: May be heard in committee March 21
Reviewed: CEO/Risk Management and CEO/Legislative Affairs

Under current workers' compensation law, public safety personnel (police and fire) have the benefit of presumptions for a variety of work-related injuries, including cancer. Where appropriate, the Legislature has approved these injury-specific presumptions in recognition of the risks and dangers public safety personnel face that others in California's workforce do not. Under these presumptions, it is the burden of the employer – in our case, the County of Orange - to prove that an injury did <u>not</u> occur in the workplace.

Current law allows a public safety employee to file a claim under the presumption based on the time served on-the-job. Specifically, a firefighter or police officer receives three months of eligibility for every year of service <u>with a maximum time-frame of five years</u> to file these claims.

AB 2253 proposes to dramatically extend this time-frame by allowing for one year of eligibility for every one year of service, but not to exceed 180 months in any circumstance. For example, a firefighter who

is employed at age 25 and retires at age 50 would be eligible for a presumption claim until the age of 65. This presumption would apply to any diagnosed cancer, industrial or not.

CEO/Risk Management and CEO/Legislative Affairs Comments

CEO/Risk Management and CEO/Legislative Affairs recommend that your Honorable Board adopt an oppose position on AB 2253. This bill mandates unjustified costs to the County General Fund.

In adopting presumptions, the Legislature recognized the need to have a closed time-frame – a maximum of five years upon separation of employment. It should be noted that claims remain eligible for compensability at any time – what AB 2253 proposes to extend this presumption for an additional ten (10) years. Employers would have no legal way to contest a claim of cancer even if that cancer were to develop for reason other than employment. This could occur by cancer type as well as the likelihood of development as one simply ages. In an American Cancer Society research from 2008, it points out that the probability of developing cancers greatly increases as one ages. For example, the probability of developing lung cancer in males is 1 in 3,357 before reaching age 39. However, the probability is 1 in 40 before he reaches age 69. The same can be said for prostate cancer. The probability is 1 in 10,553 before age 39; the probability before age 70 increases dramatically to 1 in 15.

Employers need to retain the discretion to accept or challenge these workers' compensation claims. Given the above-mentioned points and the fact that claims filed under a presumption are extremely expensive, we respectfully oppose this dramatic time extension.

In the 2004 ruling in *Faust v. City of San Diego*, the Workers Compensation Appeals Board ruled that the defendant (the City of San Diego) must, in order to rebut the cancer presumption, "explicitly demonstrate that medical or scientific research has shown that there is no reasonable inference that exposure to known carcinogen or carcinogens is related to [the cancer] or causes the development of the cancer." In other words, proof that there has been no research demonstrating a causal link between a carcinogen and the cancer will not rebut the presumption. The effect of this ruling is to make it nearly impossible for an employer to rebut a claim of cancer.

Public entities across California are currently challenged to address the rising costs associated with maintaining an effective public safety workforce, and the passage of this bill will only increase these already substantial costs. This bill would create an unfunded mandate. The County would be mandated to accept all cancer claims filed by active or retired sworn Sheriff's Department personnel, whether industrial in nature or not. The County would also be required to absorb all associated medical, indemnity and legal costs for the remainder of the claimant's life.

Since all cancer claims filed by active or retired sworn Sheriff's personnel would be presumed compensable, the number of accepted workers' compensation claims would increase. This would require additional staffing in the County's Workers' Compensation Program and at the Third Party Claims Administrator used to adjust County claims. AB 2253 would greatly increase Workers' Compensation costs. As the County is self-insured, those costs would be charged back to the Sheriff's Department. The County currently has 2,510 open Workers' Compensation claims. If AB 2253 is adopted, the caseload would increase substantially.

AB 2290 (Bradford) CDCR: Inmates: Summary Parole – As Introduced on February 18, 2010 – SUPPORT

Author: Assembly Member Steve Bradford
Status: Assembly Print
Hearing Date: May be heard in committee March 23
Reviewed: Probation and CEO/Legislative Affairs

AB 2290 seeks to ensure that local law enforcement is aware when parolees are going to be released within their jurisdiction under summary parole status. The measure would require CDCR to notify local law enforcement 60 days prior to an inmate's release that the inmate will be placed on summary parole upon release and will be residing within their jurisdiction.

CEO/Legislative Affairs and Probation Department Comments

CEO/Legislative Affairs and the Probation Department recommend that your Honorable Board support AB 2290. Probation Officers need all the information that is available to conduct probation contacts in the safest manner possible - knowing if a former probationer is back in the community freshly out of prison is extremely important for officer safety. Probation officers are working caseloads and making contacts with convicted felons on a regular basis in office and field situations. Unannounced home calls are made with significant regularity to monitor compliance with conditions of probation. Officer safety is a significant consideration when unannounced home calls are made because the occupants, associates and possible criminal activity going on creates risk to the probation officer when encountering conduct the probationer deems, if caught, is worth a return to jail and possible state prison.

A very large number (about 1200 per year) of probationers go to state prison for probation violations. They often blame the probation officer for the revocation. If these probationers come out of prison and end up back in a residence or neighborhood where the officer makes an unannounced home call, the encounter is considered high risk. Further, there are frequent occasions where a probationer makes death verbal threats to the officer when they go to prison. The Probation Department wants to know when parolees are released to establish a heightened awareness alert for the former probation officer.

AB 2407 (Harkey) California Regional Water Quality Control Boards: Boundaries – As Introduced on February 19, 2010 – SUPPORT

Author: Assembly Member Diane Harkey
Status: Read first time
Hearing Date: TBD
Reviewed: OC Public Works and CEO/Legislative Affairs

Under the Porter-Cologne Water Quality Control Act, the 9 California regional water quality control boards are among the principal state agencies that carry out responsibilities relating to water quality. The act prescribes the boundaries of each regional board.

AB 2407 would revise the description of the boundaries of the Santa Ana Regional Water Quality Control Board and the San Diego Regional Water Quality Control Board.

CEO/Legislative Affairs and OC Public Works Comments

CEO/Legislative Affairs and the OC Public Works Department recommend that your Honorable Board support AB 2407. Currently, the regional water control board boundaries result in Orange County being divided between the Santa Ana and San Diego regions. This split means that portions of the County are governed by different Water Quality Control Plans, water quality objectives, monitoring and assessment programs, and water quality management programs.

This bill would modify the existing boundaries of the Santa Ana Regional Water Quality Control Board and the San Diego Regional Water Quality Control Board and result in one National Pollutant Discharge Elimination System (NPDES) Permit for the County of Orange to manage in collaboration with the co-permittees (cities) as opposed to managing the two current NPDES Permits. There would also be cost savings and efficiencies in the NPDES Program, including education, outreach, monitoring programs, and legal review costs. Moreover, the business community, developers, and other agencies that are regulated under this program will find it easier to comply with one program with one set of rules. Finally, this bill is consistent with the Board's approved policy statement (#13 d.) in the 2010 Legislative Platform: *13. Water Resources: d. Support consistent regulatory efforts and oversight within Orange County boundaries.*

SBX8 26 (Pavley) Pavley. Energy: California Alternative Energy and Advanced Transportation Financing Authority: Property Assessed Clean Energy (PACE) – As Amended on March 4, 2010 – SUPPORT

Author: Senator Fran Pavley
Status: Assembly Second Reading
Hearing Date: TBD
Reviewed: OC Public Works and CEO/Legislative Affairs

Existing law authorizes a public agency and a property owner to enter into voluntary contractual assessments to finance the installation of distributed generation of renewable energy sources or energy or water efficiency improvements that are permanently affixed on real property.

SBX8 26 would require the authority to establish a Property Assessed Clean Energy (PACE) Reserve program to assist local jurisdictions in financing the installation of distributed generation of renewable energy sources or energy or water efficiency improvements that are permanently affixed on real property through the use of a voluntary contractual assessment. The bill would establish the PACE Reserve Account within the California Alternative Energy Authority Fund and would transfer $50 million from the Renewable Resource Trust Fund into the account. The moneys in the account would be continuously appropriated to the authority for the purposes of the PACE Reserve program.

This bill would also authorize the authority to purchase bonds issued by a public agency meeting specified criteria. The bill would authorize the authority to hold the purchased bonds or to sell the purchased bonds, in whole or in part, to public or private purchasers.

CEO/Legislative Affairs and OC Public Works Comments

CEO/Legislative Affairs and the OC Public Works Department recommend that your Honorable Board support SBX8 26. The County and participating Cities are collaborating to implement a PACE program that would be known as "OC Sunergy." This is being implemented under the provisions of AB 811 that allow local jurisdictions to enter into contractual assessments with property owners to provide the upfront costs of energy efficiency and solar technology improvements. The County could benefit from these funds being available to help support the implementation of the OC Sunergy program as the intent of the law is to assist local governments with the creation and implementation of PACE, or AB 811, energy efficiency and solar technology programs by creating a PACE reserve account of $50 million. State trust funds could help to cover start up costs for the program including staff costs and other administrative costs.

WASHINGTON LEGISLATIVE REPORT

WASHINGTON UPDATE

Health Care Reform

While Democrats concentrate on jobs on the floor, they will, off the floor, be moving into their final push on health care in hopes of securing approval of the bill by the Easter recess. Democratic leaders say that while they do not have all the necessary votes secured, they sense momentum is on their side. Meanwhile, the President hopes to see his controversial health care reform bill approved by March 18th when he leaves for a trip to Australia and Indonesia.

Because White House Health Care Reform Summit failed to provoke any Republican converts, the President released a new set of proposals which include recommendations from Republican lawmakers and called on Congress to enact health care reform. Both the House of Representatives and the Senate had approved health care reform bills in 2009, but conference committee action stalled after the January election of Senator Scott Brown. The timing issue is driven by the budget reconciliation process. In order to use a process that would require 51 votes in the Senate, rather than 60 to sidestep the need for Republican support, the health care reform bill must be approved before a new FY 2011 Budget Resolution is enacted. The process would allow the Democratic-majority Congress to approve the president's proposed health care reform with a simple majority vote. However, the House distrust of the Senate, the lack of a concise package agreed upon by the House and Senate leaders, and lack of votes in the House to support the original Senate bill cause major problems for the White House and congressional leaders.

Stimulus II/Jobs for Main Street

After stalling briefly, the Democrats' jobs agenda regained momentum on March 4, 2010, as the House passed one measure designed to boost employment and the Senate pressed forward on a more ambitious bill that is expected to come to a vote next week.

The House voted 217 to 201 to approve a $15 billion measure that would give tax breaks to companies for hiring new employees. Six Republicans joined the vast majority of Democrats in supporting the bill (35 Democrats opposed), which also includes a one-year reauthorization of the law governing federal

highway funding, as well as an expansion of the Build America Bonds program and a provision allowing companies to write off equipment purchases. The Senate passed the bill last week on a 70-28 on a bipartisan vote. But because the House altered the measure to address concerns regarding recently enacted "pay as you go" budget rules, the Senate must approve the revised bill before the President can sign it into law. The Senate is expected to take it up again next week.

In moving forward on the jobs agenda, the Senate's latest jobs bill cleared a key procedural hurdle Tuesday, March 5th, with the chamber voting to limit debate on a $150 billion package of tax-break extensions and aid for the unemployed. Eight Republicans joined 58 Democrats to advance the bill, which now faces a vote on final passage Wednesday. The House's plans to deal with the measure are unclear.

The bill includes one-year extensions of unemployment insurance and COBRA health benefits, as well as money to help states pay for Medicaid and private pension funds that have taken a big hit during the recession. The measure also carries a "fix" to prevent a cut in payments to doctors who serve Medicare patients, as well as a $30 billion package to extend expiring tax breaks.

ACTION ITEMS

United States – Korea Free Trade Agreement - SUPPORT AND ADOPT RESOLUTION

On April 1, 2007, the United States concluded negotiations on a free trade agreement (FTA) with Korea. This comprehensive agreement will be brought up for consideration during the 110th Congress. Its passage will eliminate tariffs and other barriers to trade in goods and services, promote economic growth, and enhance trade between the United States and Korea.

Korea is a $1 trillion economy and is the United States' seventh largest goods trading partner. In 2006, U.S. goods exports to South Korea were $32.5 billion. In 2005, U.S. foreign direct investment in Korea totaled roughly $18.8 billion and was concentrated largely in the manufacturing, banking, and wholesale trade sectors. South Korea currently enjoys broad access to the U.S. market and the United States is Korea's second largest market, importing 17 percent of Korea's worldwide export goods.

The U.S.-Korea FTA will greatly expand market access in Korea for U.S. farmers, manufacturers, service providers, and financial service firms. Under the FTA, more than half of current U.S. agricultural exports to Korea-with a value of $1.6 billion, will become duty-free immediately. Almost 95 percent of bilateral trade in consumer and industrial products will become duty-free within three years under the agreement, and virtually all remaining tariffs on consumer and industrial goods will be eliminated in ten years. This agreement will eliminate significant non-tariff market access barriers in Korea to U.S. goods, services, and investment.

CEO Legislative Affairs Comments

CEO/Legislative Affairs recommends that your Honorable Board support and adopt the attached resolution in support of the U.S.-Korea Free Trade Agreement and encourage the U.S. Congress to ratify the agreement. Trade and investment in Korea already sustains thousands of U.S. jobs and the FTA will only open up more opportunities. California exports over $7.4 billion annually to Korea with more room for growth with eliminated tariff barriers. Many U.S. industry sectors are subject to double-

digit tariffs on exports to Korea under current law. If the Korea FTA passes, these tariffs will be eliminated allowing a level playing field. In addition, the Irvine Chamber of Commerce and the City of Garden Grove both support the U.S.-Korea FTA. This resolution has been approved by County Counsel.

COUNTY OF ORANGE - SPONSORED BILLS STATUS/UPDATE

AB 1769 (Tran) Elections: County of Orange.
Introduced: 02/09/2010
Status: 02/25/2010-Referred to Committee on Elections and Redistricting
Location: 02/25/2010-Assembly E. & R.
Calendar: 03/16/10 1:30 p.m. - Room 444 Assembly Elections and Redistricting

AB 1957 (Silva) Administrative Procedure Act: notice of proposed actions: local government agencies.
Introduced: 02/17/2010
Status: 03/04/2010-Referred to Committee on Business and Professions
Location: 03/04/2010-Assembly B. & P.
Calendar: TBD

AB 2154 (Solorio) Vote by mail ballots: telephone applications.
Introduced: 02/18/2010
Status: 03/04/2010-Referred to Committee on Elections and Redistricting
Location: 03/04/2010-Assembly E. & R.
Calendar: TBD

SB 1446 (Correa) Endangered and threatened species: incidental take permits.
Introduced: 02/19/2010
Status: 02/21/2010-From print. May be acted upon on or after March 23.
Location: 02/19/2010-Senate PRINT
Calendar: TBD

A copy of the 2010 County of Orange Legislative Platform is available at: http://www.oc.ca.gov/ under OC Links. If you or your staff have any questions or require additional information on any of the items in this bulletin, please contact Donna Grubaugh at 714.834.7218.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE, CALIFORNIA

March 16, 2010

WHEREAS, on June 30, 2007, the United States and South Korean trade officials signed the proposed U.S.-South Korean Free Trade Agreement (KORUS FTA) for their respective countries; and

WHEREAS, the Republic of Korea is the seventh largest trading partner of the United States, the sixth largest market for agricultural goods and the third largest destination for U.S. foreign direct investment in the Asia-Pacific region; and

WHEREAS, according to some reports the KORUS FTA will likely increase trade between the United States and the Republic of Korea; and

WHEREAS, nearly two million Americans of Korean heritage and descent live in the United States and are successfully engaged in numerous businesses and enterprises that would directly benefit from the KORUS FTA; and

WHEREAS, the County of Orange has the third highest concentration of Korean American-owned business in United States, and the Korean businesses in Anaheim, Buena Park, Fullerton, Irvine, La Palma, Garden Grove, and Santa Ana host more than 7,000 shops and restaurants offering sundry Korean goods and authentic cuisine;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Orange hereby supports the KORUS FTA and encourages the United States Congress to reach consensus that will result in ratification of a KORUS FTA that bolsters the trade between the United States and Korea, while continuing to acknowledge the sovereignty and police power of local agencies to enforce local land use and other state or local environmental regulations.