



CITY OF MURRIETA

2018

STATE & FEDERAL LEGISLATIVE PROGRAM

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INTRODUCTION

Murrieta is a young, vibrant, and affluent community ideally located at the junction of the I-15 and I-215 freeways. The close proximity to San Diego, Los Angeles and Orange County markets further enhances the City's opportunities for economic development. Since incorporating in 1991, Murrieta has experienced a 400% increase in population in just 23 years, making it the fourth most-populous city in Riverside County. Murrieta has been ranked as the fastest-growing larger community (100,000+ residents) in Southern California, yet has consistently been recognized one of the safest cities in the country.

With almost 400,000 vehicles traveling through Murrieta each day, and located in the path of growth for area counties, Murrieta affords business opportunity to take charge of the future while providing its residents with an exception quality of life. While offering upscale yet affordable housing within a nationally recognized school district, the City represents a blend of dynamic growth amid the traditional values of a historic rural community dating back to the 1890's. Murrieta boasts an educated, high-income population comparable to communities in San Diego and Orange Counties. In fact, according to a recent demographic study, Murrieta residents were compared to that of a number of surrounding communities, including San Diego, Lake Forest, Mission Viejo, Tustin, Rancho Cucamonga and neighboring Temecula. For example, the income levels of Murrieta residents are equivalent to those living in many of these areas. In addition, the City of Murrieta enjoys a higher proportion of owner-occupied housing than most other communities studied.

In order to compete locally, nationally, and globally, the City of Murrieta must strategically position itself through a variety of means. An important component to the future success for the City is dealing with a State that consistently usurps local control, a federal government that sends a disproportionate share of funding to the region, and a county long passed over for its neighbors to the south and west. In the future, cities will be forced to adopt a changing fiscal landscape. Fortunately, this has been Murrieta's strong point since incorporation.



MURRIETA CITY COUNCIL 2017/18 GOALS

- ❖ **AGGRESSIVELY PURSUE ECONOMIC DEVELOPMENT**
- ❖ **PROVIDE A HIGH LEVEL OF INNOVATIVE PUBLIC SAFETY SERVICES TO THE COMMUNITY**
- ❖ **ASSURE FISCAL RESPONSIBILITY**
- ❖ **PLAN, PROGRAM AND CREATE INFRASTRUCTURE DEVELOPMENT**
- ❖ **COORDINATE AND DELIVER RESPONSIVE, EFFECTIVE COMMUNITY SERVICES**
- ❖ **FOSTER AND PROMOTE A CONNECTED AND CARING COMMUNITY**

EXECUTIVE SUMMARY

The City of Murrieta has its sights set high for the future as it emerges from the worst recession in recent history. Revenues are finally approaching pre-recession levels and the local economy continues to improve, creating new economic opportunities for businesses and residents. As resources expand to accommodate the reality of new demands, the City Council believes fiscal prudence and quality job creation is paramount to the success of our community. Maintaining success is also dependent on the City's ability to develop effective partnerships with state and federal representatives and its ability to engage in public policy discussions. Recognizing the importance of promoting priorities, the City develops a legislative program consistent with the City's General Plan, City Council goals, and other strategic documents, which focuses on the overarching principles of prudent fiscal stability, protection of local control and transparent government. The purpose of this document is to create a plan that positions the City to be able to take advantage of funding opportunities and provide input into legislation in both Washington, DC and Sacramento. To that end, the Legislative Program provides the intergovernmental approach to implement the political and legislative game plan of the City.

This Legislative Program is presented in three parts. The first section contains the City's priority project list. These are vital projects that need the attention of federal and state government. The second section is the City's Legislative Platform (Platform). The Platform is the Murrieta City Council's declared policies. The Platform sets forth the City's legislative objectives for the 2018 legislative sessions and provides direction for the City's legislative representatives and advocates as they work to secure strategic initiatives in Sacramento and Washington, D.C. It is intended to articulate the City's positions on issues that are currently or are anticipated to be, the focus of future legislation by the state or federal governments. The Platform streamlines the City's advocating efforts by enabling City staff to take immediate action on pressing legislative items efficiently and without delay under City Council direction. The purpose of the Platform is to further the adopted goals and objectives of the City Council by providing direction and guidance to City officials and staff. The last section, noted by "Attachment A" and "Attachment B" contains assessments of the state and federal government, the political landscape, and anticipated issues and challenges of particular concern to local government.

Together, these pieces make the City's Legislative Program. Established within the Program is the protocol that determines the level of engagement the City Council wishes to commit to accomplish its legislative goals. The protocol develops a long-term strategy to seek federal and state appropriations and gives the City's ad-hoc legislative workgroup a coordinated plan for advancing projects. With the dynamic growth of our City in recent years and planned development in our future, the City's Legislative Program is aimed at securing legislative policies and resources that will help the City manage this growth, fund critical infrastructure needs, keep our City safe and maintain and enhance the quality of life our residents have come to enjoy.



PRIORITY LIST

Through the City's Capital Improvement Plan (CIP), major projects are planned for a period of five years. The Priority List below includes important projects of regional significance listed within the CIP that do not have sufficient funding. These projects are in various stages of planning and/or construction, and could provide immediate job creation opportunities if funding were made available. The list is in order of priority.

KELLER ROAD INTERCHANGE ON I-215

Total cost: \$27 million

Status: Project Approval/Environmental Documentation

City committed funding: \$6.1 million

The I-215/Keller Road Interchange project will design and construct a new interchange from the I-215 freeway to Keller Road, near the location of Loma Linda University Medical Center – Murrieta and the planned Kaiser Permanente Medical Center. At build-out, the North Murrieta Technology and Medical Corridor will feature over 500 hospital beds and almost 1.2 million square feet of hospital and medical space. In order to complete this project and make it accessible to patients from the entire region, a new interchange is necessary from the I-215. Currently, access is provided through arterial roads only, with freeway access miles away.

MURRIETA CREEK

Total cost: \$117 million

Status: Phase II A in construction

City committed funding: \$15 million (Ivy and Guava bridges)

Murrieta Creek poses a severe flood threat to the cities of Murrieta and Temecula, where overflow flooding from this undersized creek has periodically wreaked havoc, most recently in 1993 when flood-related damages cost nearly \$20 million. In 2014, a unique funding opportunity called "acceleration" was approved that allows the Riverside County Flood Control District to front the local share of funding for the project to begin construction of phase II. Phase II was divided into two phases. Funding for the completion of Phase II, III and IV will continue to be the highest priority. This collaborative project between the Corps of Engineers, the County of Riverside, and the cities of Murrieta and Temecula is estimated to total over \$100 million. When complete, it will provide flood control between the two cities and serve as the lynchpin for regional economic development.

NORTH MURRIETA TECHNOLOGY AND MEDICAL CORRIDOR

Warm Springs Parkway and Whitewood Improvements (2 simultaneous projects)

Total cost: \$28.3 million

Status: Whitewood – Completed Fall 2017

City committed funding: \$8.3 million

Warm Springs Parkway – Future Project

At build-out, the North Murrieta Technology and Medical Corridor will feature two regional hospitals, a state-of-the-art rehabilitation center for post-acute care, and numerous biotechnology companies with a private sector investment nearing \$1 billion. In an effort to provide increased accessibility to the hospitals while constructing the infrastructure improvements to attract national and international companies, the City will need to construct the Keller Road Interchange/I-215 (above), realign the existing Antelope Road/Warm Springs Parkway, and design/construct full width improvements on Whitewood Road. Once complete, this area will be the largest technology and medical corridor in Riverside County.

VETERAN'S MEMORIAL MONUMENT

Total cost: \$2 million

Status: 4 of 9 monuments complete

City committed funding: \$500,000

The City is constructing a contemporary memorial within the Town Square Park to honor the residents of Murrieta and other communities that sacrificed their lives in service to this country. The memorial will consist of seven granite monuments, with an artist rendering of wars and conflicts. The estimated cost of construction will be \$2 million, and partially offset by private fundraising. The City is in need of an additional \$1.5 million.

2018 LEGISLATIVE PLATFORM

The 2018 Legislative Platform reflects the Murrieta City Council's declared policy positions. The purpose of the platform is to further the adopted goals and objectives of the City Council by providing direction and guidance to City officials and staff while considering legislation pending at the state and federal levels. The platform will enable City staff to efficiently affect legislative bills based on the overarching principles of prudent fiscal stability, protection of local control and transparent government.

1. General Government:

- a. Local Control: Oppose legislation which preempts local control including, but not limited to, land-use planning, formation of a charter city and local public meeting procedures. Support legislation which provides greater local control, including but not limited to, reorganization of special districts, labor relations, city council vacancies, and interagency cooperation.
- b. Workers' Compensation: Oppose legislation which would increase employee benefits without system reforms which would offset increased employer costs.
- c. Unemployment Insurance: Oppose legislation which would increase employer liability for unemployment compensation, or which would reduce local discretion to manage this risk.
- d. Presumptive Eligibility for Disability: Oppose legislation which would provide presumptive eligibility for the award of benefits for Workers' Compensation or other employee health benefits.
- e. Abandoned Vehicles: Oppose legislation which would eliminate abandoned vehicle programs and a local government's ability to immediately remove abandoned vehicles.
- f. Eminent Domain: Oppose legislation that would further restrict the use of eminent domain to acquire land not zoned for residential use for redevelopment purposes.
- g. Vehicle Sales on Public Streets: Support legislation that would provide local jurisdictions with increased authority to regulate the sale of automobiles on public streets.
- h. Mortgage Lenders: Support legislation that would require mortgage lenders to adopt a uniform tracking method for mortgage instruments which enables local government to reliably locate owners of title.
- i. Tax Increment Funding: Support legislation that would support new financing tools and programs that would encourage economic development through tax increment financing.
- j. Community Block Grant Funding: Oppose legislation to decrease Federal Community Block Grant funding.
- k. Storm Water Fees: Support legislation that would include storm water fees among the types of fees exempt from voting requirements imposed by Proposition 218.
- l. Accountability And Transparency: support legislation to hold the State of California and state agencies to the same transparency and accountability standards as cities.
- m. Design-Build: Support legislation that provides authority to general law cities to utilize the design-build process for public works construction projects and other city Capital Improvement Projects.
- n. Public Noticing: Support legislation promoting alternative and electronic posting and noticing of public hearings and meetings, including online posting.
- o. Tort Reform: Support tort reform efforts specific to ending frivolous lawsuits aimed at municipalities.

2. Immigration: Call upon the federal government to cast off partisan rhetoric and demonstration leadership by definitively solving the immigration crisis that has adversely impacted local jurisdictions, especially the City of Murrieta. Enactment of a comprehensive, cohesive immigration policy shall:
 - a. Recognize that people are going to attempt to enter the United States of America, risking life and property, because of the opportunity that has been historically achieved by all races and nationalities;
 - b. Recognize the Rule of Law, and the processes that have been established, by the various federal government agencies, and does not establish an automatic amnesty program, but instead seeks to promote education and the advancement of mankind in general as an obligation of a civilized society;
 - c. Provide a consistent, humanitarian mechanism to those that want to integrate into our country and swear an oath of allegiance;
 - d. Is based on self-evident principles that all men are created equal, that they endeavor to prosper, and that a responsible citizenship the keystone to our Republic.

3. Local Government Finance:
 - a. Oppose any measure that would make local agencies more dependent on the State for financial stability and policy direction.
 - b. Oppose all realignment efforts by the State when the full and necessary funding is not appropriated in advance.
 - c. Oppose measures that would impose State and Federal mandated costs for which there is no guarantee of local reimbursement or offsetting benefits (i.e., unfunded mandates).
 - d. Oppose any measure that restricts or limits a public entity's ability to use tax-exempt debt or tax increment financing for the purchase or construction of public purpose improvements.
 - e. Support efforts which make funds to support public facilities more available to local municipalities including, but not limited to libraries and open space.
 - f. Oppose any measure that would divert local funds to the State, or any other entity, to balance its budget.
 - g. Oppose efforts that either increase the City's liability or decrease outside parties' liability concerning municipal finances.
 - h. Oppose any change in tax allocations, which would negatively affect local government.
 - i. Support legislation to stabilize State and local government financing, to increase funding to local agencies in an equitable manner, and to permit the most cost-efficient management of state-mandated programs.
 - j. Support a statutory or constitutional redistribution of property tax revenues which more equitably reflects local government responsibilities.
 - k. Support legislation to improve payments-in-lieu revenue to local governments that have the responsibility to provide local government services for State and county facilities.
 - l. Oppose legislation which would reduce local discretion over locally-imposed taxes such as transient occupancy tax.

- m. Support Federal legislation which would require states to distribute Federal pass-through funds in an equitable manner to local subdivisions of the State.
- n. Oppose legislation which would restrict or eliminate the availability of traditional government financing instruments or practices.
- o. Support legislation that would redistribute State and Federal revenues to better meet local government responsibilities.
- p. Support any measure that would provide greater local control over how local funds are expended.
- q. Support legislation that would protect or propose any constitutional amendment that provides a guarantee for local government finances.
- r. Support legislation that would reform or increase transparency and accountability into the legislative appropriations process.
- s. Support legislation that would remove the barrier to use in-house staff for public works construction contracts over \$5,000.
- t. Oppose any attempts or measures that seek to weaken or reverse Proposition 13, Proposition 187, or other Constitutional provisions that strengthen taxpayer protections, or whose purpose is to raise tax revenues at the expense of the residential or business community.
- u. Oppose any legislation in regards to short-term residential rentals that creates a cost burden to local government services.
- v. Oppose legislation that limits power of local government to negotiate indemnification protection in public contracts.
- w. Oppose legislation that would prohibit, or limit, local governments' ability to contract out for the provision of services.

4. Economic Development:

- a. Support legislation that supports local businesses and industry, including measures that remove barriers allowing local industries to sell goods and services internationally (i.e., free trade agreements).
- b. Support additional efforts to provide local governments with the tools necessary for economic development.
- c. Support legislation and efforts to re-establish tax increment financing and other economic development tools.
- d. Support military installations located within Riverside County for the economic, public safety and training benefits they provide.
- e. Support all attempts to bring higher education opportunities to the region.

5. Labor Relations:

- a. Oppose any measure that imposes upon local government mandated employee benefits that are more properly decided at the local level.

- b. Support legislation modifying the Fair Labor Standards Act to permit adjustable work schedules to meet the needs of management and labor and to eliminate prospective and retroactive overtime payments.
- c. Oppose legislation that imposes further restrictions on local jurisdictions (or adds additional burdens) on employer/employee negotiations.

6. Transportation:

- a. Call upon the federal government to fix the outdated, inefficient and insolvent highway trust fund.
- b. Support measures that provide local and regional funding opportunities for local transportation and system projects.
- c. Support legislation that provides for a more equitable distribution of federal and state highway funds that considers population growth as well as location of sales and gas tax generation.
- d. Oppose measures that attempt to raise federal and/or state revenues for transportation funding through new or increased taxes or fees. For instance, oppose any measure that seeks to implement a vehicle-miles-traveled tax/fee in addition to current gas taxes, rather than supplanting current formulas.

7. Land Use Planning:

- a. Support efforts to strengthen the legal and fiscal capability of local agencies to prepare, adopt and implement fiscal plans for orderly growth, development, beautification and conservation of local planning areas, including, but not limited to, the regulatory authority over zoning, subdivisions, annexations, and redevelopment areas.
- b. Support efforts which are consistent with the doctrine of “home rule” and the local exercise of police powers, through planning and zoning processes, over local land use.
- c. Support legislation that would provide additional resources, including adequate funding, to local agencies to address regional growth issues such as air quality, water quality, air pollution, transportation corridors, and homelessness.
- d. Support legislation that would authorize local agencies to establish regional authorities to address growth management issues on a voluntary basis.
- e. Oppose legislation that would require local governments to compensate property owners for the effects of zoning and ordinary local land use control.
- f. Support legislation that would give the City increased control over congregate care facilities, such as group homes.
- g. Oppose legislation that penalizes a city if units identified in the Regional Housing Need Assessment (RHNA) are not constructed.
- h. Oppose legislation, regulatory proposals, or administrative actions that limit or eliminate local discretionary review of the installation of small cell wireless equipment or any wireless technology facilities on public infrastructure or in the public right of way.

8. Housing:

- a. Support efforts to develop Federal and State participation and financial support for creative programs to provide adequate, affordable housing (home ownership, rental opportunities, rehabilitation and homeless assistance) for the elderly, handicapped, public sector employees, and low-income persons throughout the community.

- b. Support efforts that increase the City's ability to reasonably oversee the location of community care facilities.
- c. Support clean up legislation to increase financial thresholds that trigger prevailing wage requirements.
- d. Support efforts to increase the maximum home sale price allowed under all federal and state home ownership funded programs.
- e. Support legislation that would eliminate the prevailing wage requirement on low income housing.

9. Law Enforcement and Judicial:

- a. Support efforts which strengthen local law enforcement including, but not limited to the regulation of sales or manufacturing of dangerous drugs; prevention of driving under the influence of drugs or alcohol; criminal gang activity; the sharing of criminal history information between states; registration of sex offenders; the provision of a greater share of seized assets to localities; cost recovery from the guilty party when alcohol or drugs are present; increased sentences for criminals involved in activities such as violence, gang, narcotics, or repeated offenses; and the increase of county jail and State prison capacities, as well as new prison construction.
- b. Oppose legislation that would impede local law enforcement from addressing crime problems and recovering costs resulting from a crime committed by the guilty party.
- c. Support legislation that establishes greater City Council latitude in setting speed limits.
- d. Support legislation to vigorously oppose the early release of prisoners.
- e. Support measures to increase the capacity of the judicial branch in Riverside County to address the shortage of judges and staff, and implement programs and incentives to retain experienced judges.
- f. Support efforts to develop, implement, and improve a federal worker eligibility verification process to ensure eligible employees are hired by businesses in the most efficient manner possible. Additionally, support legislation providing administrative authority to local jurisdictions to allow, as a condition of issuing a business license, a mandatory worker eligibility verification process.
- g. Support legislation that would provide added security measures to protect residents against terrorist activity, including making funding available for improved equipment and increased personnel costs.
- h. Support legislation that limits the issuance of alcoholic beverage licenses in areas of high crime or where excessive numbers of licenses exist.
- i. Support action that rectifies the federal government's position on medical and recreational marijuana, the state government's position, and previous voter approved initiatives. Without clear guidance and action, local jurisdictions continue to be stuck in a complex web of litigation with diminutive local control.
- j. Support legislative efforts to address the negative impacts of AB 109, Proposition 47, and Proposition 57 on local governments and provide local law enforcement with the appropriate tools to reduce criminal activity.

10. Fire Service:

- a. Support legislation which increases home rule in adopting Fire and Life Safety Codes.

- b. Support legislation that provides funding or home rule provisions to previously approved fire or EMS legislation or propositions (such as funding for Murrieta through Prop 172 funds and transportation rights to cities incorporated after 1980).
- c. Support efforts which strengthen local fire and life safety services, including providing for greater local control over emergency medical and ambulance services to ensure the residents of Murrieta receive the highest possible level of emergency care.
- d. Oppose legislation that restricts local authority jurisdiction over the enforcement of fire and life safety regulations.
- e. Support legislation that provides funding for terrorism response training, with broad interpretations of training curriculums.
- f. Support legislation that provides funding assistance to local agencies to increase firefighter staffing levels.
- g. Support legislation that promotes national fire code development using an open, consensus-based process.
- h. Support legislation that promotes the installation of fire sprinklers in new non-residential buildings.
- i. Support legislation that requires maintenance of defensible space in wildfire-prone areas.
- j. Support regional efforts to improve interoperability of voice and data communications equipment.
- k. Support measures that provide funding to local agencies for training, effective disaster preparedness, homeland security, and emergency planning.

11. Social Service Programs:

- a. Support legislation providing an equitable distribution of State and Federal program resources to prevent and treat alcohol and drug abuse.
- b. Encourage and support the implementation of regional social service programs and multiple task force groups on the issues of bullying, autism and other matters where greater attention has not yet been achieved but impacts the region as a whole. Additionally, support comprehensive approaches to social services where solutions include collaborative partnerships between parents, children, educational and governmental participation.
- c. Oppose all efforts of social service and program realignment where funding has not been fully appropriated.
- d. Support legislation that addresses the complex issues of homelessness from a regional perspective that employ best practice strategies to reduce the number of people experiencing homelessness by: preventing homelessness of those at risk; providing emergency and supportive housing; expanding affordable permanent housing; and promoting self-empowerment through counseling, job training, and other supportive services.

12. Resource Conservation and Management:

- a. Support measures which increase the water supply or improve water quality within the region, such as new desalinization plants.

- b. Support efforts that encourage the use of energy and water conservation techniques, as long as those measures do not contain unnecessary punitive measures to residents, business owners and local agencies.
- c. Support legislation that would protect consumers and small business owners and end excessive energy and water charges.
- d. Support legislation that enables the construction of energy producing facilities needed to meet the growing demand, in a timely manner.
- e. Support federal and state programs and legislation that encourage the use of commercially viable, new clean energy technology, if such clean technology has proven to be cost efficient.
- f. Support legislation promoting local control of siting waste treatment facilities, hazardous materials rules and regulations, and providing funds for site planning.
- g. Support measures which provide greater local control in meeting the environmental needs of the community, i.e., recycling/reclaiming of natural resources and energy efficiency measures.
- h. Oppose legislation that imposes undue hardship on local agencies to implement environmental regulations.
- i. Oppose measures to mandate extended producer responsibility or product stewardship legislation.
- j. Support regional Property Assessed Clean Energy (PACE) programs that provide private funding for energy and water retrofits.

13. Parks and Recreation Programs:

- a. Support legislation that provides adequate and consistent funding to support the acquisition, development, and operation and maintenance requirements of recreation, parks and community services agencies at the local, State, and Federal levels.
- b. Support legislation that protects or enhances the current interests in a variety of areas including the Subdivision Map Act, the Naylor Act, and tort liability. Also support legislation that enhances funding through programs such as the Roberti-Z'Berg-Harris Fund and the Land and Water Conservation Fund.
- c. Support legislation that provides funding to support public art, both performing and visual.
- d. Support legislation that provides funding for, or otherwise assists, the preservation of historical sites and buildings.
- e. Support legislation that provides funding or otherwise promotes programs to address and increase the level of physical activity among our community's children.

14. Regional and International Governance

- a. Support legislation that reflects a positive, collective, and cohesive approach to regional solutions, as long as local control is maintained.
- b. Support efforts to encourage and promote sister-city relationships to maximize cultural and business partnerships via Memorandums of Understanding.

ATTACHMENT A: ASSESSMENT OF THE STATE OF CALIFORNIA

Government is a trust, and the officers of government are the trustees; and both the trust and the trustees are created for the benefit of the people. ~ Henry Clay

In terms of approved legislation, the 2017 California Legislative Session was one of the most *productive* in recent memory. With over 2,500 bills introduced, the session ended with 977 approved bills, of which 118 were vetoed by the governor. A number of stated approved bills were in direct response to President Trump's campaign promises and early actions in office. One such bill, Senate Bill 54 (de León), known as the 'sanctuary state' bill, will prohibit local law enforcement from helping to carry out federal immigration enforcement. Additionally, California lawmakers cemented California's role as a leader on climate change at a time when President Trump is retreating from the fight against global warming, with the extension of the state's cap-and-trade program until 2030.

Early in the Legislative Session, lawmakers narrowly passed a gas tax funded transportation and infrastructure package. The Road Repair and Accountability Act of 2017 provides an additional \$5.4 billion annually for state and local transportation systems, of which \$1.5 billion is dedicated to city and county street and road repairs, doubling the amount of road maintenance funds cities will receive. Lawmakers concluded the session by finalizing a 15-bill housing package that included: a new fee on real estate transaction, a \$4-billion affordable housing bond, a trio of measures (AB 73, SB 35, and SB 540) aimed at whittling down burdensome regulations to make it easier for developers to build, and measures (AB 879, AB 1397, and SB 166) forcing cities and counties to plan for more housing to meet state projections of population growth. On the fiscal front, the Legislature adopted its FY 2017-18 budget package with total General Fund spending of \$125.1 billion and \$8.5 billion for the Rainy-Day Reserve. To address growing concerns over the state's unfunded public pension liabilities, the state also made a \$6 billion prepayment from cash reserves to the California Public Employees' Retirement System (CalPERS). Cities' local control came under significant threat in 2017 with bills seeking to restrict local contracting authority and attempts to allow telecommunications companies to install their equipment on public property without local community input and approvals.

Many factors will influence the 2018 Legislative Session. Governor Brown will be in the final year of his term and is expected to leave his imprint on the state's budget and policy matters. Continuing his fiscally prudent approach, Governor Brown will continue to be cautious as he negotiates the FY 2018-19 Budget. Continued tensions over federal policy proposals and actions remain a certainty. Ballot proposals will also occupy the political space. Three measures are qualified for the June 2018 ballot, each with its own agenda: ACA 5 (Frazier) provides additional protection to recently enacted transportation funds; ACA 1 (Mayes) imposes a two-thirds vote of post-2024 allocations of cap-and-trade funds; and SB 5 (de León) proposes a \$4 billion park and water bond. The housing bond, SB 3 (Beall), is qualified for the November 2018 ballot. Recreational marijuana regulations take effect in 2018; however, Attorney General Jeff Sessions has directed U.S. Attorneys to restart to resume prosecuting federal marijuana laws, even in states that have legalized use of the drug. Discussions are expected on water conservation and energy policy, responding to the devastating 2017 wildfires and crafting a more balanced telecom bill. Unknown elements for 2018 include the state budget. Besides the major vulnerabilities with a federal repeal of the Affordable Care Act, at some point the economy will slow and reduce state revenues.

ISSUES AND PROJECTIONS:

- Rising rents and home prices forced California's housing crisis to lawmaker's agenda in 2018. Expect more focus on housing issues at the Capitol and statewide ballot in 2018.
- Lawmakers will build on efforts to address homelessness to help local agencies address the issue.
- Recreation marijuana became legal in California on January 1, 2018. The state already has many laws and regulations in place, but there are still a multitude of issues to address, especially banking and taxes.
- Action in 2018 is more likely to revolve around citizen initiatives, which have tended to have more impact on how California works than do elected officials. So far, 38 of them are in the works in 2018, including initiatives to repeal the gas tax (SB 1) and initiatives to make changes to Proposition 13.

ATTACHMENT B: ASSESSMENT OF THE FEDERAL GOVERNMENT

*A government big enough to give you everything you want,
is strong enough to take everything you have. ~ Thomas Jefferson*

Despite beginning the 115th Congress with the most ambitious Republican-led Congress in 20 years, 2017 was a rough-and-tumble year of partisan battles. President Trump's first year in office had its stumbles, but it also had a number of successes. Trump signed 93 measures into law, capping off 2017 with his first major legislative victory: the passage of the biggest tax legislation to be approved by Congress since 1986. His biggest early victory came when the Senate, in April 2017, confirmed Neil Gorsuch to succeed the late Antonin Scalia on the Supreme Court. The appointment also came as Trump aims to reshape the federal judiciary with 12 federal appeals court judge confirmations in 2017, a record for a president's first year in office. In his first year, President Trump signed 52 executive orders, including cutting regulations for small businesses and moving forward with plans to repeal the Clean Power Plan, expand oil drilling in the Arctic and Gulf of Mexico, and granting a permit to the Keystone XL pipeline. In another blow to regulations enacted under President Obama, the Federal Communications Commission voted to repeal its landmark net neutrality rules at the end of 2017. A major stumble for President Trump and the GOP was their inability to repeal the Affordable Care Act (ACA). The law showed its resilience after a year where in which it took a beating, but survived.

Republicans will continue to control the 115th Congress in 2018, with a 239-193 majority in the House. Control in the Senate will be more difficult with the election of Doug Jones, a Democrat from Alabama, shrinking the GOP's majority in the Senate 51-49. Cognizant of the punishment that Americans have historically delivered in mid-term elections, Republican congressional leaders and the administration are adopting a bipartisan tone as Republicans head into a difficult election year in which control of the Capitol is at stake. However, there is no indication that 2018 will be any less chaotic, politicized, or hostile.

On the agenda for 2018 is legislation that curbs part of the Dodd-Frank law that overhauled the financial industry after the 2008 economic and banking crisis. The bill can likely overcome any filibuster threat, as it has nearly a dozen Democratic co-sponsors. Overhauling the nation's infrastructure is also a potential policy target for 2018. Republicans and Democrats long have agreed that a federal funding package is needed to address the country's aging infrastructure, but they disagree on the specifics, including how large the package should be and how to pay for it. Early in 2018, GOP leaders will be racing to lift the debt limit and fund the government before money runs out mid-January. That budget deal could be paired with a bipartisan agreement to shield thousands of young immigrants brought to the country as children who have participated in the expiring Deferred Action for Childhood Arrivals (DACA) program. Other issues for 2018 include entitlement reform, immigration reform, and making another attempt at repealing the ACA. However, some GOP leaders are leery of another run at healthcare in an election year. All of these issues will be vying for attention and floor time in a year when the window for action is already small. With the midterm elections looming in November, lawmakers are likely to spend considerable time away from Washington in 2018, particularly in the late summer and fall.

ISSUES AND PROJECTIONS:

- Despite labeling infrastructure a 100-day priority, the long-overdue infrastructure plan is at the top of Trump's 2018 agenda. The administration has proposed giving tax credits to the private sector for backing infrastructure projects and rewarding cities and states that raise their own revenue for infrastructure. The White House also plans to use \$200 billion in federal seed money, along with massive permit reform, to leverage \$1 trillion worth of infrastructure investment.
- President Trump made immigration a cornerstone of his agenda. Look for 2018 to be a continuation of immigration enforcement, including attempts to end sanctuary cities, stopping chain migration, hiring more immigration judges, and beginning construction of a border wall.
- Once again, Congress failed to pass appropriations bills for FY 18 and will rely on a bipartisan budget agreement to fund agencies for the rest of the 2018 fiscal year.