

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

711



FROM: Executive Office

SUBMITTAL DATE:
August 16, 2011

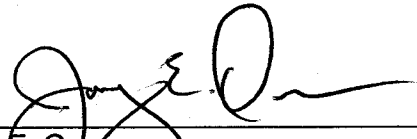
SUBJECT: Legislative Advocacy Report

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the attached report on legislative advocacy; and
2. Continue utilization of the current Sacramento based lobbyists; and
3. Allow the existing contract with California Strategies to expire (December 31, 2011).

BACKGROUND: The Board of Supervisors on July 12, 2011, directed the Executive Office to evaluate the use of contract lobbyists based on Supervisor Stone's Form 11, "Stop Lobbying In California Excessively." The Form 11 indicated that the County was spending \$547,830 on statewide services, and \$187,000 on federal services. The Board directed the report to focus on statewide services.

Departmental Concurrence


 Jay E. Orr
 Assistant County Executive Officer

AG:ag
(Continued On Attached Pages)

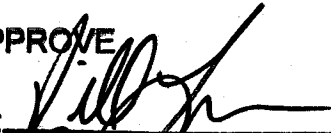
| | | | |
|---------------------------|-------------------------------|------|--------------------------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 0 | In Current Year Budget: |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: 2011/12 |

| | | |
|-------------------------|----------------------------------|--------------------------|
| SOURCE OF FUNDS: | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE

BY:



 Bill Lina

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Tavaglione, Benoit and Ashley
 Nays: Buster and Stone
 Absent: None
 Date: August 16, 2011
 xc: EO

Kecia Harper-Ihem
 Clerk of the Board
 By: 
 Deputy

Prev. Agn. Ref. 3.58 of 7/12/11 | District: All | Agenda Number:

3.103

Dep't Recomm.: Policy Policy
 Per Exec. Ofc.: Consent Consent

Report on Legislative Advocacy Services

On July 12, 2011, Minute Order 3.58, the Board requested that the Executive Office conduct a review and evaluation of lobbyist services for statewide legislative advocacy. The primary questions asked were: can we continue to maintain the existing level of services, do we need to retain four firms for these services, are the results positive and there is an apparent lack of communication with the Board. This report provides background on the current use of lobbyists and provides historical references. The originating recommendation within the request asked to retain one of the four firms. The responses outlined below will address the questions and provide the Board with background on how advocacy services have developed over time, compare our costs with other urban counties, and provide background on the complex legislative process and our role within it.

CEO Summary

This past year saw legislative extremes that required an "all hands on deck" approach in order to evaluate a variety of significant policy and fiscal issues such as: Realignment of Public Safety Programs, Elimination of Redevelopment, Constitutional Amendment to Protect Counties, Tax Extensions to VLF and a multitude of other measures that could potentially have an adverse impact to the County. The situation in Sacramento is far from ideal, but it is necessary to maintain our engagement in order to minimize the potential damage that could occur. Given the unstable nature of the State budget, our reliance on legislative advocates has increased in order to further positions of interest or to get up to the minute information on pending legislative issues of concern. In my opinion, the county has been well served by our current lobbyist team and our costs are within reason for an urban county.

It is my recommendation that we maintain the current lobbyist team, and allow the California Strategies contract to expire in December 2011 as their role has diminished, and request that the Board receive and file this report.

Background:

The County has utilized lobbyists for many years and the current team of lobbyists has been in place since 2003. Below is a summary of those firms and their status.

In 2003, the Board acted to provide a bipartisan state lobbying team with Michael Corbett serving as the Sacramento based legislative coordinator. The selected firms would work in concert with Board Members and staff to promote the County's positions and establish productive working relationships with legislators and administrators in state government. Also during 2003, the Board of Supervisors secured the services of Nielson, Merksamer Parrinello, Gross and Leoni (formerly Nielson, Merksamer, Parinello and Naylor) as well as Cline and Duplissea. Robert Presley and John Quimby were hired as individual consultants for the calendar year 2004 and later became involved with Cline and Duplissea. Presley and Quimby provide the county with access to Democratic legislators (as most of our delegation is Republican). The lobbyists are charged with representing specific County interests as reflected in Board policy. They also sponsor, support, amend, or oppose legislation or regulations to benefit the County's interests.

The Board of Supervisors authorized funding to enter into an agreement to retain the services of California Strategies on September 25, 2001 (item 12.3). Initially California Strategies was selected to elicit support for the Riverside County Integrated Project and to address the lack of adequate transportation infrastructure. The Board also directed California Strategies to promote and maintain strong professional relationships between key Riverside elected and staff decision makers in the field of transportation planning and finance, to develop strategies that would support mutually beneficial decisions, dialogue and education among transportation leaders. The firm was also directed to assist the County in its participation on the regional transportation planning committee established under the auspices of AB1010. California Strategies role was expanded to include advising the Counties on strategies to ensure that County interests are recognized and protected in any comprehensive state funded health care system that supplants existing law regarding public funding for health care, advising the County on strategies relative to Economic Development and working with the County to devise strategies to offset potential short and long-term impacts of state funding on County revenues.

Legislative Coordination:

Per Board Policy A-27, the Executive Office coordinates the legislative activity for the county. The purpose of this policy is to ensure that the county secures legislation which benefits the county and its residents and to oppose/amend legislation which might adversely affect the county. The policy also describes the coordinated process involving interaction between the Board, Executive Office, county agencies/departments and the county's legislative advocates. The Executive Office is the primary clearinghouse for legislative activities for the County. The Executive Office facilitates the development of the legislative platform in the fall of each year, whereby departments develop and communicate their key legislative goals for the upcoming year. Once drafted, the platform is moved forward to the Board for their input/concurrence. Once adopted, the platform is then given to the lobbyists for implementation. Given the number of departments involved, the complex nature of government, the large funding and policy implications that evolve with legislation, it would appear that this policy is still an effective tool for the county's legislative needs and in keeping a uniform approach to the legislative process.

Board of Supervisors Questions contained within Form 11:

Question No. 1 – Can the County continue to maintain the current level of services for the lobbyist activities?

Many economists have mentioned that the current economic climate is one of the worst since the Great Depression. This is underscored by the county's loss of roughly 25% of its property tax revenue since the peak in 2008. It is a natural outgrowth of our situation to look at all discretionary expenditures to examine whether they are needed or at what level they are needed.

The previous Form 11 indicated that the county currently has four consultant contracts totaling \$547,830 for statewide advocacy. As contracts have come forward for renewal each has been reduced by 10%. A 10% reduction was instituted for two contractors in 2010, and for three in 2011 (resulting in a savings of \$44,670).

It should be noted that three of the four firms are registered lobbyists. One firm (California Strategies) provides regional support on issues related to transportation, planning and habitat. For purposes of statewide analysis, this report does not include the California Strategies contract as they are not registered lobbyists, do not report their activities to the Secretary of State, and generally do not work on statewide issues. With this clarification, the statewide lobbyist contracts are equivalent to \$412,500 (\$385,830 with the 10% reduction) for calendar year 2011.

The Executive Office analyzed lobbying activity costs for the 12 largest counties in California, all members of the Urban County Caucus. Quarterly Financial Activity Reports were researched from the California Secretary of State's database for the 2009/2010 legislative session and annualized. Table 1 provides an analysis of paid lobbyist costs based on per capita cost and Table 2 provides analysis based on annual cost. Out of the 12 urban counties, Riverside County ranks number six in per capita cost, and number two in annual costs. The county's cost of \$398,524 is above the average cost of \$315,000, but in the middle for per capita cost.

In addition to lobbyist costs, many counties employ a variety of legislative affairs support staff to supplement the work of either in-house lobbyists or contract lobbyists. These costs are not reported to the state and in essence under-report the total costs of the activities being evaluated within this report. Riverside County has a streamlined process with minimal staffing for legislative affairs and relies on paid lobbyists for most legislative activities. (New District Attorney has eliminated his legislative affairs position and the Sherriff's legislative affairs position is vacant).

TABLE 1
 Lobbyist Expenses by Per Capita Cost

| <u>County</u> | <u>Per Capita Cost</u> | <u>Annual Cost</u> | <u>Population</u> |
|----------------|------------------------|--------------------|-------------------|
| San Francisco | \$0.329 | \$281,250 | 856,095 |
| Ventura* | \$0.220 | \$185,832 | 844,713 |
| Contra Costa | \$0.206 | \$221,336 | 1,073,055 |
| Alameda | \$0.195 | \$307,083 | 1,574,857 |
| San Mateo | \$0.187 | \$128,750 | 687,038 |
| Riverside | \$0.186 | \$398,524 | 2,139,535 |
| San Bernardino | \$0.117 | \$241,698 | 2,073,149 |
| San Diego | \$0.113 | \$365,371 | 3,224,432 |
| Orange | \$0.103 | \$327,571 | 3,166,461 |
| Sacramento | \$0.102 | \$147,797 | 1,445,327 |
| Los Angeles* | \$0.100 | \$1,047,037 | 10,441,080 |
| Santa Clara | \$0.068 | \$127,443 | 1,880,876 |

*In-House lobbyists – overhead costs not included
 Several counties have legislative affairs staff that supplement lobbyist activities -- these costs are not reported

TABLE 2
 Lobbyist Expenses by Annual Cost

| <u>County</u> | <u>Annual Cost</u> | <u>Population</u> | <u>Per Capita Cost</u> |
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| Los Angeles* | \$1,047,037 | 10,441,080 | \$0.100 |
| Riverside | \$398,524 | 2,139,535 | \$0.186 |
| San Diego | \$365,371 | 3,224,432 | \$0.113 |
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| Santa Clara | \$127,443 | 1,880,876 | \$0.068 |

As reported on the Secretary of State Website
 *In-House Lobbyists utilized (benefits/pension costs not included)

Question No. 2 – Does the County need four firms for statewide advocacy?

It is important to recognize the significant amount of growth the county of Riverside has experienced within the past twenty years to put this issue into context. Once a semi-rural county with distant urban centers, the county has now grown to over 2.1 million residents to become the fourth largest county in the state. This growth has catapulted the various social, medical, public safety and transportation needs of our communities to the forefront to where they are a significant priority for our platform.

As previously mentioned, California Strategies is not a registered lobbyist and their role has been in the area of intergovernmental relations, including regional issues such as transportation. Their role has diminished over time and the Executive Office recommends that the contract be allowed to elapse on December 31, 2011, as it does not meet the immediate needs of the county. This will provide a cost savings of \$162,000.

With this clarification, this report indicates that the county currently contracts with three firms for statewide advocacy

Question No. 3 – Are the results positive?

Given the nature of the legislative process, it would be difficult to accurately gauge how well a firm does because the legislative process is very multi-faceted. This is a very difficult area to assess and is very subjective in nature. Over the past eight years the lobbyist team has

The Honorable Board of Supervisors
RE: Legislative Advocacy Report
August 16, 2011
Page 6 of 6

faithfully represented the county and demonstrated good faith in meeting the county's needs. The lobbyists have been involved in a number of complicated issues that in some cases have either benefitted the county or minimized our exposure. But in some cases, there is little the lobbyists or our delegation can do given the divisiveness of the legislature. It would be difficult to fault the lobbyists for the ineffectiveness of the legislature.

It should be noted that the FPPC does not allow lobbyist employers to base the terms of contracts on results or effectiveness. Lobbyist employers can be sanctioned if these types of contracts are established.

Attachments: Primary Areas of Responsibility (Michael Corbett, Nielsen, Merksamer & Cline & Duplissea)

Question No. 4 – Lack of Communication with the Board?

As outlined in Policy A-27, the flow of information is through the Executive Office. The Board adopts the platform, makes determinations whether to support or oppose legislation and the EO implements those by involving our legislative advocates/delegation. The lobbyist team prepares monthly reports which are disseminated to the Board monthly through e-mail. On occasion, in matters that require emergency action such as pending hearings in Sacramento, the Board may get directly involved with the lobbyist team and/or delegation. The Executive Office will continue to maintain consistent communication with the Board to keep them aware of upcoming legislative issues as they progress through the cycle.

PRIMARY AREAS OF RESPONSIBILITY

Michael Y. Corbett & Associates

Administration of Justice

**Public Safety
Civil Law
Liability**

Realignment

**Low Level Offenders
Parole
Probation**

State Budget

Except Health, Human Services and Transportation Issues

Brown Act

Indian Gaming/Special Distribution Fund

Workers' Compensation

Cal-OSHA and worker safety

Human Resources/Employee Relations

PRIMARY AREAS OF RESPONSIBILITY

Nielsen, Merksamer, Parrinello, Gross & Leoni, LLP

Health

**Health Care
Health Care Funding
Hospitals**

Human Services

General Government Finance

Realignment

Health, Mental Health and Human Services Elements

Redevelopment

PRIMARY AREAS OF RESPONSIBILITY

Cline-Duplissea

Budget

**Transportation
Taxation**

Coordinate Legislative Delegation

Redevelopment

Transportation