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Memorandum

TO: Commission

DATE: May 16, 2012

FR: Executive Director

W. I.: 1517

RE: SB 1149 (DeSaulnier): Bay Area Regional Commission

Special Note: On May 11th, the Legislation Committee adopted a recommendation to oppose Senate Bill 1149, with Commissioner Green dissenting. The following staff analysis is based on the version of the bill as amended yesterday, May 15th (see attached bill text). Senator DeSaulnier is expected to attend the meeting of the Joint Policy Committee on Friday, May 18th to discuss the legislation.

Background

SB 1149 would establish a new regional agency called the Bay Area Regional Commission (BARC). BARC would oversee the budgets and activities of the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), the Bay Conservation and Development Commission (BCDC), the Bay Area Toll Authority (BATA), the Metropolitan Transportation Commission (MTC), and any joint powers authority of which MTC is a member. These existing regional agencies would each become a division of BARC in order to "integrate the management of the commission with that of the regional entities."

BARC's oversight functions with respect to the existing four regional agencies are extensive and overlapping. In particular, SB 1149:

- Names BARC as the "fiscal agent" for each of the regional agencies and makes it "responsible for preparing the annual budget and managing the financial resources of each entity."

- Requires that state and federal planning funds currently allocated to MTC be "budgeted to" BARC instead; requires BATA to make contributions to BARC "including, without limitation, contributions in the form of personnel services, office space, and funding;" also permits BARC to budget up to 5% of bridge toll revenue (about $30 million annually) for "administration and planning of the transportation system."

- Empowers BARC to adopt or reject, in whole or in part, the regional plans adopted by the agencies; any plan or plan provision rejected must be modified and resubmitted to BARC for final approval.

- Requires BARC, by December 2015, to adopt a 20-year regional economic development strategy for the Bay Area.

- Requires BARC, by June 2016, to adopt a "regional reorganization plan" that would consolidate functions common to all the regional agencies, ranging from human resources and information technology to public information and legal services.

- Requires BARC's executive director to recommend candidates to serve as executive director of the four regional agencies as those positions become vacant.

- Imposes new restrictions on how bridge toll funds can be administered, including a stipulation that BATA reserve funds "shall not be invested in real property."

Recommendation: Oppose

Discussion

As the author noted in his press release accompanying introduction of the bill, SB 1149 represents the most comprehensive change in regional governance "since the Metropolitan Transportation Commission (MTC) was created in 1970." Not all change is for the better, however, and SB 1149 certainly falls into that category for the several reasons.

1. What's Broken?

SB 1149 is a lengthy bill, but it never once cites a problem that must be solved through such a radical change in regional governance. The existing regional agencies already collaborate and coordinate on a broad range of issues – both through the mechanism of the Joint Policy Committee (JPC) and outside of it. ABAG and MTC are well on their way to adopting the region's first Sustainable Communities Strategy, which includes a ground-breaking incentive strategy known as the One Bay Area Grant program. MTC and BAAQMD are jointly developing a funding framework for the deployment of electric vehicles throughout the Bay Area. And the new east span of the Bay Bridge nearing completion is the result of a design and public access collaboration between BATA and BCDC, as is the Gateway Park that will take shape on the Oakland shore after the old bridge is demolished. These are just three examples; there are many more.

2. Another Layer of Government

To a regional landscape that already includes four or five regional agencies (depending on how you count them), SB 1149 would add yet one more regional player with its own board, staff, and bureaucracy. The author claims that this legislation would lead to "accountable, transparent, and responsible decision making." It is far more likely to do just the opposite. By leaving in place the existing regional agencies with their own boards, enabling statutes, and decades-long intergovernmental relationships, SB 1149 would set the stage for constant battles between the existing regional agencies and the new uber-commission, with the public left to wonder who is

really running the show. The Sustainable Communities Strategy, Clean Air Plan, and Bay Plan could be batted back and forth between the respective regional agency and BARC ad nauseam. With multiple boards and staffs claiming a mandate over the same regional policies, confusion will be in abundance and consensus in short supply.

3. BATA Fallout

When the Bay Area Toll Authority (BATA) was established by state law in 1998, the State Legislature pledged in that same statute never to impair BATA's ability to set tolls, sell debt, and manage the financial affairs of the seven state-owned toll bridges. That pledge appears in BATA's bonds and the bond market fully relies on it. There is a strong case to be made that SB 1149 breaks that pledge, and the consequences for the State of California, BATA, and the region's toll payers could be severe. The previously distributed memorandum on this subject from our bond counsel Orrick itemized a long list of potential woes: large damage claims in litigation brought by bondholders against the State of California; a costly downgrade of BATA's "best in the industry" AA rating; and if the financial consequences really gather momentum, another toll hike to clean up the mess from what would be a purely self-inflicted wound were SB 1149 to become law.

4. Board to be Named Later

As amended on May 1st, SB 1149 would have established BARC's governing board as 15 commissioners directly elected from districts apportioned by population. The May 15th amendments to the bill remove the provisions for directly elected commissioners, but do not replace them with any other board structure. As of this writing, therefore, BARC is a commission without a board. It is entirely unclear whether the board would be elected or appointed, whether the board would have few members or many, or whether the board members would represent cities, counties, districts, or some other unit of political geography.

5. Inconsistencies

Senator DeSaulnier has authored two bills relating to MTC in 2012. This bill bemoans the lack of integration among the four regional agencies and stresses the need to consolidate functions that are common among them. The other bill – SB 1545 – attempts to frustrate the co-location of the four agencies in a single headquarters because the senator is opposed to its location in San Francisco. Yet co-location would accomplish many of the goals Senator DeSaulnier argues are the impetus for this bill – interagency coordination, economies of scale, and consolidation of common functions. It is difficult to comprehend how the four regional agencies could function effectively as operating divisions of a unified regional commission and be housed in several different office buildings.

6. Poor Process

As noted in Chair Tissier's letter to the bill author on May 4th, this legislation was transformed from a so-called "spot bill" with no substantive provisions into 350 lines of major legislation, then calendared for hearing before two Senate policy committees – all within the span of a week.

This undue haste foreclosed any meaningful opportunity for consultation and comment by the very agencies that would be most affected by the bill.

For the reasons stated above, we recommend that the Commission oppose SB 1149.

Known Positions

Oppose

BAAQMD
City/County Association of Governments of San Mateo County
Napa County Board of Supervisors
Napa County Transportation Planning Agency
Solano County Transportation Authority
Solano County Board of Supervisors

Steve Heminger

Enclosure

AMENDED IN SENATE MAY 15, 2012

AMENDED IN SENATE MAY 1, 2012

SENATE BILL **No. 1149**

Introduced by Senator DeSaulnier
(Principal coauthor: Senator Steinberg)

February 21, 2012

An act to add Title 7.1.5 (commencing with Section 66538) to the Government Code, relating to the Bay Area Regional Commission.

LEGISLATIVE COUNSEL'S DIGEST

SB 1149, as amended, DeSaulnier. Bay Area Regional Commission.

Existing law creates the Metropolitan Transportation Commission, the Bay Area Toll Authority, the Bay Area Air Quality Management District, and the San Francisco Bay Conservation and Development Commission, with various powers and duties relative to all or a portion of the 9-county San Francisco Bay Area region with respect to transportation, air quality, and environmental planning, as specified. Another regional entity, the Association of Bay Area Governments, is created as a joint powers agency comprised of cities and counties under existing law with regional planning responsibilities. Existing law provides for a joint policy committee of certain regional agencies to collaborate on regional coordination. Existing law requires regional transportation planning agencies, as part of the regional transportation plan in urban areas, to develop a sustainable communities strategy coordinating transportation, land use, and air quality planning, with specified objectives.

This bill would create the Bay Area Regional Commission~~, to be governed by 15 commissioners elected beginning in 2014 from districts in the Bay Area region,~~ with specified powers and duties, including the

powers and duties previously exercised by the joint policy committee. The bill would require the regional entities that are funding the joint policy committee to continue to provide the same amount of funding as provided in the 2012–13 fiscal year, as adjusted for inflation, but to provide those funds to the commission rather than to the committee. The bill would provide for the Bay Area Toll Authority to make contributions to the commission, as specified, in furtherance of the exercise of the authority's toll bridge powers. The bill would require federal and state funds made available to the Metropolitan Transportation Commission for purposes of transportation planning to be budgeted to the Bay Area Regional Commission. The bill would specify the powers and duties of the commission relative to the other regional entities referenced above, including the power to approve the budgets of those regional entities and to develop an integrated budget for the commission and the regional entities. The bill would provide for the commission's executive director to develop a regional reorganization plan, with consolidation of certain administrative functions of the regional entities under the commission, with a final plan to be adopted by the commission by June 30, 2016. The bill would require organization of the regional entities as divisions of the commission, and would require the executive director to recommend candidates for vacant executive director positions at the regional entities as these positions become vacant. The bill would require the commission to adopt public and community outreach policies by October 31, 2015. The bill would require the commission to review and comment on policies and plans relative to the transportation planning sustainable communities strategy of the regional entities under Senate Bill 375 of the 2007–08 Regular Session, and beginning on January 1, 2017, the bill would provide for the commission to adopt or seek modifications to the functional regional plan adopted by each regional entity in that regard and would provide that the commission is responsible for ensuring that the regional sustainable communities strategy for the region is consistent with Senate Bill 375 of the 2007–08 Regular Session. The bill would require the commission to prepare a 20-year regional economic development strategy for the region, to be adopted by December 31, 2015, and updated every 4 years thereafter. The bill would require any changes proposed by the commission with respect to bridge toll revenues managed by the Bay Area Toll Authority to be consistent with bond covenants, and would prohibit investment in real property of toll revenues in any reserve fund.

This bill would enact other related provisions.

Because the bill would impose various requirements on local entities, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Title 7.1.5 (commencing with Section 66538) is
2 added to the Government Code, to read:
3
4 TITLE 7.1.5. BAY AREA REGIONAL COMMISSION
5
6 66538. The Legislature finds and declares all of the following:
7 (a) Various institutional reforms were initiated in the nine-county
8 San Francisco Bay region during the mid-20th century to address
9 the needs for regional intergovernmental cooperation, including
10 the formation of the Bay Area Air Quality Management District
11 in 1955; the formation of a voluntary council of governments, the
12 Association of Bay Area Governments in 1961 to enhance the
13 coordination of land use policy decisions across municipal and
14 county boundaries; the formation of the Bay Conservation and
15 Development Commission in 1965 with the mission of preserving
16 and protecting San Francisco Bay and its estuary system from
17 destructive and ill-planned encroachment; and the establishment
18 of the Metropolitan Transportation Commission in 1970,
19 California's first statutorily created regional transportation planning
20 agency, to plan the region's transportation infrastructure, to
21 prioritize transportation investments, and to organize and manage
22 the allocation of financial resources necessary to implement the
23 regional transportation plan.
24 (b) Regional planning requirements have increased significantly
25 during the last 40 years. Among the most important changes in

state law governing the terms and conditions of regional planning are those mandated by Senate Bill 375 of the 2007–08 Regular Session (Chapter 728 of the Statutes of 2008). Among the provisions of this statute is a requirement that a regional transportation plan in urban areas include a sustainable communities strategy designed to achieve greenhouse gas emission reduction targets established by the State Air Resources Board. The successful implementation of the sustainable communities strategy requires close cooperation between regional and local agencies in preparing land use, transportation, and regional air quality management plans. Existing law requires collaboration between the Metropolitan Transportation Commission and the Association of Bay Area Governments when preparing the sustainable communities strategy; however, there is no independent policy body governing the collaboration. In addition to regional collaboration, there is a need, when preparing the sustainable communities strategy, for collaboration with the cities and counties responsible for land use planning, but where that responsibility resides is unspecified. This title is intended to address and remedy these deficiencies.

(c) There is a need to integrate regional policymaking among the Metropolitan Transportation Commission and its associated agency, the Bay Area Toll Authority; the Bay Area Air Quality Management District; the Bay Conservation and Development Commission; and the Association of Bay Area Governments. These regional entities have important responsibilities associated with establishing and maintaining the region's sustainable communities strategy. Recognizing the need to integrate regional planning, this title establishes a regional policymaking process, in collaboration with the governing boards of the regional entities, to ensure that regional policies are developed within a common framework and establishes a single point of contact for the general public and public agencies having an interest in regional policies and programs. Further, in an effort to achieve efficiencies, it consolidates common administrative functions and establishes processes for coordinating professional functions among the regional entities. It also provides for direct public accountability on regional issues by establishing a ~~regionally elected~~ governing board, to be known as the Bay Area Regional Commission.

(d) An important objective of Senate Bill 375 of the 2007–08 Regular Session was to reduce the migration of workers and jobs outside of the region because of the need for affordable housing. In light of these circumstances, there is a need to create an economic development strategy for the region that will attract and retain businesses. To this end, the creation of an economic strategy is necessary that builds on the education resources of the region, including high schools, community colleges, and public and private universities, and recognizes the need for a diversified regional economy with employment opportunities for a wide spectrum of skills. In developing this strategy, it is important to sustain the environment and the social and cultural amenities that historically have made the bay area an unquestionably desirable place to live and work.

66538.1. For purposes of this title, the following definitions shall apply:

(a) "Commission" means the Bay Area Regional Commission.

(b) "Commissioners" means the governing board of the Bay Area Regional Commission.

(c) "Region" means the area encompassed by the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

(d) "Regional entities" means the Metropolitan Transportation Commission, including any joint exercise of powers agencies that include the commission as a member agency; the Bay Area Toll Authority; the Bay Area Air Quality Management District; the San Francisco Bay Conservation and Development Commission; and the Association of Bay Area Governments.

66538.2. (a) The Bay Area Regional Commission is hereby established, and the commission shall succeed to and is vested with all the duties, powers, purposes, responsibilities, and jurisdiction of the joint policy committee described in Sections 66536, 66536.1, and 66536.2, as well as any additional duties, powers, purposes, responsibilities, and jurisdiction provided in this title.

(b) The regional entities that are funding the joint policy committee shall continue to provide that level of funding, with the funding to be provided to the commission rather than to the committee. The amount to be provided by each regional entity shall be, at a minimum, the amount provided in the 2012–13 fiscal

year, adjusted annually for inflation, but may be a greater amount. The commission may seek additional funding for purposes of implementing this title from the regional entities.

(c) The Bay Area Toll Authority shall make contributions to the Bay Area Regional Commission in furtherance of the exercise of the authority's powers under Division 17 (commencing with Section 30000) of the Streets and Highways Code, including, without limitation, contributions in the form of personnel services, office space, and funding. The authority shall also make contributions to the commission on a reimbursement-for-cost basis; provided, however, that reimbursement shall not be required to the extent that the contributions provided are determined by the commission to be in furtherance of the exercise of the authority's powers under that division.

(d) Federal and state funds made available to the Metropolitan Transportation Commission for purposes of transportation planning shall be budgeted to the Bay Area Regional Commission.

(e) The joint policy committee shall employ an interim executive director for the commission to serve until June 30, 2015, or until his or her successor has been appointed pursuant to Section 66538.3, whichever first occurs. The interim executive director may act on behalf of the commission until commissioners ~~are elected and~~ take office.

(f) During a transition period, until January 1, 2017, the commission shall review and comment on draft plans and proposed final plans for the regional transportation system, the sustainable communities strategy as described in Section 65088 of this code and Chapter 4.2 (commencing with Section 21155) of Division 13 of the Public Resources Code, and other plans and regulations. Thereafter, review of these plans and regulations shall be subject to Section 66538.11.

~~(g) (1) The commission shall draw the boundaries for 15 districts from which candidates for the commissioners shall be elected. The commission shall ensure compliance with all applicable state and federal laws regarding the apportionment of population among the districts.~~

~~(2) Initial commission elections, including primary and general elections, shall take place in 2014.~~

~~(3) The term of office for each commissioner shall be four years, except as otherwise provided by Section 66538.3.~~

~~(h) The commission shall undertake a study to determine the feasibility of publicly financing the elections of commissioners for subsequent elections.~~

66538.3. (a) The commissioners ~~elected in 2014~~ shall take office on the first Monday after January 1, 2015.

~~(b) No later than January 15, 2015, the commissioners shall draw lots to determine the initial terms of office by district. Seven commissioners shall serve an initial term of two years and eight commissioners shall serve an initial term of four years.~~

~~(c)~~

(b) The commission shall appoint an executive director, a chief legal counsel, and a chief financial officer by June 30, 2015. These officers shall serve at the pleasure of the commission. The executive director may appoint additional staff of the commission.

66538.4. (a) The commission shall authorize its executive director to prepare a regional reorganization plan. The commission shall adopt goals and policies to govern the preparation of the plan. Among the goals shall be a statement as to the expected reduction in the cost of overhead and in the operation and management of the regional entities. All cost saving shall be directed to the commission's general fund. In addition, goals shall be adopted for integrating the regional planning requirements for the regional plans of each regional entity into a comprehensive regional plan.

(b) When preparing the regional reorganization plan, the executive director shall include a plan for consolidating the functions that are common to the regional entities, including, but not limited to, personnel and human resources, budget and financial services, electronic data and communications systems, legal services, contracting and procurement of goods and services, public information and outreach services, intergovernmental relations, transportation, land use, economic, and related forecasting models, and other related activities. Consideration shall be given to ensuring that there are common personnel classifications where appropriate among the regional entities, and the consolidation of other functions or activities, as deemed feasible, that will further the mission of the commission and will reduce redundancy. The plan shall be updated as determined by the commission.

(c) On or before December 31, 2015, the executive director shall submit to the commission a draft regional reorganization plan. The commission shall hold at least one public hearing in each

county of the region to receive public comment. A final plan shall thereafter be adopted for implementation on or before June 30, 2016.

66538.5. The commission shall be the fiscal agent for the regional entities, responsible for preparing the annual budget and managing the financial resources for each entity.

66538.6. (a) In consultation with the regional entities, the executive director shall, on or before April 1, 2015, and on or before April 1 of each year thereafter, prepare and submit to the governing board of each regional entity a recommended integrated budget for the commission and for the regional entities for the subsequent fiscal year. The commission shall adopt the integrated budget for the 2015–16 fiscal year by June 30, 2015, and by June 30 of each fiscal year thereafter.

(b) Prior to developing the integrated budget, the executive director shall submit to the commission, for adoption, proposed performance criteria to govern budgetary priorities. After the adoption of the initial integrated budget, the executive director shall report in subsequent annual budgets the extent to which the performance criteria for the previous fiscal year were met. A new set of performance criteria may be proposed and adopted for subsequent fiscal years.

66538.7. To integrate the management of the commission with that of the regional entities, the commission's executive director shall do both of the following:

(a) Organize the regional entities as divisions of the commission, with each regional entity to continue to be governed by any applicable statute pertaining to that entity, except for resource allocation, which shall be governed by Section 66538.5, and except as otherwise provided in this title.

(b) Recommend a candidate for the executive director of each regional entity as positions become vacant.

66538.8. The commission shall develop and adopt public and community outreach policies to govern the scheduling of commission meetings, the meetings of regional entities, the meetings of standing committees, and meetings of ad hoc or other temporary committees. In developing the policies, the commission shall ensure that outreach programs will utilize all available communication technologies, including webcasting and social media, print, radio, and television. The commission shall also

establish policies for the holding *of* workshops of the commission and the regional entities in the cities and counties of the region. The commission shall provide an opportunity for the public to comment on the draft and the final recommended policies. The policies shall be adopted on or before October 31, 2015.

66538.9. The commission shall maintain an Internet Web site containing relevant information pertaining to the commission's activities.

66538.10. The commission shall be subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

66538.11. (a) Beginning on January 1, 2017, the commission shall review the policies and plans, and associated regulations, of each regional entity as provided in this section. The review shall include an assessment of the consistency of the policies, plans, and regulations among the regional entities with the requirements of Senate Bill 375 of the 2007–08 Regular Session. The commission shall issue a consistency report describing the findings of this review. The commission shall hold public and community hearings in accordance with its public outreach policies regarding the draft consistency findings. The findings of the consistency review shall be used in fulfilling the commission's regional planning responsibilities.

(b) The commission shall establish a process to develop and implement its own policies, goals, and regulations, including performance measures, governing the preparation and adoption of the plans prepared by the regional entities, provided they are consistent with the relevant state and federal laws governing transportation planning and programming, the management of regional air resources, bay shoreline planning, toll bridges, and regional land use and housing policies. The commission shall develop a schedule for implementing this subdivision.

(c) Consistent with the policies adopted pursuant to subdivision (b), the governing board of each regional entity shall submit its functional regional plan to the commission for adoption. The commission shall adopt the functional regional plans, except as provided in this subdivision. Should the commission determine not to adopt a recommended ~~function~~ *functional* regional plan, it shall submit to the applicable regional entity its findings underlying its decision, including referencing policies, goals, and performance

measures adopted pursuant to subdivision (b), the goals of the economic development strategy, and any inconsistency with Senate Bill 375 of the 2007–08 Regular Session. The regional entity shall redraft its functional regional plan in response to the findings of the commission and resubmit the plan.

(d) The commission shall be responsible for ensuring that the sustainable communities strategy for the region integrates transportation, land use, and air quality management consistent with the requirements of Senate Bill 375 of the 2007–08 Regular Session.

66538.12. (a) The commission shall prepare a 20-year regional economic development strategy for the region. The goal of the economic development strategy shall be to ensure that the regional economy is capable of adapting to changes in technology, market demand, and direction of the national and international economy. The strategy shall include, but not be limited to, all of the following:

(1) A socioeconomic profile of each county shall be developed.

(2) Identification of the types and location of major clusters of firms that are both competitive and complementary enterprises for each county.

(3) Identification of the sectors of the economy where there is underinvestment and a workforce with high unemployment or underemployment.

(4) Identification of sectors where investment in specific sectors of the economy would enhance the probability of increasing the employment opportunities for the unemployed or underemployed.

(5) Identification of the public and private investments that are needed to facilitate the development of new or enhancement of existing sectors of the regional economy.

(6) Identification of the social equity issues within the region and the extent these issues may be addressed by the economic development strategy. The strategy may identify institutional issues that are barriers to addressing social equity.

(7) A profile of the unique regional environmental amenities as well as the social and cultural amenities that are found to contribute to employers being attracted to and remaining in the region.

(b) In consultation with the regional entities, the commission shall adopt goals and policies related to the inclusion of economic development opportunities in the plans of the regional entities and

in its own plans. The goals and policies shall also promote amenities that are special to the region and contribute to the region's quality of life.

(c) The commission shall appoint an advisory committee with members from the business community, including representatives of small businesses, technology and manufacturing sectors, community colleges, public and private universities, labor, local governments, and other organizations involved with the private economy. The commission shall coordinate the preparation of the strategy with the advisory committee and with the regional entities.

(d) Consistent with its public outreach plan, the commission shall hold public and community outreach as it deems appropriate for both draft and final economic development strategies. The commission may hold other public outreach sessions as appropriate during the course of preparing the economic development strategy.

(e) The commission shall adopt the first economic development strategy plan by December 31, 2015, and an updated strategy every four years thereafter.

66538.13. (a) Changes proposed by the commission in policies related to tolls and the management of the seven state-owned toll bridges within the jurisdiction of the Bay Area Toll Authority shall be consistent with and shall conform with the terms and conditions of any covenants and agreements related to the use of toll revenues and the financing and refinancing of any associated debt.

(b) Toll revenues managed by the Bay Area Toll Authority shall be used only to acquire, construct, manage, maintain, lease, operate, or construct facilities required for the management of the state-owned toll bridges within its jurisdiction, for improvements to the toll bridges, to provide access to the toll bridges within its jurisdiction, or for associated transportation projects specifically authorized to be undertaken with bridge toll revenues pursuant to the relevant provisions of the Streets and Highways Code. Revenues in any reserve funds established pursuant to bond covenants or other related agreements shall not be invested in real property.

(c) No more than 5 percent of the toll revenues shall be used for administration and planning of the transportation system that serves the travel corridors that are served by the toll bridges.

1 66538.14. To the extent of any conflict between this title and
2 a statute governing any of the regional entities, this title shall
3 prevail.
4 SEC. 2. If the Commission on State Mandates determines that
5 this act contains costs mandated by the state, reimbursement to
6 local agencies and school districts for those costs shall be made
7 pursuant to Part 7 (commencing with Section 17500) of Division
8 4 of Title 2 of the Government Code.

O