

CALIFORNIA STATE ASSOCIATION OF COUNTIES  
EXECUTIVE COMMITTEE

August 14, 2003  
CSAC Ransohoff Conference Room

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***MINUTES***

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Presiding: Tim Smith, President

I. ROLL CALL

Tim Smith, President	Chris Norby, Orange
Greg Cox, 2 <sup>nd</sup> Vice President	Edith Johnsen, Monterey
Muriel Johnson, Immed. Past President	Connie Conway, Tulare
James Beall, Santa Clara	Frank Bigelow, Madera
Keith Carson, Alameda	Jim Chapman, Lassen
Kathy Long, Venture	Larry Spikes, CAO Advisor
John Tavaglione, Riverside	
Gayle Uilkema, Contra Costa	

II. APPROVAL OF MINUTES

The minutes of May 22, 2003 were approved as previously mailed.

III. DRAFT LOCAL/STATE REFORM BALLOT MEASURES

***Budget Accountability Act.*** Trudy Schafer, League of Women Voters, made a presentation in support of the Budget Accountability Act, which is being sponsored by the Service Employees International Union (SEIU). The measure seeks to change the vote requirement for passage of a budget and all budget-related legislation, including taxes, from 2/3 to 55 percent approval. This would change the vote requirement in the Assembly from 54 to 44 and from 27 to 22 in the Senate.

Motion and second to SUPPORT the Budget Accountability Act.  
Motion carried.

***End the Car Tax.*** Senator McClintock has filed a draft constitutional amendment which would completely eliminate the vehicle license fee (VLF). Rich Allen of Senator McClintock's staff made a presentation in support of the initiative. The language specifies that the state will transfer sales tax revenues to the Local Government Independence Fund in the amount equal to the total amount of revenue that was allocated to local governments pursuant to the VLF law. This initiative also amends the Constitution to reclassify certain regulatory fees as taxes, thus requiring a 2/3 vote for approval. CSAC staff recommended an OPPOSE position because of concerns that this initiative could erode both

county discretionary revenues and realignment revenues, as well as exacerbate the growing pressures on the state general fund.

Motion and second to OPPOSE the “End the Car Tax” initiative.  
Motion carried.

***Local Voter Control and Accountability Act of 2004.*** This measure, proposed by a coalition of transportation, health care, public safety and local government representatives, would create a new taxing authority for local governments. It would change the voter requirements for general taxes from majority vote to 2/3 majority and it would permit 55% voter approval of local sales and use tax measures for a specific purpose. CSAC staff recommended a SUPPORT position on this measure because it is consistent with current policy which supports lowering the vote requirement.

Motion and second to SUPPORT the Local Voter Control and  
Accountability Act of 2004. Motion carried.

#### IV. HEALTH CARE PRINCIPLES

Supervisor Roger Dickinson, Chair of the CSAC Health and Human Services policy committee, presented draft Health Care Principles as contained in the briefing materials. These principles were developed in response to action in the Legislature this year by a subcommittee with input from many counties and affiliate organizations. The Health and Human Services policy committee approved the principles on July 18.

Following a lengthy discussion on issues contained in the principles, President Smith asked the Executive Committee to address each section of the principles separately.

Motion and second to adopt the *Role of Counties as Health Care Providers* section. Motion carried unanimously.

A discussion ensued regarding the preamble and it was suggested that the language be amended to add the following sentence: “*Universal health care coverage will ultimately allow the state to realize cost savings in publicly funded health care programs.*”

Motion and second to adopt the preamble as amended. Motion  
carried.

It was suggested that the second bullet under *Access and Quality* be amended to read as follows: “*Any universal health care program should ideally provide a truly comprehensive package of health care services.*”

Motion and second to approve *Access and Quality* section as amended. Motion carried.

Motion and second to approve *Financing and Administration* section as presented. Motion carried unanimously

A suggestion was made to amend the second bullet under the *Role of Employers* section to read as follows: “*Reforms should offer opportunities for self-employed individuals, temporary workers and contract workers to obtain health coverage.*”

Motion and second to approve *Role of Employers* section as amended and *Implementation* section as presented. Motion carried. Orange County wished to be recorded as a No vote.

The revised Health Care Principles are attached.

V. PROPOSITION 54: CLASSIFICATION BY RACE, ETHNICITY, COLOR OR NATIONAL ORIGIN

Proposition 42, the Racial Privacy Act, would prohibit the state and local governments from using race, ethnicity, color or national origin to classify current or prospective students, contractors or employees in public education. It would also prohibit them from using race, ethnicity, color or national origin in the operation of any other state operations. CSAC has identified a number of areas in which counties would be adversely affected by the passage of Proposition 54. Those concerns were outlined in the briefing materials. Staff recommended an OPPOSE position on this measure.

Motion and second to OPPOSE Proposition 54. Motion carried.

VI. TOBACCO LITIGATION: SECURITY BOND CAP

CSAC has been asked to take a position on legislation that would address an issue involving capping the amount of appeals bonds in California. This issue has arisen out of a recent class action lawsuit in Illinois brought by smokers against a major tobacco company. The plaintiffs were awarded \$10.1 billion in damages and then required the tobacco company to post a \$12 billion bond in order to protect its assets while appealing the ruling. The tobacco company threatened bankruptcy which also potentially jeopardized its ability to make its tobacco settlement payments to the states. CSAC's policies do not speak directly to such legislation and bond counsel has indicated that they do not see a need for this legislation. Thus, staff recommended a NEUTRAL position.

Motion and second to take a NEUTRAL position on tobacco litigation legislation. Motion carried unanimously.

VII. DRAFT LOCAL GOVERNMENT INITIATIVE PROTECTING AGAINST STATE REVENUE AND COST SHIFTS

Steve Szalay presented the latest draft of the League of Cities' local government initiative and outlined some of the issues CSAC is working on with the League in order to address CSAC concerns. The essence of the measure is to require voter approval before the Legislature takes local government revenues (property tax, sales tax and vehicle license fee) and to require that it be repaid in succeeding years.

Motion and second to move forward with support of process for the local government initiative and continue dialogue with League of California Cities. Motion carried unanimously.

Supervisor Norby expressed concerns regarding the sales tax situs issue and protecting county share of property tax.

VIII. STATE WATER PLAN UPDATE

Calaveras County Supervisor Merita Callaway, a member of the State Water Plan Advisory Committee, introduced a presentation by Kamyar Guivetchi, Manager of Statewide Water Planning, Department of Water Resources. Mr. Guivetchi outlined items contained in the California Water Plan for 2003 and beyond. The purpose of the plan is to create a guide for managing and developing California water and to serve as a framework for investing public funds. The goals are to meet Water Code requirements, expand public input and develop a "useful" plan.

IX. INDIAN GAMING UPDATE

Supervisor Mike McGowan, Chair of the CSAC Indian Gaming Working Group, provided an update on recent activities. On June 27, 2003, CSAC held a hearing in the State Capitol to outline the results of the survey of all 58 counties regarding the impact of Indian Gaming on county government throughout California and to advocate for the position contained within the CSAC Indian Gaming Policy. Also, the County Counsels' committee continues negotiations with tribal representatives to reach agreement on acceptable compact language based on the CSAC policy. He also reported that on August 13, 2003 the Governor signed a compact with the Torres-Martinez tribe that does not fully address local government needs. Although the compact appears to require tribes to reach local agreements with affected counties, there is no enforceability of this provision. Further, the CEQA compliance language allows a tribe to comply with CEQA to the extent the tribal government finds it consistent with tribal interests.

X. LONG-TERM STATE/LOCAL REFORM EFFORT

President Smith reported that the CSAC officers have scheduled a meeting with Matt Newman, Director of the California Institute on County Government, on August 28, to discuss long-term fiscal reform ideas. Results of that meeting will be reported at a future Executive Committee meeting.

XI. PARTNERSHIP REPORTS

*Corporate Associates.* Mike Graves, Director of CSAC Corporate Associates, announced that with the assistance of Supervisor Tavaglione seven new members recently joined the Corporate Associates program.

*CCS Partnership.* David Wheaton, Director of the Cities, Counties and Schools (CCS) Partnership, distributed a copy of a proposal to SBC Communications to sponsor the CCS Local Governance Academy. The academy is an advanced training program for elected officials from city government, county government, school districts and special districts to learn new and highly-effective governance strategies that address the fundamental issues of local public policy leadership. SBC Communications has indicated interest in sponsoring the Local Governance Academy. Mr. Wheaton also reported on the follow-up session to the Joint Summit on Growth held July 25, 2003 in Sacramento. Steve Szalay announced that David Wheaton has accepted a position with the City of Citrus Heights and will be leaving CCS Partnership in September.

XII. NACo REFORM EFFORT UPDATE

Steve Szalay reported the progress made on the NACo governance reform effort. CSAC was instrumental in the successful election of Commissioner Colleen Landkamer as NACo 2<sup>nd</sup> Vice President. Also, NACo President Karen Miller appointed as record number of California representatives as chairs and vice chairs of NACo committees. The NACo Reform Task Force recently held a meeting and decided to set up a new procedure and structure for NACo officer elections.

XIII. STATE BUDGET/LEGISLATIVE UPDATE

CSAC is urging all counties to contact legislators to request immediate passage of two important budget trailer bills, SB 1042 which would restore \$16.1 million for the Standard and Training for Corrections (STC) program and SB 1044 that rejects a provision in the Senate's budget package to suspend for two years the \$18.5 million ongoing appropriation for the law enforcement local assistance program.

Staff reported that several ideas are currently being discussed at the Capitol concerning potential ways to reimburse counties for the costs associated with the Gubernatorial recall. One proposal would provide an appropriation to counties for their recall costs that would be tied to the percentage of polling places open during the October special election, compared to those open during the last general election. This proposal is for counties to have 85% - 90% of their polling places open for the recall to qualify for reimbursement. Another proposal is to reimburse counties through the claims process, as is currently required by the Election Code. CSAC will continue to monitor the various proposals and report further information when it becomes available.

XIV. LOCAL Coalition Report

Members of the LOCAL Coalition have been visiting several editorial boards throughout the state during recent weeks. The Coalition is currently producing a video which will outline the year's activities.

XV. WIR PUBLIC LANDS TRUST FUND

Since 1983, the NACo Western Interstate Region (WIR) organization has maintained a Public Lands Trust Fund to support Payments-in-Lieu of Taxes (PILT) judicial and legislative efforts. The trust fund has primarily supported the "PILT Fly-in" lobbying efforts in Washington, D.C., and is supported by assessments levied on WIR state associations in which counties receive PILT funding. The fund balance needs to be increased over the next two years and the plan is to assess WIR member state associations a proportional share. The formula is to be based on PILT receipts. The estimated assessment for California in both 2004 and 2005 is \$5,836 each year. One idea for paying the additional fees is to calculate a voluntary assessment amount for each California PILT receiving county and ask these counties to contribute to the trust fund on a voluntary basis. This issue will be brought before the Board of Directors in early 2004 for a final decision.

XVI. OTHER ITEMS

Staff reported that a survey is being developed for all counties to determine the level of interest in pursuing a vehicle license fee (VLF) securitization. Results of the survey will be reported at a future meeting.

Meeting adjourned.