

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS

Wednesday, December 3, 2008
2:00pm – 4:00pm
Elizabeth Ballroom G
Grand Hyatt, San Diego

A G E N D A

Presiding: Richard Gordon, President

2:00pm

PROCEDURAL ITEMS

1. Roll Call Page 1
2. Approval of Minutes of September 11, 2008 Page 3

2:15pm

ACTION ITEMS

3. Election of 2009 Executive Committee Handout
4. CSAC Policy Committee Reports
 - Administration of Justice Page 7
 - *Supervisor Ronn Dominici, Chair*
 - *Elizabeth Howard, CSAC staff*
 - Agriculture and Natural Resources Page 20
 - *Supervisor Mike Nelson, Chair*
 - *Karen Keene, CSAC staff*
 - Government Finance and Operations Page 24
 - *Supervisor Steve Worthley, Chair*
 - *Jean Hurst & Eraina Ortega, CSAC staff*
 - Health and Human Services Page 49
 - *Supervisor Helen Thomson, Chair*
 - *Kelly Brooks, CSAC staff*
 - Housing, Land Use and Transportation Page 50
 - *Supervisor Mike McGowan, Chair*
 - *DeAnn Baker, CSAC staff*
5. Consideration of CSAC PAC Task Force Recommendations Page 51
 - *Supervisor Gary Wyatt, Task Force Chair*
6. Consideration of Proposed Schedule of 2009 Board of Directors Meetings Page 56
 - *Paul McIntosh, CSAC Executive Director*
7. Approval of Resolution Authorizing Executive Director to Conduct CSAC Business Page 57
 - *Paul McIntosh*

3:30pm

INFORMATION ITEMS

8. Institute for Local Government (ILG) Update Page 58
 - *JoAnne Speers, ILG Director*

9. Cities, Counties, Schools (CCS) Partnership Report Page 60
 - *Connie Busse, CCS Partnership Director*

10. NACo Governance Task Force Report Page 63
 - *Supervisor Greg Cox, Task Force Chair*

11. CSAC Finance Corporation Report Page 67
 - *Tom Sweet, Finance Corp. Executive Director*

12. CSAC Corporate Associates Report Page 68
 - *Lindsay (Hall) Pangburn, CSAC staff*

13. State Budget Update Page 69
 - *Jim Wiltshire, CSAC staff*

14. Other Items

4:00pm

ADJOURN

ROSTER

CALIFORNIA STATE ASSOCIATION OF COUNTIES

Board of Directors

2009

<u>Section</u>	<u>County</u>	<u>Director</u>
U	Alameda County	Keith Carson
R	Alpine County	Terry Woodrow
R	Amador County	Louis Boitano
S	Butte County	Bill Connelly
R	Calaveras County	Merita Callaway
R	Colusa County	Mark Marshall
U	Contra Costa County	Federal Glover
R	Del Norte County	David Finigan
R	El Dorado County	James Sweeney
S	Fresno County	Henry Perea
R	Glenn County	Tom McGowan *
S	Humboldt County	Johanna Rodoni *
S	Imperial County	Gary Wyatt
R	Inyo County	Susan Cash
S	Kern County	Jon McQuiston
R	Kings County	Tony Oliveira
R	Lake County	Ed Robey *
R	Lassen County	Robert Pyle
U	Los Angeles County	Don Knabe
R	Madera County	Ronn Dominici
S	Marin County	Susan Adams
R	Mariposa County	Lyle Turpin
R	Mendocino County	Jim Wattenburger *
S	Merced County	Mike Nelson
R	Modoc County	Mike Dunn *
R	Mono County	Vikki Magee-Bauer
S	Monterey County	Fernando Armenta
S	Napa County	Brad Wagenknecht
R	Nevada County	Ted Owens
U	Orange County	Pat Bates
S	Placer County	Jim Holmes
R	Plumas County	Sharon Thrall
U	Riverside County	John Tavaglione

U	Sacramento County	Roger Dickinson
R	San Benito County	Reb Monaco
U	San Bernardino County	Paul Biane
U	San Diego County	Greg Cox
U	San Francisco City & County	Jake McGoldrick
S	San Joaquin County	Larry Ruhstaller
S	San Luis Obispo County	Harry Ovitt *
U	San Mateo County	Rose Jacobs Gibson
S	Santa Barbara County	Joni Gray
U	Santa Clara County	Liz Kniss
S	Santa Cruz County	Tony Campos
S	Shasta County	Glenn Hawes
R	Sierra County	Lee Adams
R	Siskiyou County	Michael Kobseff
S	Solano County	Mike Reagan
S	Sonoma County	Valerie Brown
S	Stanislaus County	Dick Monteith
R	Sutter County	Larry Munger
R	Tehama County	Bob Williams
R	Trinity County	Judy Pflueger
S	Tulare County	Phillip Cox
R	Tuolumne County	Richard Pland
U	Ventura County	Kathy Long
S	Yolo County	Mike McGowan
R	Yuba County	Mary Jane Griego

President: Richard Gordon, San Mateo
 First Vice President: Gary Wyatt, Imperial
 Second Vice President: Michael Delbar, Mendocino
 Immed. Past President: Frank Bigelow, Madera County

SECTION: U=Urban S=Suburban R=Rural

* denotes 2008 Director – no update available

11/19/08

MINUTES OF SEPTEMBER 11, 2008

CALIFORNIA STATE ASSOCIATION OF COUNTIES
 BOARD OF DIRECTORS
 September 11, 2008
 CSAC Conference Center, Sacramento

M I N U T E S

Presiding: Richard Gordon, President

1. ROLL CALL

Alameda	Keith Carson	Orange	absent
Alpine	Terry Woodrow	Placer	Jim Holmes
Amador	Louis Boitano	Plumas	William Powers
Butte	Bill Connelly	Riverside	John Tavaglione
Calaveras	Merita Callaway	Sacramento	Susan Peters
Colusa	Mark Marshall	San Benito	Reb Monaco
Contra Costa	absent	San Bernardino	absent
Del Norte	David Finigan	San Diego	Greg Cox
El Dorado	James Sweeney	San Francisco	absent
Fresno	absent	San Joaquin	absent
Glenn	Tom McGowan	San Luis Obispo	Harry Ovitt
Humboldt	Johanna Rodoni	San Mateo	Gordon/Jacobs Gibson (audio)
Imperial	Gary Wyatt	Santa Barbara	Joni Gray
Inyo	Susan Cash	Santa Clara	Liz Kniss (audio)
Kern	Jon McQuiston	Santa Cruz	absent
Kings	absent	Shasta	absent
Lake	absent	Sierra	absent
Lassen	absent	Siskiyou	absent
Los Angeles	absent	Solano	Mike Reagan
Madera	Bigelow/Dominici	Sonoma	Valerie Brown
Marin	Susan Adams	Stanislaus	Dick Monteith
Mariposa	Dianne Fritz	Sutter	Larry Munger
Mendocino	Michael Delbar	Tehama	Bob Williams
Merced	Mike Nelson	Trinity	absent
Modoc	Mike Dunn	Tulare	absent
Mono	absent	Tuolumne	absent
Monterey	Fernando Armenta	Ventura	Kathy Long (audio)
Napa	absent	Yolo	Mike McGowan
Nevada	absent	Yuba	absent

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of May 22, 2008 were approved as previously mailed.

3. CONSIDERATION OF NOVEMBER 2008 BALLOT INITIATIVES

Proposition 5: Nonviolent Offender Rehabilitation Act. This measure would recast and expand provisions of the Substance Abuse Crime Prevention Act, approved by voters as Proposition 36 in November 2000. It would expand and largely replace the existing Penal Code Section 1000, Proposition 36, and drug court programs with a new three-track drug treatment diversion program primarily for nonviolent drug possession offenders. The CSAC Executive committee recommended an 'Oppose' position on this initiative.

Alexis Wilson from the Drug Policy Alliance Network spoke in favor of the measure and Jan Scully, Sacramento County District Attorney, spoke against the measure.

Motion and second to OPPOSE Proposition 5. Motion carried (1 'no' vote).

Proposition 6: Safe Neighborhoods Act. This measure would increase state funding to support a variety of public safety efforts, revise criminal penalties targeting certain offenders, and provide for enhanced services and support to victims of crime. Although dedication of resources to a range of public safety programs will translate to local benefits and eliminate uncertainty in funding of core justice services, there are concerns that the spending formulas could have potentially harmful effects in other county service areas. The CSAC Executive Committee recommended an 'Oppose' position on this initiative.

Sacramento County Sheriff John McGinness spoke in favor of the initiative and Glenn Backes, a consultant for the "No on 6" campaign, spoke against it.

Motion and second to OPPOSE Proposition 6. Motion carried (26/7).

Proposition 7: Solar and Clean Energy Act of 2008. This measure would make a number of changes regarding the State's Renewable Portfolio Standard (RPS) and to the permitting of electricity generating facilities and transmission lines. The Executive Committee recommended an 'Oppose' position primarily based on concerns that the initiative would pre-empt local land use authority by reassigning permitting authority from local governments to the Energy Commission for approval of solar and clean energy plants and related facilities within their jurisdictions.

Jim Gonzalez and John Thiella of Californians for Solar and Clean Energy spoke in favor of the initiative and Brandon Castillo of Bicker, Castillo & Fairbanks spoke against the initiative.

Motion and second to OPPOSE Proposition 7. Motion carried unanimously.

Proposition 9: Victims' Rights Act of 2008. This measure contains three main components: 1) Ensures victim notification and restitution; 2) Restricts early release of inmates; and 3) Modifies existing parole practices. The provision with the most significant impact for counties is the potential limitation on counties' ability to address jail overcrowding by releasing inmates early who pose little risk to public safety. The CSAC Executive Committee recommended a 'Neutral' position on this measure.

Harriet and Nina Salamo of Crime Victims United spoke in favor of the initiative and Glenn Backes, Consultant for the No on 9 Campaign, spoke against it.

Motion and second to take a NEUTRAL position on Proposition 9. Motion carried (24/8).

Proposition 10: California Alternative Fuels Initiative. This measure would authorize the state to sell \$5 billion in general obligation bonds to fund projects, consumer incentives and education to increase the supply and use of renewable and clean energy. It would also provide funds to local governments to create renewable energy demonstration projects and educational projects in their communities.

Concerns were raised regarding the judiciousness of supporting another bond measure given the present state fiscal situation. The support position was based on CSAC's existing policy to support and encourage the development and use of alternative energy sources.

Amy Thoma of Wilson Miller Communications spoke in favor of the initiative and Lenny Goldberg of California Tax Reform Association spoke against it.

Motion and second to OPPOSE Proposition 10. Motion carried (29/1).

4. CONSIDERATION OF DRAFT POLICY STATEMENT ON STATE WATER PROPOSALS
The Executive Committee approved the draft CSAC Policy Direction on State Water Proposals and recommended final adoption by the CSAC Board of Directors. The draft Policy was contained in the briefing materials. This document was created to assist staff in developing recommendations regarding the State Water Plan, the Delta Vision Task Force Strategic Plan and the Bay Delta Conservation Plan. The proposed policies are consistent with existing CSAC policy direction concerning water, land use, agriculture, forestry, climate change and flood protection.

Motion and second to adopt the CSAC Policy Statement on State Water Proposals. Motion carried unanimously.

5. INSTITUTE FOR LOCAL GOVERNMENT (ILG) REPORT
JoAnne Speers, ILG Director, presented a report on recent activities. ILG is in the process of publishing a document titled *Basics of Local government Decision-Making*. They would like volunteers to review the draft and offer suggestions before final publication. Another publication in the draft stage is a manual on "intergovernmental conflict resolution." ILG is also participating on the advisory committee for CSAC's new Institute for Excellence in County Government. ILG will once again be offering ethics training during CSAC's annual meeting in December.
6. CSAC PAC TASK FORCE REPORT
The CSAC PAC Task Force held its first meeting on July 28 to discuss whether or not CSAC should remain financially involved in campaigns. A representative from Nielson, Merksamer, Parinello, Mueller and Naylor, LLP, spoke regarding the basics of setting up a PAC. The task force will be recommending the creation of an issue-specific PAC. Draft language for the CSAC Policies and Procedures Manual is being developed.
7. CSAC CONTINUING EDUCATION PROGRAM REPORT
Bill Chiat, reported that the program has been renamed and is now called the CSAC Institute for Excellence in County Government. This program was created to offer continuing education

opportunities for supervisors, county administrators and department heads. The courses are scheduled to begin in early 2009. Mr. Chiat will have an exhibit booth at the CSAC conference in San Diego to discuss specifics of the program.

8. CSAC FINANCE CORPORATION REPORT

Santa Barbara County Supervisor Joni Gray and Kings County Administrative Officer Larry Spikes were recently appointed to the CSAC Finance Corporation Board to replace Yolo County Supervisor Helen Thomson and retiring Riverside County Executive Officer Larry Parrish.

The CalTrust program now has \$628 million in assets. The next issue of *California Counties* magazine will feature an article regarding the CaLease program. U.S. Communities 2nd quarter sales were up approximately 21% from last quarter. San Diego County recently awarded a contract to Nationwide Retirement Solutions (NRS) to handle the deferred compensation program.

Staff was directed to provide an update regarding county retiree health care/benefits at a future meeting.

9. CSAC CORPORATE ASSOCIATES UPDATE

There are currently 82 corporate members participating in the CSAC Corporate Associates program. The 6th annual Bocce Ball tournament was held on September 10. The winning team was Andy Morgan from Vanir Construction Management and CSAC staff member Jeff Williams.

10. STATE BUDGET/LEGISLATIVE REPORT

Staff reported that AB 3632, mental health services for special education students, did not pass through the Legislature prior to adjournment in August. CSAC is now attempting to secure inclusion of this legislation in the State Budget trailer legislation. An information sheet on the bill was distributed to the Board of directors.

Staff also reported that the Senate is expected to vote on the Governor's proposed State Budget tomorrow. Staff distributed a summary of each of the three State Budget proposals currently being debated in the Legislature which are the Governor's proposal, Republican proposal, and the Democrats proposal. The CSAC Officers met earlier today and agreed that CSAC should continue to support the Governor's proposal.

11. OTHER ITEMS

Brenda Quintana and Herb Schultz from the Governor's Office addressed the Board of Directors regarding the Governor's State Budget proposal. They thanked CSAC for its leadership in sending a strong message to the Legislature and Governor against borrowing Propositions 1A and 42 funds to balance the State Budget.

Meeting adjourned in memory of Ruth Kesler, former San Benito County Supervisor.



Administration of Justice Policy Committee

114th CSAC Annual Meeting

Tuesday, December 2, 2008 ■ 2:00 p.m. – 4:00 p.m.

Grand Hyatt San Diego ■ Elizabeth Ballroom G ■ 2nd Level, Harbor Tower
San Diego County, California

Supervisor Ronn Dominici, Madera County, Chair **Supervisor Federal Glover, Contra Costa County, Vice-Chair**

- 2:00 I. **Welcome and Introductions**
Supervisor Ronn Dominici, Madera County
- 2:05 II. **Juvenile Delinquency Court Assessment (JDCA): Presentation of Findings and Recommendations – ACTION ITEM**
The Honorable Susan D. Huguenor, Juvenile Court Presiding Judge, Superior Court of California, County of San Diego (invited); Audrey Fancy, Staff to JDCA and Supervising Attorney, Administrative Office of the Courts – Center for Families, Children & the Courts
- 2:25 III. **Role of Faith-Based Organizations in Re-Entry Programs**
Reverend Eugene Williams III, Regional Congregations and Neighborhood Organizations Training Center
- 2:55 IV. **Applying Management Principles to the Local Criminal Justice System**
Dr. Alan "Kal" Kalmanoff, Executive Director, Institute for Law and Policy Planning
- 3:25 V. **Corrections Update**
Rosemary Lamb, CSAC Legislative Analyst; Bob Takeshta, Deputy Director, Corrections Standards Authority
- 3:40 VI. **2009 Budget and Legislative Horizons/2008 Legislative Recap**
Elizabeth Howard, CSAC Legislative Representative; Rosemary Lamb, CSAC Legislative Analyst
- 3:50 VII. **Court Facilities**
Elizabeth Howard, CSAC Legislative Representative
- ✕ Court Facility Transfer Update
 - ✕ Earthquake Recovery Indemnity Authority
 - ✕ Courthouse Construction (SB 1407 – Perata, 2008)
- 4:00 VIII. **Closing Comments and Adjournment**
Supervisor Ronn Dominici, Madera County



November 12, 2008

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Facsimile
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TO: CSAC Administration of Justice Policy Committee

FROM: Elizabeth Howard and Rosemary Lamb
CSAC Administration of Justice Staff

RE: **Juvenile Delinquency Court Assessment – Presentation of Report
and Findings – ACTION ITEM**

Recommended Action. Staff recommends that the CSAC Administration of Justice Policy Committee receive and accept the report and findings of the Juvenile Delinquency Court Assessment (JDCA).

Background. In April 2008, the Judicial Council published a comprehensive report assessing the state's delinquency court system. The two-year study culminated in a series of 58 recommendations for improving case-level performance, hearings, youth services and sanctions, among other areas. The project's goal is to help improve both the administration of justice and the lives of youth, victims, and other community members affected by the delinquency system by setting an agenda for system improvements over the coming years.

The JDCA covered the following areas of inquiry: hearings and other court processes; court collaboration with justice system partners; placement, treatment, and supervision options for youth; the perspectives of parties and interested groups; juvenile facilities; education and training; and court accountability. The assessment relied on data and feedback elicited on statewide surveys of juvenile judicial officers, probation officers, prosecutors, and defense attorneys as well as focus groups and interviews in select counties involving youth, parents, victims, community members, juvenile probation officers, prosecutors, and the defense bar. Focus group surveys were administered in the following six counties: Los Angeles, Placer, Riverside, San Francisco, San Joaquin, and Siskiyou.

The study offered a number of key findings, including the following:

- Court workloads are too high for judicial officers, probation officers, and defense attorneys.
- Further services for youth are needed, especially in the areas of drug and mental health treatment services, as well as gender-focused services for females.
- Court proceedings are often too complicated for the court users — the offenders, their parents, as well as victims and witnesses.
- Technology in delinquency courts is outdated, resulting in operational inefficiencies because data sharing is limited or impeded.
- Turnover in judicial and attorney assignments in the delinquency area is high.

Presentation of Report and Findings. The Judicial Council, the 27-member policy making body of the state court system, accepted the report and its findings at its April meeting; the recommendations have been forwarded to the Judicial Council's Family and Juvenile Law Advisory Committee for implementation. The Judicial Council requested of this committee's chair an opportunity to present the key JDCA findings and recommendations to the CSAC Administration of Justice Policy Committee. Judge Susan Huguenor, the juvenile court presiding judge in the County of San Diego and Co-Chair of the Family and Juvenile Law Advisory Committee has been invited to discuss the significance of this comprehensive research study of California's delinquency court at our December meeting. Joining Judge Huguenor for the presentation will be Audrey Fancy, staff to the JDCA and a supervising attorney with the Administrative Office of the Courts' Center for Children, Families and the Courts.

As part of its ongoing outreach effort with other justice system partners, the Judicial Council also has asked several statewide associations — the Chief Probation Officers of California, the California Public Defenders Association, and the California District Attorneys Association, as well as CSAC, to take similar action regarding the report and its findings.

A copy of the JDCA Executive Summary and a list of working group members are attached. The full text of the report is available on the Judicial Council's Web site:

www.courtinfo.ca.gov/programs/cfcc/resources/publications/JuvenileDelinquency.htm

Action Requested. Staff is requesting that the CSAC Administration of Justice Policy Committee **receive and accept the JDCA report**. The "receive and accept" action is interpreted to mean that the committee (1) has literally received the report, (2) generally acknowledges it a quality piece of work with sound content, and (3) will consider the content to the extent that it is relevant to them. Accepting and receiving the JDCA report does not mean that CSAC endorses any conclusions or recommendations.

Staff Contact. Please contact Elizabeth Howard (ehoward@counties.org or 916/650-8131) or Rosemary Lamb (rlamb@counties.org or 916/650-8116) for additional information.

EXECUTIVE SUMMARY

On behalf of the Family and Juvenile Law Advisory Committee of the Judicial Council of California, the Center for Families, Children & the Courts (CFCC), a staff division of the Administrative Office of the Courts (AOC), conducted the AOC's first comprehensive research study of how the superior courts of California handle delinquency matters. With the guidance of a working group convened by the Family and Juvenile Law Advisory Committee, the Juvenile Delinquency Court Assessment (JDCA) conducted nearly two years of research on California's delinquency courts.

The intention of the JDCA is to help improve both the administration of justice and the lives of youth, victims, and other community members affected by the delinquency system by helping set an agenda for system improvements over the coming years. The areas of inquiry included hearings and other court processes; court collaboration with justice system partners; placement, treatment, and supervision options for youth; perspectives of parties and interested groups; education and training; and court accountability. The methods of inquiry included statewide surveys of judicial officers and justice partners (judges, commissioners, referees, probation officers, juvenile prosecutors, and juvenile defense attorneys), and focus groups and interviews in selected counties with youth, parents, victims, community members, juvenile probation officers, and juvenile attorneys.

A. FUNDAMENTAL PRINCIPLES

As the working group developed its recommendations, it became clear that the members shared certain core beliefs about the juvenile justice system. These fundamental principles serve as core considerations for an effective system that meets the varied purposes of the juvenile delinquency court. Key was the belief that the juvenile court presiding judge must work with justice partners to ensure that the following fundamental principles are achieved:

1. The delinquency system must adhere to practices and procedures that comply with the law.
2. The delinquency system must be adequately staffed by judicial officers, attorneys, probation officers, court staff, and other professionals who have the tenure, dedication, education, training, and resources necessary to meet the needs of court users and the public.

3. The delinquency system must recognize that juvenile offenders are different from adult offenders and, while ensuring due process and accountability, must also address the developmental and social factors that contribute to delinquent behavior.
4. The delinquency system must recognize and respect the rights and role of victims.
5. The delinquency system must encourage and value community involvement.
6. The delinquency system must improve its effectiveness and accountability by adopting a practice of continual self-improvement that relies on goals, outcomes, measures, and reporting.

B. SUMMARY OF FINDINGS

- Additional resources are needed to maintain caseloads at a reasonable level for judicial officers, attorneys, and probation officers. Both probation officers and defense attorneys expressed a need for more resources to enable them to implement court-ordered dispositions and case plans, including accessing services in the community for the youth they work with.
- Judicial officers, attorneys, and probation officers who were surveyed expressed a general dissatisfaction with the sufficiency of information about, and the availability of, services for youth, most notably drug rehabilitation, mental health services, gender-specific services, and services for transitional-age youth. They also indicated that they are not satisfied with the sanction options available to the court for high-risk youth.
- Judicial officers, attorneys, and probation officers who were surveyed expressed frustration concerning the availability of information to them at various points in the delinquency court process, including mental health assessments, information on youth's educational status, and interviews with youth, parents, and victims, both predisposition and postdisposition.
- For youthful offenders, parents, victims, and witnesses, court proceedings are often difficult to follow and understand. These groups find the court experience to be rushed and without opportunities for them to participate. Court facilities often do not have the space or the personnel to address the questions of court users.

- There is a need to measure the effectiveness of system responses to youthful offenders. The juvenile delinquency system needs better ways to measure outcomes and increase accountability.
- Courts frequently collaborate with justice partners to work on policies and procedures, and to respond to problems as they arise. Judicial officers expressed the need to be better informed about the availability and effectiveness of dispositional options for youth, and to meet with the community.
- Many juvenile detention facilities and juvenile court facilities are in need of improvement or replacement. The nature of the environment in which cases are heard, and where youth are confined, has a significant impact on the efficiency and effectiveness of court processes.
- Juvenile delinquency courts need to be staffed with judicial officers, court staff, probation officers, and attorneys who are educated in juvenile law issues and are experienced in and committed to the juvenile delinquency assignment. Longevity in juvenile assignments should be encouraged.

C. RECOMMENDATIONS

The Family and Juvenile Law Advisory Committee sets forth the following recommendations to the California juvenile justice community.

CASE-LEVEL PERFORMANCE

INDIVIDUAL RIGHTS

1. Courts should protect the rights and interests of youth, parents, victims, and the community.
2. Judicial officers should ensure the welfare of youth by inquiring about their health, safety, and education; the effectiveness of court-ordered services, restitution, and community service; and other matters regarding their general welfare and the terms of their probation.
3. Judicial officers should ensure that hearings are completed within statutory deadlines, granting continuances only for good cause while recognizing that continuances may be necessary to protect the right to due process and the opportunity to fully defend against the allegations in a petition.

4. Judicial officers, court staff, attorneys, and probation officers should monitor their practices and procedures to ensure that they meet statutory requirements regarding confidentiality and open public hearings.
5. Courts should support victims by ordering restitution in a specific amount, making restitution payment a priority, and encouraging other methods of victim restoration as appropriate.
6. Probation officers, defense counsel, and judicial officers should ensure that youth understand their rights regarding record sealing and should provide them with the information necessary to exercise those rights.
7. The AOC, in conjunction with local courts, should ensure that delinquency court facilities appropriately protect confidentiality and include private meeting spaces for court users and juvenile justice partners.

COURT PARTICIPATION

8. Judicial officers should consider calendar structures and hearing schedules that enable parents and extended family, victims, and witnesses to provide input.
9. Judicial officers should set the day's calendar by prioritizing hearings at which victims or witnesses are present and cases that are short cause matters.
10. When delays are unavoidable, the judicial officer and the attorneys should explain the reasons for them to the parties involved, so as to maintain transparency and confidence in the process.

COMPREHENSIBLE HEARINGS

11. Judicial officers should encourage the use of simple yet legally accurate language so that all parties present for hearings can understand the proceedings.
12. Judicial officers, attorneys, and probation officers should take the time necessary to help youth, parents, and victims understand the court process, the outcomes of court hearings, and the orders of the court.
13. The AOC, in conjunction with the courts, should develop educational materials such as videos and brochures that orient youth and parents to the delinquency court.

SERVICES AND SANCTIONS

INDIVIDUALIZED SERVICES

14. Local jurisdictions should establish a graduated continuum of evidence-based services and sanctions to respond to the needs of each offender.
15. Courts, to improve the delivery of services, should develop adequate court-based resources and make them readily and regularly available to court users.
16. Judicial officers should ensure that youth receive appropriate sanctions as well as the services, guidance, and support that are in the best interest of the youth while meeting the goals of public safety and victim restoration.
17. Court and counsel should ensure that treatment plans and terms of probation are complied with by monitoring the progress of youth on probation, regardless of whether the youth is at home, in out-of-home placement, or committed to a local or state facility.
18. Courts and probation should ensure that dispositional case plans include adequate reentry services.
19. Judicial officers should encourage collaborative, problem-solving practices that provide for the development and implementation of individualized case plans.
20. The courts and probation should encourage the identification and involvement of positive extended family members in a youth's rehabilitation.
21. Courts should collaborate with probation departments to ensure that judicial officers and attorneys understand probation assessment tools and the local sanction and service options that are available.
22. The courts, probation officers, and other juvenile justice partners should continue to collaborate in an effort to develop effective practices and methods for improving the delivery of services.

MEETING DIVERSE NEEDS

23. Juvenile justice agencies should continually seek out culturally appropriate resources in their communities and ensure that youth, families, and victims who do not speak English receive necessary interpreter and translation services.
24. Probation officers should continually seek out accessible and effective services, paying particular attention when emerging service gaps are discovered.

25. Probation officers who supervise youth in placement facilities should be trained to ensure that the needs of those youth are met and that their probation complies with title IV-E requirements.
26. The courts and probation should comprehensively examine and address all aspects of the needs of youth with mental health issues who are involved in the delinquency system.
27. The AOC should support legislation to address ways to more adequately and effectively deal with competency issues that come before the courts.
28. The AOC should continue to work with probation and social services to assist them in working with those youth who appear to come within the jurisdiction of both the delinquency and dependency systems.

COURT MANAGEMENT

ACCOUNTABILITY

29. Judicial officers should educate the community and the media about the purpose of the juvenile court, specifically its purpose and role in meeting the complex needs of youth, their families, victims, and the community.
30. Judicial officers should maintain open communication with the public, provide avenues for receiving public feedback, and provide information about court performance or improvements.
31. Local juvenile justice partners should identify the outcomes they hope to achieve and develop performance measures to monitor their progress.

FACILITIES

32. State and local court administrations should ensure that facilities are designed, maintained, and operated so as to provide both the effective and efficient administration of justice and the respect and dignity that victims, court users, professionals, and judicial officers deserve.
33. The AOC, in conjunction with local courts, should design and construct new facilities, in consultation and cooperation with the other juvenile justice partners.
34. Court facilities in which delinquency matters are heard should have separate waiting rooms for victims and witnesses to ensure their safety and encourage their participation in court.

35. State and local court administrators should ensure that court operations, modifications to facilities, and AOC design standards protect the confidentiality of parties and victims while enabling the public to have access to nonconfidential delinquency hearings when appropriate.

COLLABORATION

36. Judicial officers should exercise leadership in strengthening the relationships among justice partners and community organizations and in ensuring that local jurisdictions utilize all available resources to create appropriate outcomes within the juvenile justice system.
37. The courts and probation should engage schools, mental health, and other community systems to support the rehabilitation of youth.
38. The AOC and the courts should assess the court's role in minority disproportionality within the juvenile justice system and work collaboratively with state and county-level justice providers to address racial and ethnic disparities.
39. The AOC should continue to support the courts and other agencies in developing ways to assist youth whose circumstances potentially bring them before both the dependency and delinquency courts.

CASE MANAGEMENT

40. Courts and juvenile justice partners should develop case management systems (including the California Case Management System [CCMS]) that promote coordinated data collection and data exchange between the court and other justice partners.
41. Courts and juvenile justice partners should develop case management systems (including CCMS) to permit juvenile delinquency courts to access information about youth's and families' participation in other court cases.
42. The AOC should support courts in their efforts to develop protocols and procedures to address local issues and challenges involving case management.
43. The AOC should develop tools to help the courts assess their case management practices and should assist the courts in instituting a process of continual improvement.

PROFESSIONALS AND COURT USERS

COMMITMENT

44. Superior court presiding judges should recognize the importance of the juvenile delinquency system and the need for recruiting and retaining high-quality judicial officers in juvenile assignments.
45. Court administrators should ensure that courts have adequate numbers of qualified court staff.
46. District attorneys' and public defenders' offices should be encouraged to seek out and promote attorneys who are committed to serving the delinquency court and developing expertise in this complex and significant field.
47. Judicial officers should seek out panel and contract attorneys who are committed to serving youth in the delinquency court and who are willing to develop expertise in the field.
48. Probation departments should seek out, encourage, promote, and retain staff who are committed to working with juveniles and developing expertise in this important area.

EDUCATION

49. The courts should ensure continuity of policy and practice during leadership transitions by instituting best practices and by supporting the transfer of knowledge.
50. Probation and social services staff should be adequately trained and should communicate and coordinate services so as to deal appropriately with those youth who appear to come within the jurisdiction of both the delinquency and dependency systems.
51. Judicial officers, attorneys, and probation should be adequately trained and educated to understand the myriad issues in delinquency court and the importance of the work.
52. Courts should develop or clarify local protocols that set forth their expectations of defense counsel in the postdispositional period regarding status reports, hearings, child visits, legal advocacy, and other activities.
53. The AOC should work with law schools and the State Bar to educate, encourage, and support attorneys seeking careers in juvenile justice.

RESOURCES

54. Courts and juvenile justice agencies should continually monitor and adjust their caseload guidelines to respond to evolving standards of practice and should seek additional resources as necessary.
55. Courts hearing delinquency matters should have adequate funding to fulfill their purpose of guaranteeing public safety, victim restoration, and offender rehabilitation.
56. The judicial branch should encourage federal, state, and local government officials to provide probation departments with stable and adequate funding to protect the public and the rights of victims, to ensure offender accountability and rehabilitation, and to support the court with the information necessary to make appropriate findings and orders.
57. Local government officials should fund public defenders' offices, district attorneys' offices, and contract-based defenders at a level that allows them to adequately fulfill their professional obligations.
58. The Judicial Council should support the improvement of resource allocation in the courts by conducting a judicial workload study of judicial officers who hear juvenile delinquency cases and a needs assessment of the court staffing that supports the court's management and review of juvenile delinquency cases.

Juvenile Delinquency Court Assessment Working Group Members

Hon. Brian John Back, Chair
Judge of the Superior Court of California, County of Ventura

Ms. Trish Anderson
Attorney, Conflict Criminal Defender's Sacramento, Juvenile Unit

Hon. Patricia Bamattre-Manoukian
Associate Justice of the Court of Appeal, Sixth Appellate District

Ms. Judith A. Cox
Chief Probation Officer of the Santa Cruz County Probation Department

Hon. Nancy L. Davis
Judge of the Superior Court of California, County of San Francisco

Ms. Barbara Duey
Attorney of the Children's Law Center of Los Angeles

Hon. Leonard P. Edwards (Ret.)
Judge-in-Residence of the Administrative Office of the Courts

Mr. Wesley Forman
Chief Probation Officer of the Mendocino County Probation Department

Mr. Larry Gobelman
Executive Officer of the Superior Court of California, County of Siskiyou

Hon. Lois Haight
Judge of the Superior Court of California, County of Contra Costa

Hon. Susan C. Harlan
Presiding Judge of the Superior Court of California, County of Amador

Hon. Robert Byron Hutson
Judge of the Superior Court of California, County of Orange

Mr. Philip Kader
Juvenile Probation Division Director of the Fresno County Probation Department

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Hon. Kurt E. Kumli
Judge of the Superior Court of California, County of Santa Clara

Ms. Rosemary Lamb
Legislative Analyst of the California State Association of Counties

Ms. Patricia Lee
Managing Attorney of the San Francisco Public Defender's Office

Hon. Jan Greenberg Levine
Judge of the Superior Court of California, County of Los Angeles

Mr. Rick Lewkowitz
Juvenile Division Supervisor of the Sacramento County District Attorney's Office

Ms. Debbie C. Mochizuki
Lead Attorney of the Court of Appeal, Fifth Appellate District

Hon. Tamara L. Mosbarger
Judge of the Superior Court of California, County of Butte

Mr. Harold E. Nabors
Executive Officer of the Superior Court of California, County of Madera

Hon. Michael Nash
Judge of the Superior Court of California, County of Los Angeles

Mr. Winston Peters
Assistant Public Defender of the Los Angeles County Public Defender's Office

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Ms. Florence Prushan
Assistant Director, AOC Southern Regional Office

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Executive Officer of the Superior Court of California, County of San Diego

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Mr. Richard Scott Stickney
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Judge of the Superior Court of California, County of Fresno

Former Working Group Members

Hon. Becky Lynn Dugan
Judge of the Superior Court of California, County of Riverside

Mr. Gregor Datig
Director of the TRSP Program, California District Attorneys Association

Ms. Miriam Krinsky
AOC Special Consultant, Policy, Outreach, and Legislative Initiatives

Mr. Calvin Remington
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Ms. Jackie Escajeda
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Ms. Elizabeth Howard
Legislative Representative of the California State Association of Counties



Agriculture and Natural Resources Policy Committee

**Monday, December 1, 2008 · 10:00 a.m. – 12:00 p.m.
Grand Hyatt, One Market Place, San Diego, CA 92101
Randle Ballroom D, 4th Level, Harbor Tower**

AGENDA

Supervisor Mike Nelson, Merced County, Chair
Supervisor Jon Vasquez, Solano County, Vice- Chair

- 10:00- 10:10 a.m. **I. Welcome and Introductions**
Supervisor Mike Nelson, Merced County
Supervisor Jon Vasquez, Solano County
- 10:10-10:25 **II. ACTION ITEM: Consideration of a Resolution
in Support of Extended Producer Responsibility
(EPR)**
Attachment One: Resolution in Support of EPR Framework
Approach
Karen Keene, CSAC Senior Legislative Representative
Cara Martinson, CSAC Legislative Analyst
- 10:25- 10:45 **III. Report on the California Aquatic Invasive Species
Management Plan**
Dominique Norton, Invasive Species Program, CA
Department of Fish & Game
- 10:45-11:05 **IV. Overview and Discussion of the State's Proposed
Wetland and Riparian Area Policy**
State Water Resources Control Board Representative
(Invited)
- 11:05-11:25 **V. 2008 Fire Aftermath: Improving State-Local
Coordination**
Kate Dargan, State Fire Marshall
- 11:25- 11:35 **VI. Discussion of Proposed Cuts to Williamson Act**
Karen Keene, CSAC Senior Legislative Representative
Cara Martinson, CSAC Legislative Analyst
Attachment Two: Local Government Coalition Letter
Attachment Three: Williamson Act Fact Sheet
- 11:35- 11:55 **VII. Agriculture and Natural Resources
Committee: Policy Platform Review and Approval**
Attachment Four: Chapter 3, CSAC Platform
Attachment Five: Chapter 4, CSAC Platform
- 11:55- 12:00 p.m. **VIII. Other Items and Adjournment**



November 18, 2008

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To: CSAC Board of Directors
From: Supervisor Mike Nelson, Merced County
CSAC Agriculture and Natural Resources, Chair
Supervisor John Vasquez, Solano County
CSAC Agriculture and Natural Resources, Vice Chair

Re: Resolution in Support of Extended Producer Responsibility (EPR)

Staff Recommendation: Staff is recommending that the CSAC Board of Directors adopt the resolution in support of extended producer responsibility.

Background: Extended Producer Responsibility (EPR) is the extension of the responsibility of producers, and all entities involved in the product chain, to reduce the cradle-to-cradle impacts of a product and its packaging. The greatest responsibility lies with the producer, or brand owner, who makes design, marketing and packaging decisions.

Manufactured goods and packaging constitute approximately 75% of the materials managed by government jurisdictions (US EPA). Consumer products and packaging may contain toxins such as heavy metals, certain plastics, or harmful substances that pose a threat to human health and the environment.

Current federal and state policies often make local government responsible for waste diversion, enforcing product disposal bans, hazardous waste collection, or other costly waste management programs, without providing funding.

The Extended Producer Responsibility Framework Approach supports a shift in financial and physical responsibility from local government to those benefiting economically from the sale of the products they produce. An Extended Producer Responsibility Framework Approach is a comprehensive environmental policy that addresses producer responsibility by using a set of criteria to evaluate products, along with established processes, plans, and certifications to provide a consistent approach for a wide scope of products. When producers are responsible for ensuring their products are reused, recycled or otherwise managed responsibly, and when health and environmental costs are included in the product price, there is an incentive to design products that are more durable, easier to repair and recycle, and less toxic.

Policy Considerations: CSAC currently has policy to support greater manufacturer responsibility and product stewardship in the CSAC Climate Change Policy. Additionally, the National Association of Counties (NACo) adopted a similar resolution to support extended producer responsibility on July 15, 2008.

Resolution in Support of Extended Producer Responsibility Framework Approach

To be heard at the December 1, 2008 CSAC Agriculture and Natural Resources Policy
Committee

Definition of Extended Producer Responsibility. Extended Producer Responsibility (EPR) is the extension of the responsibility of producers, and all entities involved in the product chain, to reduce the cradle-to-cradle impacts of a product and its packaging. The greatest responsibility lies with the producer, or brand owner, who makes design, marketing and packaging decisions.

Extended Producer Responsibility Policy Statement. The California State Association of Counties (CSAC) supports legislative and policy changes that shift responsibility for financing and managing products at the end-of-life away from local governments to the producers of products.

Producer responsibility removes the financial burden of product waste management from local governments, ratepayers and taxpayers and makes responsible management and recycling of products at the end of life a cost of doing business. Placing the responsibility with producers also provides an incentive to producers to redesign their products so as to reduce or eliminate their environmental impacts and to increase their recyclability. CSAC endorses producer financed and managed product take-back, in collaboration with retailers, to local government operated programs.

Adopted by the National Association of Counties
July 15, 2008
Resolution in Support of Extended Producer Responsibility
Framework Approach

Issue: Responsibility for discarded products.

Proposed policy: NACo supports an Extended Producer Responsibility Framework Approach, which creates effective producer-lead reduction, reuse and recycling programs, to deal with a product's lifecycle impacts from design through end of life management, without relying solely on state and local governments.

Background: Manufactured goods and packaging constitute approximately 75% of the materials managed by government jurisdictions (US EPA). Consumer products and packaging may contain toxins such as heavy metals, certain plastics, or harmful substances that pose a threat to human health and the environment.

Current federal and state policies often make local government responsible for waste diversion, enforcing product disposal bans, hazardous waste collection, or other costly waste management programs, without providing funding. For example, Minnesota counties currently spend \$13 million annually on household hazardous waste programs.

The Extended Producer Responsibility Framework Approach supports a shift in financial and physical responsibility from local government to those benefiting economically from the sale of the products they produce. An Extended Producer Responsibility Framework Approach is a comprehensive environmental policy that addresses producer responsibility by using a set of criteria to evaluate products, along with established processes, plans, and certifications to provide a consistent approach for a wide scope of products. When producers are responsible for ensuring their products are reused, recycled or otherwise managed responsibly, and when health and environmental costs are included in the product price, there is an incentive to design products that are more durable, easier to repair and recycle, and less toxic.

This comprehensive approach is more efficient than trying to address individual products on a case-by-case basis. It encourages environmentally preferable product design and management to protect human health and the environment in a more effective way. Policies to promote government purchase of environmentally preferable products – a market driven approach – are also an important principle of an Extended Producer Responsibility Framework Approach.

Fiscal/Urban/Rural Impact: Passage of legislation for an Extended Producer Responsibility Framework Approach, which creates producer-lead reduction, reuse and recycling programs for their products, will help protect human health and the environment without relying solely on government funding.



**Government Finance and Operations Policy
Committee**

CSAC 114th Annual Meeting

Tuesday, December 2, 2008 · 10:00 a.m. – 12:00 p.m.

Grand Hyatt · Elizabeth Ballroom F · Harbor Tower · Second Level

San Diego · San Diego County, California

Supervisor Steven Worthley, Tulare County, Chair

Supervisor Bruce Gibson, San Luis Obispo County, Vice Chair

- 10:00 a.m. I. **Welcome and Introductions**
Supervisor Steven Worthley, Tulare County, Chair
Supervisor Bruce Gibson, San Luis Obispo County, Vice Chair
- 10:05 - 10:10 II. **Update of CSAC Government Finance and Operations
Platform Chapters – ACTION ITEM**
Jean Kinney Hurst, CSAC Legislative Representative
Eraina Ortega, CSAC Legislative Representative
- 10:10 - 10:50 III. **California Forward and Their Principles for State Budget
Reform – ACTION ITEM**
Jim Mayer, California Forward Executive Director
Fred Silva, California Forward Senior Fiscal Policy Advisor
- 10:50 - Noon IV. **Out of Crisis Comes Opportunity: The Next Steps for State-
Local Fiscal Reform – ACTION ITEM**
*Russ Gould, Senior Vice President, Wachovia Corporate &
Institutional*
*Diane Cummins, Retired Chief Fiscal Policy Advisor for the
Senate President pro Tempore*
*David Janssen, Retired County Administrative Officer, Los
Angeles County*
*Mark D. O'Connell, Executive Director, Wisconsin Counties
Association*



November 17, 2008

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To: Supervisor Steven Worthley, Chair, and Members, CSAC Government Finance and Operations Policy Committee

From: Jean Kinney Hurst, CSAC Legislative Representative
Eraina Ortega, CSAC Legislative Representative
Faith Conley, CSAC Legislative Analyst
Geoffrey Neill, CSAC Legislative Analyst

Re: ***California Forward*** and Their Principles for State Budget Reform –
ACTION ITEM

Recommendation. Staff requests that the Government Finance and Operations (GF&O) Policy Committee recommend to the Board of Directors support for the fiscal reform principles introduced by *California Forward* to improve state fiscal decisions.

Background. *California Forward* is a bipartisan organization dedicated to creating a more responsive and cost-effective government. Its mission is to transform California government to be better equipped to meet the challenges of the coming decades in areas including health care, economic growth, and the environment. In June 2008, *California Forward* issued a document entitled "Curing Deficits and Creating Value: Principles for Improving State Fiscal Decisions" (attached). The intent of the document was to direct a public discussion on the principles of sound budget reform, and for *California Forward* to craft specific budget reform proposals based on those discussions. *California Forward* has stated its intent to bring forward bipartisan legislative proposals in January or February of 2009, based on the discussion of its budget reform principles. Jim Mayer, *California Forward* Executive Director, and Fred Silva, *California Forward* Senior Fiscal Policy Advisor, will discuss *California Forward* and their approach to these issues.

Policy Considerations. The principles proposed by *California Forward* address issues such as the state's structural deficit, volatile revenue sources, the short-term nature of the budgeting process, the lack of strategic vision in state budgeting, and inadequate public debate and oversight. Addressing these issues is consistent with CSAC's long-term interest in structural state budget stability, and counties have long advocated the principles of sound fiscal management at both the state and local levels.

Action Requested. Staff requests that the GF&O Policy Committee recommend support of *California Forward's* budget reform principles to the Board of Directors. CSAC will work with *California Forward* in using these principles to shape specific legislative reform proposals that will strengthen the state-local fiscal relationship and address program funding issues and shortfalls.



Curing Deficits and Creating Value

Principles for Improving State Fiscal Decisions

Our State, Our Solutions, Our Future
www.caforward.org



California Forward Overview

The overarching goal of *California Forward* is to improve the quality of life for all Californians by creating more responsive, representative and cost-effective government.

California Forward is pursuing this goal through issue-specific projects to improve California's political, fiscal and governmental systems. A bipartisan Leadership Council selects and guides projects, which link sound policy analysis and meaningful civic engagement to develop proposals and broad coalitions of support. Proposals pursue change through administrative action, legislation or ballot initiatives.

Through this public interest approach, *California Forward* is rallying the ambition, innovation and optimism of Californians to overcome the distrust and partisanship that have thwarted attempts to bolster democracy.

Origins and Support

For California to meet the challenges of the coming decades – in the areas of healthcare, education, the environment and economic growth, among others – the state will need to dramatically change how public decisions are made and how public dollars are spent.

That fundamental conclusion led five of California's leading foundations to come together to inspire and financially support *California Forward*. These foundations are: The California Endowment, The Evelyn and Walter Haas Jr. Fund, The William and Flora Hewlett Foundation, The James Irvine Foundation, and the David and Lucile Packard Foundation.

Long Range Impact

By targeting reforms that can improve government more decision-making, *California Forward* is working to produce better policies enabling California to:

- Compete effectively in the global economy;
- Value the increasing diversity of its people;
- Support children as its future;
- Promote fundamental improvements in the health status of all Californians;
- Preserve and protect its natural resources; and,
- Advance social and economic equity.

Why Governance Matters

California's challenges are mounting. California is stressed by a growing population, evolving social issues and an increasingly global marketplace. California's public programs are not keeping up:

- California is no longer a leader in creating economic opportunities and is losing its edge in the global economy.
- California's educational system is failing many students and limiting their potential.
- The state needs new ways to move people and goods; provide affordable housing; and, ensure sustainable water and energy supplies, flood control and other infrastructure.
- Access to health care and rising costs threaten improvements in the quality and longevity of life.
- Continued population growth and now global climate change challenge California's progress in pioneering successful environmental policies.
- Vulnerable Californians – and children in particular – are often the ones to feel the brunt of dysfunctional public programs. The overall trend is one of growing inequality.

Where We Need to Improve

Improving these outcomes requires reforming how California is governed. Public leaders are not effectively dealing with these challenges and most Californians are not confident that political leaders will solve these problems. Political stalemates, chronic fiscal problems and management failures all validate the need for “structural” or “governance” reforms to address the underlying issues that thwart the development of sound policies needed to deliver high quality services. Toward that end, California needs a governance system that produces:

- 1) **Smart revenue and budget systems.** Californians need a fair and reliable revenue system and budget process that leads to better results and creates accountability for outcomes.
- 2) **High quality public services.** Californians need public programs to be organized and managed to deliver the highest quality of service and greatest value for public expenditures.
- 3) **Publicly responsive elected officials.** Californians need an electoral system that results in elected officials who are more representative and responsive to the public and their needs.
- 4) **Informed and engaged public.** California needs to refine the voting process and create new ways for the public to influence policy decisions and provide feedback to public programs.

How We Pursue Progress

California Forward will pursue these goals through bipartisan, data-driven reforms. Reforms will be developed and implemented through targeted projects with the following steps:

- 1) Fact-based assessments of governance problems that impact public outcomes. Identification of viable, bipartisan solutions consistent with the priorities of all Californians.
- 2) Meaningful engagement of diverse populations regarding problems and solutions, with attention to those who are inadequately served by programs or underrepresented in the political process.
- 3) Effective execution of political strategies and campaign tactics to ensure adoption and implementation of new policies – including legislation, ballot initiatives and administration actions, as well as local or regional reforms that can be scaled to have statewide impacts.

Characteristics of California Forward

To ensure success, *California Forward* and the projects it supports have the following characteristics:

- **Leadership that reflects California.** The leadership of *California Forward* includes broad ethnic and political diversity to build legitimacy, credibility and trust.
- **Results driven.** Projects clearly link structural reforms with the anticipated public benefits, as specific and as close to home as possible.
- **Publicly oriented.** Public engagement is a cornerstone of all activity – demonstrating the value public value of public involvement in making sound public policy improvements.
- **Opportunistic and persistent.** *California Forward* creates accelerates projects based on changing external and political environments. Decision-making models are informed, transparent and efficient, and address obstacles and deficiencies until objectives are achieved.



Leadership Council

Thomas V. McKernan, Co-Chair—Chief Executive Officer, Automobile Club of Southern California; Chairman, Orange County Chapter, New Majority; Chairman, California Business Roundtable (2005-2006).

Leon E. Panetta, Co-Chair—Founder and Director, Leon & Sylvia Panetta Institute for Public Policy, California State University, Monterey Bay; Chief of Staff, President Bill Clinton (1994-1997); Director, US Office of Management and Budget (1993-1994); Representative, US House of Representatives (1976-1993); Director, US Office of Civil Rights (1969-1970).

Robert Balgenorth—President, State Building and Construction Trades Council of California (1994-Present); Executive Secretary, Orange County Building Trades Council (1984-1994).

Phaedra Ellis-Lamkins—Executive Officer, South Bay AFL-CIO Labor Council; Executive Director, Working Partnerships USA.

William Hauck—President, California Business Roundtable; Chair, California Constitution Revision Commission (1994-1996); Deputy Chief of Staff, Governor Pete Wilson (1992-1993); Founder, *California Journal*.

Antonia Hernández—President and Chief Executive Officer, California Community Foundation; President and General Counsel, Mexican American Legal Defense and Educational Fund (MALDEF) (1985-2003).

Fred Keeley—Treasurer-Tax Collector, County of Santa Cruz; Executive Director, Planning & Conservation League and PCL Foundation (2003-2005); Speaker pro Tem, California State Assembly (1996-2002).

Stewart Kwoh—President and Executive Director, Asian Pacific American Legal Center of Southern California; Vice-chair of the Board of Directors for the National Asian Pacific American Legal Consortium; Member, Council on Foreign Relations.

Donna Lucas—Founder, Lucas Public Affairs Group (2006-Present); Of Counsel, Porter Novelli (2006-2008); Deputy Chief of Staff for Strategic Planning and Initiatives, Governor Arnold Schwarzenegger (2003-2006); Chief of Staff and Senior Advisor, First Lady Maria Shriver.

Sunne Wright McPeak—President and Chief Executive Officer, California Emerging Technology Fund (CETF); Secretary, California Business, Transportation and Housing Agency (2003-2006); President and Chief Executive Officer, Bay Area Council (1996-2003); President and Chief Executive Officer, Bay Area Economic Forum (1993-1996); Member, Board of Supervisors, Contra Costa Board of Supervisors (1978-1993).

Bruce A. McPherson—California Secretary of State (2005-2007); Member, California State Senate (1996-2004); Member, California State Assembly (1993-1996).

Charles Poochigian—Partner, Dowling, Aaron & Keeler; Member, California State Senate (1998-2006); Member, California State Assembly (1994-1998); Senior Advisor to Governors George Deukmejian and Pete Wilson (1988-1994).

Cruz Reynoso—Boochever and Bird Chair for the Study and Teaching of Freedom and Equality, School of Law, UC Davis (2001-Present); Special Counsel, Kaye, Sholer, Fierman, Hays & Handler (1988-Present); Vice Chair, US Commission on Civil Rights (1994-2004); Professor, School of Law, UCLA (1991-2001); Associate Justice, California Supreme Court (1982-1987); Associate Justice, Third District California Court of Appeals (1976-1982).

Connie Rice—Co-Director, The Advancement Project; Co-Director, Los Angeles Office, NAACP Legal Defense Fund (1996-1998).

Eugene J. Voiland—President and Chief Executive Officer, Aera Energy LLC (1997-2007); President and Chief Executive Officer, CalResources LLC (1995-1997).



Curing Deficits and Creating Value

Principles for Improving State Fiscal Decisions

Essential public programs provide a foundation for California’s long-term health, safety and prosperity, and the state’s fiscal system is the reinforcing steel in that foundation. Adequate and reliable funding, strategically allocated and professionally managed, is critical to the success of public programs and the communities they serve.

In recent decades, California’s fiscal system has evolved in ways that have made it difficult for state and local agencies to consistently provide high quality services and proficiently respond to complex problems. These changes have limited the ability of regional economies to compete in the global marketplace and be wise stewards of environmental resources, and they have frustrated efforts of neighborhoods to remedy difficult social challenges.

The fiscal system does not suffer from a single ailment, and many of its infirmities are the unintended consequences of previous efforts to “fix” the system or respond to the imperative of the moment. Changes made to the tax structure have made revenues more volatile; at the same time, the sales and use tax structure has not been adapted to a service-based economy. A slew of initiatives approved by voters has created a complex web of restrictions, and have distorted in profound and largely unforeseen ways how fiscal decisions are made. In many critical areas, such as education and economic development, the authorities over fiscal, policy and management decisions are so intertwined among state and local agencies that the ability to provide cost-effective services is compromised and accountability is lost.

For California to achieve its economic, social and environmental goals, government agencies must manage revenues to continuously improve the quality and efficiency of education, transportation, public safety and other programs. This will require comprehensive changes to the fiscal system and how key decisions are made.

The significant gap between revenues and spending is a symptom of this dysfunction. Given the size and complexity of the issues, strategic and incremental changes are more likely to succeed. A logical first step is to improve the state’s annual state budget process – the central venue for fiscal choices that then ripple through the thousands of public agencies statewide.

About These Principles

One way to assess the concern over California’s fiscal system is the number of efforts to fix it. More than a dozen commissions and organizations, public and private, have issued recommendations during the last boom and bust cycle.

California Forward has distilled those ideas related to the state budget process to direct a public discussion on the “principles” of sound budget reform. The principles distilled in this document were first published in June 2008 and have prompted many valuable comments and discussion. Rather than refining the principles, *California Forward* is crafting specific budget reform proposals based on those comments.

While these principles include some elements of the revenue system, additional changes in tax policy are warranted. Changes also are needed to strengthen the state-local fiscal relationship and local finance; *California Forward* expects to address those issues in future projects.

Beginning with the state budget-making system

The state's annual spending plan is just one component of California's fiscal system, yet it is one of the most important tools for policy-making. The Budget Act drives what will be done in the coming year, which agency will perform those duties, and – often with great precision – how tasks will be pursued. While the spending plan lasts but a single year, it inherits the successes and failures of the plan before it, and generates benefits and consequences into the future.

The current budget process is largely a relic of the mid-20th Century, with the focus on how much to increase spending (or how much to cut), rather than the value that public services bring to Californians over time. These annual budget decisions often either push California's fiscal systems toward long-term solvency or away from it. The ongoing and chronic imbalance between revenues and expenditures is one indicator of system failure. Changing how budget process decisions are made could enable public leaders to deal with the more intractable and complex problems involving the revenue system and the state-local relationship.

Key problems: The costs of operating state programs are growing faster than the revenue base that supports them. The revenue system is highly sensitive to changes in the economy, producing significant volatility. The single-year budgeting horizon encourages short-term fixes, rather than long-term solutions. The budget does not take a strategic approach to ensure a return on public investments and there is a lack of public and legislative review of how money is spent.

The bottom line: The common good would best be served by controlling costs, managing volatile revenue and taking a long-term investment approach. Through a strategic budget process, policy-makers can set priorities, redirect funds to better solutions to difficult problems, and make steady improvement toward public goals. A reformed budget process would enable the Legislature to do better oversight and has the potential to increase public trust.

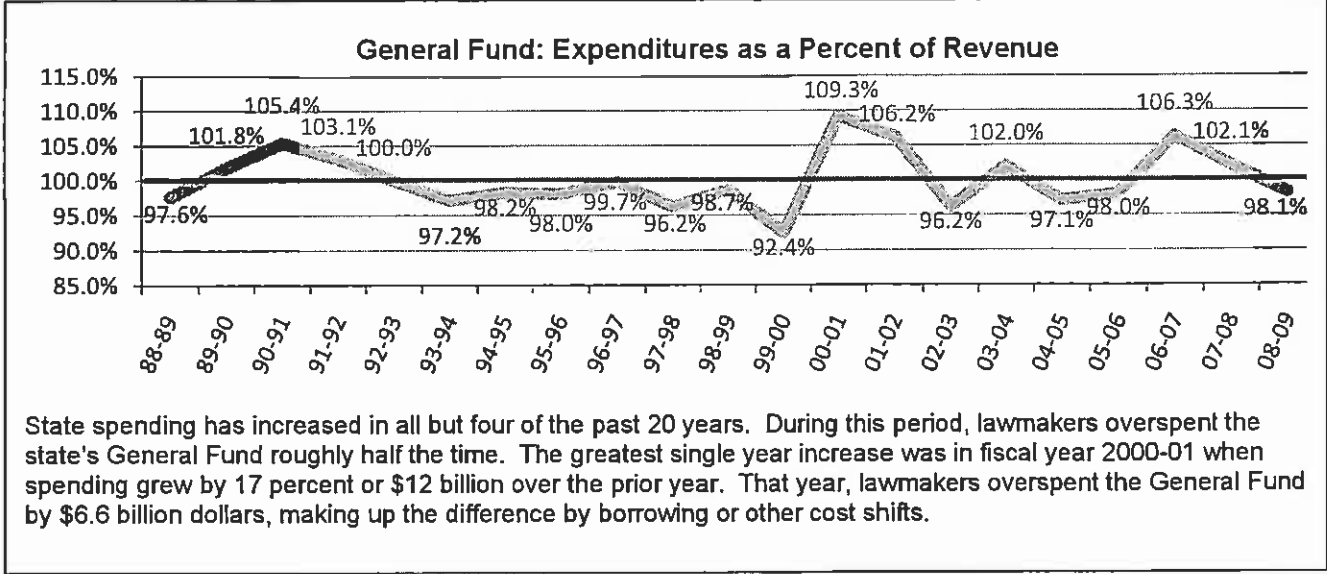
Problems and Principles to Guide Solutions

“Structural” Deficit

Problem 1: The state's spending obligations grow faster on average than revenue.

Two primary factors drive costs. First, the state has had a habit of spending nearly all of the revenue it receives in a given year. When revenues decline or even flatten, lawmakers must either cut programs or rely on internal borrowing and other mechanisms that critics consider to be gimmicks. The consequences of this dynamic are compounded by the state's relatively volatile tax structure and the reliance of local agencies on state-controlled funds.

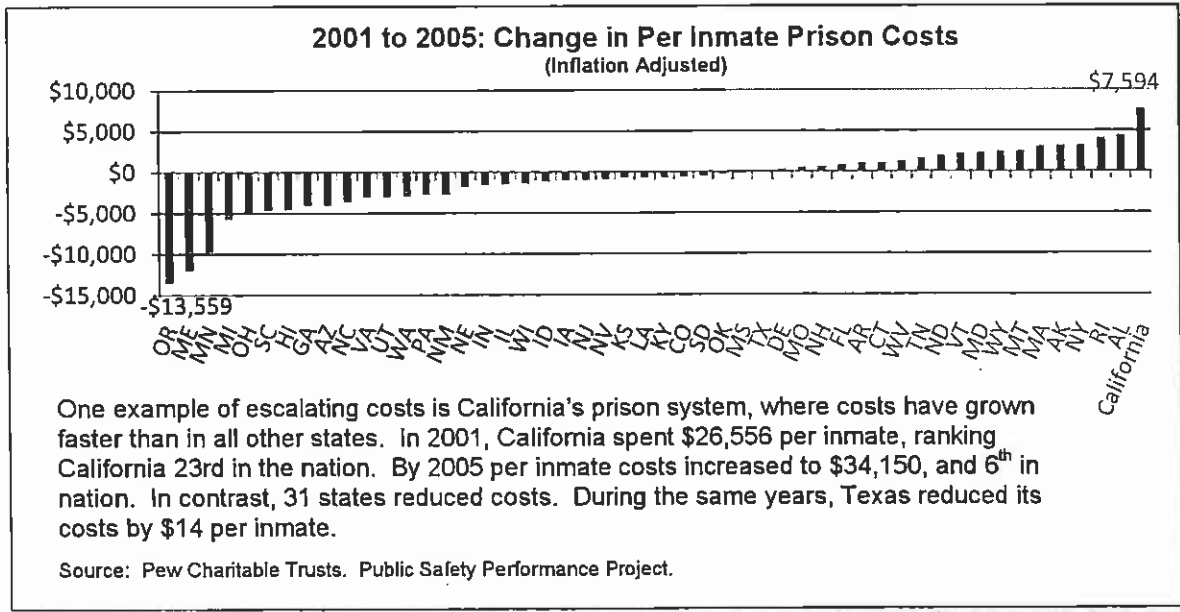
The second underlying cause of spending growth is a series of fiscal demands on the system – including rising caseloads, university enrollments, payroll increases, prison admissions, and cost of living allowances. While all of these demands can ultimately be controlled by lawmakers, the budget process assumes those costs will be covered, which requires the base budget to grow each year whether or not revenue increases.



PRINCIPLE I.1: CONTROL ESCALATING COSTS

The state needs to systematically scrutinize fast growing expenditures to control costs or get the job done in a different way.¹

- The state's revenue and expenditure forecasting processes should be thorough, accurate and accessible to the public, and provide a multi-year perspective.
- Program costs should be systematically reviewed to assess those that are exceeding projections, and assess whether the program should be revised, curtailed or eliminated. The soaring costs of publicly funded health care, for example, must be controlled if budgets are to be balanced.
- Efforts to control costs and improve the delivery of services need to be integrated into the budgeting process.



PRINCIPLE 1.2: PAY AS WE GO

New programs and major expansions of existing programs should have an identified funding source as a condition of approval.²

- New program proposals, whether by legislation or through the initiative process, should include sources of new revenue, offsetting spending reductions, or redirection of existing program allocations to fund the proposal on an ongoing basis.
- Consideration should be given to program improvements that may increase costs in the short term but reduce costs or demands on public services in future years.
- Current infrastructure planning requirements should be strengthened by being integrated into a multi-year fiscal planning process and providing “pay as we grow” financing models that ensure a reliable investment through good years and hard times.

PAYGO

PAYGO requires policy change that increases costs to identify a source of funding – either new revenue or reductions elsewhere. Some form of PAYGO has operated in Congress since 1990.

California does not have a PAYGO requirement. Occasionally, revenue is linked with new programs, but not always. Consider two examples:

The Mental Health Services Act was passed by voters to expand community-based mental health services and imposed an additional 1 percent tax on incomes of more than \$1 million to cover the additional costs.

In contrast, in 2000 legislation was passed that guaranteed financial aid to college students who are admitted to state colleges and universities and meet educational and income requirements. Prior to the legislation, grants were awarded on a priority basis based on the amount of funding allocated each year. The 2000 entitlement was passed without specifying a source of funding.

PRINCIPLE 1.3: ANALYZE THE IMPACT OF TAX BREAKS ON THE BUDGET

Preferences and incentives within the tax system should be periodically analyzed to determine if they are effective.³

- The legislative and executive branches should formally and systematically review tax credits, deductions and other “tax expenditures” to determine if they are still necessary and a cost-effective way of accomplishing their stated goal.
- The legislative and executive branches should consider an institutional mechanism – such as a commission on tax policy – to encourage consistent oversight of the tax structure and identify the best ways for tax and other policies to support those goals.

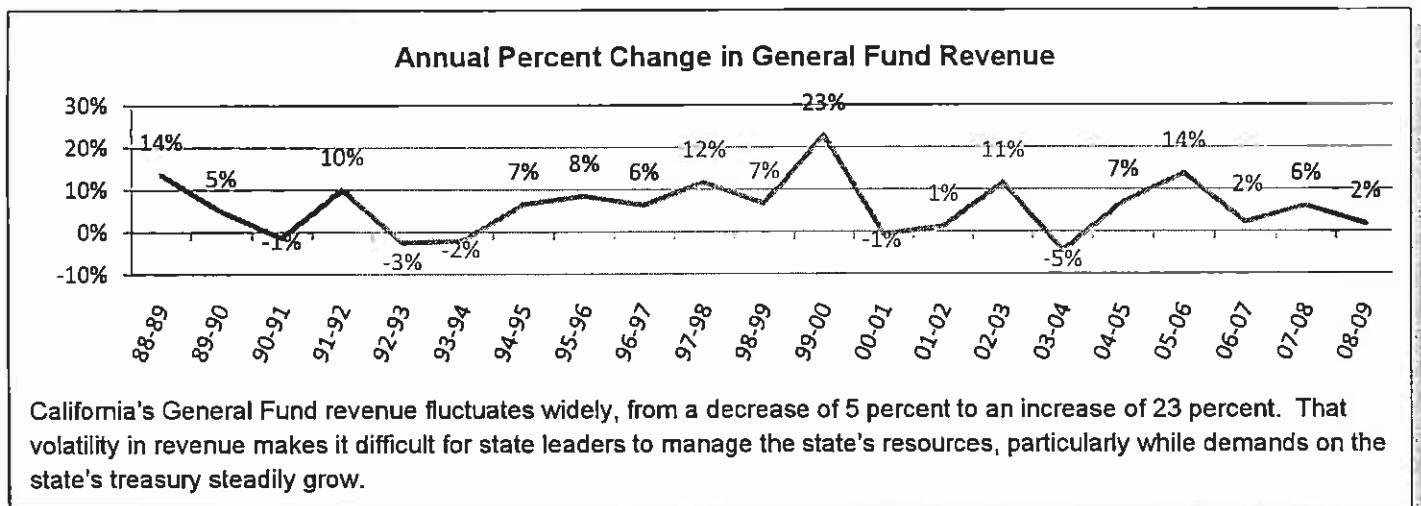
Volatile Revenue

Problem 2: California's volatile revenue system requires better fiscal management to ensure reliable public services through good times and bad times.

California's dependence on a highly progressive income tax results in General Fund revenues that are more volatile than in most states. California also has made strategic errors by building short-lived "spikes" in revenue into the spending base or using the spikes to justify permanent tax cuts.

This problem ultimately needs to be addressed by modernizing California's tax structure. In fashioning those reforms, stability should be one consideration, along with opportunities to align revenue streams to California's comparative economic advantages and restoring local control over revenue for local services. But the state also can manage the negative consequences of this volatility by disciplining spending and appropriately managing one-time revenue.

Similarly, the state needs to find ways to respond quickly when revenues decline below what was anticipated in the current year. Timely response to declining revenue can minimize the impact of those declines on the following year.



PRINCIPLE 2.1: MANAGE ONE-TIME REVENUE

Major "spikes" in revenue should be used to maintain a significant reserve and one-time purposes, such as infrastructure investment or tax rebates.⁴

- A collaborative effort between the Governor, appropriate constitutional officers and legislators should be used to determine when revenues are growing unsustainably fast. Above-normal revenues should be used to maintain a significant reserve for future years, and other appropriate one-time uses that do not increase long-term spending requirements or permanently reduce revenue.

- The state should not be overly dependent on windfall revenues, debt or accounting changes to finance current expenditures.

PRINCIPLE 2.2: MANAGE MID-YEAR SHORTFALLS

The state needs a joint executive and legislative response to declining revenue during the budget year.⁵

- The state’s revenue and expenditure structure should include strategies that will accommodate fluctuating economic climates. These strategies could include pre-authorized reductions in Budget Act appropriations and triggered revenue increases.
- The state should enhance the current “fiscal emergency” provisions in the constitution to increase the consultative process between the Legislature and the Governor. The current process lacks incentives to reach agreement. Improvements might include designated reductions if agreement can not be reached.

PRINCIPLE 2.3: MODIFY THE TAX SYSTEM

One ingredient to long-term fiscal balance is to adjust the tax system to reflect the contemporary economy.

- The state’s transaction taxes should be reviewed in a revenue neutral manner so that the tax base is broadened and the tax rate reduced as one way to increase stability and to align the revenue system with a service-based economy.

Short-term Perspective

Problem 3: The one-year lifespan of the state budget puts too much emphasis on matching revenue and spending in a single year rather than strategically investing public dollars to meet critical needs over the long-term.

In nearly every year, the Legislature struggles to match expenditures with revenue, as required by the constitution. Part of that struggle is the difficulty of reaching the two-thirds majority vote requirement in a polarized and partisan Legislature.

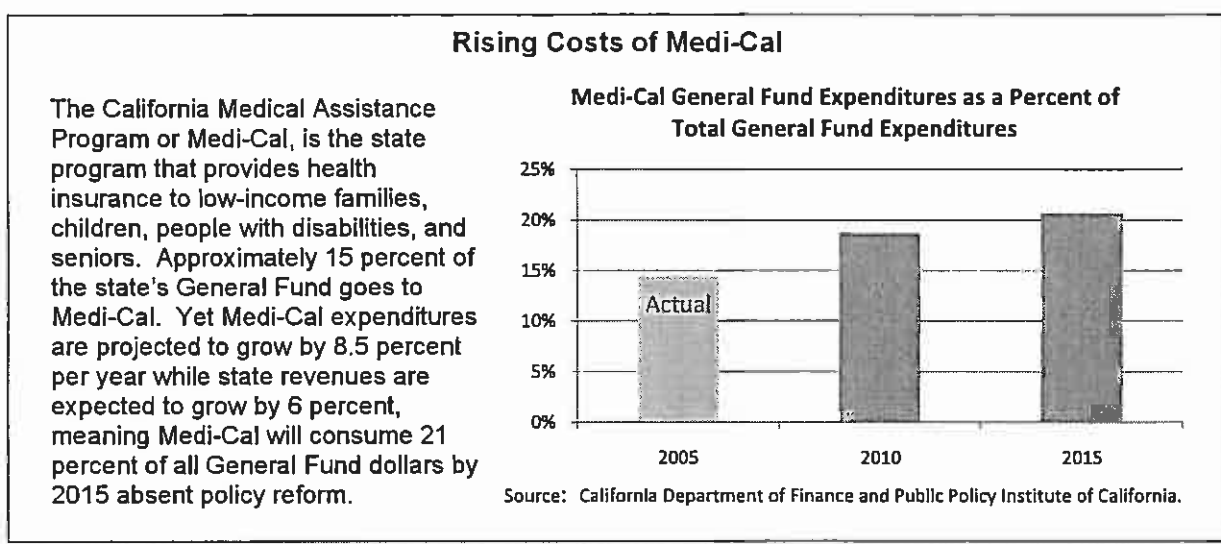
But the more significant consequence is the focus on single-year solutions, which encourage lawmakers to shift special funds to cover General Fund obligations – or to shift costs from one level of government to another, one year to another, and even one generation to another.

One challenge to creating a multi-year budget is that both revenues and public demands cannot be predicted with adequate certainty. Still, fiscal decisions should be guided at least as much by the long-term implications as by a one-year accounting exercise. By not focusing on the out-years, policy-makers undervalue choices that have long-term benefits and they often avoid the full costs associated with politically popular decisions. Both failures ultimately contribute to growing demands on the budget that are passed on to their successors and the general public.

PRINCIPLE 3.1: CONSIDER LONG-TERM IMPACTS

When making fiscal decisions, policy-makers and the public should understand the long-term fiscal impacts of choices to better control costs and improve the return on investment over time.⁶

- The Governor's published budget proposal should include a multi-year fiscal plan that displays the anticipated growth in spending, potential public benefits and potential savings associated with elements of the proposal.
- Where appropriate, multi-year funding commitments should be implemented when tied to program improvements.



PRINCIPLE 3.2: EVALUATE LONG-TERM IMPACTS OF BUDGET DECISIONS

Increase public awareness of long term commitments.

- The Department of Finance and Legislative Analyst should jointly publish an assessment of the three- and five-year implications – to revenues and expenditures – of the Budget Act.

No Strategic Vision

Problem 4: While the budget appropriates more than \$140 billion a year, it does not set clear priorities or ensure that dollars are allocated in the best way to achieve results.

There is a time-honored tradition in state spending: *Programs get what they got in the prior year — plus growth.* New programs typically receive limited funding in the first year, and then seek more as they get a foothold. The next budget is built on top of the budget that came before it. The focus of discussions among the Governor and Legislature is on marginal changes in spending to programs from one year to the next, rather than how to best use available resources to achieve state goals.

This process tends to lock spending within programs and artificially limits the discretion that policy-makers have to direct dollars within policy areas to the most effective strategies, agencies or programs.

This process also fails to focus initial fiscal decisions on budget-wide priorities, contributing to the difficulty of reaching agreement among lawmakers, who are pressured by all interest groups to make their concerns the highest priority. In turn, it is difficult for the public at large to understand the choices that lawmakers are considering, and for lawmakers to be confident that they are acting on behalf of their broader constituencies.

PRINCIPLE 4.1: FOCUS ON RESULTS

The Governor’s proposed budget and the Budget Act should be developed and discussed with a focus on improving results.⁷

- The Governor’s budget proposal should establish strategic goals and objectives and performance targets.
- The Legislature should incorporate cost and performance information in its deliberations on the best ways to achieve objectives.
- The public debate on the budget should focus on what the state wants to achieve, how quickly the objectives need to be achieved, and the changes in revenue and expenditures that are needed to achieve the goals.
- In the pursuit of cost-effective improvements, the state needs to consider delegating authority and responsibilities to local governments and regional entities. Some of these opportunities will emerge through a result-oriented approach to the budget.
- Local agencies implementing state programs should develop a results approach to budgeting and management that reflects the state effort. State agencies, in turn, can similarly learn from results-oriented local governments leaders.

Improving and Communicating Results

Virginia Performs: Vision, Focus, Results Agency Performance Measures Report: Department of Health

CHILDHOOD IMMUNIZATIONS	Year Measure		TOBACCO USE	Year Measure	
	Objective: We will increase immunization rates of children at two years of age.	2000		71.3	Objective: We will reduce the prevalence of smoking among Virginians.
Governor's Key Summary: We will increase the percentage of two-year old children in Virginia who are appropriately immunized to 90 percent by June 30, 2009.	2001	79.1	Governor's Key Summary: We will reduce the number of adults who smoke to 19% by June 30, 2009.	2001	22.5
	2002	67.0		2002	24.6
	2003	80.9		2003	21.9
	2004	81.0		2004	20.8
	2005	85.8		2005	20.6
	2006	80.7		2006	19.3

California's budget process is commonly evaluated on whether it produces a state budget that is balanced and on time. But other states have put in place tools that allow policymakers to establish and report broad public goals, assess progress toward those goals and support deliberation on improving progress.

In Virginia, which consistently receives high marks from the Government Performance Project of the Pew Center on the States, the Governor has established clear goals for state programs. Progress toward those goals is readily available, enabling residents to track progress over time. Consider the above two examples of healthcare goals.

Similarly, Virginia's Department of Transportation has an online dashboard allowing residents to track progress on several performance measures, including vehicle accident fatalities, roadway congestion and fiscal management within the agency. The Virginia Department of Transportation's dashboard can be found at: <http://dashboard.virginiadot.org/Default.aspx>.

PRINCIPLE 4.2: PUBLISH RESULTS

Californians and their elected leaders should have information on the quality of public services and the impact of those services on individuals and communities.⁸

- Agency-level strategic plans should define management objectives and budget priorities, assess how to better use available resources, and report their results to the public and Legislature.
- The result of the strategic planning process should be incorporated into the budget making process.
- Citizens should have access to performance information to better understand the quality and outcomes of public services. California's performance should be benchmarked against other states.
- Fiscal allocations that are made through the initiative process should have the same status as legislation and be subject to the same review as programs and services enacted by the Legislature.

Inadequate Public Debate and Oversight

Problem 5: Elected officials spend more time debating incremental changes in state spending than whether money is well spent – and how it can be better spent in the future.

The legislative budget process focuses on the administration's request for additional funding for specific programs. The focus is on inputs rather than outputs, results, or how dollars could be spent differently to improve results. Program oversight by the Legislature is largely ad hoc, often driven by headlines and scandals. There is no institutionalized process or consistent information base for legislators to methodically or consistently review program spending or results. Combined with the short-term institutional memory associated with term limits and the consequence is minimal and largely ineffective legislative oversight.

In turn, the Legislature's process for developing the annual budget also has become less understandable to the public. Both houses act through small budget subcommittees and the houses never act on their version of the budget. The work of the subcommittees is simply transmitted to a two-house conference committee. Any attempt at consensus between the party caucuses and the houses is often left to the last phase of the budgeting schedule, when there is less time and inclination for open debate and public comment.

PRINCIPLE 5.1: SEEK AGREEMENT ON GOALS

The Legislature should organize its fiscal activities to achieve broader agreement on the state's goals and the fiscal choices that will best advance those goals.⁹

- Through joint house resolutions or related mechanisms, broader budget policies should be adopted to guide the Legislature as it crafts the budget document.
- Forums for early agreement may include the expanded use of the Joint Legislative Budget Committee.
- The Legislature should revisit the vote requirements for the passage of the state budget. A discussion of vote requirements should be undertaken on a bipartisan basis and should be pursued along with other reforms designed to improve performance, accountability and public trust.
- To increase transparency, legislation enacting the budget and related legislation should be available to the public for at least three days prior to final action by the legislature and signature by the Governor.

PRINCIPLE 5.2: CONDUCT BETTER OVERSIGHT

The Legislature should systematically review the performance of programs and their contribution to the state's goals and objectives, and encourage expert and public comment on how public funds could be better used to achieve objectives.¹⁰

- The Legislature through the budget committees – acting together or via the Joint Legislative Budget Committee – should conduct systematic reviews of program performance using metrics developed by the Legislature and the administration.
- Performance reviews should be scheduled ahead of the budget review process so those reviews inform the budget deliberations and the results of those reviews should be integrated into the executive and legislative budget development process.
- For new programs, unproven strategies or struggling programs, policy-makers need to consider a sunset review system to create an incentive for improvement and to prompt changes if results are elusive.

-
- ¹ Similar recommendations have been made by the California Citizens Budget Commission, the Legislative Analyst's Office, and Governor Davis' 2003-04 Budget.
- ² This proposal has previously been recommended by California Policy Choices, the California Citizens Budget Commission, and Governor Davis' 2003-04 Budget.
- ³ Similar recommendations have been suggested by the California Governance Consensus Project, the California Budget Project, and Governor Davis' 2003-04 Budget.
- ⁴ A number of groups and individuals have proposed creating a "rainy day fund" or budget reserve account, including the California Citizens Budget Commission, the California Constitution Revision Commission, the California Business Roundtable, the League of Women Voters of California, Governor Davis' 2003-04 Budget, and Governor Schwarzenegger's 2008-09 Budget.
- ⁵ Similar recommendations have been made by the California Citizens Budget Commission, the California Constitution Revision Commission, the California Business Roundtable, Governor Davis' 2003-04 Budget, and Governor Schwarzenegger's 2004-05 Budget May Revision.
- ⁶ The following organizations and individuals have advocated reforms of this kind: the Government Accounting Office, the California Business-Higher Education Forum, the California Citizens Budget Commission, the Little Hoover Commission, John W. Ellwood and Mary Sprague in "Options for Reforming the California State Budget Process," the California Constitution Revision Commission, the California Business Roundtable, the League of Women Voters of California, the Legislative Analyst's Office, the Reason Institute and the Performance Institute in *The Citizen's Budget 2003-05*," the Commission to Study the Management of State Government, the Governance Performance Project, the National Advisory Council on State and Local Budgeting, the Government Finance Officers Association, the National Association of State Budget Officers, Standard & Poor's Credit Ratings Criteria for State and Local Public Finance, the California Performance Review, and Governor Schwarzenegger's 2004-05 Budget May Revision.
- ⁷ Similar recommendations have been made by the Senate Cost Control Commission, the California Constitution Revision Commission, the Bay Area Economic Forum, the California Citizens Budget Commission, the California Governance Consensus Project, The Finance Project, Cal-Tax, the California Business Roundtable, the California Business-Higher Education Forum, and the California Performance Review.
- ⁸ The following organizations and individuals have advocated reforms of this kind: The Senate Cost Control Commission, the California Citizens Budget Commission, the Government Accounting Office, John W. Ellwood and Mary Sprague in "Options for Reforming the California State Budget Process," the California Budget Project, the California Business-Higher Education Forum, and Governor Schwarzenegger's 2004-05 Budget May Revision.
- ⁹ The following organizations have previously recommended similar reforms: the Senate Cost Control Commission, the California Governance Consensus Project, the Little Hoover Commission, the California Constitution Revision Commission, the California Business Roundtable, the Bay Area Economic Forum, The Finance Project, and the California Performance Review.
- ¹⁰ This proposal has been recommended by The Finance Project, the California Constitution Revision Commission, Cal-Tax, the California Business Roundtable, the Bay Area Economic Forum, the California Business-Higher Education Forum, the Little Hoover Commission, the California Performance Review, Washington Office of Financial Management, and Governor Schwarzenegger's 2004-05 Budget May Revision.



california forward

Stay Engaged

Name: _____ Title: _____

Organization: _____

Preferred method of contact (and/or provide your business card):

Email: _____ Phone: _____

Mailing address: _____

California Forward will never disclose your personal information to a third party, without your express permission, unless required by law. We will never spam you. We will send updates and notifications, but you can turn these off if you don't want them. For California Forward's full privacy policy, go to the "Join Us" page on our website (caforward.org/join).

What else would you like to know about the work of *California Forward*?

Are there other organizations or individuals that you think *California Forward* should approach to share its work? If so, please provide us with contact information so that we can follow-up.

Please let us know if you might be interested in any of the following opportunities to help promote a better policy-making environment in California (Please check all that apply):

- I'd like to join *California Forward's* email list for newsletters and activity updates
- I'd like to make a financial contribution to support this effort (please contact me)
- I'm part of an organization that would like to partner on these issues
- I have expertise related to *California Forward's* work and am available as a resource
- I conduct relevant research
- I can send an email message to professional and/or personal contacts introducing *California Forward* and urging people to get involved with this effort
- I would like to promote discussion about better government in organizations I am involved with (e.g. business, community, charitable, school)
- I contribute to blogs and/or write op-eds on issues I care about
- I can share compelling stories, such as local successes that should be considered statewide, with *California Forward* to help illuminate the specific problems we are trying to address
- Other (please contact me to discuss)

Please see other side

Please return to California Forward, 1510 J Street, Suite 135, Sacramento, CA 95814 or fax to (916) 491-0001



Statement of Support for *California Forward*

I support *California Forward's* efforts to pursue bipartisan and public interest governance reforms that will result in the following:

- **Smart Revenue and Budget Systems.** Californians need a fair and reliable revenue system and a budget process that links spending decisions to results and creates accountability for outcomes.
- **High Quality Public Services.** California should provide the highest quality public services that offer the greatest value for public expenditures through management systems that increase the access, results and accountability of public programs.
- **Publicly Responsive Elected Officials.** California must strengthen its electoral process so elected officials are motivated and empowered to respond to the needs and priorities of Californians and reach pragmatic solutions to the most significant problems.
- **An Informed and Engaged Public.** Our state must pursue reforms that will enable and encourage Californians to be informed and effective participants in discussions about revenue, budget and other major policy choices, as well as the breadth and quality of public services.

Signed: _____

Print name: _____

In signing this Statement of Support for *California Forward* you are agreeing to have your name listed in communications materials as a supporter of *California Forward*. Your signing of this document will not be construed as an endorsement of any specific project of *California Forward*.

Please return to California Forward, 1510 J Street, Suite 135, Sacramento, CA 95814 or fax to (916) 491-0001



Statement of Support for Budget Reform

I support *California Forward's* efforts to draw upon its reform principles to draft budget reform proposals for California.

Signed: _____

Print name: _____

In signing this Statement of Support for Budget Reform you are agreeing to have your name listed in communications materials as a supporter of *California Forward's* budget reform project.

- Please keep me informed as *California Forward* uses these principles to shape specific reform proposals based on input and consultation across the state.

To receive information on *California Forward's* activities and progress, please make sure you have provided contact information on the "Stay Engaged" page.

Thank you.

Please return to California Forward, 1510 J Street, Suite 135, Sacramento, CA 95814 or fax to (916) 491-0001

James P. Mayer

James Mayer is executive director of *California Forward*, a bipartisan public interest effort committed to bolstering democracy and the performance of government in California. Jim is responsible for working with the Leadership Council to develop and guide strategic reform projects, manage the executive team, and develop and work with project teams focused on specific governance challenges. In 2007, Jim was part of the team that developed *California Forward* from a concept to a strategic plan, and then led the establishment of the organization.

In 2006, Jim became the founding executive director of the New California Network, a nonpartisan project to improve the state's fiscal decision-making. In addition to developing potential reforms to the state's budget process, in 2007 the New California Network contributed to the development of *California Forward*.

Prior to joining NCN, Jim was the executive director of the Little Hoover Commission, an independent state agency and bipartisan panel that reviews state programs and policies for efficiency and effectiveness. As executive director, Jim managed the Commission's staff, oversaw the research and production of all Commission studies, and represented the Commission in a variety of public forums. Jim joined the Commission's staff in 1994 as a project manager and served as deputy executive director prior to being appointed executive director in January 1999.

For more than a dozen years, Jim was a daily newspaper journalist. He was a senior writer with the Sacramento Bee for seven years, and was a staff writer for the Bakersfield Californian and the Press-Tribune in Placer County. During his career as a journalist, he was recognized statewide for his coverage of education and public resource issues.

Jim has an associate of arts degree from Diablo Valley College and a bachelor's degree from California Polytechnic State University, San Luis Obispo and a master's degree from the graduate program in public policy administration at California State University, Sacramento. He was a mid-career fellow at the schools of Communications and Natural Resources at the University of Michigan.

Jim is Scoutmaster for Boy Scout Troop 139 in Davis. He serves on the board of the Yolo County Flood Control and Water Conservation District, is a director of the Yolo County Resource Conservation District, and is a member of the advisory board of the Inmate Correctional Education Project.

Fred Silva, Senior Fiscal Policy Advisor

Fred Silva is *California Forward's* senior fiscal policy advisor. Having spent 40 years in the development of public policy in state and local government, Fred is an expert in state and local finance, government operations, and the history of the state and local fiscal relationship in California.

Prior to working with *California Forward*, Fred was fiscal policy advisor to New California Network and previously senior advisor on governmental relations for the Public Policy Institute of California. From 1994 to 1996, Fred was executive secretary to the California Constitution Revision Commission, where he directed the staff work and wrote the final report of the Commission. He was chief fiscal advisor to the President pro Tempore of the California State Senate from 1981 to 1994. He also was chief consultant to the Senate Local Government Committee from 1975 to 1981.

He has authored nearly two dozen publications and commentaries regarding government fiscal issues in California.

Fred holds a bachelor's degree in public administration from San Jose State University.



November 17, 2008

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To: Supervisor Steven Worthley, Chair, and Members, CSAC Government Finance and Operations Policy Committee

From: Jean Kinney Hurst, CSAC Legislative Representative
Geoffrey Neill, CSAC Legislative Analyst

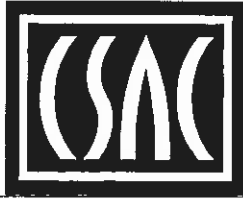
Re: **Out of Crisis Comes Opportunity: The Next Steps for State-Local Fiscal Reform – ACTION ITEM**

Recommendation. This panel is designed to provide a historical perspective and to reinvigorate discussions among counties about the next steps for state-local fiscal reform. Staff requests that the Government Finance and Operations Policy Committee recommend to the Board of Directors the formation of a task force to focus on the appropriate next steps for reform of the state-local fiscal relationship.

Background. Participants in the panel draw on a wealth of knowledge from experts in state and local governments from a variety of levels, including Russ Gould, Senior Vice President for Wachovia Bank and former Director of the Department of Finance; Diane Cummins, recently retired Chief Fiscal Policy Advisor for the Senate President pro Tempore; Mark D. O'Connell, Executive Director of the Wisconsin Counties Association; and David Janssen, retired County Administrative Officer of Los Angeles County.

Policy Considerations. Since the passage of Proposition 1A, local governments have realized a marked change in the stability of local government revenues. At that time, counties recognized that constitutional protection of local revenues was the only first step in reforming a dysfunctional state-local fiscal relationship. However, determining the next steps has not been easy. The state's dire fiscal circumstance may provide an opportunity to achieve meaningful reforms.

Action Requested. Staff requests that the Government Finance and Operations Policy Committee recommend to the CSAC Board of Directors the formation of a task force, including supervisors and county administrative officers, to develop proposals for reform of the state-local fiscal relationship and engage with the Legislature and Administration during budget discussions.



Health and Human Services Policy Committee
Monday, December 1, 2008 · 2:30 – 4:30 p.m.
Grand Hyatt Hotel · Randle Ballroom A-B, 4th Level, Harbor
Tower · One Market Place, San Diego, CA 92101

Supervisor Helen Thomson, Yolo County, Chair
Supervisor Liz Kniss, Santa Clara County, Vice Chair

- 2:30 p.m. I. **Welcome and Introductions**
Supervisor Liz Kniss, Santa Clara County
- 2:30 – 2:40 II. **Health Platform & Human Services Platforms**
Farrah McDaid Ting, Senior Legislative Analyst
- 2:40 – 3:05 III. **What's on the Horizon for County Mental Health?**
Patricia Ryan, Executive Director, California Mental Health Directors Association (CMHDA)
Alfredo Aguirre, LCSW, Director, San Diego County Adult and Children's Mental Health Services
- 3:05 – 3:20 IV. **Proposition 63: Partnering with Community Clinics**
Carmela Castellano-Garcia, President and Chief Executive Officer, California Primary Care Association (CPCA)
- 3:20 – 3:40 V. **State and Federal Budget and Legislative Issues: 2009 Preview**
Kelly Brooks, CSAC Legislative Representative
Tom Joseph, Waterman & Associates
- 3:40 – 4:00 VI. **Human Services Funding Issues**
Cathy Senderling, Senior Legislative Advocate, County Welfare Directors Association (CWDA)
- 4:00 – 4:20 VII. **California Children's Services (CCS) Program Challenges & Budget Issues**
Judith Reigel, Executive Director, County Health Executives Association of California (CHEAC)
Susan Harrington, Director, Riverside County Public Health
- 4:20 – 4:30 VIII. **2-1-1: State and Federal Update**
Dave Smith, Co-Chair, 2-1-1 California
- 4:30 IX. **Adjournment**
Supervisor Liz Kniss, Santa Clara County



Housing, Land Use, & Transportation Policy Committee

114th CSAC Annual Meeting

Monday, December 1, 2008 · 2:30 p.m. – 4:30 p.m.

**Grand Hyatt San Diego · Randle Ballroom D · 4th Level · Harbor Tower
San Diego, California**

AGENDA

**Supervisor Mike McGowan, Yolo County, Chair
Supervisor Pat Bates, Orange County, Vice Chair**

- 2:30 p.m. I. **Welcome and Introductions**
Supervisor Mike McGowan, Yolo County
- 2:35 – 3:00 p.m. II. **Climate Change Update:**
- SB 375 (Steinberg)
DeAnn Baker, CSAC Legislative Representative
 - AB 32 CARB Scoping Plan
Kiana Buss, CSAC Legislative Analyst
 - Climate Communities
Supervisor Roger Dickinson, Sacramento County
- Attachment One: CSAC SB 375 Analysis
Attachment Two: Caltrans SB 375 Analysis
Attachment Three: CARB PowerPoint on Proposed Scoping Plan
- 3:00 – 3:30 p.m. III. **Transportation Update:**
- Local Streets and Roads Assessment Update
Pat DeChellis, Los Angeles County
 - SAFETEA-LU Reauthorization (MAP-21) Update
Kiana Buss, CSAC Legislative Analyst
- Attachment Four: Local Streets & Roads Needs Assessment Fact Sheet
Attachment Five: CSAC Adopted Priorities & Principles for a New Federal Transportation Authorization
- 3:30 – 4:00 p.m. IV. **Platform Update Review and Recommendations –**
DeAnn Baker, CSAC Legislative Representative
Kiana Buss, CSAC Legislative Analyst
- Attachment Six – Planning, Land Use, & Housing Platform Chapter
Attachment Seven – Transportation & Public Works Platform Chapter
Attachment Eight – Native American Issues Platform Chapter
Attachment Nine – Climate Change Platform Chapter
- 4:00 – 4:15 p.m. V. **Budget Update**
Jim Wiltshire, CSAC Deputy Director
- 4:15 – 4:30 p.m. VI. **Other Items**
- 4:30 p.m. VII. **Closing Comments and Adjournment**
Supervisor Mike, McGowan, Yolo County

CSAC PAC TASK FORCE RECOMMENDATIONS



MEMORANDUM

November 18, 2008

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To: Board of Directors
California State Association of Counties

From: Paul McIntosh
Executive Director

Re: **CSAC Political Action Committee (PAC) Task Force Report**

Recommendation. It is recommended that the Board of Directors approve an amendment to the CSAC Policy and Procedures Manual incorporating a policy for the formation of issue-specific political actions committees (PAC) and the process by which such a committee is formed and disbanded.

Background. At the Executive Committee meeting of October 9, the CSAC PAC Task Force, chaired by Supervisor Gary Wyatt, recommended that the Executive Committee consider an amendment to the CSAC Policy and Procedure Manual regarding financial participation in issue campaigns. Following a lengthy discussion regarding the advantages and disadvantages for forming a PAC, the Executive Committee agreed with the task force recommendation that if and when a situation arises, an issue-specific PAC would be formed and unanimously approved the following amendment to the CSAC Policy and Procedures Manual, and forwarded this recommendation to the Board of Directors:

Issue-Oriented Political Campaign Committees (PAC)

Recognizing that there is an increasing trend toward resolving public policy issues at the ballot in California, CSAC is prepared to participate financially in campaigns for or against those measures that have a direct impact on counties' authority, function, or fiscal health. Staff recommendation for such participation will be presented to CSAC officers, who may then direct staff to bring the issue to the Executive committee. The Executive Committee will evaluate the issue and make a recommendation for action to the Board of Directors based on existing CSAC Legislative Platform principles, or in the absence of clear existing policy, based upon direct impact, if any, to county government. Staff may also recommend options for financial participation in a campaign, such as the formation of a political action committee (PAC) for purposes of fundraising for such activities or other means of financial participation.

If the Board of Directors, with a 2/3 vote of the membership approving, approves financial participation for purposes of financially supporting or opposing a given issue, staff will establish a financial participation plan for approval. CSAC will abide by all state laws governing political reporting and use of funds and will rely upon legal counsel opinion and analysis to ensure

that funds are identified and segregated in accordance with such laws and regulations. At no time will public funds be utilized in any manner in support of an issue campaign. CSAC shall segregate and account for public and private funds accordingly, ensuring that at no time will public funds be utilized for campaign-related activities, including overhead and other administrative costs. If the formation of a PAC is approved, the PAC will function to support CSAC activities related to the specific issue and may be discontinued upon resolution of the issue by a majority vote of the Board of Directors.



January 15, 2008

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To: CSAC Executive Committee

From: Paul McIntosh, Executive Director
Jean Kinney Hurst, Legislative Representative

Re: **Funding Issue Campaigns Update – INFORMATIONAL ITEM**

Recommendation. This item is informational only. At the CSAC Executive Committee retreat in September 2007, staff was directed to provide information on the formation of a political action committee (PAC) for purposes of funding participation in issue campaigns. This memo is the second information item presented to the Executive Committee and is intended to further discussions about how to finance CSAC's future participation in issue campaigns.

Background. In September, CSAC staff provided the Executive Committee with considerable information about options for funding an issues campaign. These options included formation of a political action committee (PAC). Recall that forming a PAC is relatively simple. A bank account must be set up under our existing 501(c)(4) organization, and a campaign committee established with the Secretary of State. The campaign committee must have a name, sponsoring organization, address, treasurer and purpose. For an issues committee (a committee that supports or opposes ballot measures, as opposed to contributing to individuals), funds raised may be used at the discretion of the sponsor.

Administration of a PAC. While the formation of a PAC is relatively straightforward and simple, the administration of a PAC is more complicated. Decisions must be made as to the appropriate options for complying with mandatory reporting requirements and fundraising. For reporting requirements, staff recommends hiring an outside treasurer or law firm to serve as treasurer to comply with required ongoing reporting to the Secretary of State. While not required by law, staff recommends developing an internal policy as to expenditure of funds, such as a steering committee or designation of authority to expend funds.

Fundraising for a PAC. In terms of fundraising, staff is advised that, to be credible, CSAC should have at least \$200,000 available to spend in any given election cycle to "buy a seat at the table" on any given issue. Establishing procedures and practices for fundraising on an ongoing basis is an integral part of having a meaningful, well-functioning PAC. Staff recommends that fundraising be administered by an outside consultant. Typically, such a consultant would be paid from funds raised on a commission basis.

We also strongly suggest development of a fundraising plan that includes active participation by county supervisors. CSAC staff is precluded by law from devoting significant staff time to fundraising and direct fundraising efforts by supervisors are critical for success. Staff suggests establishment of a fundraising committee that assists

the consultant in identifying donors, coordinating local fundraising events, and ensuring appropriate funding of the PAC prior to an election cycle.

To recap, if the Executive Committee determines that formation of a PAC is appropriate, staff recommends the following actions:

- Name a steering committee/fundraising committee to assist staff in development of internal policies for expenditure and fundraising.
- Direct staff to establish campaign committee, bank account, and designate a treasurer.
- Seek expertise from outside consultant on fundraising.

Policy Considerations. The Executive Committee should consider a number of issues prior to embarking on formation of a PAC.

Knocking on the door. We advise that having a PAC with publicly available financing will result in initiative backers and opponents coming to us and requesting our financial involvement in campaigns that CSAC may not have become involved with under similar circumstances. Publicly available financing data will certainly direct special interests our way during each campaign season.

Changing focus? Establishment of a PAC could impact CSAC's reputation as a non-partisan advocacy association that provides credible policy knowledge on any given legislative debate. By involving ourselves in campaigns, which by their very nature are partisan or non-consensus measures, at the very least a perception could be that CSAC moves away from a pure policy-driven advocacy organization.

Ballot-box policy making. Alternatively, staff recognizes the recent trend toward resolving critical policy issues at the ballot-box. Since 2000, special interests that are unable to achieve their policy goals in the Legislature have increasingly moved to the ballot box to resolve their concerns. The right combination of financing and public opinion, plus voter turnout, can result in nearly any policy debate headed to the voters for consideration. California's initiative process has become a chosen battleground for public policy debate, and as such, we acknowledge that during any election, counties could be faced with measures that have dramatic impacts on counties' authority, function, and fiscal health. Further, participation in such campaigns requires significant expenditure of resources, as campaigns become more and more expensive over time.

Eyes are already on us. The Executive Committee should also consider increased scrutiny of CSAC's use of non-public funds. As you are likely aware, our past participation in initiative measures has focused some interest on CSAC's use of non-public funds. The latest salvo was the initiative filed with the Attorney General's office by the Howard Jarvis Taxpayers Association that would prohibit associations that receive publicly-funded dues from participating in state and local elections. While we do not believe that the sponsors intend to gather signatures to qualify this measure, it certainly focused at least some press attention and the attention of some Capitol-watchers on the issue. In addition, CSAC, through our finance team at CSCDA, has been fielding public record act requests from the Treasurer's Office and the Senate Local Government Committee regarding the use of public and non-public funds.

What others are doing. For your information, the League of California Cities has operated a PAC since 2003. Primarily established to assist in the development and

passage of Proposition 65/1A, CITIPAC was developed after recognition by the League's leadership that California state politics was moving from the Capitol to the ballot box. The formation of CITIPAC coincided with the development of an extensive grassroots advocacy program that places sixteen (16) League "Regional Representatives" throughout the state to develop relationships at the local level and establish more timely and effective communication between city officials and Sacramento. This program was funded by a significant dues increase at the recommendation of a focus group of city managers.

CITIPAC is primarily funded via small monthly contributions (voluntary payroll deductions) by city managers, council members, League staff, and other city officials. According to contribution reports, there are also some larger contributions by corporate entities, like Waste Management, PG&E, AT&T, among others. The League sets statewide and regional fundraising goals for members; the regional representatives work with city officials to develop fundraising events, etc. According to the latest reports on file with the Secretary of State's office, CITIPAC received contributions in excess of \$390,000 for the six-month period of January-June 2007.

(Recall also that CSAC has established a PAC previously. During the campaign for Propositions 65/1A, CSAC established "California Counties United" to funnel county contributions to the campaign to support what eventually became Proposition 1A. After the success of Proposition 1A, that PAC was dissolved.)

Action Requested. There is no action requested at this time. The Executive Committee may wish to direct staff to work further on this issue with more specific direction.

Other options to consider. If the Executive Committee determines that they do not wish to move forward on PAC formation, staff suggests additional discussion on the appropriate means for financing CSAC's future participation in issue campaigns. We have previously discussed with you two alternatives: reserving funds in a separate CSAC account and continuing the pay-as-you-go policy.

Reserving funds in a separate CSAC account would involve specifying revenue to set aside within the CSAC budget for purposes of an eventual initiative campaign. A process for accessing such funds would be outlined and final approval for expenditure authorized by the Executive Committee and/or Board of Directors.

This is certainly a less-visible option for funding eventual campaign expenditures and would not require additional staff time or resources. We caution, though, that such an approach could result in a need to increase dues to offset the loss of non-public funds diverted to the reserve.

If the Executive Committee prefers continuing the pay-as-you-go policy, staff cautions that these resources are typically dedicated to other activities in the CSAC budget. The Executive Committee and Board of Directors can redirect funds based on perceived need. Of course, this option requires CSAC leadership to weigh the value of participating in a campaign against other priority items for funding in the budget.

**PROPOSED SCHEDULE OF 2009 BOARD OF
DIRECTORS MEETINGS**

CSAC Board of Directors Meetings 2009

PROPOSED SCHEDULE

Thursday, Mar. 19	10:00am - 1:30pm, Sacramento
Thursday, May 28	12:00pm - 3:00pm, Sacramento (CSAC Legislative Conf.)
Thursday, Sep. 10	10:00am - 1:30pm, Sacramento
Thursday, Nov. 19	2:00pm - 4:00pm, Monterey (CSAC Annual Meeting)

2009 CSAC CALENDAR OF EVENTS

January 21-23	CSAC Corporate Associates Steering Cmte., Sonoma County
January 28	RCRC Board Meeting, Sacramento
February 26-27	CSAC New Supervisors Institute, Session II, Sacramento
March 7-11	NACo Legislative Conference, Washington, D.C.
March 18	RCRC Board Meeting, Sacramento
April 1-3	San Joaquin Valley Regional Assoc., Stockton
April 9	CSAC New Supervisors Institute, Session III, Sacramento
May 20-22	NACo WIR Annual Conference, Pendleton, OR
May 27-28	CSAC Legislative Conference, Sacramento
June 17-18	RCRC Board Meeting, (location TBA)
July 24-29	NACo Annual Conference, Nashville, TN
August 19	RCRC Board Meeting, Sacramento
October 7-9	San Joaquin Valley Regional Assoc., (location TBA)
November 17-20	CSAC 115th Annual Meeting, Monterey County
December 16	RCRC Board Meeting, Sacramento

**RESOLUTION AUTHORIZING EXECUTIVE
DIRECTOR TO CONDUCT CSAC BUSINESS**

RESOLUTION OF THE BOARD OF DIRECTORS

County Supervisors Association of California Doing business as the California State Association of Counties

WHEREAS, the Board of Directors of the California State Association of Counties (CSAC) employs an executive director and other staff to perform its day-to-day business; and

WHEREAS, the Board desires the business of the association to be transacted in an efficient and appropriate manner; and

WHEREAS, from time to time the Executive Director and Secretary of the Corporation must sign or approve documents on behalf of the Board;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of CSAC hereby authorizes the Executive Director and Secretary of the Corporation, and his designees on staff, to execute and approve bank and other documents as authorized by the Board of Directors or the Executive Committee.

FURTHER BE IT RESOLVED, that this resolution shall remain in effect until the 2009 annual meeting of CSAC, when a similar resolution will be executed by the newly constituted Board of Directors.

Duly adopted this 3rd day of December, 2008.

Richard Gordon, President

INSTITUTE FOR LOCAL GOVERNMENT UPDATE



INSTITUTE FOR LOCAL GOVERNMENT

BOARD OF DIRECTORS

Chair

Daniel K. Whitehurst
Former Mayor, Fresno

Vice Chair

Hal Conklin
Director of Public Affairs
Southern California Edison Company

BOARD MEMBERS

Don Benninghoven
Former Executive Director
Cities, Counties and Schools Partnership

Rosemary M. Corbin
Former Mayor
Richmond

Pablo Espinoza
Deputy Director
Speaker's Office of Member Services

Henry Gardner
Executive Director
Association of Bay Area Governments

Mark S. Gaughan
Director of Public Affairs
San Diego Gas & Electric

Patricia Jones
Assistant Executive Director
Association of Bay Area Governments

James Keene
City Manager
Palo Alto

Paul McIntosh
Executive Director
California State Association of Counties

Chris McKenzie
Executive Director
League of California Cities
Alternate: Dan Harrison

Harriet Miller
Immediate Past President
Former Mayor, Santa Barbara

Jerry Patterson
Member, Board of Trustees
Coast Community College District

Art Takahara
President, De Anza Manufacturing
Former Mayor, Mountain View

Ben Wong
Former Mayor
West Covina

CALIFORNIA STATE ASSOCIATION OF COUNTIES LIAISON

Greg Cox
San Diego County Supervisor

LEAGUE OF CALIFORNIA CITIES BOARD LIAISON

Vacant

CITY MANAGER LIAISON MEMBER

Kathleen A. Millson
City Manager
Clovis

COUNTY ADMINISTRATIVE OFFICERS ASSOCIATION OF CALIFORNIA LIAISON MEMBER

Sharon Jensen
Yolo County Administrator

BOARD MEMBER EMERITUS

Gordon Paul Smith
Former Director of State Finance
State of California

Update on Activities

November 2008

Interested in learning more about the Institute's activities? Please visit our booth at the CSAC Trade Show, December 1-2.

Intergovernmental Conflict Resolution

- The project's first publication, *A Local Official's Guide to Intergovernmental Conflict Resolution*, has been posted on the Institute's website. Copies will be available at the board meeting and distributed statewide. The Institute is grateful for the generous support of McDonough, Holland and Allen on this effort. For more information, visit www.ca-ilg.org/intergovtconflictresolution.
- The JAMS Foundation has agreed to provide general program support for this effort, enabling us to move the program forward over the coming year.

Collaborative Governance Initiative

- *A Local Official's Guide to Immigrant Civic Engagement* was published in September and dissemination has begun electronically on the Institute's website (see www.ca-ilg.org/immigrant). Hard copies will be available at the meeting and are being disseminated to county administrators, county planners, city managers, and city planners. The National Civic League will publish excerpts in its *National Civic Review* later this year.
- The Institute distributed its first electronic newsletter for youth commission staff in California in early October.

California Climate Action Network (CCAN)

- The Institute has been collaborating with the Public Policy Institute of California on a study on local government efforts vis-à-vis climate change. The study, *Climate Policy at the Local Level*, was released on November 18 and is available at www.ppic.org/main/publication.asp?i=849.
- The revised AB 32 Scoping Plan released by the Air Resources Board in mid-October prominently mentions CCAN's best practices and recognition program as key resources for local agencies to reduce greenhouse gas emissions.
- CCAN will be featured in a video produced for the Water Education Foundation, with funding from the State Department of Water Resources.

Local Government 101

- The next publication in this series is in draft form and under peer review. The publication, *The Basics of Local Government Decision-making*, covers such nuts and bolts issues as how local agencies make decisions. A goal of this publication is to serve new local officials, the public and the media with information on these issues.

Ethics Program

- As of the end of October, over 7,400 local officials have participated in Institute-related ethics training this year. This includes in-person training, online training and self-study. Information about training opportunities is available at www.ca-ilg.org/ab1234compliance.
- The "Public Service Ethical Dilemmas" section of the Institute's website now has a series articles on legal and ethical issues associated with local official involvement in nonprofit organizations (see www.ca-ilg.org/everydayethics).

Communities for Healthy Kids

- The goal of Communities for Healthy Kids is to develop new ways to work with cities and counties to enroll eligible children in no- and low-cost health insurance. CHK is on track to enroll 200-300 children as a result of its activities in 2008. Eight communities are participating in CHK. Projects in five additional communities are under development. Lessons learned and best practices are being developed as a result of CHK activities. (www.ca-ilg.org/chk)

Land Use and Healthy Communities

- The Institute's popular one-page descriptions of common land use actions are now available translated into Spanish. Both the English and Spanish versions are available at www.ca-ilg.org/onepagere in both pdf and Word form. The translations have been made possible thanks to support from ZeroDivide and the James Irvine Foundation.
- From June to October the Institute and the Cities-Counties-Schools Partnership co-hosted a series of web dialogues and a webinar for city and county officials and staff on local strategies to create healthy communities.

Institute for Local Government Mission

The Institute promotes well-informed, ethical, inclusive, effective and responsive local government in California through innovative (state of the art) resources, tools and programs.

**CITIES, COUNTIES, SCHOOLS (CCS)
PARTNERSHIP REPORT**



Cities Counties and Schools Partnership Report

The *Cities Counties and Schools Partnership (CCS Partnership)* is in its eleventh year of operation. In 2008 the work has focused on three areas, expanding the collaboration of the partners, childhood obesity and the related policy issues and foster youth.

Projects

The partnership had projects related to childhood obesity this year. One of the four is now complete.

Healthy Communities Healthy Students

This project is in partnership with CSBA. Its purpose is to equip school board member with the tools lead local collaborations on healthy living for children. CCS Partnership is developing a collaboration guide, *Building Collaboration: Tools and Ideas for Creating Active Living Healthy Eating Communities* to be published in Spring 2009. A series of trainings on the guide will follow.

Healthy Eating and Active Living (HEAL) Campaign for California Cities

This project is developing a toolkit and workshops to reach city leaders and encourage them to adopt local policies that promote healthy eating and active living. CCSP is working in partnership with the California Center for Public Health Advocacy.

Communities for Healthy Kids

This project began in 2007. In partnership with the Institute for Local Government, we are working with cities and school districts to enroll eligible children in health care.

Web Dialogues

We recently completed a joint project with the Institute for Local Government also related to health. Jointly the two organizations sponsored a series of three web dialogues:

- June 16th-25th: Planning for Safe and Healthy Walking/Biking Routes to Schools in Your Community.
- July 14th-23rd: Factoring Resident Health into City and County Planning
- September 29th- October 6th: Access to Healthy and Nutritious Foods: How Can Local Governments Combat Childhood Obesity?

Conditions of Children

The Conditions of Children Task Force began in 2005. It is a working body of supervisors, council members and school board members who examine a topic in depth

and make a set of recommendations for joint action. In 2006 the task force completed a report *Healthy Children Healthy Communities* that sets for seven guiding principles and five strategies local areas can use to develop a comprehensive approach to creating healthier communities. In 2007 the task force completed a report *Our Children: Emancipating Foster Youth*. The report provides an overview to the current outcomes for youth who age out of the foster care system, a roadmap for joint action and examples of promising practices. Both of these reports are available on our website. www.ccspartnership.org For 2008 the task force continued to focus on foster youth. That report will be presented to the CCS Partnership Board in February. The task force will be suspended in 2009 to allow staff to focus on efforts to jointly address the California budget process

Awards

The Partnership continues its awards program. A panel of judges from the three partner jurisdictions selects winners of the CCS Partnership Award for Excellence In Collaboration. The 2008 winners are:

The Cities of Dublin, Livermore and Pleasanton (and Alameda County)
The Tri-Valley Youth Initiative

The Tri-Valley cities of Dublin, Livermore and Pleasanton established an unprecedented regional initiative with support from the County of Alameda and direct input and leadership from adolescents in the three communities. The Initiative engaged diverse institutions and stakeholders to assess needs; leverage resources; share best practice; reduce duplication of efforts; coordinate service providers; expand services and develop a vision to support adolescent health. A Youth Planning Board, Steering Committee and Health Action team with representatives from cities, school districts, the county, youth and community providers were established to provide regional infrastructure and develop action plans to address adolescent health priorities.

In selecting The Tri-Valley Health Initiative, the panel of judges cited the uniqueness of the collaboration of the three cities and the county in creating this initiative and the inclusion of authentic youth voice. Additionally, the panel was impressed that the Initiative is addressing the important issue of access to health care for adolescents.

Orange County

HOSTS (The Helping One Student to Succeed) Mentor Program

The HOSTS (The Helping One Student to Succeed) Program works with youthful offenders on probation. Probation youth assigned to the Youth and Family Resource Center (YFRC) participate and serve as mentors on a weekly basis by assisting lower performing elementary school students. The YFRC probation youth are making a difference in the lives of the students they mentor and are learning to give back to the community in which they reside.

In selecting *the HOSTS Mentor Program* as the 2008 CCS Partnership Award winner, the panel of judges cited the extent of the collaboration and apparent ease of how it works for this win-win situation; the proactive nature of the project; the great alternative the program provides to youth who have started down a wrong path; and, the ease with which the program could be replicated in other counties and the cost effectiveness of it.

Monterey County Office of Education
Rancho Cielo Community School

Rancho Cielo is a Community School operated by the Monterey County Office of Education. The school is located on a 100-acre ranch in the foothills east of Salinas. In collaboration with the Monterey County Probation Department and various business partners, the campus provides educational and other services to youth who are first-time criminal offenders. It assists them in successfully transitioning back to the community before they become hardened criminals. High school aged youth with multiple risk factors are referred to the program through probation, the courts, schools or parents.

In selecting this program for the award, the panel of judges cited the innovated approach to community schools. They were also impressed with the collaboration between the two public sector agencies and the private sector both business and non-profits and the fact that the program is so successful with a hard to reach and hard to serve population.

Collaboration

Staff is working on a number of new resources to support the development of local CCS partnerships. At our workshop on Tuesday we distributed a packet that contains a sample resolutions jurisdictions can adapt and use to officially establish the partnership. It also contained a checklist of how to establish a local CCS Partnership. These materials along with a detailed guide will be available on our website by the end of the year.

NACo GOVERNANCE TASK FORCE REPORT

DRAFT SUMMARY

NACo Task Force on Governance and Structure

The NACo Task Force on Governance and Structure was appointed by President Don Stapley immediately after he took office in Kansas City in July. The task force is composed of 27 members from 21 states. A membership roster is attached to this report.

The Task Force held its first meeting in San Diego County on October 2. The all-day meeting was facilitated by Valsin A. Marmillion of Marmillion + Associates, and covered a wide range of issues. Members actively participated and contributed to the discussion. The task force chose to work by consensus; thus, no votes were taken on any proposed recommendation.

The Task Force will meet again by conference call on November 20. During that meeting, a preliminary report will be discussed and, if approved by the Task Force, will be presented to the Board of Directors at its meeting on December 10. Using breakout sessions, the board will have an opportunity to make comments and suggestions regarding the report and recommendations. The Task Force will meet again by conference call in February, and will present its final recommendations to the board at its meeting at the Legislative Conference in March. If bylaws amendments are necessary to implement any of the recommendations, they will be drafted for review by the Board of Directors at its WIR meeting in May. Ultimately, the membership will vote on any bylaws amendments at the 2009 Annual Conference in Davidson County, TN, next July.

The Task Force reviewed a detailed opinion survey that was sent to 208 persons – all members of the Board of Directors, all state association executive directors, all steering committee chairs and vice chairs and all past presidents not currently on the Board of Directors. Over 100 persons responded to the survey.

The Task Force focused on three major areas: leadership selection, leadership authority, and organizational issues.

The major recommendations agreed to by the Task Force included the following:

- 1. Decrease the number of elected officers of NACo to three – the President, President-Elect and 1st Vice President.** The primary reason expressed for this recommendation is the perception that many persons are unable to make the five-year commitment that is necessary to move “up the chairs” in the leadership structure. The choice is even more difficult for elected officials who are in jurisdictions with term limits. With fewer officers, the time commitment would be shortened, theoretically allowing more people to consider running for NACo office. Implementation of this recommendation

would require amendments to the bylaws (Article VII and elsewhere), and for one year there would be no election for second vice president..

2. **Increase the size of the Executive Committee by adding five regional (geographic) members from among the Board of Directors.** The regional Executive Committee members would be elected by caucuses of board members from each of five geographic districts. Yet to be determined are the timing of such elections, the states to be included in each geographic district, the term of office and other details. The Task Force agreed that geographic representation would allow for closer contact with counties within each region; for this reason, there would be opportunity for membership recruitment and appropriate visits to in-district state association meetings by the geographic representatives. There was discussion about the roles and responsibilities of an expanded Executive Committee, but no final decisions were made. It was agreed, however, that the President of NACo would chair the committee. The Task Force also agreed that the Immediate Past President should continue to serve as a member of the Executive Committee. Implementation of this recommendation would require amendments to the bylaws (Article VII and elsewhere).
3. **The Board of Directors should conduct a review of the qualifications of potential candidates for NACo office.** There was considerable discussion about the role of the Nominating Committee, whose only function currently is to determine whether or not a candidate for NACo office is an elected official from a NACo member county (see Article VIII, Section 6). The Task Force agreed that the board should establish procedures that examine each candidate's prior service with NACo and whether or not the candidate has the support of his or her home county board and/or state association. A candidate questionnaire was suggested as a method for assembling this information. The Board's qualifications review would occur during the WIR Conference. Nominations could still be made from the floor at the Annual Conference; further, if the board chose not to determine a candidate to be "qualified", that would not prevent the candidate from continuing to seek election. Implementation of this recommendation would require amendments to the bylaws (Article VIII and elsewhere).
4. In response to concerns about the cost and duration of campaigns, the Task Force agreed to recommend that **a person could not announce his or her intent to run for NACo office sooner than the Legislative Conference of the year of the election; that a candidate would voluntarily agree to limit campaign expenses to no more than \$25,000; and that campaigning (and spending campaign funds) could not be done until after the WIR Conference.** The Task Force's reasoning was that shorter campaigns would be less costly. Enforcement of the spending limitation was discussed, and it was agreed that because the association lacks an effective enforcement mechanism, voluntary compliance was critical. The candidates' voluntary

agreement would be done by signing a pledge agreeing to the campaign duration and spending limitations. Implementation of this recommendation could be done by rule adopted by the board of directors (preferred) or by amendments to the bylaws.

5. **Specify the procedure for challenging an election at the Annual Conference.** The purpose of such a change would be to avoid the confusion that surrounded the outcome of the election held at the NACo Annual Conference in Richmond in 2007. Implementation of this recommendation would require an amendment to the bylaws.
6. **Clarify that the President is the chief elected officer of the organization (not the chief executive officer), and that the Executive Director is the chief executive officer, not the chief operating officer.** Implementation of this recommendation would require amendments to the bylaws (Article VIII, Section 2, and Article IX, Section 2).
7. **Review the criteria established for recognizing affiliate organizations.** Currently, an organization with as few as fifty members can be recognized as an affiliate organization, and there is no requirement for broad geographic representation of those members across the country. There also was discussion, but no consensus, regarding the voting privileges afforded to affiliate members of the Board of Directors. Implementation of this recommendation could be done by resolution of the board of directors and amendment to the bylaws.
8. **Develop guidelines for presidential appointments of committee chairs and vice chairs.** Task Force suggestions for the guidelines included requiring that steering committee chairs be appointed from among active members of the committee (persons who regularly attend and participate); that the president consult with committee chairs on the selection of vice chairs; that each steering committee develop key “attributes” of service on that committee; that guidelines encourage leadership rotation and “new blood” in leadership positions; and that the President would continue to have the final decision regardless of the guidelines. Implementation of this recommendation could be done by resolution of the board of directors.
9. **Compile and publish an Administrative Procedures Manual.** Procedures for applying for appointment to a NACo steering or standing committee, credentials procedures, resolutions procedures and voting procedures currently are found in separate documents. They should be restated and published in an Administrative Procedures Manual and made easily available to members and interested persons.
10. **Establish guidelines and expectations for service as a member of the Board of Directors.** At a minimum, the Task Force believes that a member

of the Board of Directors should provide a link to his or her state's NACo members regarding information about NACo; that he/she should assist in marketing NACo to non-member counties; that he/she should serve as an ambassador and information source regarding NACo services and products; and that he/she should support the NACo officers.

11. Revise the process for reporting actions taken by steering committees.

The Task Force believes that the steering committee chairs should report the committee's vote on resolutions that do not pass unanimously. If there is a substantial voting minority (number or percentage of minority votes constituting a "substantial minority" was left undefined), then a minority report should be permitted. The Task Force also discussed, but had no recommendation regarding the issue of committee jurisdiction and the problems that may arise when a resolution is considered by steering committees other than the steering committee of original jurisdiction.

CSAC FINANCE CORPORATION REPORT



CALIFORNIA STATE ASSOCIATION OF COUNTIES
FINANCE CORPORATION

December 3, 2008

To: CSAC Board of Directors

From: Tom Sweet, Executive Director, CSAC Finance Corporation

**RE: Finance Corporation Program Update
INFORMATION ITEM**

The following are highlights of the numerous programs that the CSAC Finance Corporation offers to your counties:

CalTRUST

- CalTRUST, a public agency investment pool, currently has 63 active participants and current assets exceed \$519 million.
- The Wachovia/Wells Fargo merger is expected to be completed by the end of the year. Wachovia currently is responsible for the CalTRUST portfolio.

California Communities

- The January/February issue of *California Counties* magazine will feature an article regarding the scholarships offered through California Communities to the Berkeley Executive Seminar and the general scholarship fund.

U.S. Communities

- US Communities has established an affordable housing database containing multifamily housing properties for which California Communities has issued bonds or that license U.S. Communities FOCUS™ Compliance Software. The database was designed to provide greater access to individuals and families in need of affordable housing and is searchable by city, county, and housing type (family or senior.) The website is: www.affordablehousingportal.org. The site will be available to all public agencies, nonprofit organizations, and affordable housing developers in California that serve low-income clients. For a flat annual fee of \$199 (regardless of quantity) all local agencies and developers are eligible to upload a list of affordable properties.

General Information

- A personalized letter has been sent to all CAOs. A similar letter will be sent to all Supervisors
- The November/December issue of *California Counties* magazine features an article regarding Cost Control Associates and the savings they identified for CSAC and counties.
- We are continuing to meet with individual counties and their department heads to present our programs and benefits. Please let us know if you would like a meeting set with your county's department heads.

If you have any questions regarding these programs or any other CSAC Finance Corporation programs please do not hesitate to contact me via phone, 916.327.7500 x556, or via email, tsweet@counties.org, or contact Laura Labanieh at 916.327.7500 x536 or llabanieh@counties.org.

CSAC CORPORATE ASSOCIATES REPORT



MEMORANDUM

November 17, 2008

To: CSAC Board of Directors

From: Paul McIntosh, CSAC Executive Director
Lindsay (Hall) Pangburn, CSAC Corporate Relations Manager

Re: **Corporate Associates Program Update
INFORMATION ITEM**

Following please find a summary of the CSAC Corporate Associates program activities for this year:

- The program will wrap up this year with 83 members.
- Membership renewal notices for 2009 have already been sent out to all current members.
- Our newest two members to the program, joining for 2009, are ShoreTel (telecommunications) and HDR (engineering).
- The program has exceeded its Annual Meeting sponsorship fundraising goals for the year, bringing in a total of \$157,300.
- The Annual Meeting Exhibit Hall is close to selling out, with just two booths still available.
- Some of our Corporate Associates members will be featured during the Wednesday luncheon session on energy issues in California, as well as during a conference workshop we are co-sponsoring with the CAOAC, which will highlight successful case studies of counties and businesses working together.

If you have any questions about the Corporate Associates program, please feel free to contact Lindsay (Hall) Pangburn, at (916) 327-7500 ext. 528, or lpangburn@counties.org.

STATE BUDGET UPDATE



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500
Facsimile
916.441.5507

November 17, 2008

To: CSAC Board of Directors

From: Paul McIntosh, Executive Director

Re: **State Budget Update**

Recommendation. This update is for informational purposes only. No action is requested at this time.

Background. In early November, the Governor called the Legislature into fourth special session of the 2008-09 legislative session to deal with an estimated \$11.2 billion current year budget deficit. The Governor urged quick action to ensure that the state is able to meet its obligations through the fiscal year. Both houses of the Legislature convened the special session; however, very little public discussion has occurred. Closed-door discussions with legislative leadership are ongoing.

The Legislative Analyst's Office (LAO) released its report on the Governor's special session budget proposals and predicts a shortfall of \$28 billion for the current year and the upcoming budget year combined. While the LAO indicated that the Governor's proposal was a good starting point, the analysis puts a point on the extraordinary fiscal situation faced by the state.

We anticipate that, by the time of your meeting, the Legislature will take some action to address the budget shortfall. Once the current legislative session adjourns, we will begin budget discussions once again.

Policy Considerations. Certainly, with the state's fiscal problem seemingly becoming worse by the hour, counties are at great risk. Program and service reductions or eliminations, in addition to deferrals of state payments, a new realignment, or "borrowing" of local revenues may all be on the table at some point. CSAC must remain an authoritative source of information on the local impacts of budget proposals, ensure a "seat at the table" during negotiations on budget options and continue to provide timely information to counties.

Action Requested. This is an information update only. CSAC staff will continue to communicate the latest budget news to counties as it unfolds.

Budget Action Bulletin: Special Session No. 1

2008-09 Special Session

Week of November 3, 2008

Via Electronic Mail

DATE: November 6, 2008

TO: CSAC Board of Directors
County Administrative Officers
CSAC Corporate Associates

FROM: Paul McIntosh, CSAC Executive Director
Jim Wiltshire, CSAC Deputy Director

RE: Budget Action Bulletin: Special Session # 1

This morning, Governor Arnold Schwarzenegger called a Special Session of the Legislature to deal with a staggering current year budget deficit of \$11.2 billion. Citing the upheaval in the financial markets and the crippling foreclosure crisis, the Governor described the current crisis as a "revenue problem," requiring extraordinary solutions. In addition to addressing the state's budget deficit, the Special Session will include consideration of proposals to address the foreclosure crisis, to stimulate the economy, and to ensure adequate funding of the state's Unemployment Insurance Fund. The Legislature has until November 30 to consider and act on these proposals.

The Director of the Department of Finance (DOF), Mike Genest, described the state's dire cash situation. Currently, the state's cash level is "uncomfortably low" and could reach zero in January and February if action is not taken on the budget package. Additionally, DOF was careful to note that the package does not reflect revenue projections for 2009-10, which will be announced in January. It is clear, however, that there will be a significant deficit in 2009-10.

The budget package includes \$4.5 billion in program reductions (49 percent of total solutions) and \$4.7 billion in revenue increases (51 percent of total solutions).

View a summary of the Governor's Special Session proposals [here](#). Additional information is also contained on the Governor's website [here](#).

This document summarizes the components of the budget proposal, as well as details on the other topics of the Special Session. CSAC will continue to keep counties informed of activities in the Special Session as the month progresses.

ECONOMIC STIMULUS PACKAGE

EMPLOYMENT STIMULUS PACKAGE

As part of an economic stimulus proposal included in the Special Session budget, the Governor proposed a number of workplace reforms the Administration believes would assist California businesses and reduce lawsuits.

- Provide overtime exemptions for employees who earn more than \$100,000 annually from overtime pay in executive, sales, administrative, and professional jobs.
- Allow employees to work flexible schedules, including 10-hour workdays for 40 hours of work without paying overtime.
- Clarify and provide flexibility to both businesses and workers regarding meal and rest periods.

A component of the employment stimulus package attempts to keep television and film production in California by providing tax credits from 20 to 25 percent on new production and production returning to California.

UNEMPLOYMENT INSURANCE FUND REFORM

The Governor unveiled a plan to restore solvency to the Unemployment Insurance Fund. The current financing for the trust fund is over 20 years old, and while benefits have increased, contributions have remained the same. The fund is projected to be \$2.4 billion in the red for the coming calendar year and \$4.9 billion in the red in 2010. To maintain benefits in the short-term, the Governor has proposed taking out a federal loan. To address the long-term shortfall, the Governor called for a gradual increase in contributions into the fund combined with a reduction in benefits and eligibility requirements.

- Increase employer contributions by increasing the taxable wage ceiling from \$7,000 to \$10,500 and the maximum tax rate from 6.2 percent to 8.1 percent. This means increased contributions will range from \$56 to \$427 per employee.
- Reduce benefit levels by lowering the percentage of a person's weekly wage they can receive in benefits from 50 to 45 percent and increasing the minimum number of weeks of earnings an employee must report before being eligible for benefits from 3.5 weeks to 7.5 weeks in a year.

FORECLOSURE RELIEF PACKAGE

Declaring that keeping Californians in their homes is "the single most powerful action the state can take to shore up its economy," the Governor proposes to help borrowers and lenders modify existing home loans. The plan calls for a 90-day stay of the foreclosure process on properties where a Notice of Default has been filed and is occupied by the owner. Lenders could exempt themselves from these stays if they have an aggressive plan to keep borrowers in their homes. The Governor says that lenders can reduce monthly payments by 25 to 30 percent by:

- Reducing interest rates for five years or more, to as low as three percent;
- Increasing amortization of the loan to 40 years; and,
- Deferring some unpaid principal to the end of the loan term, to be repaid upon refinancing or sale of the property.

Other proposals would try to prevent future crises of this sort. They include:

- Permitting the Department of Real Estate and the Department of Corporations to enforce federal laws and regulations like the Truth in Lending Act, and discipline violators;
- Penalizing lenders who lie or mislead and expanding mortgage brokers' fiduciary duties;
- Standardizing licensing requirements for loan originators;
- Contributing to a national database that consumers could check for license status and disciplinary records of loan originators; and,
- Requiring pre-counseling interviews for non-traditional mortgages so borrowers understand the risks.

AMENDMENTS TO AB 900

The Governor is proposing to reintroduce amendments to AB 900 (Public Safety and Offender Rehabilitation Act of 2007) that seek to expedite the construction of various Department of Corrections and Rehabilitation (CDCR) projects to help create jobs in California. While we cannot confirm the specific nature of the amendments, we assume that the legislative changes — at least in part — will seek to address the clean bond issue, which should clear the way for the state to sell bonds to support local and state correctional infrastructure investment as envisioned under AB 900. In addition, the Governor is renewing his efforts to work with the Legislature to address capital needs for mental and medical health services within the state's correctional system. More information will be provided as it becomes available.

PROPOSITION 84 & IE ALLOCATION

Included in the Governor's November revision is an economic stimulus package that includes a proposal that accelerates the implementation of \$147 million of water and flood projects funded by Propositions 84 and 1E. Under existing law, these funds will not be available until March 1, 2009. The Administration believes urgency legislation is necessary to make these funds available immediately. In addition, the Governor will seek action by the federal government to move an additional \$57.1 million in water projects forward now.

PROPOSITION 1B: LOCAL STREETS AND ROADS

The Governor proposes to accelerate the approximately \$700 million remaining in the Proposition 1B Local Streets and Roads Account for both cities and counties. This would mean \$450 million for counties in addition to the \$63 million appropriated in the 2008-09 State Budget.

However, in order to access these bond funds, the Governor's proposal includes the problematic conditions applied to the city appropriation in the 2008-09 budget. They include, but may not be limited to: encumbering the funds by December 31, 2009, certifying that local fund balances for road maintenance do not exceed three months of Highway Users Tax Account (HUTA) and Transportation Investment Fund (TIF) revenues, and meeting additional accountability requirements—yet to be explicitly defined.

PROPOSITION 1B: TRANSIT

The Governor's economic stimulus proposal also includes the acceleration of \$800 million in Prop 1B funds to local transit agencies for several large local transit projects.

ENVIRONMENTAL REVIEW WAIVERS

The proposal asserts that in order to create jobs, \$822 million worth of Proposition 1B projects administered by the Department of Transportation (Caltrans) will be accelerated via waivers from state and federal environmental requirements.

BUDGET REDUCTION & REVENUE PACKAGE

The November budget package includes \$4.5 billion in program reductions (49 percent of total solutions) and \$4.7 billion in revenue increases (51 percent of total solutions). The program reductions include cuts to education, health and human services and corrections.

Because state revenues have significantly decreased, Proposition 98 (K-12 Education) expenditures are proposed to be reduced \$2.5 billion in 2008-09, including other reductions, such as eliminating the partial cost-of-living-adjustment provided to K-12 revenue limits and community college apportionments. The University of California and the California State University systems are also slated for reductions reflecting a 10 percent across-the-board cut.

The following provides more detail on the items of interest to counties.

ADMINISTRATION OF JUSTICE

The Governor's Special Session budget makes a number of steep reductions to local public safety programs and changes the mechanism by which certain programs are funded. It appears that most programs are being reduced by an additional 50 percent (from the funding level enacted in the 2008-09 budget) in the current year, with complete elimination anticipated in 2009-10 for certain programs. It is important to note that details are limited at this time, but we will continue to gather specifics in the coming days.

Program	2008-09 Budget Act (as enacted)	Proposed Special Session Funding Level for 2008-09	Proposed 2009-10 Funding Level
Cal-MMET	\$19.5 million	\$9.75 million	\$0
Juvenile Camps and Ranches	\$29.4 million	\$14.7 million	\$0
Rural and Small County Sheriffs Program	\$18.5 million	\$8.3 million	\$0

A number of reductions of similar scope will be applied to other local public safety assistance programs administered by the Office of Emergency Services, including rural crime prevention and vertical prosecution grants.

Shift in Funding Source for Some Local Public Safety Programs. In addition, the Governor's proposal includes a vehicle license fee (VLF) increase of \$12, effective on February 1, 2009. Out of these proceeds, funds will be dedicated as a stable, permanent revenue source to several public safety initiatives deemed to be high priority. The table below details these programs and proposed funding levels in the current and budget years.

Program	2008–09 Budget Act (as enacted)	Proposed Special Session Funding Level for 2008–09*	Proposed 2009–10 Funding Level**
Citizens' Option for Public Safety	\$107.1 million	\$92.8 million	\$95.8 million
Juvenile Justice Crime Prevention Act	\$107.1 million	\$92.8 million	\$95.8 million
Juvenile Probation	\$151.8 million	\$131.6 million	\$135.9 million
Local Detention Facility Accounts (Booking Fees)	\$31.5 million	\$31.5 million	\$31.5 million

* Programs will be supported by a combination of state GF and VLF funds.

** Programs will be supported exclusively from VLF funds.

Parole Reforms. Further, the Governor's Special Session Proposal recommends numerous parole reform measures, all of which were part of earlier iterations of the 2008-09 budget proposals. These reforms are summarized below:

- **Parole Supervision for Most Serious Offenders.** CDCR would focus parole supervision efforts on offenders who have committed serious, violent, or sexual crimes; offenders without current or previous serious, violent, or sexual crime convictions would not be supervised while on parole.
- **Earned Credit.** State prison inmates would receive four months of earned credit for each program successfully completed program incarcerated. In addition, eligible inmates will receive day-for-day credits for complying with institutional rules, awaiting transfer to a state prison and enhanced credit for inmates who are awaiting an assignment to a conservation camp.
- **Increased Threshold for Property Crimes.** Changes would be made to adjust the threshold values for certain property crimes that are prosecuted as felonies, resulting in more crimes being classified as misdemeanors.

AGRICULTURE AND NATURAL RESOURCES

Williamson Act

The Governor's November revision eliminates \$34.7 million in Williamson Act funding. This funding provides state reimbursements to local taxing agencies that partially defray the loss of property tax revenues from contracts with local landowners who agree to limit the use of their land to agricultural, scenic, or open space purposes in exchange for reduced property taxes. However, this action does not eliminate the ability of local entities to enter into these agreements.

GOVERNMENT FINANCE AND OPERATIONS

Torn between twin beliefs that “raising taxes is never a good idea” and that the current emergency is a “revenue problem,” the Governor proposes to increase current-year revenues by \$4.7 billion. The Governor proposes to:

- Increase the Sales and Use Tax by 1.5 cents for three years, to raise \$3.5 billion in 2008-09;
- Extend the Sales and Use Tax to appliance and furniture repair, vehicle repair, golf, and veterinary services as of February 1, 2009, and then also to amusement parks and sports events as of March 1, 2009, to raise \$357 million for the state in 2008-09. The Department of Finance estimates this change will increase local Sales and Use Tax revenue by \$151 million in 2008-09 (including \$27 million for public safety from Proposition 172) and \$487 million in 2009-10 (including \$89 million for public safety);
- Impose a tax on the right to sever oil from the ground, similar to other oil producing states, stripper wells excepted. The 9.9 percent tax on the gross value of each barrel of oil, effective January 1, 2009, should raise \$528 million in 2008-09;
- Raise excise taxes on alcohol by five cents per drink, effective January 1, 2009, for drug and alcohol treatment and prevention services, to raise \$293 million in 2008-09 (find more information in the Health and Human Services section of this BAB);
- Increase vehicle registration fees by \$12 to offset a shift of Vehicle License Fee revenue to local public safety programs that backfills proposed cuts to those programs (find more information in the Administration of Justice section of this BAB).

The Department of Finance now estimates that, absent changes, GF revenues total \$102.4 billion for 2007-08, \$91.3 billion for 2008-09, and \$89.5 billion for 2009-10. The increases listed above should bring in \$4.7 billion in 2008-09 and \$10.3 billion in 2009-10.

Tax Commission

Governor Schwarzenegger signed Executive Order S-12-08 to create a bipartisan tax commission that will examine “revenue-gathering laws” and will be called the Commission on the 21st Century Economy (Commission). The goal of the 12-member commission, whose members the Governor and Legislature will appoint, is to stabilize the state's revenue stream and make it reflective of California's economy, while ensuring competitiveness and attraction to employers and workers.

The Governor points out that half of the state's personal income tax revenues are from one percent of the population, and that 15 percent of the state's revenues are from capital gains, which is volatile. He calls California's economy one of the most diverse in the world, and says a more diverse tax system would produce stable revenues.

The Commission will unveil their plan by April 15, 2009.

Employee Relations

In an effort to reduce state employee compensation costs, the Governor is proposing furloughs, elimination of two state holidays, changes to overtime calculations, and alternative work schedules. Further proposals include:

- Requiring state employees to take a one day furlough each month beginning December 1, 2009 and until June 30, 2010 for a savings of \$263 million in 2008-09 and \$451 million in 2009-10.
- Eliminating the holidays observing President Lincoln's birthday and Columbus Day for a savings of \$39.4 million in 2008-09 and \$74.5 million in 2009-10.
- Modifying the computation of overtime costs for a savings of \$17.5 million in 2008-09, and \$30 million in 2009-10.
- Establishing alternative work schedules of ten hours per day, four days per week.

HEALTH AND HUMAN SERVICES

The Governor proposes a number of significant reductions and eligibility changes in the Medi-Cal and SSI/SSP programs, as well as sharp reductions in the CalWORKs and In-Home Supportive Services programs. Furthermore, the Governor's Special Session budget proposal includes several reductions in services to legal immigrants.

Many of the aforementioned reductions in major programs were proposed by the Governor earlier this year in his January and May budgets and subsequently rejected by the Legislature. Many of these 2008 proposals were based on erroneous budget assumptions, as noted by counties; it is unclear whether the Administration has modified the underlying budget detail in the November budget iteration. CSAC staff is seeking additional detail on many of these proposals.

The entire package of health and human services proposals saves \$955.5 million in 2008-09, and \$3.12 billion GF in 2009-10.

Medi-Cal. The Administration is proposing additional changes to services and eligibility for the Medi-Cal program; the proposal assumes the cuts will be enacted by December 1, 2008, and implemented March 1, 2009. Collectively, these proposals would save \$142 million GF in the current year and \$714.2 million GF in 2009-10.

- **Optional Benefit Reductions.** The November Revision proposes to eliminate adult dental care, incontinence creams and washes, acupuncture, audiology, optometry, optical, chiropractic, podiatry, psychology and speech therapy, for an estimated savings of \$41 million GF in the current year and \$129.9 million GF in 2009-10.
- **Legal Immigrants (Qualified Alien or Permanently Residing in the U.S. under Color of Law (PRUCOL)).** Proposes to reduce the scope of benefits available to legal immigrants from full-scope Medi-Cal to emergency services, pregnancy, long-term care and breast and cervical cancer treatment. Please note that these are the services currently available to undocumented immigrants through Medi-Cal. This would save an estimated \$29.7 million GF in 2008-09 and \$144.4 million in 2009-10.

- **Eligibility Changes for Working Parents.** Changes eligibility for 1931(b) parents to the same level as CalWORKs parents (down to 61% federal poverty level (FPL)) and to define employment as the principal wage earner working less than 100 hours a month (also known as the 100-hour rule). Parents with higher incomes who meet the resource and status requirements would be eligible for the medically needy program with a share of cost under Medi-Cal. Initial savings of \$8.6 million in 2008-09, \$109 million in 2009-10 and up to \$342.5 million GF in 2011-12 are projected.
- **Eligibility for Undocumented Immigrants.** Changes eligibility determinations for emergency services from semi-annual to monthly for a savings of \$15.1 million GF in 2008-09 and \$73.5 million in 2009-10. The monthly requirement would not apply to pregnancy, pre-natal, long-term care or breast and cervical cancer services.
- **Public Hospital Funding.** Proposes to shift federal Safety Net Care Pool payments from public hospitals to California Children's Services (CCS), Genetically Handicapped Persons, the Medically Indigent Adult Long-term Care, and the Breast and Cervical Cancer Treatment programs. This move will save the state an estimated \$3.7 million in 2008-09, with a corresponding reduction in GF for these programs. In full implementation in 2009-10, the proposal would save \$54.2 million in GF; please note that public hospitals would lose that funding.
- **Share of Cost for Aged, Blind and Disabled.** The November Revision proposes to reinstate the share of cost for Medi-Cal for aged, blind and disabled individuals with incomes over the SSI/SSP limits. The proposal would impose a share of cost on beneficiaries with incomes at approximately 100 percent FPL (currently individuals with incomes below 127 percent FPL have no share of cost). This proposal would save \$43.8 million in 2008-09, \$203.7 million in 2009-10 and \$212.8 million annually thereafter.

CalWORKs

The CalWORKs proposals would save \$274 million in the current year and \$847 million in 2009-10.

- **Grants.** The Governor's November Special Session budget proposes to reduce CalWORKs grants by 10 percent effective March 1, 2009, for a current year GF savings of \$93 million and \$280 million in 2009-10. Under this proposal, the maximum grant for a family of three would drop from \$723 a month to \$651.
- **Modified Safety Net program.** The Governor also proposes to modify the Safety-Net program by eliminating benefits for families after their 60-month time limit if they do not meet federal work participation requirements. The Governor estimates a current year savings of \$81 million and \$242 million in 2009-10, if this proposal is implemented by March 1, 2009.
- **60-month Time-Limit for Child-Only Cases.** The Governor also assumes that grants for children of unaided adults who are undocumented non-citizens, drug felons, or a fleeing felon will be subject to a 60-month time limit. The discontinuance of these child-only cases will result in an estimated GF savings in the current year of \$77 million and \$230 million in 2009-10.

- **Self-Sufficiency Reviews.** The Governor wants to institute a face-to-face self-sufficiency review every six months with a county worker for CalWORKs families who are not meeting work requirements. The purpose of the reviews is to ascertain why recipients are not meeting work participation rates. However, the Governor estimates a current year GF savings of \$23 million and \$95 million in 2009-10, assuming a March 1, 2009 implementation.

CalWORKs Child Care

The Special Session budget package proposes reducing CalWORKs Stage 2 and Stage 3 child care programs by \$42 million in the current year (\$27 million for Stage 2 and \$15 million for Stage 3). The reductions are based on revised estimates for lower than anticipated caseload since the budget was enacted.

The Administration is also proposing that \$108 million in recently identified prior-year childcare savings be re-appropriated for CalWORKs Stage 2 and 3 child care.

In-Home Supportive Services (IHSS)

The IHSS proposals would save \$118.3 million GF in 2008-09, and \$357.2 million GF in 2009-10.

- **Wages and Benefits.** The November Revision proposes to roll back state participation in wages and benefits to the state minimum wage (\$8/hr) plus \$0.60/hr for health benefits. Assuming a March 1, 2009 implementation, the Administration expects savings of \$82.9 million GF in 2008-09 and \$248.8 million in 2009-10.
- **Eliminate Services.** The November Revision proposes to eliminate domestic and related services for individuals with a functional index below 4 for a savings of \$23.1 million in 2008-09 and \$71.4 million in 2009-10. The Administration assumes an implementation of March 1, 2009.
- **Increase Share of Cost.** The November Revision proposes to eliminate the Share of Cost buyout for IHSS consumers with a functional index below 4 for a savings of \$12.3 million GF in 2008-09 and \$37 million in 2009-10. Again, the Administration assumes an implementation of March 1, 2009.

Supplemental Security Income/State Supplementary Payment (SSI/SSP)

The Governor proposes to reduce SSI/SSP grants to the federal minimum effective March 1, 2009 for a current year savings of \$349 million and up to \$1 billion in 2009-10. Currently, the SSI/SSP grant for an aged/blind individual is \$870 per month and \$1,524 per month for couples. Despite a federal cost-of-living increase in January, this proposal would reduce the monthly grants to \$830 and \$1,407 for aged/disabled individuals and couples, respectively.

Cash Assistance Program for Immigrants (CAPI)

The Administration also seeks to eliminate the Cash Assistance Program for Immigrants (CAPI) program effective March 1, 2009, for a current year GF savings of \$38 million and \$114 million in 2009-10. CAPI is a state-only program that provides benefits to aged, blind, and disabled legal immigrants. Please note many of these legal immigrants will be eligible for General Assistance.

California Food Assistance Program (CFAP)

Furthermore, the Governor also seeks to eliminate the California Food Assistance Program (CFAP) by July 1, 2009, for GF savings of \$30 million in 2009-10. This state-only program currently provides food benefits to low-income legal non-citizens. Please note many of these legal immigrants will be eligible for General Assistance.

Alcohol Excise Tax for Drug and Alcohol Prevention and Treatment

The Governor's Special Session budget package includes a proposal to raise the alcohol excise tax by five cents a drink beginning January 1, 2009. The increased funds – \$293 million in 2008-09 and \$585 million in 2009-10 – will be used to fund alcohol and drug prevention and treatment services. Specifically the alcohol excise tax will replace current GF for the following:

- \$27 million for substance abuse services to CalWORKs participants;
- \$116 million for alcohol and drug treatment for individuals in prison and parole settings; and,
- \$150 million for Department of Alcohol and Drug Programs for Proposition 36, the Offender Drug Treatment Program, and Drug Medi-Cal.

HOUSING, LAND USE AND TRANSPORTATION

Proposition 42

As stated above, the Governor proposes a temporary 1.5 percent sales and use tax increase effective January 1, 2009. This increase would also be applied to the sales tax on gasoline, which would generate an estimated \$322 million in 2008-09, and \$713 million in 2009-10 for Proposition 42. Although unclear, the proposal continues to explain that \$676 million will be transferred to Prop 42 in 2009-10, and \$359 million in FY 2010-11. At the time of writing this article we were unable to get a further explanation of these claims.

State Transit Assistance

While the Governor's proposed economic stimulus plan would accelerate bond funding to local transit projects, he also proposes to eliminate the portion of the State Transit Assistance program that is paid from the Public Transportation Account (\$229.9 million in 2008-09, and \$306 million in FY 2009-10).

WHAT'S GOING TO HAPPEN NEXT:

The Assembly and Senate met today to establish the Special Session. They adjourned without providing details of their next meeting. On the Senate Floor, President Pro Tem Don Perata provided some insight into the process for the next few weeks, commenting that legislative leadership will meet tomorrow morning to begin discussions of the November package. Additionally, he said that the Governor and legislative leadership would be managing the budget discussions. It appears the Legislature will not return until there is agreement to vote on a package. President Pro Tem Perata also advised members that the Legislature cannot take action later than November 23 to accommodate their computer needs. According to the Administration, they are in the process of briefing the Legislature on the proposal. A new Legislature will be sworn in on December 1.

As more details become available, CSAC will keep you apprised.

Stay tuned for the next Budget Action Bulletin!

If you would like to receive the Budget Action Bulletin electronically, please e-mail Faith Conley, CSAC Legislative Analyst, at fconley@counties.org. We're happy to accommodate you!