

CSAC BOARD OF DIRECTORS

BRIEFING MATERIALS

Thursday, February 15, 2018

10:00 a.m. - 1:30 p.m.



Meeting Location:

Capitol Event Center

1020 11th St., 2nd Flr., Sacramento, CA

(800) 867-2581 code: 7500508#



California State
Association of Counties



CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS
Thursday, February 15, 2018
10:00am – 1:30pm
Capitol Event Center, Sacramento
Conference line (800) 867-2581 code: 7500508#

A G E N D A

Presiding: Leticia Perez, President

10:00am

PROCEDURAL ITEMS

1. Roll Call Page 1
2. Approval of Minutes of November 30, 2017 and January 18, 2018 Page 3

SPECIAL PRESENTATIONS

3. Report on Governor's Budget for 2018-19
 - *Diane Cummins, Special Advisor to the Governor*

DISCUSSION ITEM

4. State Budget Impacts on Counties Page 8
 - *Darby Kernan & CSAC Advocacy staff*

ACTION ITEMS

5. Consideration of Financial Participation in ACA 5 (Prop. 69) and SB 1 Repeal Campaign Page 35
 - *Matt Cate, CSAC Executive Director*
 - *Kiana Valentine, CSAC staff*
6. State and Federal Legislative Priorities for 2018 Page 37
 - *Darby Kernan & CSAC Advocacy staff*
7. Appointment of Rural Caucus Executive Committee Alternate Page 44
 - *Supervisor Virginia Bass, 1st Vice Pres. and Rural Caucus Chair*
8. CSAC Finance Corporation Report and CSCDA Appointment Page 45
 - *Supervisor Leonard Moty, Finance Corp. President*
 - *Alan Fernandes, Finance Corp. Executive Vice President*

12:00pm

LUNCH

INFORMATION ITEMS

9. CSAC Legislative Update Page 47
 - ❖ 2018 Statewide Ballot Initiatives
 - ❖ Base Year Value Transfer Ballot Initiative
 - *Darby Kernan & CSAC Advocacy staff*
10. Operations and Member Services Update Page 54
 - *David Liebler and Alex Gilliland, CSAC staff*
11. Information Reports without Presentation Page 57
 - ❖ Conflict of Interest Statement for CSAC Board Members
 - ❖ Institute for Local Government (ILG) Update
 - ❖ CSAC Litigation Coordination Program Update
 - ❖ CSAC Financial Statement
 - ❖ CSAC Institute Course Guide

12. Other Items

1:30pm **ADJOURN**

CALIFORNIA STATE ASSOCIATION OF COUNTIES

Board of Directors

2018

| <u>Section</u> | <u>County</u> | <u>Director</u> |
|----------------|---------------------|--------------------|
| U | Alameda County | Scott Haggerty |
| R | Alpine County | Terry Woodrow |
| R | Amador County | Richard Forster |
| S | Butte County | Bill Connelly |
| R | Calaveras County | Michael Oliveira |
| R | Colusa County | Denise Carter |
| U | Contra Costa County | John Gioia |
| R | Del Norte County | Chris Howard |
| R | El Dorado County | Sue Novasel |
| U | Fresno County | Buddy Mendes |
| R | Glenn County | John Viegas |
| R | Humboldt County | Estelle Fennell |
| S | Imperial County | Raymond Castillo |
| R | Inyo County | Jeff Griffiths |
| S | Kern County | Zack Scrivner |
| R | Kings County | Craig Pederson |
| R | Lake County | Jim Steele |
| R | Lassen County | Chris Gallagher |
| U | Los Angeles County | Mark Ridley-Thomas |
| R | Madera County | Tom Wheeler |
| S | Marin County | Damon Connolly |
| R | Mariposa County | Marshall Long |
| R | Mendocino County | Carre Brown |
| S | Merced County | Lee Lor |
| R | Modoc County | Patricia Cullins |
| R | Mono County | John Peters |
| S | Monterey County | Luis Alejo |
| S | Napa County | Diane Dillon |
| R | Nevada County | Ed Scofield |
| U | Orange County | Lisa Bartlett |
| S | Placer County | Jim Holmes |
| R | Plumas County | Lori Simpson |
| U | Riverside County | Chuck Washington |

| | | |
|---|-----------------------------|------------------|
| U | Sacramento County | Susan Peters |
| R | San Benito County | Jaime De La Cruz |
| U | San Bernardino County | James Ramos |
| U | San Diego County | Greg Cox |
| U | San Francisco City & County | Malia Cohen |
| U | San Joaquin County | Bob Elliott |
| S | San Luis Obispo County | Lynn Compton |
| U | San Mateo County | Carole Groom |
| S | Santa Barbara County | Das Williams |
| U | Santa Clara County | Ken Yeager |
| S | Santa Cruz County | Bruce McPherson |
| S | Shasta County | Leonard Moty |
| R | Sierra County | Lee Adams |
| R | Siskiyou County | Ed Valenzuela |
| S | Solano County | Erin Hannigan |
| S | Sonoma County | James Gore |
| S | Stanislaus County | Vito Chiesa |
| R | Sutter County | Dan Flores |
| R | Tehama County | Robert Williams |
| R | Trinity County | Judy Morris |
| S | Tulare County | Steve Worthley |
| R | Tuolumne County | Sherri Brennan |
| U | Ventura County | Kelly Long |
| S | Yolo County | Jim Provenza |
| R | Yuba County | Doug Lofton |

President: Leticia Perez, Kern
 First Vice President: Virginia Bass, Humboldt
 Second Vice President: Lisa Bartlett, Orange
 Immed. Past President: Keith Carson, Alameda

SECTION: U=Urban S=Suburban R=Rural

CALIFORNIA STATE ASSOCIATION OF COUNTIES
 BOARD OF DIRECTORS
 Thursday, November 30, 2017
 Sacramento Convention Center

M I N U T E S

Presiding: Keith Carson, President

1. ROLL CALL

| | | | |
|--------------|------------------|----------------------------------|----------------------|
| Alameda | Carson/Haggerty | Placer | Jim Holmes |
| Alpine | Terry Woodrow | Plumas | Lori Simpson |
| Amador | Richard Forster | Riverside | Chuck Washington |
| Butte | Bill Connelly | Sacramento | Susan Peters |
| Calaveras | Michael Oliveira | San Benito | Jaime De La Cruz |
| Colusa | Denise Carter | San Bernardino | James Ramos |
| Contra Costa | John Gioia | San Diego | Greg Cox |
| Del Norte | Chris Howard | San Francisco | absent |
| El Dorado | Sue Novasel | San Joaquin | Bob Elliott |
| Fresno | Buddy Mendes | San Luis Obispo | John Peschong |
| Glenn | John Viegas | San Mateo | Carole Groom |
| Humboldt | Bass/Fennell | Santa Barbara | Das Williams (audio) |
| Imperial | absent | Santa Clara | absent |
| Inyo | Jeff Griffiths | Santa Cruz | absent |
| Kern | Perez/Scrivner | Shasta | Leonard Moty |
| Kings | Doug Verboon | Sierra | Lee Adams |
| Lake | Jim Steele | Siskiyou | Ed Valenzuela |
| Lassen | Chris Gallagher | Solano | Erin Hannigan |
| Los Angeles | absent | Sonoma | James Gore |
| Madera | Max Rodriguez | Stanislaus | Vito Chiesa |
| Marin | Damon Connolly | Sutter | Dan Flores |
| Mariposa | Marshall Long | Tehama | Robert Williams |
| Mendocino | Carre Brown | Trinity | Judy Morris |
| Merced | Lee Lor | Tulare | Steve Worthley |
| Modoc | Patricia Cullins | Tuolumne | Sherri Brennan |
| Mono | Larry Johnston | Ventura | Kelly Long |
| Monterey | Luis Alejo | Yolo | Jim Provenza |
| Napa | Diane Dillon | Yuba | Doug Lofton |
| Nevada | Ed Scofield | Advisor: Bruce Goldstein, Sonoma | |
| Orange | Lisa Bartlett | | |

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of September 7, 2017 were approved as previously mailed.

3. SERVING THE UNDERSERVED

Commissioner Roy Charles Brooks, NACo President, addressed the Board regarding his presidential initiative to raise awareness of the critical role counties play in breaking the cycle of poverty. He noted that county investments and leadership in early childhood development will lower future costs in county health, child welfare, safety and justice, and other systems. NACo is hosting a Poverty Summit in Tarrant County, Texas next week in conjunction with the NACo Board of Directors meeting. All Board members were invited to attend.

4. ELECTION OF 2018 CSAC EXECUTIVE COMMITTEE

In addition to the CSAC officers, the following members were elected to serve on the CSAC Executive Committee for 2018:

Urban Section

Scott Haggerty, Alameda
Buddy Mendes, Fresno
Mark Ridley-Thomas, Los Angeles
James Ramos, San Bernardino
Carole Groom, San Mateo
Kelly Long, Ventura
Chuck Washington, Riverside (alternate)

Rural Section

Ed Scofield, Nevada
Lee Adams, Sierra
Larry Johnston, Mono (alternate)

Advisors

Bruce Goldstein, Co. Counsel Assoc. Pres., Sonoma
Larry Lees, CACE Pres., Shasta

Suburban Section

Bruce McPherson, Santa Cruz
Leonard Moty, Shasta
Steve Worthley, Tulare
James Gore, Sonoma (alternate)

5. CSAC POLICY COMMITTEE REPORTS

Administration of Justice. Staff presented a report from the Administration of Justice policy committee meeting held earlier today. The committee received reports on Transforming Public Safety from Riverside County, Combatting Ideologically Motivated Violence from Cal OES, and Implementation of California's Cannabis Laws.

Motion and second to accept Administration of Justice committee report. Carried unanimously.

Agriculture, Environment & Natural Resources (AENR). Staff presented a report from the AENR policy committee meeting held earlier in the week. The committee received reports on the Aftermath and Recovery from 2017 Fire Season by CAL Fire, California's New Local Air Quality Program by the CA Air Resources Board, and a 2017 Legislative Review.

Motion and second to accept AENR committee report. Carried unanimously.

Government Finance & Administration (GF&A). Supervisor Erin Hannigan, Chair of the GF&A policy committee, presented a report from the meeting held earlier today. The committee received reports on the State Budget, US Census, Board of Equalization Transition, Small Business Development Council, CalPERS Proposed Action for Asset Liability Management, and a Cannabis Banking update.

Motion and second to accept the GF&A committee report. Carried unanimously.

Health & Human Services (HHS). Staff presented a report from the HHS policy committee meeting held earlier in the week. The committee received reports on First 5 California, IHSS, Federal Issues, and Implementation of California's Cannabis Laws.

Motion and second to accept the HHS committee report. Carried unanimously.

6. EXECUTIVE DIRECTOR'S REPORT AND RESOLUTION AUTHORIZING CONDUCT OF CSAC BUSINESS
Matt Cate thanked the CSAC Officers and staff for hard work during 2017, and noted it was a difficult legislative year. He introduced CSAC's newest employee, Alex Gilliland, External Affairs Coordinator.

It was requested that the Board approve the annual resolution authorizing the Executive Director to conduct day-to-day business on behalf of CSAC.

Motion and second to adopt resolution authorizing Executive Director to conduct CSAC business. Carried unanimously.

7. CSAC FINANCE CORPORATION REPORT

Supervisor Leonard Moty, President of the CSAC Finance Corp., presented an update. He noted that there is currently a vacant position on the Finance Corp. Board for a county department director. Deadline to apply is today.

Kip Hallman, CEO of California Forensic Medical Group (CFMG), addressed the Board regarding services his company provides to counties. CFMG specializes in comprehensive behavioral and medical health care in county jails. He noted that three-quarters of the county jail population have mental health and/or substance abuse issues.

The briefing materials contained reports on business programs such as CSCDA, US Communities, CalTRUST, Nationwide, and Coast2Coast. New business opportunities the Finance Corporation is pursuing are 211 California, a Cannabis Joint Powers Authority and "Smart Easy Pay."

8. CSAC OPERATIONS AND MEMBER SERVICES UPDATE

The audited financial statements for FY 2016-17 were distributed to Board members. Supervisor Ed Valenzuela, CSAC Treasurer, noted that CSAC's financial position is strong. Staff noted that the CSAC Institute continues to be successful with satellite campuses located in Contra Costa, Merced and San Bernardino. A campus in Shasta County will open in January. A public service project is a component of this year's annual meeting, whereby attendees have the opportunity to help fill backpacks that will then be distributed to foster youth in Sacramento County.

9. INFORMATION ITEMS WITHOUT PRESENTATION

The briefing materials contained reports on the Institute for Local Government, CSAC Institute class schedule, Financial Statement, and 2018 calendar. The CSAC Litigation Coordination Program annual report was distributed separately.

Meeting adjourned.

CALIFORNIA STATE ASSOCIATION OF COUNTIES
 BOARD OF DIRECTORS
 Thursday, January 18, 2018
 Hyatt Regency Hotel, Sacramento
 and via conference call

M I N U T E S

Presiding: Leticia Perez, President

1. ROLL CALL

| | | | |
|--------------|--------------------------|-----------------|--------------------------------|
| Alameda | Carson/Haggerty | Placer | Jim Holmes (audio) |
| Alpine | Terry Woodrow | Plumas | Lori Simpson (audio) |
| Amador | Richard Forster | Riverside | Chuck Washington |
| Butte | absent | Sacramento | absent |
| Calaveras | Michael Oliveira (audio) | San Benito | Jaime De La Cruz (audio) |
| Colusa | Denise Carter | San Bernardino | James Ramos |
| Contra Costa | John Gioia (audio) | San Diego | Greg Cox (audio) |
| Del Norte | Chris Howard (audio) | San Francisco | Malia Cohen (audio) |
| El Dorado | Sue Novasel (audio) | San Joaquin | absent |
| Fresno | absent | San Luis Obispo | Lynn Compton (audio) |
| Glenn | John Viegas (audio) | San Mateo | absent |
| Humboldt | Virginia Bass | Santa Barbara | Das Williams (audio) |
| Imperial | absent | Santa Clara | Ken Yeager (audio) |
| Inyo | Jeff Griffiths | Santa Cruz | absent |
| Kern | Leticia Perez | Shasta | Leonard Moty |
| Kings | Craig Pedersen (audio) | Sierra | Lee Adams |
| Lake | absent | Siskiyou | Ed Valenzuela |
| Lassen | Chris Gallagher (audio) | Solano | absent |
| Los Angeles | absent | Sonoma | James Gore |
| Madera | absent | Stanislaus | Vito Chiesa (audio) |
| Marin | Damon Connolly (audio) | Sutter | absent |
| Mariposa | Marshall Long (audio) | Tehama | Robert Williams |
| Mendocino | Carre Brown | Trinity | Judy Morris |
| Merced | Lee Lor (audio) | Tulare | Steve Worthley |
| Modoc | Patricia Cullins (audio) | Tuolumne | Sherri Brennan |
| Mono | John Peters (audio) | Ventura | Kelly Long |
| Monterey | Luis Alejo (audio) | Yolo | Jim Provenza |
| Napa | absent | Yuba | Doug Lofton (audio) |
| Nevada | Ed Scofield | Advisors: | Bruce Goldstein and Larry Lees |
| Orange | Lisa Bartlett | | |

The presence of a quorum was noted.

2. CSAC POSITION ON SB 1 REPEAL INITIATIVE AND ACA 5

The Road Repair and Accountability Act of 2017 (SB 1) was passed by the Legislature and signed into law by the Governor in April 2017. The Legislature also passed an accompanying constitutional protection measure (ACA 5) to ensure the 33% of revenues generated by SB 1 are dedicated to transportation. ACA 5 will appear before the voters on the June 2018 ballot. Efforts are underway to repeal SB1. The campaign is currently raising money and collecting signatures on an initiative that would require the Legislature to put before the electorate approval of any gas, diesel, or vehicle-related tax or fee increase. Since the initiative has a retroactive effective date of January 1, 2017, it would repeal SB 1. If the measure qualifies, it will be on the November 2018 ballot.

CSAC has been asked to engage in a formal way against the SB 1 repeal effort as soon as possible. Typically, CSAC does not take positions on ballot initiatives until measure qualify. However, ACA 5 and the repeal of SB 1 are unique in that CSAC was a significant part of the effort to secure passage of a new transportation funding package pursuant to long-standing policy to support increased investment in transportation infrastructure. The Executive Committee met earlier today and recommended that the Board of Directors take action to oppose the SB 1 repeal initiative, support ACA 5.

Motion and second to oppose the SB 1 repeal ballot initiative and support ACA 5. Orange and Tehama counties opposed. Del Norte and San Luis Obispo counties abstained. Motion carried.

It was noted that the Executive Committee also approved financial support for the campaign against the SB 1 repeal and support of ACA 5. That recommendation will go before the Board of Directors in February.

3. OTHER ITEMS

CSAC Executive Director Matt Cate announced that he will be leaving CSAC in the spring to explore new opportunities in the private sector.

Meeting adjourned.



**GOVERNOR'S PROPOSED BUDGET FOR 2018-19
JANUARY 10, 2018**

January 10, 2018

TO: CSAC Board of Directors
County Administrative Officers

FROM: Matt Cate, CSAC Executive Director
Darby Kernan, CSAC Acting Deputy Executive Director of Legislative Services

RE: Governor's January Budget Proposal for 2018-19

As with prior budgets by the Brown Administration, the Governor's January Budget proposal continues the pattern and philosophy of saving for a rainy day, paying down debt, and limiting ongoing spending commitments in light of the impending economic slowdown. The \$190 billion dollar January budget proposal maintains fiscal prudence and focuses on funding the implementation of major initiatives and reforms that counties are responsible for implementing. In Home Supportive Services (IHSS), Continuum of Care Reform for foster care youth, and addressing the growing mental health crisis in jails and communities all remain a priority.

The Governor's proposed budget announcement was largely positive news as General Fund revenues continue to beat estimates by approximately \$6.1 billion as part of what Governor Brown noted was the longest economy recovery since World War II. These additional revenues will be primarily dedicated to fully funding the Rainy Day Fund, allocating a supplemental \$3.5 billion in the proposed January Budget in addition to the constitutionally required amount under Proposition 2. Rather than commit to ongoing programs, the Governor was adamant that this action will help the next Administration and the State weather the storm of the inevitable downturn that could result in an annual \$20 billion revenue decline over several years.

An additional \$2.3 billion is dedicated to operational reserves and \$300 million is allocated to a variety of one-time infrastructure and support programs for prisons, courts, and health and humans services, amongst others. The Governor also recognized the \$4.6 billion for SB 1 transportation infrastructure, noting that if SB 1 is repealed it could have a devastating impact to California's economy.

The Governor's January Budget does not address the many unknowns resulting from federal policy changes or assumptions coming from the recently passed "The Tax Cuts and Jobs Act" signed by President Trump last month. Department of Finance Director Michael Cohen stated those impacts will not be known until tax filers complete their 2018 returns in calendar year 2019. Other precautionary steps related to cannabis, off-shore oil drilling and healthcare were deemed premature giving the volatility in the currently seated Congress and possible changes that could result from the 2018 mid-term election.

Of importance to counties, a significant portion of the operational reserves in the proposed 2018-19 budget is dedicated to disaster recovery following the October 2017 fires that devastated communities throughout California. The Governor's proposed budget anticipates additional needs for CalFIRE and state departments as recovery efforts are ongoing. The Administration has also been working with CSAC and the 13 counties impacted by the recent wild fires to provide direct disaster recovery assistance, including a preliminary \$24 million commitment for property tax revenue loss backfill for the northern California counties. The Administration will continue to work with CSAC and impacted counties to determine accurate number for both 2017-18 and 2018-19.

Other highlights of the Governor's proposal include:

- \$134 million for county elections system funding
- \$117.3 million for increasing state-county partnerships to address the increasing need for Incompetent to Stand Trial (IST) placement options
- \$27.8 million General Fund increase for county IHSS administrative costs

The following pages provide statewide revenue and expenditure summary charts and specific budget proposals by policy area. For more detail on these and other items of importance, see the following policy sections below or contact CSAC legislative staff.

If you would like to receive the Budget Action Bulletin electronically, please e-mail Karen Schmelzer, CSAC Legislative Assistant at kschmelzer@counties.org.

2018-19 Governor's Budget
General Fund Budget Summary
(\$ in millions)

| | 2017-18 | 2018-19 |
|--|------------------|------------------|
| Prior Year Balance | \$4,611 | \$5,351 |
| Revenues and Transfers | \$127,252 | \$129,792 |
| Total Resources Available | \$131,863 | \$135,143 |
| Non-Proposition 98 Expenditures | \$73,771 | \$77,126 |
| Proposition 98 Expenditures | \$52,741 | \$54,564 |
| Total Expenditures | \$126,512 | \$131,690 |
| Fund Balance | \$5,351 | \$3,453 |
| Reserve For Liquidation of Encumbrances | \$1,165 | \$1,165 |
| Special Fund for Economic Uncertainties | \$4,186 | \$2,288 |
| Budget Stabilization Account/Rainy Day Fund | \$8,411 | \$13,461 |

General Fund Revenue Sources
(\$ in millions)

| | 2017-18 | 2018-19 | \$ Change | % Change |
|--|------------------|------------------|------------------|-----------------|
| Personal Income Tax | \$89,403 | \$93,593 | \$4,190 | 4.7% |
| Sales and Use Tax | 25,165 | 26,151 | 986 | 3.9% |
| Corporation Tax | 10,656 | 11,224 | 568 | 5.3% |
| Insurance Tax | 2,438 | 2,508 | 70 | 2.9% |
| Alcoholic Beverage Taxes and Fees | 376 | 382 | 6 | 1.6% |
| Cigarette Tax | 65 | 63 | -2 | -3.1% |
| Motor Vehicle Fees | 27 | 27 | 0 | 0.0% |
| Other | 820 | 894 | 74 | 9.0% |
| Subtotal | \$128,950 | \$134,842 | \$5,892 | 4.6% |
| Transfer to the Budget Stabilization / Rainy Day Fund | -1,698 | -5,050 | -3,352 | 197.4% |
| Total | \$127,252 | \$129,792 | \$2,540 | 2.0% |

ACTION

Long-Term Revenue Forecast – Three Largest Sources
(General fund Revenue - \$ in billions)

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Average Yearly Growth |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|
| Personal Income Tax | \$82.9 | \$89.4 | \$93.6 | \$96.3 | \$98.5 | \$101.3 | 4.9% |
| Sales and Use Tax | \$24.9 | \$25.2 | \$26.2 | \$27.2 | \$28.0 | \$28.7 | 2.4% |
| Corporation Tax | \$10.1 | \$10.7 | \$11.2 | \$11.7 | \$12.2 | \$12.8 | 3.4% |
| Total | \$117.8 | \$125.2 | \$131.0 | \$135.2 | \$138.6 | \$142.8 | 4.2% |
| Growth | 5.7% | 6.3% | 4.6% | 3.2% | 2.5% | 3.0% | |

General Fund Expenditures by Agency
(\$ in millions)

| | 2017-18 | 2018-19 | \$ Change | % Change |
|---------------------------------------|------------------|------------------|----------------|-------------|
| Legislative, Judicial, Executive | \$3,221 | \$3,651 | \$430 | 13.3% |
| Business, Consumer Services & Housing | 404 | 432 | 28 | 6.9% |
| Transportation | 239 | 213 | -26 | -10.9% |
| Natural Resources | 3,564 | 3,029 | -535 | -15.0% |
| Environmental Protection | 115 | 82 | -33 | -28.7% |
| Health and Human Services | 35,394 | 37,383 | 1,989 | 5.6% |
| Corrections and Rehabilitation | 11,678 | 11,815 | 137 | 1.2% |
| K-12 Education | 53,489 | 55,167 | 1,678 | 3.1% |
| Higher Education | 14,968 | 15,450 | 482 | 3.2% |
| Labor and Workforce Development | 147 | 122 | -25 | -17.0% |
| Government Operations | 1,128 | 1,181 | 53 | 4.7% |
| General Government: | | | | |
| Non-Agency Departments | 775 | 766 | -9 | -1.2% |
| Tax Relief/Local Government | 428 | 457 | 29 | 6.8% |
| Statewide Expenditures | 962 | 1,942 | 980 | 101.9% |
| Total | \$126,512 | \$131,690 | \$5,178 | 4.1% |

Administration of Justice

2011 Realignment

The Governor's January budget proposal updates revenue assumptions for 2011 Realignment programs. For the Community Corrections Subaccount (AB 109) the 2017-18 statewide base remains \$1.241 billion, with growth funding estimated at \$84.3 million. The 2011 Realignment estimates will be revisited and revised in the Governor's May Revision, then finalized in the fall.

Counties should also note that the Enhancing Law Enforcement Activities Subaccount should achieve its guaranteed funding level of \$489.9 million with VLF alone, with growth available in 2017-18 (an estimated \$201.4 million) and 2018-19 (an estimated \$209.7 million). This provides funds for a variety of local assistance programs including Citizens' Option for Public Safety, the Juvenile Justice Crime Prevention Act, and the rural and small county sheriffs program among others. Please see the "Additional Resources" section at the end of this publication for the 2011 Realignment accounts.

In addition, CSAC will provide individual county projections in the coming weeks.

Judicial Branch

The Governor's January budget proposal provides \$4.2 billion for the judicial branch that includes \$150 million in new funding to support efforts by the Judicial Council to improve and modernize trial court operations. This amount also includes \$3.4 million for the Judicial Council to implement a five-court pilot to begin moving toward a civil model for adjudication of minor traffic violations. The proposal would authorize an online adjudication system for certain traffic violations in the pilot courts.

In addition, the Governor's January budget proposal makes a significant investment in court facilities. In 2008, the state made an effort to invest in the construction, renovation, and operation of court facilities. However, revenues did not materialize in the amounts needed to renew and restore the state's court facilities. In fact, in 2012 and again in 2017, the Judicial Council was forced to pause court planning and construction projects. In a reversal, the Governor's January budget proposal invests \$32.2 million from the Immediate and Critical Needs Account to complete the design of three courthouse projects in Riverside/Mid-County, Sonoma, and Stanislaus. The Governor's January budget proposal also commits to completing construction for the next ten courthouse projects ready to proceed to construction from lease revenue bonds in the next two years, specifically projects in Imperial, Riverside/Indio, Shasta, Siskiyou, and Tuolumne in 2018-19 and projects in Glenn, Riverside/Mid-County, Sacramento, Sonoma, and Stanislaus in 2018-19.

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

5

Proposition 47

Passed by voters in November 2014, Proposition 47 requires misdemeanor rather than felony sentencing for certain property and drug crimes and permitted inmates previously sentenced for these reclassified crimes to petition for resentencing. Based on fall projections, the Department of Finance (DOF) currently estimates a net savings of \$64.4 million when comparing 2017-18 to 2013-14, an increase of \$18.8 million over the estimated 2016-17 savings. These funds will be allocated according to the formula outlined in the initiative.

Community Corrections Planning (CCP) Grants

The Governor's January budget proposal continues with a round of Community Corrections Planning (CCP) grants totaling \$7.9 million for Community Corrections Partnerships (CCPs) to support work associated with ongoing AB 109 implementation efforts. Counties will recall that the CCP grants are disbursed in fixed amounts, depending on the county's size. As in past years, it is expected that receipt of the CCP grants will be based upon the reporting of AB 109 implementation plans to the Board of State and Community Corrections (BSCC).

SB 678 Funding

The Governor's January budget proposal assumes sustained SB 678 (Chapter 608, Statutes of 2009) funding reflecting counties' ongoing success under the 2009 performance-based probation funding program. Based on the revised formula established in 2015-16, the Governor's January budget proposal includes \$106.4 million to continue the Community Corrections Performance Incentive Grant Program. The budget recognizes the significance of this funding stream in supporting probation's important evidence-based prevention and intervention efforts.

Post Release Community Supervision (PRCS)

The Governor's January budget proposal includes \$29 million for county probation departments to supervise the temporary increase in the average daily population of offenders on Post Release Community Supervision (PRCS) as a result of the implementation of court-ordered measures and Proposition 57.

California Department of Corrections and Rehabilitation (CDCR)

The Governor's January budget proposal funds the California Department of Corrections and Rehabilitation (CDCR) at approximately \$12 billion which is 9 percent of the total state budget. This is one percent higher than the revised budget for the current fiscal year. The Governor's January budget proposal continues to invest in public safety, rehabilitation, and reentry. The increase to CDCR's budget is attributed mostly to roof replacements or water damage repairs, offender population adjustments both in-state and out-of-state, mental health bed management, offender access to health care, employee benefits or post-retirement benefit adjustments, and medical receivership costs.

Juvenile Justice Reforms

The Governor's January budget proposal makes several reforms to the state's juvenile justice system. In 2012, California changed the age of jurisdiction from 25 to 23 for youths sent to the Division of Juvenile Justice. New research on brain development and juvenile case law around diminished culpability of juvenile offenders has prompted the Administration to relook at this policy and change the age of jurisdiction back to 25 years.

Transition from State Custody to Local Systems

The Governor's January budget proposal recognizes the increasing need to improve the transition of inmates from state custody to local supervision. The Administration plans to strengthen local partnerships to enhance the process for release and work with local partners over this coming year to improve this process.

Agriculture, Environment and Natural Resources

Wildfire Response and Recovery

The Governor's January budget proposal recognizes the devastating wildfires and resulting disasters that occurred last year and that continue to impact communities in both northern and southern California. The Governor declared emergencies for the October wildfires in northern California and the December wildfires in southern California, and was successful in securing a Presidential Major Disaster Declaration for the northern California fires. Work continues on securing a similar Presidential Declaration for the events in southern California. As of December 2017, the state accessed \$43.4 million in resources available from the State Fund for Economic Uncertainties for a number of departments for their costs related to unexpected equipment, personnel and other disaster-related costs. In addition, the Governor issued a number of Executive Orders to waive a variety of fees and regulations and help facilitate the recovery process in affected communities. CAL Fire response costs will require a 2017-18 budget augmentation of \$469.3 million, which will be provided through the state's Emergency Fund. The Governor's January budget proposal includes additional enhancements to CAL Fire's budget for personnel, equipment and training in recognition of our extreme weather and a fire season that has become essentially year-round.

Estimates for the total costs across the state will be in the billions of dollars, and the full impact of these events has yet to be determined. In addition to funding from the state budget, California is currently advocating for a federal supplemental disaster-related appropriations bill totaling \$4.4 billion to support disaster recovery efforts.

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

7

Finally, the Governor’s January budget proposal provides direct fiscal assistance to counties through the backfill of property tax dollars and proposes an enhanced public safety communications system to modernize the state’s 9-1-1 system.

Property Tax Backfill

The Governor’s January budget proposal provides \$23.7 million in backfill to counties and other local jurisdictions for lost property taxes in 2017-18 and 2018-19 resulting from the October 2017 fires. This is a preliminary number that will be updated to capture full losses in counties in both northern and southern California in the May Revision. Counties are strongly encouraged to [report their estimates of property tax losses to CSAC](#) in order to provide an accurate number as CSAC continues to work with the Administration on recovery efforts.

Public Safety Communications

The historic wildfires in California demonstrated the need for an enhanced and upgraded 9-1-1 system. The Governor’s January budget proposes \$11.5 million in State Emergency Telephone Number Account (SETNA) funds to modernize the state’s system and improve public safety during emergency events. It includes a revised SETNA fee structure to reflect the use of data compared to voice communications, proposing a per-subscription flat rate on all voice and data plans.

Department of Water Resources (DWR) — Enhancing Safety of Dams

In 2017, record rainfall and storm events caused significant damage in a number of counties across the state and also resulted in the evacuation of 188,000 people living near the Oroville Dam after the main spillway was damaged by heavy flows. The Governor’s January budget proposal includes an update on the progress of Oroville Dam repair efforts, noting that construction will continue into 2018 on repairing and reconstructing the main flood control spillway of the Oroville Dam. In addition, actions are underway at DWR to help assist state-regulated dams comply with new requirements for emergency action plans and update inundation maps. More spillways will be evaluated in 2018, enhancing California’s emergency preparedness.

Department of Fish and Wildlife

An update from the Department of Fish and Wildlife’s Strategic Vision stakeholder group was released in October 2017 and highlighted the need for sustainable funding for California’s Fish and Wildlife programs. The Governor’s January budget proposal takes these recommendations into consideration and proposes \$50.6 million in ongoing funding to address the structural imbalance of the Fish and Game preservation fund. The proposal includes several elements aimed at expanding conservation efforts, improving hunting and fishing participation; connecting more Californians to the outdoors; and, increasing stability for critical programs. Most importantly to counties, the proposal includes a budget augmentation of \$31 million to

expand a number of program activities, including supporting voluntary conservation programs for local governments, private landowners and conservation organizations.

Water and Parks Bond (SB 5): California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All

In 2017, the Legislature was successful in securing the passage of a water and parks bond measure, SB 5 (Chapter No. 852, Statutes of 2017) – California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All. SB 5 will place a \$4 billion bond on the June 2018 ballot. If approved by the voters, the measure will provide significant funding for parks, water and wildlife conservation efforts. The Governor’s January budget proposes \$1.02 billion for the first year of SB 5 implementation, should the measure be successful. This allocation includes funding in a number of areas of significant importance to counties, including flood management, Sustainable Groundwater Management Act (SGMA) implementation, safe drinking water and parks.

Groundwater Sustainability

The Governor’s January budget proposal includes \$61.8 million in SB 5 funding for the Department of Water Resources to support SGMA Groundwater Sustainability Agency (GSAs) activities. This funding will provide technical assistance to aid in the development of groundwater sustainability plans, supplement existing planning grants for GSAs, and provide grants to directly support groundwater projects. In addition, the budget proposes \$84 million to the State Water Board to support regional groundwater treatment and remediation activities, including \$10 million in technical assistance for drought and groundwater investments.

Flood Management

The Governor’s January budget proposes to allocate \$95.5 million from SB 5 for flood control projects that achieve public safety and fish and wildlife improvements, as well as funding for a new Floodplain Management Awareness Program.

Safe and Affordable Drinking Water

The Governor’s January budget proposal allocates \$63 million from SB 5 to the State Water Board to provide grants to public water systems in disadvantaged communities for infrastructure improvements to meet safe and affordable drinking water standards, including both drinking water and wastewater treatment projects. The proposed budget also establishes a new special fund at the State Water Board to assist disadvantaged communities in paying for the short and long-term costs of obtaining access to safe and affordable drinking water. The proposed budget includes statutory language that is consistent with the policy framework of SB 623 (Monning), introduced in the 2017-18 legislative session, to establish a program that



provides grants, loans and administrator contracts or services to assist eligible communities with access to safe drinking water. This proposal would impose the fee structure “consistent with” SB 623, which would impose a fee on all users of public water systems, and a fee on fertilizer producers for the purpose of providing funding to struggling public water systems to deliver safe drinking water. However, this language is not yet available and will be released in a budget trailer bill available next month.

State and Local Parks

The Governor’s January budget proposal allocates \$472 million in funding from SB 5 for various park programs and projects. This allocation includes four million in grants for deferred maintenance projects to county fairgrounds and \$464 million for improving and increasing access to local neighborhood parks. Of the \$464 million, The Administration proposes \$277 million for creating new parks or rehabilitating older parks and \$186 million for per capita grants for the acquisition and development of parks, recreation lands, or facilities in urban and rural areas.

The following chart is an outline of the Governor’s January budget proposal for SB 5 funding. The budget summary notes that projects funded by the bond measure in 2018-19 will be prioritized to support existing programs, ‘shovel-ready” projects, and a phased-in approach for newly established programs.

| Investment Category | Department | Program | Amount (millions) |
|---|---|--|-------------------|
| State and Local Park Improvements | Department of Parks and Recreation & Natural Resources Agency | Local and Regional Grant Programs for Neighborhood Parks and Greenway Trails | \$464 |
| | Department of Parks and Recreation | State Park System Enhancements | \$4 |
| | Department of Food and Agriculture | Deferred Maintenance for Fairgrounds | \$4 |
| Ecosystem Restoration & Climate Resiliency | Multiple Departments & Conservancies | River Recreation, Creek, and Waterway Improvements | \$58 |
| | Natural Resources Agency | Salton Sea Restoration | \$30 |
| | Multiple Departments & Conservancies | Climate Adaptation & Resiliency | \$110 |

| | | | |
|--------------------------|--|--|----------------|
| | State Coastal Conservancy & Ocean Protection Council | Coastal Protection | \$13 |
| | California Conservation Corps | CCC Restoration and Rehabilitation Projects & Grants to Local Community Conservation Corps | \$10 |
| Water Action Plan | State Water Board | Safe Drinking Water Projects | \$63 |
| | Department of Water Resources & Natural Resources Agency | Flood Management | \$99 |
| | Department of Water Resources & State Water Board | Sustainable Groundwater Management Act | \$146 |
| | Department of Food and Agriculture | State Water Efficiency and Enhancement Program | \$18 |
| TOTAL | | | \$1,019 |

Cap and Trade Funding

California continues towards its goals of reducing greenhouse gas emissions to 40 percent below 1990 levels by 2030. In July 2017, Governor Brown signed legislation to extend the cap and trade program through 2030 by a two-thirds super majority vote. This has provided certainty in the cap and trade program which has resulted in stabilized auction results and increased revenues. California will have \$1.25 billion in cap and trade funds available for appropriation in 2018-19. The expenditure plan for these funds will be announced by the Governor during his final State of the State Address on January 25.

Cannabis: Proposition 64 Implementation

Consistent with Proposition 64: The Adult Use of Marijuana Act (AUMA), the Governor's January budget proposal does not include cannabis tax revenues as funding will not be available for allocation until the 2019-20 state budget.

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

11

Government Finance and Administration

Property Tax Backfill for Disaster Impacted Counties

The Governor's January budget proposal provides \$23.7 million in backfill to counties and other local jurisdictions for lost property taxes in 2017-18 and 2018-19 resulting from the October 2017 fires. This is a preliminary number that will be updated to capture full losses in counties in both northern and southern California in the May Revision. Counties are strongly encouraged to [report their estimates of property tax losses to CSAC](#) in order to provide an accurate estimate. Please see the Agriculture, Natural Resources and Environment (AENR) section of this Budget Action Bulletin for a full summary of disaster relief funding on page 7. The Governor's January budget proposal notes the school share of losses will be backfilled by the General Fund pursuant to Proposition 98 funding mechanism, which is estimated to total \$24.5 million in 2017-18 and 2018-19.

Elections Equipment Funding

Included in the Governor's January budget proposal is a General Fund commitment of \$134.3 million to fund county elections systems, which are nearing the end of their useful shelf life at the same time that counties are considering implementation of the "SB 450" vote center model elections. The funding will be made available to all counties with a 50 percent match requirement for hardware, software and initial licensing costs. The Administration projects this funding level to be sufficient for counties with more than 50 precincts to adopt the vote center model and counties with less than 50 to maintain the traditional election day-only polling precinct model.

Redevelopment Dissolution Continues

The Governor's January budget proposal restates the priority of the Brown Administration to continue the winding down of redevelopment agencies (RDA), continuing the work that began in 2011. Approximately \$2.6 billion in unrestricted property tax dollars has been returned to counties, \$2.1 billion to cities and \$781 million to special districts from 2011-12 to 2016-17. The combined current budget year and 2018-19 estimates counties will receive an additional \$990 million for their share, cities will receive \$926 million and special districts will received \$282 million. Average ongoing property tax revenues for all local agencies are estimated at \$1.2 billion annually through 2021-22. The Governor's January budget proposal notes General Fund savings through the schools share at \$1.9 billion through 2021-22.

County Assessors Tax Roll Program Funding

The Governor's January budget proposal provides \$5 million annually for the next three years for a new initiative to assist county assessors in the maintenance and equalization of property tax rolls. Details will be forthcoming in proposed statutory framework.

California Department of Tax and Fee Administration

The newly formed California Department of Tax and Fee Administration and the Office of Tax Appeals, established in July 2017, will receive additional funding for their assumed duties formerly held by the State Board of Equalization (BOE). While this is not a direct appropriation to counties, it will help the collection and distribution of significant revenues that are funneled to local agencies, including sales and use tax. Counties may recall the substantial allocation errors to local agencies by the BOE was part of the grounds for the Governor's order to create a new state department to take over many of the BOE's responsibilities.

Other Issues

2020 Census Funding

The Governor's January budget proposal includes \$40.3 million for statewide outreach and other activities related to the 2020 Census count. This builds on \$7 million in the 2017 Budget Act for local agencies grants to support the multi-year, multi-lingual effort that provides a complete and accurate count of California residents to ensure appropriate federal government representatives and federal funding levels for local communities.

State Pension Funding Debt Pay Down

The Governor's January budget proposal continues to provide supplemental pension payments totaling \$6 billion established in the 2017 Budget Act on a quarterly basis to the California Public Employees Retirement System (CalPERS). While this does not offset the pension liability of local agencies, it could have a small improvement on the system-wide funded status.

Mandate Debt Not Addressed

The Governor's January budget proposal makes mention of past efforts to pay down school and community college district mandate debt, but does not address the backlog of over \$1 billion in unpaid debt to other local agencies, including counties, statewide for services already rendered on behalf of the State.

ECONOMIC OUTLOOK

The Governor's January budget proposal anticipates continued revenue growth, expected to outpace 2017 Budget Act projections by \$4.7 billion from 2016-17 through 2018-19. In the long term, the economic forecast in the Governor's January budget proposal reflects steady growth at an average year-over-year growth rate of 4.2 percent through 2022.

Regardless of these positive figures, the Governor still emphasized the possibility of a recession, citing several economic risk factors which include the current housing shortage and other geopolitical events. It is also important to note that these figures are preliminary in nature and

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

13

do not factor in federal tax changes which could potentially cause projections to shift in subsequent budget revisions.

Sales and Use Tax Revenue Projections

Compared to the 2017 Budget Act, the Governor's January budget proposal reflects an improved outlook for sales and use tax revenues. The Administration modified its figures to reflect a projected sales tax revenue generation of \$24.9 billion in 2016-17, \$25.2 billion in 2017-18, and \$26.2 billion in 2018-19. In terms of change, these figures represent increases of \$378 million in 2016-17, \$695 million in 2017-18, and \$426 million in 2018-19.

The Governor's January budget proposal notes that the improved sales tax outlook is due to growth in taxable consumption and business investment. However, the increases do not reverse the long-term trend of deterioration of the sales tax base.

Property Tax Revenue Projections

Even though property taxes are a local revenue source, a property tax forecast is included in the state budget due to the allocation for K-14 schools offsetting General Fund expenditures.

The Governor's January budget proposal anticipates property tax revenues to continue showing positive growth, despite most recent assessments which show a slight decline in the sales of existing single-family homes. In total, the Governor's January budget proposal estimates statewide property tax revenues to increase by almost 6 percent in 2017-18 and 5.6 percent in 2018-19.

Health and Human Services

HUMAN SERVICES

In-Home Supportive Services (IHSS)

The Governor's January budget proposal contains no changes to the structure of the new county In-Home Supportive Services (IHSS) maintenance of effort (MOE) that was negotiated last year and included in the budget trailer bill SB 90 (Chapter 25, Statutes of 2017). There were specific provisions in SB 90 to provide revenues for counties to offset the nearly \$600 million that was shifted to counties and incorporated into the new MOE. The increased revenue projections for anticipated 1991 realignment sales tax growth for 2017-18 that are included in the Governor's January budget proposal will help counties better manage the increased costs in the current year. The increased IHSS costs for the out-years has been the larger concern for counties and CSAC will analyze the impact of these updated revenue projections on future years.

For 2018-19, the Governor’s January budget proposal includes \$11.2 billion for IHSS, of which \$3.6 billion is from the General Fund. This is a 7.7 percent increase in General Fund costs over the 2017-18 costs. The budget proposal estimates that the average monthly caseload will increase by 5.4 percent over the prior year projection to a total of 545,000 recipients in 2018-19. To reflect the minimum wage increase for IHSS expenditures, a total of \$260.3 million (\$119.4 million General Fund) is included.

IHSS Administration

The Governor’s January budget proposal provides an increase of \$27.8 million General Fund for county IHSS administration costs in 2018-19. The 2017 Budget Act included a provision that required the Department of Finance to work with counties to develop a new methodology for calculating IHSS administration costs. This increase results from that new budgeting methodology and takes into account revised workload and budget assumptions. These assumptions will be examined again in the development of the 2020-21 budget.

CalWORKs

The CalWORKs program is California’s version of the federal Temporary Assistance for Needy Families (TANF) program, which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient.

CalWORKS Single Allocation

The Governor’s January budget proposal includes a one-time augmentation of \$187 million for the California Work Opportunity and Responsibility to Kids (CalWORKs) program single allocation, which is what the state provides to counties to administer the CalWORKs program. The overall funding for the single allocation is \$31.8 million lower than in 2017-18. The 2017-18 budget required the Administration to work with the County Welfare Directors Association to revise the methodology for the single allocation. The revised methodology is needed to insulate counties and beneficiaries from experiencing huge swings in year-to-year funding levels for the single allocation. The conversations about the revised methodology are ongoing.

CalWORKs Home Visiting Initiative

The Governor’s January budget proposal provides \$26.7 million in funding for a voluntary Home Visiting pilot program through 2021 for young, first-time parents in the CalWORKs program. A total of \$158.5 million one-time Temporary Assistance for Needy Families (TANF) funds is being reserved for the pilot’s total costs through calendar year 2021. The pilot will leverage existing evidence-based program models to help young families reach self-sufficiency by improving family engagement practices, supporting the healthy development of young children living in

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

15

poverty, and preparing parents for employment. The Department of Social Services will work with counties to establish outcome measures to evaluate the effectiveness of the pilot.

Medi-Cal County Administration

The Governor's January budget proposal provides an increase of \$54.8 million (\$18.5 million General Fund) for Medi-Cal county administration. This amount is based on an adjustment that incorporates the increase in the California Consumer Price Index. The Administration consulted with CSAC and the County Welfare Directors Association related to Medi-Cal county administration costs.

Continuum of Care Reform

The January budget proposal includes \$238.2 million (\$179.7 million General Fund) to continue implementation of Continuum of Care reforms (CCR). The funding reflects ongoing support for child and family teams, approval of resource families, and family retention, recruitment, and support.

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

Supplemental Security Income (SSI) is a federal program that provides a monthly cash payment to eligible aged, blind, and disabled persons who meet the income and resources requirements. California augments SSI with a State Supplementary Payment (SSP) grant. The Governor's January budget proposal includes \$2.8 billion General Fund for the SSI/SSP Program, which represents a 1.2 percent decrease (\$34.9 million) from the revised 2017-18 budget. The 2018-19 monthly caseload is projected to be 1.3 million recipients, which is a slight decrease from the 2017-18 projection. Effective January 2018, the maximum SSI/SSP grant levels are \$910 per month for individuals and \$1,532 per month for couples. The federal cost of living adjustments based on the current Consumer Price Index growth factors are 2 percent for 2018 and a projected 2.6 percent for 2019.

Developmental Center Closures

The state continues the planned closure of the three remaining developmental centers: Sonoma, Fairview, and the general treatment area of Porterville. The Sonoma facility is scheduled to close in December 2018 and no longer receive federal funding for its intermediate care facility units. The Department of Developmental Services' ongoing compliance with a 2016 settlement with the federal Centers for Medicare and Medicaid Services will allow the continued receipt of federal funding for intermediate care facility units at Fairview and the general treatment area of Porterville. The Governor's January budget proposal assumes the federal funding for both Fairview and Porterville will continue.

Regional Center Services

Regional centers provide intake, assessment, eligibility determination, resource development, and case management services, while also working with businesses and individuals providing

developmental services in the community. The Governor's January budget proposal includes a regional center budget for 2018-19 of \$4.1 billion General Fund. This represents a \$319.6 million General Fund year-over-year increase from 2017-18 and \$97.6 million General Fund of this increase is attributable to the increasing state minimum wage.

HEALTH

Children's Health Insurance Program (CHIP)

The Children's Health Insurance Program (CHIP) provides federal funding to states to offer full-scope Medicaid coverage to 32,000 low-income pregnant women and children in California. It has been subject to significant uncertainty at the federal level, but Congress approved a stop-gap measure in December to continue CHIP funding to states until early March through the Continuing Resolution (CR) process.

In California, regardless of Congressional action, CHIP funding will be maintained through September 30, 2019, as part of the Affordable Care Act Maintenance of Effort. The State has also been receiving an enhanced federal matching rate of 88 percent for CHIP funding. However, the state had planned for a reduction in the rate – back to 65 percent – in the current year budget. Since the December, CR continues to fund the state at the enhanced matching rate, the Governor anticipates a \$150 million savings in the current year budget. Continued uncertainty over the fate of CHIP will require caution, and CSAC expects the Governor to update these figures in the May Revision.

Affordable Care Act

The Governor's January budget proposal includes increased General Fund dollars for the state's portion of the optional Medicaid Expansion under the Affordable Care Act (ACA). As of January 1, the State's share of the cost for the 3.9 million Californians in the expansion population rose from 5 percent to 6 percent, with the federal government providing 94 percent of the cost. The Governor estimates this will cost the state \$1.6 billion General Fund (\$22.9 billion total funds) in 2018-19. By 2020, the state's share will be 10 percent as proscribed by the ACA.

Overall costs for the Medi-Cal program are projected to rise by \$543 million in 2018-19 due to payments to the federal government for drug rebate miscalculations and higher overall Medi-Cal managed care costs.

AB 85 County Indigent Health Savings

The Governor's January budget proposal estimates \$530.5 million in county indigent health savings in 2018-19, which will be diverted from the county 1991 Health Subaccount under AB 85 (Chapter 24, Statutes of 2013) to offset state CalWORKs costs. The state also anticipates

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

17

additional funding in 2019-18 from counties as the “true up” of 2015-16 costs continues. These figures will be updated in the Governor’s May Revision.

Please see the AB 85 2018-19 estimated redirections and 2015-16 reconciliations charts provided in the “Additional Resources” section at the end of this publication.

Managed Care Organization Tax

The Legislature approved a Managed Care Organization (MCO) tax in 2016 to augment developmental services, managed care rates for specific populations, and IHSS costs. In 2018-19, the Governor anticipates \$1.4 billion in MCO revenue. The MCO tax expires on June 30, 2019.

Proposition 56 Tobacco Tax

In 2016, voters approved an increase in the tobacco tax, including for e-cigarettes. In 2018-19, the Governor estimates \$1.3 billion in revenue. Of that, \$125 million is used to backfill reduced Proposition 10 revenues, among other items.

More than \$850 million is dedicated to offsetting state Medi-Cal costs, including physician (\$163 million) and dental (\$70 million) supplemental payment increases for specific, frequent procedures. The Governor’s January budget proposal indicates that the intent of these supplemental payments is to increase the number of providers willing to offer Med-Cal services or increase the number of enrollees and access. Should these metrics not be met, the Governor promises to work with the Legislature to redesign the payments to align with these goals.

The Governor is proposing to use \$31.6 in Proposition 56 funds to increase home health provider rates by 50 percent on July 1, 2018. The Governor’s January budget proposal includes a total of \$64.5 million for this purpose. Home health providers are employed in the fee-for-service market and are not IHSS providers. They provide medically necessary services in patient homes through the state’s home and community-based services federal waivers.

Department of Public Health

The Department of Public Health (DPH) is responsible for protecting and promoting the health and well-being of the people in California. Currently, DPH contracts with the Los Angeles County Department of Public Health to regulate certain health care entities located in Los Angeles County.

DPH and Los Angeles County are working to develop a contract for the County to conduct 100 percent of the regulatory work within Los Angeles, beginning in 2019-20, which would include pay-for-performance metrics and is anticipated to cost more than the current contract. The current contract only covers a portion of the workload in Los Angeles County. DPH will assess and apply a supplemental fee to its regulated health care entities located in Los Angeles County

beginning in 2018-19 to reflect the higher cost of doing business in Los Angeles County. There is statutory language proposed in the Governor's January budget proposal to assess the supplemental fee, which will be based on the additional cost necessary to administer and enforce licensing and certification services to health care entities in Los Angeles County.

BEHAVIORAL HEALTH

Incompetent to Stand Trial Admissions

The Governor's January budget proposal includes \$114.8 million General Fund over three years to develop state-county partnerships and placement solutions for those who are found Incompetent to Stand Trial (IST) by the courts. The new program is intended to increase diversion of mentally ill offenders and ease the number of IST referrals to the Department of State Hospitals (DSH) by 30 percent.

The number of IST referrals pending placement by DSH have increased from 600 individuals in December 2016 to 840 in early December 2017. While DSH has been working with counties to develop county jail-based placement programs and diversion options, this new funding will be focused on those with mental illness who have committed felony crimes. The program will prioritize the 15 counties with the most IST referrals. It will also increase diversion programs up to 640 placements as well as up to 60 additional community placements in other counties.

The proposal includes \$14 million General Fund to partner with Los Angeles County to support treatment in community settings for up to 150 IST patients. The DSH will also continue efforts to partner with additional counties on joint use facilities for IST patients.

The Governor's January budget proposal dedicates \$2.5 million in state-level Mental Health Services Act administration funding to the Mental Health Services Oversight and Accountability Commission (MHSOAC) to assist counties in developing IST diversion plans and programs. The MHSOAC will receive \$2.5 million in funding for two year for this purpose.

The Governor also proposes significant continued investments to address the IST placement issue, with a \$53 million 36-bed secure forensic expansion at Metropolitan State Hospital, \$16.1 million to continue contracts with counties for up to 159 jail-based competency treatment beds, and \$11.5 million to activate 80 Mentally Disordered Offender beds at Coalinga State Hospital for transfers from other state hospitals.

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

19

Housing, Land Use and Transportation

Transportation Funding

The Governor’s January budget proposal paints a significantly better picture for transportation infrastructure than in years past due largely to the passage of SB 1 (Chapter No. 5, Statutes of 2017) – the Road Repair and Accountability Act of 2017. Over the next decade, SB 1 will provide approximately \$5 billion annually in revenue for local streets and roads, state highways and public transportation through the imposition of new and increased gasoline and diesel taxes and transportation improvement fees.

The Governor’s January budget proposal estimates that SB 1 will generate \$2.8 billion in new revenue for transportation infrastructure in 2017-18 and \$4.6 billion in 2018-19. These revenues are in addition to revenues from the base- and price-based gasoline excise tax increments counties, cities, and the State have received in prior years. The following is a preliminary analysis of revenues counties can anticipate receiving from the base gasoline excise tax, the price-based gasoline excise tax (which replaced the sales tax on gasoline in 2010), and from revenue sources generated by SB 1. CSAC staff will follow-up as quickly as possible to provide transportation revenue estimates on a county-by-county basis.

SB 1 Revenues and Appropriations

The release of the Governor’s January budget proposal includes revised estimates for SB 1 funded programs for 2017-18, as well as new estimates for 2018-19. Counties can anticipate receiving via direct subventions fifty percent of the \$451 million slated for local streets and roads in 2017-18 and the approximately \$1.2 billion in 2018-19 from SB 1. The following chart outlines 2017-18 and 2018-19 revenue projections from SB 1.

| | Program | 2017-18 Appropriation | 2018-19 Appropriation |
|--------------------------|---|--------------------------|--------------------------|
| Local Allocations | Local Streets and Roads | \$451 | \$1,193 |
| | Transit and Intercity Rail Capital Program | \$330 | \$330 |
| | State Transit Assistance | \$280 | \$355 |
| | Local Partnership Program | \$200 | \$200 |
| | Active Transportation Program | \$100 | \$100 |
| | Commuter Rail and Intercity Rail | \$25 | \$36 |
| | Local Planning Grants | \$25 | \$25 |
| | TOTAL | \$1,411 | \$2,239 |

| | | | |
|--------------------------|--|------------------------------|----------------|
| State Allocations | SHOPP/Maintenance | \$451 | \$1,210 |
| | Bridges and Culverts | \$400 | \$400 |
| | Commuter Corridors | \$250 | \$250 |
| | Trade Corridor Enhancements | \$153 | \$306 |
| | Department of Parks and Recreation* | \$53 | \$79 |
| | Air Resources Board Clean Freight | \$50 | \$0 |
| | Freeway Service Patrol | \$25 | \$25 |
| | Department of Food and Agriculture* | \$17 | \$26 |
| | Transportation-related CSU and UC Research | \$7 | \$7 |
| | Transportation Workforce Development Board | \$5 | \$5 |
| | TOTAL | \$1,411 | \$2,308 |
| | Administration | Department of Motor Vehicles | \$4 |
| TOTAL | | \$4 | \$8 |
| Revenue | Transportation Improvement Fee | \$737 | \$1,510 |
| | Gasoline Excise Tax | \$1,250 | \$1,852 |
| | Diesel Excise Tax | \$405 | \$672 |
| | Diesel Sales Tax | \$200 | \$286 |
| | General Fund Loan Repayment | \$235 | \$235 |
| | TOTAL | \$2,827 | \$4,555 |

*Revenue derived from fuel purchases for off-road vehicles

Under SB 1, all outstanding loans from transportation funds are required to be repaid by 2019-20 in equal installments beginning in 2017-18. The Governor's January budget proposal recognizes this statutory commitment and the General Fund will appropriate \$235 million in 2017-18 and \$235 million in 2018-19 for this purpose. Counties and cities have already been fully repaid for loans in prior years from the local share of transportation revenues. However, counties and cities will still be the beneficiaries of \$75 million annually over the next three years

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

21

from loan repayments, although the exact date of repayment for 2017-18 and 2018-19 is unknown.

Base- and Price-Based Gasoline Excise Tax Revenues

As previously mentioned, counties will continue to receive their historic share of the base- and price-based gasoline excise tax revenues in 2018-19. The price-base excise tax rate will be adjusted one last time in 2018 to ensure revenue neutrality with what the former sales tax on gasoline would otherwise have generated. Pursuant to SB 1, this rate will be reset at 17.3 cents in July 2019 and subsequently adjusted based on inflation. The base gas tax rate will also be adjusted for inflation pursuant to SB 1 beginning in 2020-21.

Based on fuel consumption, which is projected to decline by 0.6 percent in 2018-19 due to consumption patterns related to an increase in the price of gasoline, increased fuel efficiency, and price projections, the Governor's January Budget proposal anticipates a price-based rate increase of 4.2 cents effective July 1, 2018. The Board of Equalization must do its own analysis and take action by March of each year to adopt the new price-based gasoline excise tax rate.

SB 1 Repeal Effort

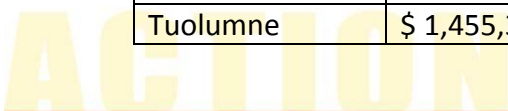
While CSAC is pleased to report the good news with respect to revenue estimates that will allow counties for the first time in many years to actually make improvements to the local street and road system, this section would not be complete without mention of the attempts to repeal SB 1. The "Give Voters a Voice" campaign to repeal SB 1 is currently raising money for, and collecting signatures on, an initiative that would require the Legislature to put before the electorate approval of any gas, diesel, or vehicle related tax or fee increase. Since the initiative has a retroactive effective date of January 1, 2017, it would repeal SB 1. CSAC will ensure revenues estimates on a county-by-county basis make clear what revenues counties would lose in 2018-19 and beyond should a repeal effort be successful.

Affordable Housing

The Governor's January budget proposal includes a recap of the ongoing multi-year debate on housing affordability, but the focus is on implementation of last year's 15-bill package. While the specific timing of SB 2 (Chapter No. 364, Statutes of 2017) appropriations remains unclear, the Governor's January budget proposal projects that \$258 million in tax revenues will be generated via SB 2's recording fee in 2018-19. Counties will recall that SB 2 funding in 2018 will be split evenly between grants for local planning activities that promote housing development and statewide grants for homeless services.

ADDITIONAL RESOURCES

| AB 85 2018-19 Redirection Calculation | |
|--|------------------|
| CMSP | Redirection |
| Alpine | \$ 13,150.00 |
| Amador | \$ 620,264.00 |
| Butte | \$ 5,950,593.00 |
| Calaveras | \$ 913,959.00 |
| Colusa | \$ 799,988.00 |
| Del Norte | \$ 781,358.00 |
| El Dorado | \$ 3,535,288.00 |
| Glenn | \$ 787,933.00 |
| Humboldt | \$ 6,883,182.00 |
| Imperial | \$ 6,394,422.00 |
| Inyo | \$ 1,100,257.00 |
| Kings | \$ 2,832,833.00 |
| Lake | \$ 1,022,963.00 |
| Lassen | \$ 687,113.00 |
| Madera | \$ 2,882,147.00 |
| Marin | \$ 7,725,909.00 |
| Mariposa | \$ 435,062.00 |
| Mendocino | \$ 1,654,999.00 |
| Modoc | \$ 469,034.00 |
| Mono | \$ 369,309.00 |
| Napa | \$ 3,062,967.00 |
| Nevada | \$ 1,860,793.00 |
| Plumas | \$ 905,192.00 |
| San Benito | \$ 1,086,011.00 |
| Shasta | \$ 5,361,013.00 |
| Sierra | \$ 135,888.00 |
| Siskiyou | \$ 1,372,034.00 |
| Solano | \$ 6,871,127.00 |
| Sonoma | \$ 13,183,359.00 |
| Sutter | \$ 2,996,118.00 |
| Tehama | \$ 1,912,299.00 |
| Trinity | \$ 611,497.00 |
| Tuolumne | \$ 1,455,320.00 |



| | |
|-------------------------------|-------------------|
| Yuba | \$ 2,395,580.00 |
| CMSP Board | \$ 166,202,093.40 |
| SUBTOTAL | \$ 255,271,054.40 |
| Article 13 60/40 | |
| Redirection | |
| Placer | \$ 3,241,250.65 |
| Sacramento | \$ 31,765,594.24 |
| Santa Barbara | \$ 8,102,022.44 |
| Stanislaus | \$ 10,870,303.74 |
| Yolo | \$ 3,507,969.00 |
| SUBTOTAL | \$ 57,487,140.08 |
| Article 13 | |
| Formula | |
| Fresno | \$ 15,584,208 |
| Merced | \$ 2,628,729 |
| Orange | \$ 41,381,018 |
| San Diego | \$ 44,757,429 |
| San Luis Obispo | \$ 2,871,817 |
| Santa Cruz | \$ 3,736,002 |
| Tulare | \$ 6,209,741 |
| SUBTOTAL | \$ 117,168,944.70 |
| DPH | |
| Calculated Redirection | |
| Alameda | \$ - |
| Contra Costa | \$ 7,375,489 |
| Kern | \$ 11,624,599 |
| Los Angeles | \$ - |
| Monterey | \$ 1,346,650 |
| Riverside | \$ 34,819,814 |
| San Bernardino | \$ 29,889,754 |
| San Francisco | \$ - |
| San Joaquin | \$ 15,486,883 |
| San Mateo | \$ - |
| Santa Clara | \$ - |
| Ventura | \$ - |
| SUBTOTAL | \$ 100,543,187.83 |
| \$ 530,470,327.01 | |

ACTION

| AB 85 FY 2015-16 Reconciliation Summary | | |
|--|---------------------------|---|
| Article 13 Formula | Interim Redirected | Reconciliation (Due from County) |
| Fresno | \$ 11,385,984.67 | \$ 4,198,223.37 |
| Orange | \$ 41,236,255.15 | \$ 144,763.19 |
| San Diego | \$ 44,716,283.05 | \$ 41,145.81 |
| San Luis Obispo | \$ 2,846,951.60 | \$ 24,865.47 |
| Tulare | \$ 6,182,592.10 | \$ 7,327.32 |
| SUBTOTAL | \$ 113,575,423.84 | \$ 3,651,344.17 |
| | | |
| DPH | Interim Redirected | Reconciliation (Due from County) |
| Alameda | \$ 44,966,189.62 | \$ 731,447.29 |
| Contra Costa | \$ 19,585,406.23 | \$ 3,357,326.21 |
| Kern | \$ 12,955,764.23 | \$ 2,863,153.62 |
| Los Angeles | \$ 101,314,163.84 | \$ 193,401,723.75 |
| Monterey | \$ 2,834,843.99 | \$ 3,071,146.18 |
| Riverside | \$ 37,195,609.05 | \$ 684,610.91 |
| San Bernardino | \$ 28,883,328.02 | \$ 1,006,425.85 |
| San Mateo | \$ 15,831,331.21 | \$ 226,424.38 |
| Santa Clara | \$ 19,451,964.02 | \$ 21,245,627.21 |
| Ventura | \$ 14,849,566.18 | \$ 191,557.52 |
| SUBTOTAL | \$ 321,561,878.63 | \$ 204,315,569.99 |
| | | |
| Grand Total | \$ 747,825,464.46 | \$ 207,966,914.15 |

Due From Counties

\$ 231,195,768.09

ACTION

CALIFORNIA STATE ASSOCIATION OF COUNTIES

25

1991 Realignment Estimated Revenues and Expenditures - 2018-19 Governor's Budget
(Dollars in Thousands)

| 2016-17 State Fiscal Year | | | | | | | |
|--|--------------------|--------------------|--------------------|------------------|-------------------|------------------|--------------------|
| Amount | CalWORKs MOE | Health | Social Services | Mental Health | Family Support | Child Poverty | Totals |
| Base Funding | | | | | | | |
| Sales Tax Account | \$752,887 | \$- | \$1,913,802 | \$33,967 | \$443,909 | \$88,224 | \$3,232,789 |
| Vehicle License Fee Account | 367,664 | 1,047,929 | 58,142 | 94,870 | 117,097 | 160,465 | 1,846,167 |
| Total Base | \$1,120,551 | \$1,047,929 | \$1,971,944 | \$128,837 | \$561,006 | \$248,689 | \$5,078,956 |
| General Growth Carryover from 2015-16 ¹ | | | | | | 37,255 | 37,255 |
| Growth Funding | | | | | | | |
| Sales Tax Growth Account: | - | 54 | 110,894 | 69 | - | 16,198 | 127,215 |
| Caseload Subaccount | - | - | (84,626) | - | - | - | (84,626) |
| County Medical Services Growth Subaccount | - | - | (5,123) | - | - | - | (5,123) |
| General Growth Subaccount | - | (54) | (21,145) | (69) | - | (16,198) | (37,466) |
| Vehicle License Fee Growth Account | - | 153 | 73,747 | 193 | - | 45,477 | 119,570 |
| Total Growth | \$- | \$207 | \$184,641 | \$262 | \$- | \$61,675 | \$246,785 |
| Total Realignment 2016-17² | \$1,120,551 | \$1,048,136 | \$2,156,585 | \$129,099 | \$561,006 | \$347,619 | \$5,362,996 |
| 2017-18 State Fiscal Year | | | | | | | |
| Base Funding | | | | | | | |
| Sales Tax Account | \$752,887 | \$- | \$2,024,696 | \$34,036 | \$443,963 | \$104,422 | \$3,360,004 |
| Vehicle License Fee Account | 367,664 | 951,998 | 131,889 | 95,063 | 213,181 | 205,942 | 1,965,737 |
| Total Base | \$1,120,551 | \$951,998 | \$2,156,585 | \$129,099 | \$657,144 | \$310,364 | \$5,325,741 |
| Growth Funding | | | | | | | |
| Sales Tax Growth Account: | - | - | 166,932 | - | - | - | 166,932 |
| Caseload Subaccount | - | - | (166,932) | - | - | - | (166,932) |
| County Medical Services Growth Subaccount | - | - | - | - | - | - | - |
| General Growth Subaccount | - | - | - | - | - | - | - |
| Vehicle License Fee Growth Account | - | - | 61,181 | - | - | 38,830 | 100,011 |
| Total Growth | \$- | \$- | \$228,113 | \$- | \$- | \$38,830 | \$266,943 |
| Total Realignment 2017-18² | \$1,120,551 | \$951,998 | \$2,384,698 | \$129,099 | \$657,144 | \$349,194 | \$5,592,684 |
| 2018-19 State Fiscal Year | | | | | | | |
| Base Funding | | | | | | | |
| Sales Tax Account | \$752,887 | \$22,204 | \$2,191,628 | \$34,036 | \$421,759 | \$104,422 | \$3,526,936 |
| Vehicle License Fee Account | 367,664 | 1,056,468 | 193,070 | 95,063 | 108,711 | 244,772 | 2,065,748 |
| Total Base | \$1,120,551 | \$1,078,672 | \$2,384,698 | \$129,099 | \$530,470 | \$349,194 | \$5,592,684 |
| Growth Funding | | | | | | | |
| Sales Tax Growth Account: | - | - | 135,348 | - | - | - | 135,348 |
| Caseload Subaccount | - | - | (135,348) | - | - | - | (135,348) |
| County Medical Services Growth Subaccount | - | - | - | - | - | - | - |
| General Growth Subaccount | - | - | - | - | - | - | - |
| Vehicle License Fee Growth Account | - | - | 53,429 | - | - | 33,911 | 87,340 |
| Total Growth | \$- | \$- | \$188,777 | \$- | \$- | \$33,911 | \$222,688 |
| Total Realignment 2018-19² | \$1,120,551 | \$1,078,672 | \$2,573,475 | \$129,099 | \$530,470 | \$383,105 | \$5,815,372 |

¹ Reflects general growth carryover to fund the 5-percent increase to CalWORKs Maximum Aid Payment levels effective April 1, 2015, pursuant to Welfare and Institutions Code section 17601.50.

² Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

2011 Realignment Estimate¹ - at 2018-19 Governor's Budget

| | 2016-17 | 2016-17 Growth | 2017-18 | 2017-18 Growth | 2018-19 | 2018-19 Growth |
|--|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| Law Enforcement Services | \$2,361.2 | | \$2,467.3 | | \$2,579.6 | |
| Trial Court Security Subaccount | 539.7 | 10.6 | 550.3 | 11.2 | 561.6 | 10.9 |
| Enhancing Law Enforcement Activities Subaccount ² | 489.9 | 155.9 | 489.9 | 201.4 | 489.9 | 209.7 |
| Community Corrections Subaccount | 1,161.6 | 79.4 | 1,241.1 | 84.3 | 1,325.3 | 81.5 |
| District Attorney and Public Defender Subaccount | 27.9 | 5.3 | 33.3 | 5.6 | 38.9 | 5.4 |
| Juvenile Justice Subaccount | 142.1 | 10.6 | 152.7 | 11.2 | 163.9 | 10.9 |
| <i>Youthful Offender Block Grant Special Account</i> | (134.3) | (10.0) | (144.3) | (10.6) | (154.9) | (10.3) |
| <i>Juvenile Reentry Grant Special Account</i> | (7.8) | (0.6) | (8.4) | (0.6) | (9.0) | (0.6) |
| Growth, Law Enforcement Services | | 261.8 | | 313.7 | | 318.4 |
| Mental Health³ | 1,120.6 | 9.8 | 1,120.6 | 10.4 | 1,120.6 | 10.1 |
| Support Services | 3,404.9 | | 3,591.7 | | 3,789.9 | |
| Protective Services Subaccount | 2,169.5 | 88.5 | 2,258.0 | 93.9 | 2,351.9 | 90.9 |
| Behavioral Health Subaccount | 1,235.4 | 98.4 | 1,333.7 | 104.3 | 1,438.0 | 101.0 |
| <i>Women and Children's Residential Treatment Services</i> | (5.1) | - | (5.1) | - | (5.1) | - |
| Growth, Support Services | | 196.7 | | 208.6 | | 202.0 |
| Account Total and Growth | \$7,345.2 | | \$7,701.9 | | \$8,010.5 | |
| Revenue | | | | | | |
| 1.0625% Sales Tax | 6,699.5 | | 7,010.6 | | 7,310.9 | |
| Motor Vehicle License Fee | 645.8 | | 691.3 | | 699.6 | |
| Revenue Total | \$7,345.3 | | \$7,701.9 | | \$8,010.5 | |

This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

¹ Dollars in millions.

² Base Allocation is capped at \$489.9 million. Growth does not add to the base.

³ Base Allocation is capped at \$1,120.6 million. Growth does not add to the base.



February 15, 2018

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To: CSAC Board of Directors

From: Matt Cate, CSAC Executive Director
Kiana Valentine, CSAC Senior Legislative Representative

Re: **CSAC Financial Participation in the Support Proposition 69 and Oppose SB 1 Repeal Campaign – ACTION ITEM**

Recommendation. The CSAC Officers and CSAC Executive Committee recommend that the Board of Directors take action to financially participate in the campaign to support Proposition 69 and oppose the SB 1 repeal effort.

Background. There are currently efforts underway to repeal SB 1 – the Road Repair and Accountability Act of 2017 (SB 1) which was passed by the Legislature and signed into law by the Governor in April 2017. The Legislature also passed an accompanying constitutional protection measure (ACA 5/ Proposition 69) to ensure the forty-percent of revenues generated by SB 1, which are not already constitutionally protected, are dedicated to transportation. The “Give Voters a Voice” campaign to repeal SB 1 is currently raising money for, and collecting signatures on, a constitutional amendment initiative that would require the Legislature to put before the electorate approval of any gas, diesel, or vehicle related tax or fee increase. Since the initiative has a retroactive effective date of January 1, 2017, it would repeal SB 1. The repeal effort gained momentum in late 2017 raising significant amounts of new revenue and has self reportedly collected 400,000 of the required signatures to qualify the measure.

Over the next decade, SB 1 will provide approximately \$5 billion annually in revenue for local streets and roads, state highways, and public transportation through the imposition of new and increased fuel and diesel taxes and improvement fees. From these revenue sources, approximately \$1.5 billion per year in new funding will be allocated by formula for county roads and city streets. Counties and cities received their first SB 1 monthly apportionment on January 31 so local projects are soon to be underway.

Early polling indicates that Californians are most seriously concerned with the condition of their local streets and roads and generally are supportive of funding for projects in their local communities. As such, CSAC has been asked to engage in a more formal way against the SB 1 repeal effort as soon as possible. Specifically, the Fix Our Roads Coalition would like CSAC to serve a principal role on the campaign committee – the

Coalition to Protect Local Transportation Improvements – that has been formed to support Proposition 69 and secure its passage in June 2018 and oppose the SB 1 repeal measure which, if qualifies, would appear on the November 2018 ballot.

Policy Considerations. The Board of Directors took action on January 18 to support Prop 69 and oppose the SB 1 repeal effort. The CSAC Executive Committee also took action at their January 18 meeting to recommend to the CSAC Board of Directors to act to contribute financially to the campaign.

Action Requested. Staff requests that the Board of Directors take action to approve financial participation in the campaign in support of Prop 69 and against the SB 1 repeal effort.

Staff Contact. Please contact Kiana Valentine (kvalentine@counties.org or 916-650-8185) for additional information.



California State Association of Counties®

DRAFT CSAC 2018 STATE AND FEDERAL ADVOCACY PRIORITIES

Each year, CSAC's Board of Directors sets the Association's state and federal advocacy priorities. These priorities, adopted with the input of policy committees, the CSAC Officers, the Executive Committee, and our affiliates, will guide CSAC's advocacy efforts in 2018 both in Sacramento and Washington DC.

Despite the many distractions and challenges ahead, CSAC is determined to focus on the critical business of counties including implementing recent legislative changes and reforms, responding to the increasing number of climate-induced natural disasters, and protecting the fiscal health of our communities.

In the last year of Governor Brown's Administration, CSAC will continue to partner with his Administration to invest in vital infrastructure and protect the ability of counties to provide services and govern the state's diverse communities. CSAC will also begin meeting with gubernatorial candidates to educate them on the critical role counties play in making California successful.

While CSAC advocates on a multitude of issues each year, the following 2018 state and federal priorities are expected to be in the spotlight in 2018. Our priorities are organized around three concepts: **Defending County Interests and Fiscal Health, Resiliency and Preparedness, and Innovation.**

STATE ADVOCACY PRIORITIES

Defending County Interests and Fiscal Health

County Contracting Authority. County authority to provide services in the most efficient, effective way to their residents was jeopardized in 2017 by AB 1250 (Jones-Sawyer), which would have created a de facto ban on service contracts between counties and nonprofits, community based organizations, and private provider partners in nearly all service areas, including health care, behavioral health, public safety, housing, environmental stewardship, and even basic county administration. This is part of a broader effort to restrict counties' contracting authority. CSAC staff will continue to fight AB 1250 and any other legislation that would restrict a county's authority to contract out.

In-Home Supportive Services. In 2018, counties will need to sustain their commitment to implementing the new IHSS provisions enacted by SB 90 and AB 130. This will include working with the Administration to adjust the MOE, allocate offsetting revenue, and several other issues, as well as continuing education efforts. Finally, CSAC will need to track the impact of this new MOE and engage with policy makers to

reexamine this new structure within the context of the reopener provision to ensure long-term sustainability for counties.

Affordable Care Act. California's counties must continue to engage on any proposal to repeal or alter the Affordable Care Act (ACA). Of California's total Medi-Cal budget of \$19.1 billion, about \$15 billion are federal funds, a large proportion of which are associated with the ACA. CSAC will continue to work with our Washington DC representatives, county affiliates, and the Brown Administration to respond to any county impacts.

Local Tax Authority and Revenue Protection. CSAC actively and successfully lobbied on over a dozen measures that sought to create sales and use tax exemptions for products ranging from diapers to electric vehicles to feminine hygiene products. While often well-intended, these proposals would erode tens of millions of dollars annually in local revenue and dedicated state funding for public safety and human services programs, including 1991 and 2011 Realignment. CSAC will continue to protect the local share of these revenues.

Secure and Sustainable Employee Benefits. Decisions pending before the CalPERS Board of Administration in late 2017 could greatly improve the health of the pension system but at some substantial cost to employers in the near- and long-term. CSAC will work closely with CalPERS to address the need for fiscal stability while acknowledging the impacts of rate increases on public employers.

In addition, retirement trends benefit levels make the entire system less sustainable. System-wide changes may be required to keep CalPERS from terminating contracts with more agencies or even stopping payments to current retirees. Pension difficulties create uncertainty for current employees and can impede counties' ability to recruit and retain well-qualified employees. CSAC will continue working with CalPERS and other stakeholders to ensure the intended outcomes can be fully realized without unintended consequences.

Equitable Deployment of Telecommunications and Broadband Infrastructure. Counties have an interest in incentivizing and streamlining wireless telecommunications and other broadband infrastructure deployment in their communities. Urban, suburban, and rural counties have different challenges with respect to wireless and broadband infrastructure deployment and efforts such as SB 649 in 2017 must balance the wide ranging needs across California and ensure counties can negotiate on behalf of the public interest in exchange for a streamlined permitting process. CSAC will be proactive in 2018 and continue to work with our local government partners to find a solution that strikes an appropriate balance for all of California's counties and the people we serve.

Resiliency and Preparedness

Emergency/Disaster Response. The 2017 wildfire season was devastating in California. In October and December, Governor Brown declared a state of emergency in 13 counties hit by major wildfires in both northern and southern California. He also secured Presidential Disaster Declarations allowing federal

agencies to help coordinate efforts in disaster relief. The aftermath and recovery from these fires will be a focus of the effected counties, CSAC, state regulatory agencies, and the Legislature. CSAC will continue work with impacted counties to ensure effective communication and coordination with state and federal agencies and partner with the Legislature to assist counties with fiscal relief and any regulatory assistance they need.

Climate Change. The state's climate goals and cap and trade program have been reauthorized through 2030 by a super majority vote of the Legislature. Legislation established a new local air quality program that focuses on areas of the state most burdened by pollution and requires a new statewide strategy to combat air pollution from both mobile and stationary sources. CSAC will work with the California Air Resources Board (CARB) and local air districts on the implementation of this measure and the development of local community plans aimed at reducing air pollution in disadvantaged communities. In addition, CSAC will continue to advocate for cap and trade resources to address a number of local government priority issues, including waste diversion, forest health and tree mortality, and local government action. CSAC will also focus on climate adaptation and resiliency and advocate for resources to help prepare counties for our changing climate.

Natural Resources. SB 5 (de León) was signed by the Governor this year and placed a \$4 billion water and parks bond on the June 2018 ballot. CSAC will work to direct new financial resources to help fund critical water issues. In addition, CSAC will continue to focus on the implementation of several key water issues, including the Sustainable Groundwater Management Act (SGMA), the development of additional stormwater funding tools, and ongoing negotiations about water quality funding and conservation issues.

Transportation Infrastructure. With the support of CSAC, the Legislature and Governor enacted the Road Repair and Accountability Act (SB 1) in April 2017 – a long-sought, comprehensive transportation funding package. SB 1 is expected to generate \$5.2 billion annually for state highways, local streets and roads, bridges, transit, goods movement, and active transportation infrastructure. Counties and cities will equally share \$1.5 billion annually for maintenance, rehabilitation, and safety improvements to local roads.

Unfortunately, SB 1 is the target of at least two repeal attempts, one of which is gaining momentum. While CSAC, along with the Fix Our Roads Coalition, has been advocating for repeal proponents to abandon their efforts early indications are that we may face a ballot initiative in November 2018. Given how critical this funding is to counties in order to maintain and improve the local transportation network, protecting SB 1 is a top priority for CSAC.

Innovation

Cannabis. The process of licensing commercial medical and adult use cannabis businesses began in California on January 1, 2018, although local governments are not held to any particular timeframe. CSAC will work closely with counties to ensure that they have the information they need to develop local

regulations, should they choose to allow cannabis businesses in their jurisdictions. CSAC will continue to work with the CSAC Finance Corporation on the development of a Joint Powers Authority for the purpose of developing and managing a statewide data platform that will gather, collect, and analyze information from a myriad of data sources into one resource, to help local governments ensure cannabis regulatory compliance and also provide necessary information to financial institutions that wish to work with the cannabis industry.

Support Development of Affordable Housing. The Legislature and Governor also achieved success on another long-standing priority for CSAC – a permanent source of funding for affordable housing. SB 2 (Atkins) levies a \$75 recorded document fee effective January 1. In 2018, CSAC will focus on implementing SB 2 and a number of other policy measures that were passed alongside it. At the same time, the Legislature will likely continue to focus on innovative ways to spur housing development and counties must be ready to respond with innovative ways in which to achieve our mutual housing goals. CSAC will work hand in hand with our affiliates, housing advocates, and the state to identify opportunities to increase housing development and avoid additional new unfunded mandates on local government.

Homelessness. CSAC partnered with the League of California Cities to establish the Joint Homelessness Task Force, which met over the last year to explore ways cities and counties can partner together to address homelessness. The task force will release their report in early 2018. CSAC will work with the League of Cities and the Institute for Local Government on the release of the report and continued educational opportunities for local governments. Homelessness will remain at the top of the Legislature’s agenda and CSAC will need to continue to leverage the policy expertise of the health and human services, housing and land use, and administration of justice policy committees to identify the appropriate opportunities to engage and advocate for counties.

FEDERAL ADVOCACY PRIORITIES

Overview

The second session of the 115th Congress, much like the first, is expected to present California’s counties with a number of challenges and opportunities alike. After the collapse of GOP efforts aimed at a comprehensive repeal and replacement of the ACA, congressional Republicans are expected to make another run at dismantling the landmark healthcare reform law. Additionally, the Trump administration is expected to seek congressional approval of an ambitious infrastructure spending plan, as well as seek changes to key entitlement programs. While we anticipate these issues moving into 2018, the Trump administration presents a different political paradigm, and we will remain nimble in our approach.

CSAC staff and Paragon Government Relations (formerly Waterman & Associates) will work collaboratively to address these issues, as well as advocate on our long-standing priorities and respond other emerging topics, throughout the year.

PRIORITY LEGISLATIVE AND BUDGET POLICY ISSUES (2018)

Affordable Care Act (ACA) Repeal and Replacement. CSAC will continue to monitor legislative proposals to repeal and replace the ACA. California, its counties, and the residents they serve have benefitted greatly from the expansion of Medicaid (Medi-Cal) and the insurance subsidies provided to those individuals and families whose incomes do not qualify them for Medicaid. In the wake of the tax reform bill's (HR 1) repeal of the individual mandate, Medicaid and other key reform components of the ACA are also at risk of being dismantled. CSAC will work to protect the financing of coverage under the ACA and will consider other options to replace the Act that continue coverage and access to care.

Additionally, CSAC will continue to support bipartisan efforts to eliminate the ACA excise tax, which is slated to go into effect in 2020. A number of California counties offer health insurance plans and related programs that will be subjected to the tax on high-cost plans.

Medicaid Financing. CSAC will closely monitor potential efforts to block grant or otherwise provide states per-capita Medicaid payments based on their historical spending patterns in return for increased administrative flexibility in designing and administering the program. California continues to be one of the lowest Medicaid spending states based on a per-capita basis, potentially locking the state in to a very low federal allotment. Moreover, to the extent that state administrative and benefit costs exceed what is covered by the block grant, counties are at risk of assuming the financial liability for those costs.

Infrastructure Spending Plan. On the heels of enactment of the tax reform bill, the White House and GOP congressional leaders have indicated that an ambitious public works package is likely to be a major focus during the second session of the 115th Congress. As part of ongoing infrastructure discussions, CSAC has been active in urging members of the California congressional delegation to prioritize the significant infrastructure investment needs at the local level. In particular, the association is advocating for direct federal funding to local governments for the improvement and maintenance of existing transportation assets.

Changes to Entitlement Programs (TANF). Congressional Republicans have publicly stated that a TANF overhaul and restructuring bill will be a top legislative priority in 2018. CSAC will work to protect California county interests as part of any TANF reauthorization legislation and will be working to restore state and county flexibility to tailor work and family stabilization activities to families' individual needs. CSAC also will support maintaining the focus on work activities under TANF, while recognizing that "work first" does not mean "work only."

Child Welfare Financing Reform (*Family First Prevention Services Act (FFPSA)*). CSAC will support increased federal funding for services and income support needed by parents seeking to reunify with children who are in foster care. CSAC also supports increased financial support for programs that assist foster youth in the transition to self-sufficiency, including post-emancipation assistance such as secondary education, job training, and access to health care.

In addition, CSAC will work to protect and retain the entitlement nature of the Title IV-E Foster Care and Adoption Assistance programs while seeking the elimination of outdated rules that base a child's eligibility for funds on parental income and circumstances. CSAC also supports federal funding to address the service needs of youth who are victims of commercial sexual exploitation.

Finally, CSAC will continue to oppose the FFPSA (HR 253) in its current form, which, if approved, would either undo or severely hamper California's ongoing child welfare reform efforts, including implementation of the Continuum of Care Reform bill (AB 403). CSAC has continued to push amendments to HR 253 that would allow CCR implementation efforts to continue unimpeded.

Fee-to-Trust Reform / *Carcieri v. Salazar*. CSAC will continue to lead local government efforts aimed at securing a comprehensive legislative overhaul of the Department of the Interior's fee-to-trust process. A number of CSAC-spearheaded reforms were included in legislation that was approved in the 114th Congress by the Senate Committee on Indian Affairs, and CSAC will look to continue to build on those efforts. CSAC also will be closely monitoring administrative actions by the Department of the Interior designed to modify current fee-to-trust regulations (found at 25 CFR Part 151).

Key Public Lands Funding Sources – PILT/SRS/Federal Land Management Reform/Tree Mortality. CSAC will continue to advocate for a long-term reauthorization of mandatory entitlement funding for the Payments-in-lieu-of-Taxes (PILT) program, as well as the Secure Rural Schools (SRS) program. Absent long-term renewals of these critical funding sources, CSAC will continue to support short-term programmatic extensions. In addition, CSAC will continue to advocate for responsible reforms to federal land management. Such reform efforts should promote healthy forests, protect endangered species habitat, safeguard downstream water quality, improve California's water supply, and reduce the risk of wildfires.

Finally, CSAC will continue to urge the federal government to provide assistance through the Department of Agriculture (USDA) and the Federal Emergency Management Agency to help California address its tree mortality crisis.

Justice Funding – SCAAP/VOCA/VAWA. CSAC will continue to serve as a lead advocate in efforts to protect, as well as enhance, the State Criminal Alien Assistance (SCAAP) program, which is a key source of federal funding for a significant number of California's counties. CSAC also will continue to advocate for a long-term reauthorization of SCAAP and will continue to seek several key reimbursement-criteria changes to the program.

With regard to the *Victims of Crime Act* (VOCA) and the *Violence Against Women Act* (VAWA), CSAC will continue to urge Congress to provide adequate funding for these important victim services programs. Locally, these funds support domestic violence shelters, services for victims of human trafficking, and other services for victims of violent crimes.

Transportation Issues (FAA Reauthorization, FAST Act Implementation). The upcoming reauthorization of the Federal Aviation Administration (FAA) provides an opportunity to shape several policies of interest to California's counties. For starters, CSAC will continue to support legislative efforts designed to clarify that local voter-approved sales tax revenues derived from the sale of aviation fuel are not subject to provisions of federal law that require the proceeds of certain taxes to be spent on airport capital and operating costs. Additionally, the association will support legislative efforts to increase federal funding for local airports, including funding for the Airport Improvement Program (AIP).

CSAC also will closely monitor legislative and regulatory efforts – including the activities of the Drone Advisory Committee (DAC) – to ensure that federal drone policy does not preempt local authority, including local land use, zoning, privacy, trespass and law enforcement operations.

With regard to the *Fixing America's Surface Transportation Act* (FAST Act), CSAC will continue to closely monitor all pertinent implementation issues. CSAC also will continue to educate the California congressional delegation and administration on the importance of the county road system with respect to federal transportation policy and advocate for new revenues for programs of importance to counties, such as safety and bridge projects.

Disaster Assistance. In the aftermath of one of the most destructive and costly wildfire seasons in state history, CSAC will continue to advocate for federal disaster assistance to help those communities impacted by the devastating effects of the fires. While Congress, to date, has approved a series of disaster relief bills to deal with the devastation caused by the 2017 hurricanes, lawmakers have yet to approve any direct funding to the state of California to assist the state and local communities in their wildfire recovery efforts.

MONITORING EXECUTIVE AND ADMINISTRATIVE ACTIONS

Repeal and Potential Replacement of Existing Environmental Regulations. With the Trump administration taking a series of actions in 2017 aimed at dismantling Obama-era environmental regulations – such as the Clean Power Plan and the Waters of the United States (WOTUS) rule – CSAC will continue to monitor other executive and administrative actions in 2018 that could impact California's counties.

Immigration-Related Actions, i.e. "Sanctuary Jurisdiction" Policies. The Trump administration's executive and administrative actions aimed at withholding federal funds from so-called sanctuary jurisdictions remain the subject of a number of lawsuits across the country. Accordingly, CSAC will continue to closely monitor the outcome of these judicial proceedings. Likewise, CSAC is closely monitoring legislation (HR 3003) in Congress that, if enacted, would seek to compel states and localities to carry out federal immigration enforcement activities by withholding federal grant program funds from noncompliant jurisdictions.

Marijuana Enforcement. While 28 states and the District of Columbia have legalized the use of marijuana for medicinal or recreational purposes, it is still classified as a Schedule 1 narcotic under the *Controlled Substances Act*. As a result, the use, possession, and sale of cannabis remains a federal crime, which has created significant issues for states that have legalized cannabis use. In an effort to address the conflict between federal and state law, CSAC supports the continuation of the Rohrabacher-Blumenauer amendment, which expressly prohibits DOJ from using federal resources to prosecute individuals or businesses that are acting in compliance with state *medical* marijuana laws. CSAC also supports efforts to expand these protections to state-legal *recreational* cannabis laws. In addition, CSAC supports federal legislation that would ensure greater access to banking for marijuana-related businesses and allow proper medical research on the effects of cannabis use.



February 15, 2018

To: CSAC Board of Directors

From: Matt Cate, Executive Director

Re: Executive Committee Alternate from the Rural Caucus – ACTION ITEM

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Recommendation. Elect the nominee to be the rural caucus alternate on the Executive Committee.

Background. At the Board of Directors meeting in December, the Board elected Supervisor Larry Johnston of Mono County to be the rural caucus alternate to the Executive Committee. Unfortunately, due to his declining health, the Mono County Board of Supervisors has replaced him on the CSAC Board of Directors. Since he is no longer on the Board of Directors, he is not eligible to serve on the Executive Committee.

Pursuant to CSAC Policy and Procedure Manual Part IV Section C, the rural caucus will be nominating someone else for that position. As of the date of this memo, the rural caucus has scheduled a call for February 8 to make that nomination. The President will then place that nominee before the Board for election. Election requires the majority vote of the Board members present.

Action Requested. Elect the nominee to be the rural caucus alternate on the Executive Committee.

Staff Contact. Please contact Geoff Neill at (916) 327-7500 Ext. 567 or gneill@counties.org for additional information.



February 1, 2018

To: CSAC Board of Directors

From: Leonard Moty, President
Alan Fernandes, Executive Vice President

**RE: CSCDA Appointment (Action Item)
CSAC Finance Corporation Update**

CSCDA Appointment

Background: The California Statewide Communities Development Authority (CSCDA) was created in 1988, under California's Joint Exercise of Powers Act, to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects. CSCDA is sponsored by CSAC and the League of California Cities and helps more than 500 cities, counties, and special districts build community infrastructure, provide affordable housing, create jobs, and make access available to quality healthcare and education. In addition to this service to counties, it also serves as an important revenue source to the CSAC Finance Corporation.

CSCDA is governed by a 7-member Commission, four appointed by CSAC and three appointed by LCC. There is a vacancy for an Alternate Commission due to the retirement of Ron Holly (Monterey County Chief Deputy Auditor Controller) last year. The CSCDA Commission meets twice a month. Michael Cooper, Assistant Treasurer/Tax Collector/County Clerk in Solano County has expressed his interest in serving as an alternate Commissioner. Due to his longevity with the county and his vast experience with public finance, Michael will be a great asset to the Commission.

Michael grew up in the North Bay Area and obtained a Baccalaureate in Economics from Sonoma State University, followed later by a Master's in Public Administration from Golden Gate University. For the past 18 years, he has worked as the Assistant Treasurer – Tax Collector – County Clerk for the County of Solano. Over the course of his career he has managed diversified investment portfolios with over one billion dollars in assets. His work at Solano County has provided him numerous opportunities to participate in debt financings (COPS, POB's, GO's, & TRANS), PACE financing programs, and segregated funds management (Bond Proceeds, Endowment Trusts, Retirement Trusts).

Recommendation: Appoint Michael Cooper, Solano County Assistant Treasurer/Tax Collector/County Clerk, as a CSCDA Alternate Commissioner.

CSAC Finance Corporation Update

California Cannabis Authority

The California Cannabis Authority (“CCA”) is a Joint Powers Authority created by counties interested in obtaining important information about the cannabis industry for the purpose of assisting in the regulatory process. Specifically, the purpose of CCA is to develop and manage one statewide data platform that will gather, collect, and analyze information from a myriad of data sources, to help local governments ensure cannabis regulatory compliance and also provide necessary information to financial institutions that wish to work with the cannabis industry.

The CCA has been a project of the CSAC Finance Corporation, in partnership with CSAC, and is the product of the work completed in preparation for passage of Proposition 64 and the legalization of cannabis. A stakeholder process consisting of County Supervisors, CAOs, Treasure Tax Collectors, Auditor/Controllers and other County Department Directors studied the issue of cannabis legalization and has narrowed in on the specific need for this service for California County and City governments. Additionally, the CCA was developed, in part, as a result of the work conducted by the California State Treasurers Working Group, on which its Executive Director represented CSAC, Matt Cate.

This lengthy and deliberative process resulted in the official formation of CCA in January of this year with the adoption of Joint Powers Agreement by the County Board of Supervisors from San Luis Obispo and Monterey. At that this agenda was published, the Agreement of the CCA was scheduled to be approved in Humboldt County on February 13th.

For more information about this program please contact Alan Fernandes at (916) 650-8120 or alan@csacfc.org or Cara Martinson at (916) 327-7500 or cmartinson@counties.org.

211 California

211 systems serve county residents by providing trusted connectivity to community, health, and social services. In California, there are still 23 counties that do not have an active 211 service. Supervisor Greg Cox will be making 211 connectivity an active platform and focus during his upcoming tenure as President of the National Association of Counties (NACo). The 211 California organization has approached the CSAC Finance Corporation, through Supervisor Cox, as a resource to help expand the network. The CSAC Finance Corporation is actively working with the organization and exploring a partnership whereby the CSAC Finance Corporation could assist 211 California in becoming a formal incorporation organization and assist in expanding the 211 network to those counties currently without.

For more information about this program please contact Alan Fernandes at (916) 650-8120 or alan@csacfc.org or Laura Labanieh at (916) 650-8186 or laura@csacfc.org.



February 15, 2018

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To: CSAC Board of Directors

From: Darby Kernan, Deputy Executive Director, Legislative Affairs
Dorothy Johnson, Legislative Representative
Tracy Sullivan, Legislative Analyst

Re: 2018 Statewide Ballot Initiatives – Informational Update

The 2018 election cycle is taking shape and looking to be another busy year in terms of statewide ballot propositions. As of February 1:

- 42 initiatives are in the circulation stage for signature gathering
- 6 initiatives have self-certified obtaining 25% of the required signatures
- 1 initiative reached signature completion and is now awaiting verification
- 4 initiatives are awaiting title and summary from the Attorney General
- 5 measures are qualified for either the June or November 2018 ballot

In addition, the Legislature may seek to qualify other measures for the 2018 ballot with two-thirds approval of the Senate and Assembly. Initiatives working their way through the petition process will have until the end of June to qualify for the November 2018 ballot, while referenda placed on the ballot by the Legislature need to be qualified with only 31 days before the June 5 Primary or November 6 General Election.

The [CSAC Policy and Procedure Manual](#) sets forth the process (pages 11 – 13) for taking an official position on ballot measures. In sum, initiatives that qualify for the ballot and have an impact to counties will be referred by the CSAC Officers to the appropriate Policy Committees, which will make recommendations to the Executive Committee, and, if approved, be affirmed by the Board of Directors.

The following tables provide summaries for qualified, pending and proposed initiatives that are relevant to counties and CSAC for 2018.

| QUALIFIED STATEWIDE BALLOT MEASURES – JUNE OR NOVEMBER 2018 | | |
|---|--|---|
| <i>Subject/Title</i> | <i>Summary</i> | <i>Current Status</i> |
| Proposition 68 – California Drought, Water, Parks, Climate, Coastal Protection, & Outdoor Access For All Act of 2018 (SB 5 – Chapter 852, Statutes of 2017) | Would authorize the issuance of \$4 billion in general obligation bonds for parks, environmental protection, and water infrastructure. | CSAC did not have a position on SB 5 when it passed through the Legislature in 2017, but the AENR Policy Committee is scheduled to take this measure up during its next meeting on March 15. <i>(June 2018 ballot)</i> |

QUALIFIED STATEWIDE BALLOT MEASURES – JUNE OR NOVEMBER 2018

| <i>Subject/Title</i> | <i>Summary</i> | <i>Current Status</i> |
|--|---|---|
| Proposition 69 – SB 1 Revenue Protection (ACA 5 – Chapter 30, Statutes of 2017) | This measure would extend the existing constitutional protections that ensure fuel tax revenues are spent on transportation to the approximately 30% of revenues generated by SB 1 that aren't currently protected. | The CSAC Board of Directors took action at its January 2018 meeting to support this measure, consistent with CSAC's position on ACA 5. <i>(June 2018 ballot)</i> |
| Proposition 70 – Vote Requirement to Use Cap-and-Trade Revenue (ACA 1 – Chapter 105, Statutes of 2017) | This measure would require that the 2024 allocations of cap-and-trade funds be approved by two-thirds of both the Assembly and Senate. Until that two-thirds vote is reached, revenue from cap-and-trade auctions would be placed into a new fund and remain unallocated. | CSAC did not have a position on ACA 1 when it passed through the Legislature in 2017. <i>(June 2018 ballot)</i> |
| Proposition 71 – Ballot Measures Effective Date (ACA 17 – Chapter 190, Statutes of 2017) | This measure would delay the enactment of voter-approved initiative or referenda until 5 days after the Secretary of State releases the Statement of Vote. | CSAC did not have a position on ACA 17 when it passed through the Legislature in 2017. <i>(June 2018 ballot)</i> |
| Veterans and Affordable Housing Bond Act of 2018 (SB 3 – Chapter 365, Statutes of 2017) | This measure would authorize the issuance of \$4 billion in general obligation bonds for affordable housing programs and a veteran's home ownership program. | CSAC had a support position on SB 3 when it passed through the Legislature in 2017. <i>(November 2018 ballot)</i> |

PROPOSED INITIATIVES UNDERGOING SIGNATURE COLLECTION

| <i>Subject/Title</i> | <i>Summary</i> | <i>Current Status</i> |
|---|--|---|
| Bond Funding for Water Supply Projects, Watershed, Fish, Wildlife, Water Conveyance, and Groundwater Sustainability and Storage. | This measure would authorize the issuance of \$8.877 billion in state general obligations for various water infrastructure projects, including safe drinking water, watershed and fishery improvements, habitat protection, water conveyance, groundwater sustainability/storage, and surface water storage/dam repairs. | <i>Proponents report having collected 25% of the required signatures, as of November 11, 2017.</i> |

PROPOSED INITIATIVES UNDERGOING SIGNATURE COLLECTION

| <i>Subject/Title</i> | <i>Summary</i> | <i>Current Status</i> |
|---|---|--|
| Expansion of Prop. 13 Base Year Value Transfers | This measure would expand the base year value program under Proposition 13 by allowing homeowners 55 years and older to carry their property tax values with them in perpetuity, regardless of the number of moves they make, the market value of their replacement homes, or their location in the state. | <i>Proponents report having collected 25% of the required signatures</i> , as of January 5. They have until March 26 to collect the remaining 75%. While CSAC has not taken a position on this initiative, CSAC opposed similar legislative seeking to expand base year value transfers as they represent a significant revenue loss for counties. |
| State Regulation of Kidney Dialysis Clinics: Revenue Limits | This measure would require dialysis clinics to issue rebates when they exceed a specified revenue cap, and additionally requires annual reporting to the Department of Public Health. This measure is modeled closely after AB 251 (Bonta) which is still pending in the Legislature. | <i>Proponents report having collected 25% of the required signatures</i> , as of November 22, 2017. They have until April 11, 2018 to collect the remaining 75%. |
| State Regulation of Kidney Dialysis Clinics: Staffing Requirements | This measure would establish new staffing requirements for dialysis clinics to follow. These requirements include maximum staffing ratios, minimum transition times, and quarterly reporting. This measure is modeled closely after SB 349 (Lara) which is still pending in the Legislature. | Proponents have until April 11 to collect signatures. |
| California Healthcare Fund | This measure would create a trust fund within the state treasury solely for funding healthcare and healthcare-related expenses, exempt from spending caps and revenue sharing requirements. Additionally, it would allow the Legislature to raise any taxes dedicated to the fund with a majority vote. The main impetus behind the measure is to help fund universal single-payer healthcare across the State, as proposed by SB 562 (Lara). | Proponents have until April 23 to collect signatures. |
| 2% Sales Tax Increase for Teacher Raises | This measure would require public schools, beginning in 2020, to pay their full-time teachers no less than state legislators, funded through a 2% increase in the state sales tax rate. | Proponents have until April 24 to collect signatures. |
| Voting Rights for Felons in Prison or on Parole | This measure would grant the right to vote to felons in prison or on parole. The measure also would eliminate the requirement for trial courts to provide conviction information to county elections officials. | Proponents have until April 25 to collect signatures. |

PROPOSED INITIATIVES UNDERGOING SIGNATURE COLLECTION

| <i>Subject/Title</i> | <i>Summary</i> | <i>Current Status</i> |
|--|---|--|
| Psilocybin Decriminalization | This measure would decriminalize the adult use of Psilocybin, which is a naturally occurring hallucinogen found in certain species of mushrooms. | Proponents report having collected 25% of the required signatures , as of January 23. They have until April 30 to collect the remaining 75%. |
| Tax Exemption for Residents Aged 55+ | This measure would exempt California residents 55 years and older from all forms of state and local taxes and fees. | Proponents have until May 8 to collect signatures. |
| Tax Debt Forgiveness and VLF Reduction | This measure would reduce the Vehicle License Fee (VLF) from 0.65% to 0.32% in addition to making various other changes to the charges currently collected by the DMV. The measure would also place restrictions on the state’s ability to collect unpaid taxes. | Proponents have until May 15 to collect signatures. |
| SB 1 Repeal | This measure would require the Legislature to secure a two-thirds vote in both the Senate and Assembly, then obtain the majority vote of the electorate to enact any gas, diesel, or vehicle-related tax or fee increase. Since the initiative has a retroactive effective date of January 1, 2017, it would repeal SB 1. | Proponents report having collected 25% of the required signatures , as of December 15, 2018. They have until May 21 to collect the remaining 75%. The CSAC Board of Directors recently voted to oppose the SB 1 repeal effort. |
| Proceeds of Voter-Approved Bonds or Taxes | This measure would prohibit the state and local governments from using bond proceeds or tax revenue for projects or funds that are not expressly listed in a ballot measure that authorizes the bonds and/or taxes. | Proponents have until June 4 to collect signatures. |
| Rent Control | This measure would give local governments broader authority to impose rent control ordinances. | Proponents have until June 25 to collect signatures. |
| On-Call Rest Breaks for Emergency Medical Technicians (EMTs) and Paramedics | This measure would require on-call meal and rest breaks for private-sector EMTs and paramedics , which the Legislative Analyst’s Office estimates will result in local government net savings in the tens of millions of dollars annually due to lower emergency ambulance contract costs. | Proponents have until June 27 to collect signatures. |
| Bond Funding for Children’s Hospitals | This measure would authorize the issuance of \$1.5 billion in general obligation bonds to award grants to children’s hospitals for capital improvements. | Proponents have until July 16 to collect signatures. |
| Healthcare for Low-Income Patients | This measure would impose an additional 1% on personal income over \$1 million to help fund hospitals, clinics, and primary care providers serving low-income patients. | Proponents have until July 17 to collect signatures. |

| | | |
|--|--|--|
| Supermajority Vote Requirement for New Revenue Measures | This measure would require a two-thirds vote of the electorate in order for a local government to impose, extend, or increase any tax. Additionally, the measure would expand the definition of a tax to encompass several fees and charges that are currently treated as nontax levies, thus subjecting them to a two-thirds vote requirement. The measure has a retroactive effective date of January 1, 2018. | Proponents have until July 25 to collect signatures. |
| Lead-Paint Liability and Remediation Projects | This measure would reverse court rulings which currently require paint manufacturers to fund lead abatement programs and in its place authorize the state to sell \$2 billion in general obligation bonds to fund the remediation of environmental and structural hazards – such as mold, asbestos, radon, water, pests, ventilation, and lead hazards – in homes, schools, and senior facilities. | Proponents have until July 25 to collect signatures. |

Not listed on the chart, but of notable mention is an initiative proposing a split-roll property tax which would create a regular reassessment cycle for commercial properties, no less frequently than every 3 years, and keep the assessed value of residential properties locked unless there is a change in ownership or new construction. The measure is on hold until the Attorney General assigns it a title on February 20, at which time proponents can begin collecting signatures.

Staff Contacts. Please contact Dorothy Johnson at (916) 650-8133, or djohnson@counties.org and/or Tracy Sullivan at (916) 650-8124 or tsullivan@counties.org for additional information.



February 15, 2018

To: CSAC Board of Directors

From: Dorothy Johnson, Legislative Representative
Tracy Sullivan, Legislative Analyst

Re: Base Year Value Transfer Ballot Initiative – Informational Only

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Recommendation. This item is informational only.

Background. The California Association of Realtors (CAR) is the lead proponent on an initiative that seeks to change the current parameters for base year value transfers by expanding the program in several ways. For counties, this could dramatically change residential property reassessments, creating annual revenue losses in the tens of millions for counties alone, with losses growing to exceed \$1 billion statewide for local governments statewide.

Current Law

Under current law, base year transfers allow a homeowner to continue paying property taxes at the amount of their previous home and prevent the reassessment of their newly purchased or constructed home to full market value. They are able to their use their prior home's Proposition 13 (1978) protected assessed value when purchasing a home of equal or lesser value. This privilege is currently granted to homeowners 55 years of age and older and also homeowners with a severe, permanent disability (regardless of age), as long as certain specifications are met related to date of purchase, place of primary residence, and other conditions.

Both properties must be located within the same county unless the county where the homeowner seeks to purchase their new residence has adopted an ordinance allowing intercounty transfers. Currently, 11 counties (Alameda, El Dorado, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara, Tuolumne, and Ventura) allow intercounty transfers pursuant to resolutions adopted by the Board of Supervisors in those counties. A homeowner can transfer their assessed value only once in their lifetime.¹

The program parameters were created through Proposition 60 (1986; established program), Proposition 90 (1988; permitted intercounty transfers with local approval) and Proposition 110 (1990; extended authority to homeowners with a severe, permanent disability.)

How it Works

Generally, a home's value is established when it is purchased, constructed or undergoes a change in ownership under Proposition 13. Proposition 13 also offers that the maximum amount of any *ad valorem* tax on real property may not exceed 1% of the property's full cash value, as adjusted for inflation or 2% per year, whichever is lower. As a result, a homeowner who holds on to his or her home for a long period of time has a much lower property tax bill than someone who just recently purchased or built their home, even if the fair market values of both homes are similar. The base year value transfer allows the homeowner to continue paying property taxes at the amount of the previous residence and not the fair market value of the new residence.

Ballot Initiative Proposal vs. Current Law

The proposed initiative expands base year value transfers for homeowners 55 years and older and/or severely disabled as follows:

| | Homeowner Eligibility | Residential Property Eligibility | Frequency | County to County Transfer |
|----------------------------|---|---|-----------------------------------|---|
| Current Law | Restricted to homeowners 55+ or severely disabled | Restricted to replacement properties of equal or lesser value | A once in a lifetime ¹ | Only if approved by Board of Supervisors |
| Proposed Initiative | Same | No value limit on replacement properties | Unlimited Transfer Opportunities | Permitted anywhere in the state, between any counties |

Fiscal Impact

The Legislative Analyst’s Office (LAO) estimates the resulting property tax losses would total hundreds of millions of dollars per year, with schools and other local governments (cities, counties, and special districts) losing \$150 million annually statewide. Over time, the losses would grow as established base year values move to additional properties, creating abnormally low tax bills based on prior assessment transfers. The LAO estimates property tax losses would total between \$1 billion to a few billion dollars per year (in today’s dollars), with schools and other local governments each losing \$1 billion or more annually statewide.

Policy Considerations.

CSAC has a well-established position to oppose the expansion of base year value transfers due to the fiscal impact on property taxes, an important discretionary revenue base that makes up approximately 20% of county budgets. The CAR advocates have introduced three separate bills, all which failed, in the last three legislative sessions seeking to expand the program in a variety of ways including intercounty transfer authority statewide outside of Board of Supervisor approval and to homes of greater value, in addition to equal or lesser value. CSAC’s historic opposition is based on the loss of revenue and loss of Board of Supervisors’ authority to make decision impacting their county.

Action Requested. This is an informational item only. When directed by the CSAC Officers, this ballot initiative may be reviewed by the appropriate Policy Committee with a recommendation for a position to the Executive Committee, per the established CSAC policy and procedures manual.

Staff Contact. Please contact Dorothy Johnson at (916) 327-7500 Ext. 515 or djohnson@counties.org or Tracy Sullivan at (916) 327-7500 Ext. 523 or tsullivan@counties.org for additional information.

¹ The only exception is when a person becomes disabled after receiving the tax relief for age; they may transfer the base year value a second time if disability.



February 15, 2018

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To: CSAC Board of Directors

From: Graham Knaus, Deputy Executive Director of Operations and Member Services
David Liebler, Director of Public Affairs & Member Services
Kelli Oropeza, Chief of Financial Operations

Re: **Operations and Member Services Update**

This memorandum highlights key activities and initiatives occurring within CSAC operations and member services as well as focus areas for 2018.

Communications

CSAC Communications has hit the road running in 2018, punctuated by the addition of our new External Affairs Coordinator. A significant amount of work has already been undertaken in the first six weeks of the new year, with a slate of other projects on the drawing boards.

Spotlighting Our Advocacy Work, Advocates & Leadership

CSAC has already produced and released seven videos in 2018: 1) the third part of our cannabis series focusing on local implications of cannabis legalization including public health and safety, and youth education and prevention; 2) a look at CSAC's new president; 4) three Challenge award videos; and 4) a short summary of the Governor's proposed budget; and 5) the first in a series of looking at legislative/budget issues – the latter part of a new video series called "CSAC Power Minute" that will spotlight an issue, individual or CSAC program in a very short, one-minute video. We are starting by highlighting CSAC legislative representative and the issues they are focusing on, as well as to introduce CSAC's new Deputy Executive Director of Legislative Affairs.

Promoting County Best Practices

CSAC is in the process of rolling out a series of 16 videos and blogs spotlighting last year's Challenge Award recipients. Already we have spotlighted programs in Humboldt, Nevada, and Yolo Counties. Video interviews have also been conducted in Marin, Santa Clara, Sonoma, Sutter/Yuba and Tulare, with a number of trips to Southern California on the horizon. The videos capture innovative county programs across the service spectrum, highlighting outstanding work occurring in rural, suburban, and urban counties. These videos also provide an easy to access mechanism for counties and the public to hear directly from county leaders and staff on programs and practices that define excellence in public service.

Enhancing Relationships with County Public Information Officers (PIOs)

CSAC's new External Affairs Coordinator, Alex Gilliland, has already made significant in-roads working with the county public information officers over the past

month. She has developed a listserv to allow PIOs to discuss issues among themselves; there is also a coordinated effort under way to work with PIOs on promoting work being undertaken in counties utilizing new funding for transportation projects. A series of regional meetings for PIOs is also in the planning stages and are scheduled to be held throughout the year.

Continuing Social Media Work

CSAC continues to use four different social media platforms to promote CSAC activities, showcase positive news articles on our member counties, and to inform about issues of importance to counties. Our number of views and followers for [Twitter](#), [Facebook](#), [Instagram](#) and [YouTube](#) continue to grow.

Member Services

Member outreach will continue to be a high priority in 2018. Our outreach into counties through in-person meetings as well as more formal regional meetings will continue to grow to further strengthen the connection between CSAC advocacy and communication work. At the same time, we will continue to communicate regularly from Sacramento.

Regional Policy Meetings – CSAC regional policy meetings provide opportunities to bring issues of interest directly to multiple regions in the state, and provide a forum to network with colleagues. These meetings include presentations and discussions from CSAC Officers, CSAC Executive Team, the Legislative Team, County Officials, and others. They have also become an opportunity to further capture innovative solutions as well as discuss local challenges through the sharing of county perspectives and by creating informative videos to distribute more broadly to CSAC members, the Administration, Legislature, and the general public. These will continue in 2018, with meetings to be held on topics of interest in March, June, and September.

California Counties Foundation

The California Counties Foundation (Foundation) is the non-profit foundation of CSAC that houses the CSAC Institute, the CSAC/Pew-MacArthur Results First Initiative, and manages charitable contributions and grants to improve educational opportunities for county supervisors, county administrative officers, and senior staff.

CSAC Institute

The CSAC Institute provides professional development to County Supervisors, County Administrators, and senior staff through policy-based and leadership-focused courses. The CSAC Institute offers courses at the main campus in Sacramento, and satellites located in Contra Costa County, Merced County, San Bernardino County, and, the new January 2018 satellite location in Shasta County.

The Foundation Board has developed a strategic plan to remain at the forefront of filling county professional and leadership development needs. Strategic initiatives under way include:

1. Analysis of current participants, composition of courses, and need to modify curriculum to meet current and future professional development needs.
2. Develop a Regional Leadership Roundtable for Supervisors to provide an opportunity beyond the New Supervisors Institute for focused leadership development and networking among colleagues.
3. Develop intensive seminar for current and future department heads – this will occur March 2018 and is completely full. We will be offering an additional opportunity of this seminar in 2019.
4. Partner with the California Association of County Executives for CAO/CEO leadership and policy development for current and future leaders.
5. Hold further Institute Satellite expansions due to existing staff capacity and to determine need following five years of substantial growth. Satellites will continue to be mobile to enable additional locations to host them within the same region (i.e. Merced to Tulare, San Bernardino to San Diego).
6. Other efforts in the future such as developing a professional credential for mid-level staff, expanding courses for specific technical and leadership skills, and developing a county staff-based pool of instructors.

Results First

The CSAC/Results First Partnership began in 2015 and is centered on evidence-based and cost-effective criminal justice programming at the local level. The goal of the CSAC/Results First partnership is to develop county capacity to make evidence-based policy decisions that produce the best outcomes for residents with the highest rate of return for taxpayers. The effort includes the counties of Kern, Santa Barbara, Fresno, Santa Cruz, Santa Clara, Ventura, Nevada, and Solano counties.

CSAC staff is partnering with these counties to perform the complex econometrics data analysis to inform policy and program decisions in their local criminal justice system. This partnership enables the alignment of criminal justice policies and programs to the most effective outcomes and cost effectiveness; and, improved public safety in local communities.

Fiscal Operations

Over the past several years, fiscal operations and fiscal infrastructure have been strengthened through the development of sound policies such as the Operational Reserve Policy, Procurement Policy, Capital Improvement Program Policy, and fiscal and accounting procedures. These policies build off of sound financial management that includes a 5 percent holdback of revenues each year, strategic use of resources based on organizational priorities, and the change to a new external auditor after many years with the same firm. Within this context, we continue to monitor current year revenues and expenditures and have begun the process of building the 2018-19 budget that will be presented to the Executive Committee for consideration April, followed by Board consideration in May.

Staff Contacts: Please contact Graham Knaus (gknaus@counties.org or (916) 650-8109), David Liebler (dliebler@counties.org or (916) 327-7500 x530), or Kelli Oropeza (koropeza@counties.org or (916) 327-7500 x544) for additional information.

California State Association of Counties
Conflict of Interest Policy

Article I
Purpose

The California State Association of Counties (“CSAC”) is a California nonprofit mutual benefit corporation. Members of the Board of Directors (“Board Members”) of CSAC are subject to certain legal obligations in the performance of the duties of their position. For this reason, CSAC is establishing this Conflict of Interest Policy for its Board Members.

CSAC Board Members are required to exercise good faith in all transactions involving their duties, and they are subject to certain obligations not to use their position, or knowledge gained through their position, for their personal benefit. In their dealings with CSAC, Board Members should be mindful of potential conflict of interests.

Article II
Standard of Care

In determining potential conflicts of interest, the following standard of care shall be applicable:

- A. Board Members shall perform their duties in good faith, in a manner they believe to be in the best interest of CSAC, with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under the circumstances.
- B. Board Members are required in their capacity as members of a Board of Supervisors to receive training on ethics and conflicts of interest that satisfies the requirements of AB 1234. Board Members shall perform their duties in a manner consistent with the principles addressed in this training.
- C. Board Members are entitled to rely on the information, opinions, reports or statements (including financial statements and other financial data) prepared or presented by officers or employees of CSAC, independent accountants, and other experts who provide professional services to CSAC, provided that Board Members believe such individuals are reliable and competent, and that the matters on which they present are within their professional or expert competence. Board Members may also rely on the information, opinions, reports or statements of any committee of the Board of Directors with respect to matters within that committee’s designated authority if Board Members believe the committee merits their confidence. Board Members are entitled to rely on the information, opinions, reports or statements of any person, firm, or committee if, after reasonable inquiry when the need therefore is indicated by the circumstances, they have no knowledge that would cause such reliance to be unwarranted.

Article III
Conflicts and Disclosure

- A. Board Members are necessarily involved in the affairs of other institutions and organizations. Effective boards and organizations will include individuals who have relationships and affiliations that may raise questions about perceived conflicts of interest. Although many such potential conflicts are and will be deemed inconsequential, every Board Member has the

responsibility to ensure the entire Board of Directors is made aware of situations that involve personal, familial, or business relationships that could create a real or perceived conflict of interest. Every Board Member is also a member of a Board of Supervisors for a County in the State of California, and their counties pay dues to support CSAC. Decisions by Board Members related to setting dues for CSAC membership is deemed not to be a conflict of interest. Board Members are required annually to be familiar with the terms of this policy, and to acknowledge by his or her signature that he or she is acting in accordance with the letter and spirit of this policy.

B. Board Members are required to make a full disclosure to the Board of Directors of all material facts regarding any possible conflict of interest, to describe the transaction, and to disclose the details of their interest. CSAC shall, as appropriate, seek the opinion of legal counsel and such other authorities as may be required, before entering into any such transaction. Before approving a transaction in which a Board Member may have a conflict of interest, the Board of Directors will attempt, in good faith and after reasonable investigation under the circumstances, to determine that:

- (1) CSAC is entering into the transaction for its own benefit;
- (2) The transaction is fair and reasonable as to CSAC at the time CSAC entered into the transaction;
- (3) The Board of Directors has knowledge of the material facts concerning the transaction and the director's or officer's interest in the transaction; and
- (4) CSAC cannot obtain a more advantageous arrangement with reasonable effort under the circumstances.

The Board of Directors must then approve the transaction by a vote of a majority of the Board of Directors then in office, without counting the vote of any director who may have a conflict of interest due to the transaction under consideration.

CALIFORNIA STATE ASSOCIATION OF COUNTIES
CONFLICT OF INTEREST DISCLOSURE STATEMENT

I hereby certify that I have carefully read and hereby acknowledge receipt of a copy of this Conflict of Interest policy. In signing this Disclosure Statement, I have considered not only the literal expression of the policy, but also what I believe to be the spirit of the policy as well. To the best of my knowledge, information and belief, I hereby certify that, except as stated in the exception below, neither I nor any of my relatives by blood or marriage has any direct or indirect interest that conflicts with the interests of CSAC.

The exceptions are as follows (if more space is required, please attached additional page[s]; if no exceptions, please leave space blank):

If any situation should arise in the future that, as discussed in the policy, may involve me or my relatives by blood or marriage in a conflict of interest, I will promptly disclose the circumstances to the Board of Directors of CSAC.

I am completing this disclosure statement based on the attached CSAC Conflict of Interest Policy.

Date: _____

Signature

Print Name: _____

County: _____



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CITY MANAGERS DEPARTMENT LIAISON

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Millbrae

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Erin Steffen

Immediate Past President

Update on Activities

February 2018

The Institute for Local Government (ILG) is the research and education affiliate of the California State Association of Counties, the League of California Cities and the California Special Districts Association.

ILG promotes good government at the local level with practical, impartial and easy-to-use resources for California communities. Our resources on ethics and transparency, local government basics, public engagement, sustainable communities and collaboration and partnerships are available at www.ca-ilg.org.

Highlights

- ILG welcomes Sonoma County Supervisor James Gore and Tulare County Supervisor Amy Shuklian to the ILG Board of Directors.
- ILG released 2017 Annual report.
- Upcoming trainings on public engagement and homelessness.

Acknowledgment and Appreciation

ILG would like to thank Matt Cate for his longstanding service to California's counties. Under Matt's leadership the partnership between ILG and CSAC has flourished. We've been grateful to provide ethics training to Supervisors, education through the CSAC Institute, support the efforts of the Joint Homeless Taskforce, and recognize county excellence through the Beacon Program. His leadership in the local government community, and especially the ILG Board, will be greatly missed.

Annual Report

ILG recently released their 2017 Annual Report (attached). The report outlines how the organization connected with more elected officials and staff than ever before through trainings, resources and outreach. A few highlights from the year include: collaborating with the League and the California State Association of Counties on their Joint Homelessness Taskforce; launching a

new Public Engagement Framework and Governments Engaging Youth Toolkit; partnering with Cal-ICMA to create a Leadership and Governance Toolkit; and facilitating over 50 trainings for local officials and staff.

Upcoming Training for Counties

TIERS Public Engagement Learning Lab

Local governments throughout California are applying a variety of public engagement strategies and approaches to address issues ranging from land use and budgeting to climate change and public safety. The Institute for Local Government has developed the TIERS Public Engagement Framework & Learning Lab, a hands-on coaching and training opportunity, to help counties improve their public engagement efforts. ILG will be holding a TIERS Public Engagement Learning Lab in Sacramento on March 13-14. By participating in the TIERS Learning Lab, staff and electeds will learn how to utilize, customize and implement the TIERS tools and processes. The TIERS Learning Lab will help you build and manage successful public engagement in order to support local government work, stakeholder input and project success. [Click here for more information.](#)

Emerging Issue: Homeless and At-Risk Youth

In June, ILG will be facilitating a CSAC Institute course on “Emerging Issue: Homeless and At-Risk Youth.” This class will engage participants in a discussion on many facets of youth homelessness including root causes and identification of homeless youth, school/county partnerships, foster youth, truancy and economic development. Attendees will hear from experts in the field along with lessons learned from counties implementing promising and successful programs. For more information and registration [visit CSAC’s website here.](#)

Joint Homelessness Taskforce

ILG continues work with CSAC and the League on their Joint Homelessness Taskforce. The Taskforce held their final meeting in October, where ILG reviewed a draft of the final report with the Taskforce. Staff is working on finalizing the report, proofing and formatting - and expects to release the report in early 2018. Additionally, ILG facilitated sessions on homelessness at the League’s and CSAC’s Annual Conferences – both sessions were well attended and well received. In early 2018, staff will be working to implement the outreach plan in conjunction with the League and CSAC and will be facilitating a session at the League’s City Managers Department Meeting.

Recent Workshops and Trainings

- On February 5-6th, ILG’s Public Engagement Team trained 10 jurisdictions from San Mateo and Santa Clara Counties on the recently developed [TIERS Public Engagement Framework](#), with a special focus on immigrant integration and engagement. Jurisdictions that participated in the training include: Cupertino, Foster City, Gilroy, Half Moon Bay, Morgan Hill, Mountain View, Redwood City, San Jose, San Mateo County and Santa Clara County.
- ILG facilitated two sessions at the League’s City Managers Conference - “Don’t Settle - Be Exceptional: Achieving Council Civility & Purpose” which featured Yolo County

CAO Patrick Blacklock and “Tools and Approaches for Addressing Homelessness in California.”

- In January, ILG partnered with the San Bernardino County LAFCO to hold an ethics training for the county and special districts and cities in the county on transparency strategies.
- Sarah led an all-day retreat for the Mid-Peninsula Open Space District Board of Directors. The retreat focused on understanding and improving their community engagement and networking efforts. The contract also included one on one coaching and consulting with the board members after the training.
- ILG hosted a Lunch at the Library workshop in partnership with California Library Association and California State Library at the City of Ontario’s Ovitt Library. More than 50 librarians representing 31 city, county and special districts attended. The workshop focused on developing partnerships with school districts, community based organizations and other local government agencies to support the needs of youth in their communities when school is out.
- ILG recently hosted a number of webinars:
 - Conflicts of Interest
 - The Brown Act
 - Are You Ready for Public Engagement?
 - Completing Your Statement of Economic Interest
 - Tips to Promote an Ethical and Transparent Culture
 - Public Engagement: When to Use a Professional Facilitator

The presentations and recordings from these webinars [can be found here](#).

New Articles and Resources

- *Challenges of Electric Vehicle Infrastructure* discusses approaches that local governments are using to increase EV infrastructure in communities across the state (www.westerncity.com/Western-City/February-2018/Challenges-of-Electric-Vehicle-Infrastructure/).
- *Shaping the Future Together: A Guide to Practical Public Engagement for Local Government* introduces ILG’s TIERS Public Engagement Framework (January/February issue of CA Special District). ILG also wrote an article for Western City Magazine on this topic - *A Guide to Practical Public Engagement for Local Government* (www.westerncity.com/Western-City/January-2018/A-Guide-to-Practical-Public-Engagement-for-Local-Government/).
- *Tips for Effective Governance* shares tips local governments can put into place to be more effective governing bodies and discusses ILG’s work with Cal-ICMA to create a Leadership and Governance Toolkit (www.westerncity.com/Western-City/December-2017/Tips-for-Effective-Governance/).

Board of Directors

In December, ILG's Board of Directors met and heard from Cliff Johnson with the National League of Cities' Institute for Youth and Families, set the 2018 budget and goals and received an update on ILG's work with the League and CSAC on the Joint Homelessness Taskforce.

ILG 2018 Board meeting dates are:

- Friday, March 23rd (Sacramento)
- Friday, June 15th (Sacramento)
- Thursday/Friday, August 23rd-24th (TBD)
- Friday, November 16th (Sacramento)

2017 ANNUAL REPORT

As 2017 comes to a close, we at the Institute for Local Government (ILG) have the chance to reflect on the work done throughout the year. It has been another busy, productive and exciting year for ILG! Through our trainings, resources and outreach, we connected with more elected officials and staff than ever before. This year we launched a new Public Engagement Framework, a new Governments Engaging Youth Toolkit and collaborated with our partners at the League of California Cities and the California State Association of Counties to assist local governments as they grapple with the growing issue of homelessness in our communities. The numbers below provide an overview of the work completed in 2017. We look forward to continuing to work with, and be a resource for, local governments across California!

KEY 2017 INITIATIVES

- 1 Collaborated with the League and CSAC on the Joint Homelessness Taskforce report and associated trainings
- 2 Launched Governments Engaging Youth Project
- 3 Developed innovative leadership and governance training and resource center
- 4 Increased Lunch at the Library sites to 164 and the number of summer meals served to 228,608
- 5 Secured funding for, and provided technical assistance to, the Gateway Cities region to develop climate action plans and conduct community outreach
- 6 Created TIERS Public Engagement Framework

ILG's Mission

ILG is the research and education affiliate of the League of California Cities, the California State Association of Counties and the California Special Districts Association. Our mission is to promote good government at the local level with practical, impartial and easy-to-use resources for California communities.

ILG relies on the generosity of individuals, organizations, foundations and businesses in order to continue to provide valuable information and resources that help local governments better serve and engage their communities each year. Help us continue to do this work by making a tax-deductible donation today!

The easiest way to donate is online by visiting the "Support ILG" section of our website, or you can contact ILG at 916-658-8208 or info@ca-ilg.org.

Who We Serve



Resources

- 34 new tip sheets, case stories and articles
- 1 new resource center on Governments Engaging Youth and 1 updated resource center on Cap and Trade
- 12 electronic newsletters
734 new subscribers
- Western City | 11 articles
CA Special District | 5 articles
The County Voice | 4 blogs

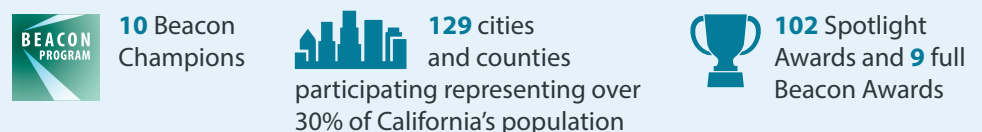
Education

- 45 Trainings and conference sessions reaching over 3,500 local officials and staff
- 9 Webinars drawing over 850 registrants

Information/Communications

- 9,500 monthly hits on www.ca-ilg.org – an increase of 1,500 from 2016
- 2,600 monthly downloads – an increase of 300 from 2016
- 5,236 monthly newsletter recipients
- 2,864 LinkedIn connections
- 1,310 Facebook likes
- 1,144 Twitter followers

Recognition of Local Government Leadership: The Beacon Program





County Counsels' Association of California

BOARD OF DIRECTORS

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2016-2018

EXECUTIVE DIRECTOR

Jennifer B. Henning

MEMORANDUM

To: Supervisor Leticia Perez, President, and
Members of the CSAC Board of Directors

From: Jennifer Henning, Litigation Coordinator

Date: February 15, 2018

Re: Litigation Coordination Program Update

This memorandum will provide you with information on the Litigation Coordination Program's new case activities. Briefs filed on CSAC's behalf are available at: <http://www.counties.org/csac-litigation-coordination-program>.

The following jurisdictions are receiving amicus support in the new cases described in this report:

| COUNTIES | CITIES | OTHER AGENCIES |
|--|---|--|
| Alameda El Dorado Mariposa Orange County D.A. San Francisco San Luis Obispo Sonoma | Glendale (2 Cases) San Diego (3 Cases) | Garden Valley Fire Protection District S. Cal. Regional Rail |

February 15, 2018

Abbott Laboratories v. Superior Court

Pending in the Fourth Appellate District, Division One (filed July 21, 2017)(D072577)

People v. Whole Foods Market California

Pending in the Second Appellate District (filed Jan. 24, 2017)(B280289)

Status: Fully Briefed; Case Pending

These cases both raise the question of whether County Counsels may enforce the False Advertising Law (FAL) statewide, or whether such enforcement is limited by their county's geographical boundaries. In *Abbott*, the defendants in an Unfair Competition Law (UCL) action brought by the Orange County District Attorney sought to have all references to "California" in the complaint stricken on the grounds that the Orange County DA has no authority to enforce the UCL outside of Orange County. In the *Whole Foods* case, the trial court amended a stipulated judgment in a case brought under the FAL and UCL by several city attorneys so that it no longer applied statewide. CSAC has filed briefs supporting broad enforcement.

Boling v. PERB (City of San Diego)

10 Cal.App.5th 853 (4th Dist. Div. 1 Apr. 11, 2017)(D069626), *petition for review granted* (July 26, 2017)(S242034)

Status: Fully Briefed; Case Pending

The City of San Diego's mayor and one of its council members publicly announced support for an initiative that would have replaced the city's defined benefit pension plans with 401(k)-style defined contribution plans for new hires. While the voter petition effort was underway, one of the city's unions demanded to meet-and-confer, arguing that it was required before the initiative could be placed on the ballot. The city refused, and adopted a resolution to place the measure on the ballot after it was qualified by the registrar of voters. The union then filed an unfair practice charge. PERB decided that the city violated the MMBA by failing to meet and confer. The appellate court reversed, finding that the MMBA's meet-and-confer requirement does not apply when a proposed charter amendment is placed on the ballot by citizen proponents through the initiative process. Instead, only a governing body-sponsored proposal will trigger the meet-and-confer requirement. The Supreme Court granted review. CSAC filed a brief in support of the City of San Diego.

California Water Impact Network v. County of San Luis Obispo

Pending in the Second Appellate District (filed July 13, 2017)(B283846)

Status: Amicus Brief Due March 5, 2018

This case is very similar to another case in which CSAC recently filed an amicus brief, *POWER v. County of Stanislaus*. In this case, plaintiff challenged the county's issuance of four water well construction permits. Under the county's well construction ordinance, the county treats the issuance of all well permits as ministerial approvals. Plaintiff alleges that these permit issuances are actually discretionary and therefore trigger CEQA review. The trial court ruled in favor of the county, concluding that the limited discretion afforded to the county in its ordinance and Department of Water Resources Bulletins used as guidance in implementing the ordinance do not confer discretion to address environmental concerns, and therefore do not trigger CEQA. Plaintiff has appealed. CSAC will file a brief in support of San Luis Obispo County.

February 15, 2018

Davis v. Mariposa County

Pending in the Fifth Appellate District (filed Jan. 12, 2017)(F074986)

Status: Amicus Brief Due March 12, 2018

This is a Prop. 218 challenge to a fire assessment. The assessment was capped at \$80 per parcel, even though that is less than the full cost of the benefit, with county general fund paying for the remainder of the services. Plaintiff, the former County Auditor, challenged the assessment, arguing: (1) fire services are necessarily general and therefore cannot be assessment-financed; (2) the county could not use discretionary revenues to assess for less than the full cost of the special benefit; and (3) the county cannot weigh votes in light of net assessment amounts that are reduced by discretionary revenues. The trial court found in favor of the county, but plaintiff appealed. CSAC will file a brief in support of the county.

Georgetown Preservation Society v. County of El Dorado

Pending in the Third Appellate District (filed June 8, 2017)(C084872)

Status: Amicus Brief Due February 20, 2018

El Dorado County approved a Dollar General store in a commercial zone. In compliance with a design overlay for the area, the county required the building to be constructed with a “gold rush era” design, and proceeded with a mitigated negative declaration. Plaintiff challenged the project’s approval under CEQA, arguing that it had raised a fair argument that the project may have a significant effect on “objects of historic and aesthetic significance,” which requires the analysis of an EIR. The trial court agreed with plaintiff that an EIR was required based on potential aesthetic impacts. On appeal, the county argues that it is entitled to deference in its general plan consistency finding, and that such a finding precludes plaintiff’s argument on aesthetics. The county also argues that even if the court disagrees on the general plan consistency finding, plaintiff’s reliance on unsubstantiated lay opinions fails to meet the fair argument standard. CSAC will file a brief in support.

Glendale Coalition for Better Government v. City of Glendale

Pending in the Second District Court of Appeal (filed May 10, 2017)(B282410)

Status: Amicus Brief Due March 19, 2018

This is a challenge to the city’s residential water structure. There are two components of the rate structure in particular that drew this challenge. First, the city set its costs so that it could support sufficient volume and pressure to provide water to fire hydrants and fire sprinklers. Second, the city established a residential volumetric tiered rates, setting the base rate on each tier’s potential consumption, not actual consumption. The trial court ruled against the city on both counts. The court first concluded that water rates may not recover the cost to deliver water in the volumes and at the pressures required to fight fires because fire service is available to the general public and not just to water customers. The court then found that base costs must be allocated among residential tiers based on actual consumption, not potential consumption. The city has appealed, and CSAC will file a brief in support.

February 15, 2018

In re Madison S.

15 Cal.App.5th 308 (1st Dist. Aug. 15, 2017)(A144936), (Sept. 13, 2017)

Status: Publication Request Granted; Case Closed

The County of Alameda Social Services Agency filed a juvenile dependency petition based on alleged abuse of an infant by the father and the mother's inability to protect the child. The juvenile court heard three conflicting expert witnesses regarding whether the father committed the abuse. Ultimately, the court made a determination on culpability by weighing the conflicting testimony and decided to bypass parental reunification services. In an unpublished opinion, the Court of Appeal upheld the juvenile court decision. In addition to providing guidance on how to weigh conflicting expert testimony, the court held that evidence supporting a jurisdictional finding under is subject to a preponderance of the evidence standard. The court further explained that when the jurisdiction finding impacts reunification services at disposition, the finding must be based on clear and convincing evidence. CSAC supported Alameda County's request for publication, which was granted.

Los Angeles Times v. Southern Calif. Regional Rail Assn.

Pending in the Second Appellate District (filed Jan. 12, 2017)(B280021)

Status: Amicus Brief Due March 6, 2018

Following a train derailment, Metrolink retained an expert consultant who identified a potential flaw in the cab car of the derailed train that could also be present in other trains that Metrolink was then operating. Metrolink convened an emergency teleconference of its Board, which included a closed session. Electronic notice of the meeting was provided to all persons who had requested it about one hour in advance, though the call-in locations of the Board members was not known, and therefore not placed on the agenda. Plaintiff filed a writ petition alleging Brown Act violations, including: (1) providing less than 24 hours notice of the meeting; (2) erroneously closing the meeting to the public; and (3) failing to meet the teleconference meeting requirements. The trial court denied the writ, finding that the emergency meeting was justified because the statutory provisions are broad enough to encompass a potential security threat to a public transportation service. The court also concluded that compliance with the teleconference meeting requirements is not needed for emergency meetings. The LA Times as appealed. CSAC will file a brief in support of Metrolink.

Lopez v. Gelhaus

871 F.3d 998 (9th Cir. Sept. 22, 2017)(16-15175), *petition for rehearing denied* (Dec. 22, 2017)

Status: Petition Denied; Case Closed in the Ninth Circuit

In a 2-1 decision, the Ninth Circuit has denied qualified immunity to an officer involved in a shooting death of a minor, Andy Lopez. Lopez was carrying what appeared to be an AK-47 down the street in the middle of the afternoon. The officer on patrol with his partner chirped the siren in their car, pulled off to the side of the road, opened the car door and ordered Lopez to drop the weapon. Lopez turned toward the officers with the gun still in his hand, at which point the officer shot at Lopez, mortally wounding him.

February 15, 2018

Afterwards, the officers learned the “gun” was not an AK-47, but a toy gun. Lopez’s estate brought this Fourth Amendment case against the officer who fired the shot and Sonoma County. The district court denied the county’s motion for summary judgment based on qualified immunity, and the Ninth Circuit affirmed. Noting prior case law stating that summary judgment should be granted sparingly in excessive force cases, the court reviewed the facts and found that, viewed in a light most favorable to the nonmoving party, a reasonable jury could find a Fourth Amendment violation. The court also concluded the right was clearly established at the time of the incident.

A vigorous dissent by Circuit Judge Wallace noted that the only fact that is relevant is the district court’s finding that the “gun” was in upward motion as Lopez turned toward the officer. Under those circumstances, the dissent concludes the officer is entitled to qualified immunity notwithstanding the fact that in retrospect, the officers were in no danger. The dissent also argues that the majority opinion changes the rule from “taking facts in a light most favorable to the non-moving party” to “we must accept as true all facts not conclusively disproved by evidence in the record even if those facts have no evidentiary support of its own,” which the dissent views as “plainly wrong.” CSAC supported Sonoma County’s petition for rehearing, but the petition was denied.

McClain v. Sav-On Drugs

9 Cal.App.5th 684 (2d Dist. Mar. 13, 2017)(B265011), *petition for review granted* (June 14, 2017)(S241471)

Status: Amicus Brief Due March 2, 2018

This action was filed by a plaintiff class who paid sales taxes to defendant retail pharmacies for diabetic supplies, which are exempt from sales tax under state law. The State Board of Equalization (BOE) regulations provide a refund remedy to the retailers, who have the legal burden of the sales tax, but not to the customers who bear the economic burden of the sales tax. The Court of Appeal confirmed prior law that there is no refund remedy for consumers. The Supreme Court has granted review. CSAC will file a brief in support of BOE regulations.

Quigley v. Garden Valley Fire Protection District

10 Cal.App.5th 1135 (3d Dist. Apr. 19, 2017)(C079270), *petition for review granted* (Aug. 9, 2017)(S242250)

Status: Amicus Brief Due February 12, 2018

Government Code section 850.4 provides that a public agency cannot be liable for any injury resulting from the condition of fire protection or firefighting equipment or facilities, with limited exceptions (known as the firefighters rule). The question in this case is whether this immunity is waived if not asserted. Here, plaintiff, a firefighter, sustained injuries while sleeping at a base camp maintained and operated by defendants. The trial court granted nonsuit against plaintiff, finding that defendants were statutorily immune from liability under the firefighter’s rule. Plaintiff appealed, and the Third District Court of Appeal affirmed. The court found that Government Code section 850.4 immunity is jurisdictional, and therefore not subject to the rule that it must be raised or it is waived. The California Supreme Court has granted review. CSAC will file a brief in support of the fire protection district.

February 15, 2018

Saavedra v. City of Glendale

Pending in the Second District Court of Appeal (filed Apr. 11, 2017)(B281991)

Status: Amicus Brief Due February 5, 2018

In 1941, voters approved a city charter amendment requiring the city electric utilities to transfer 12% of gross operating revenues to the city's general fund. The voters increased that amount to 25% in 1946. Plaintiff brought this action arguing that the utility rate, which includes the general fund transfer, violates Prop. 26. The trial court concluded that Prop. 26 applies prospectively to electric rates made after 2010, but it also found that Prop. 26 requires an end to pre-Prop. 26 practices that deviate from the cost-of-service principle. The trial court also rejected the city's arguments on the remedy for the violation, concluding that non-rate revenues (i.e., those generated from wholesale electricity sales) must be included in the calculation of the refund, and that the city could not include full funding of reserves in its calculation. CSAC will file a brief in support of the city on the issue of the retroactive application of Prop. 26.

San Francisco Police Officers' Assn. v. Superior Court (San Francisco Police Com.)

Pending in the First Appellate District (filed June 26, 2017)(A151654)

Status: Fully Briefed; Case Pending

The San Francisco Police Commission adopted a new use of force policy. Prior to adopting the new policy, the Commission met and conferred with the police union ("SFPOA") for months. The parties reached agreement on many issues, but were not able to agree on two of the Commission's desired policy changes (to strictly prohibit officers from shooting at moving vehicles, and to ban the use of the carotid restraint). The Commission ultimately determined that those changes were not within the scope of representation and implemented them. The SFPOA immediately sought a preliminary injunction, arguing that the Commission did not meet its bargaining obligations. After losing on the preliminary injunction, the SFPOA sought to compel arbitration under its labor contract. The Superior Court denied the SFPOA's petition to compel, finding that use of force policy decisions are exclusively within a city's constitutional authority and not subject to bargaining obligations. The SFPOA has appealed. CSAC has filed a brief in support of San Francisco.

Sukumar v. City of San Diego

14 Cal.App.5th 451 (4th Dist. Div. 1 Aug. 15, 2017)(D071527), *petition for review denied*

(Nov. 1, 2017)(S244509)

Status: Case Closed

Plaintiff submitted a voluminous Public Records Act request to the City of San Diego related to a threatened nuisance action against one of plaintiff's properties. The city responded to the request, but plaintiff filed this lawsuit anyway alleging an inadequate response. During the course of the litigation, the city discovered additional responsive documents, which it provided. The trial court then dismissed the case, concluding that the city had complied with the PRA request. The court also denied plaintiff's attorney fee request, finding that he was not the prevailing party and that the litigation had not "motivated" or "substantially contributed to" the records production. The Court of Appeal reversed. The court noted that even a voluntary disclosure will support an attorney fee award if the lawsuit is found to have "spurred defendant to act or was a catalyst speeding

February 15, 2018

defendant's response.” The court concluded that in this case, the subsequently discovered documents would not have been found if the city hadn't been responding to depositions. Therefore, the court found that the litigation spurred disclosure of the records and the plaintiff was entitled to an award of attorney's fees. CSAC supported the City of San Diego's petition for Supreme Court review, but the petition was denied.

Toeppe v. City of San Diego

13 Cal.App.5th 921 (4th Dist. Div. 1 July 27, 2017)(D069662), *petition for review denied* (Oct. 11, 2017)(S244144)

Status: Case Closed

Plaintiff was injured by a falling tree branch walking through a park and brought suit against the City of San Diego alleging negligent maintenance of a dangerous condition on public property. The City argued it was immune from liability under Government Code section 831.4 (trail immunity) since she was on a trail within the park when the injury occurred. The trial court agreed and granted summary judgment in favor of the City. On appeal, plaintiff argued trail immunity did not apply because her claim is based on a dangerous condition due to negligent maintenance of a tree above the trail, and not the condition of the trail itself. The Fourth District agreed with plaintiff and reversed. First, the court found that a dangerous condition based on improper tree maintenance is independent of the condition of the trail, and therefore trail immunity was improper. In addition, there was a triable issue of fact as to whether plaintiff was injured if she was on the grass area or on the trail proper, notwithstanding photographic evidence clearly showing plaintiff was entirely on the trail when the injury occurred. CSAC supported the city's petition for Supreme Court review, but review was denied.

California State Association of Counties®
Financial Statement
July-December
2017-18

| | FY 2017-18 | FY 2017-18 | FY 2017-18 |
|-------------------------------|--------------------|--------------------|-------------------|
| | Budget | Actual | Percent |
| Revenues: | | | |
| Membership Dues | 3,430,506 | 3,430,506 | 100% |
| Finance Corp Participation | 3,750,000 | 2,000,000 | 53% |
| Rental Income | 178,229 | 88,105 | 49% |
| Administrative Miscellaneous | 606,400 | 475,079 | 78% |
| CSAC Conferences | 418,000 | 335,237 | 80% |
| CEAC | 163,586 | 91,126 | 56% |
| Corporate Associates | 908,000 | 965,960 | 106% |
| Litigation Program | <u>432,276</u> | <u>351,086</u> | 81% |
| | | | |
| Total Revenues | \$9,886,997 | \$7,737,099 | 78% |
| | | | |
| Expenditures: | | | |
| Salaries/Benefits | 5,624,123 | 2,655,814 | 47% |
| Staff Outreach | 174,700 | 113,585 | 65% |
| Leadership Outreach | 80,000 | 75,021 | 94% |
| NACo Meetings & Travel | 140,000 | 58,182 | 42% |
| Public Affairs/Communications | 77,040 | 26,396 | 34% |
| CSAC Conferences | 599,545 | 422,552 | 70% |
| Facilities | 302,117 | 181,552 | 60% |
| Office Operations | 277,525 | 157,338 | 57% |
| Organizational Partnerships | 128,000 | 116,790 | 91% |
| CEAC | 163,586 | 91,126 | 56% |
| Outside Contracts | 656,100 | 584,820 | 89% |
| Corporate Associates | 525,187 | 311,489 | 59% |
| Litigation Program | 432,276 | 187,551 | 43% |
| Foundation Contribution | <u>194,978</u> | <u>100,000</u> | 51% |
| | | | |
| | | | |
| Total Expenditures | \$9,375,177 | \$5,082,216 | 54% |

Winter-Spring 2018 Course Guide

It is possible to fly without motors, but not without knowledge and skill. – Wilber Wright

Professional development classes for county officials, executives and managers

Schedule at a Glance

| DATE | | LOCATION | PAGE |
|-----------------|---|----------------|------|
| JANUARY | | | |
| 11 (TH) | Thinking Strategically in Trying Times | Shasta | 7 |
| 12 (F) | To Do or Not To Do: Leadership in Decision Making | San Bernardino | 7 |
| 12 (F) | Art & Practice of Organizational Leadership | Sacramento | 1 |
| 18 (TH) | Negotiations and Collaboration in Complex Environments | Contra Costa | 5 |
| 18 (TH) | Building and Maintaining a Team Environment | Sacramento | 1 |
| 19 (F) | Managing Conflict with Comfort | Merced | 5 |
| 25 (TH) | Subrecipient Monitoring | Sacramento | 6 |
| 26 (F) | County Financial Reporting for Nonfinancial Professionals | Sacramento | 2 |
| FEBRUARY | | | |
| 1 (TH) | IT Performance Metrics and Customer Value | Sacramento | 3 |
| 2 (F) | Service Excellence through Process Improvement | Sacramento | 6 |
| 8 (TH) | Intergenerational Leadership | Shasta | 3 |
| 9 (F) | County Financial Reporting for Nonfinancial Professionals | San Bernardino | 2 |
| 15 (TH) | Crafting and Implementing Effective Strategic Plans | Contra Costa | 2 |
| 16 (F) | Financing California Counties: A History | Merced | 3 |
| 22-23 | <i>Two Day Class</i> Leading with Emotional Intelligence Master | Sacramento | 4 |
| MARCH | | | |
| 1 (TH) | Purpose, Outcomes and Intentionality | Sacramento | 6 |
| 8 (TH) | Local Governance in California | Shasta | 5 |
| 9 (F) | Talent Development and Succession Planning | San Bernardino | 7 |
| 9 (F) | Crafting and Implementing Effective Strategic Plans | Sacramento | 2 |
| 15 (TH) | Managing Conflict with Comfort | Contra Costa | 5 |
| 16 (F) | Mastering Social Media | Merced | 5 |
| 22 (TH) | <i>Emerging Issues</i> The Crisis of Housing | Sacramento | 3 |
| APRIL | | | |
| 5 (TH) | IT Define a IT Strategy and Roadmap | Sacramento | 3 |
| 6 (F) | Storytelling and Other Practices in the Art of Persuasion | Sacramento | 6 |
| 12 (TH) | Negotiations and Collaboration in Complex Environments | Shasta | 5 |
| 13 (F) | When Bad Things Happen: Managing the Media | San Bernardino | 7 |
| 19 (TH) | Leadership & Change: Practices to Move Organizations | Contra Costa | 4 |
| 20 (F) | Intergenerational Leadership | Merced | 3 |
| 26 (TH) | Negotiations and Collaboration in Complex Environments | Sacramento | 5 |
| 27 (F) | Advanced Practices in Negotiations | Sacramento | 5 |
| MAY | | | |
| 10 (TH) | County Financial Reporting for Nonfinancial Professionals | Shasta | 2 |
| 10 (TH) | Leadership & Change: Practices to Move Organizations | Sacramento | 4 |
| 11 (F) | Managing Conflict with Comfort | San Bernardino | 5 |
| 11 (F) | Make Your County Count: Marketing and Branding Advice | Sacramento | 5 |
| 17 (TH) | Customer Service in the Public Sector | Contra Costa | 2 |
| 18 (F) | Building and Maintaining a Team Environment | Merced | 1 |
| 24 (TH) | Financing California Counties: The History | Sacramento | 3 |
| 25 (F) | Labor Relations in Local Government | Sacramento | 4 |
| JUNE | | | |
| 1 (F) | Survey Design and Analysis | Sacramento | 7 |
| 7 (TH) | IT Service Management | Sacramento | 3 |
| 8 (F) | Polishing the Presentation: Advanced Practices | San Bernardino | 6 |
| 14 (TH) | Leading with Emotional Intelligence | Shasta | 4 |
| 15 (F) | County 101: Duties, Authorities, Responsibilities | Merced | 2 |
| 15 (F) | Communication with Purpose | Sacramento | 1 |
| 21 (TH) | County Budgeting and Financial Planning | Contra Costa | 2 |
| 22 (F) | Supporting Homeless and At-Risk Youth | Sacramento | 7 |

Nature and dimensions of leadership in effective organizations

Art & Practice of Organizational Leadership 120

This interactive course designed for both experienced and new senior county managers explores the practical applications of leadership in creating a high performing county organization – especially in the difficult environments counties operate. Participants engage in discussions of key practices in formal and



informal leadership, particularly in achieving sustainable change; employee engagement and team-building strategies; leadership when you're not in charge; and techniques for developing a vital workplace culture which supports organizational members.

Instructor: Dr. Frank Benest is former city manager of Palo Alto and a noted expert in organizational leadership and management.

Friday, January 12, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Deployment and leadership of high performance teams

Building and Maintaining a Team Environment 371

Counties use teams as a method to get work done. It takes a certain organizational culture to support teams. This course examines the culture and attributes of high-performing teams in the public sector. Hands on simulations demonstrate team strategies. Strategies, tools and resources are shared along with team leadership practices, and how to transition to a team culture. Participants examine the group dynamics required for team success, define team responsibilities and accountability, how to evaluate team performance against mission, and the leadership practices to lead and sponsor teams.

Instructor: Dr. Jerry Estenson is Professor of Organizational Behavior at Sacramento State University.

Thursday, January 18, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Friday, May 18, 2018 10:00 a.m.–3:30 p.m.
Merced ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Nothing is more fundamental than our ability to communicate

Communication with Purpose 132

NEW! In confronting organizational problems we often generalize what the issues are. Typically they come in two forms: People problems, and Communications problems. Neither of these is useful to understand how to improve the organizations that we work in. This class looks specifically at



For registration and additional details please visit www.csacinstitute.org


“communications” with an intention of understanding and beginning to enhance our capacity and skill at communicating where we work. It focuses on mastering the fundamentals of interpersonal communication, performance management communication, listening for results and communicating under stress. There are a few things that distinguish humans from other ‘intelligent creatures’. None is more fundamental and essential than our ability to communicate.

Instructor: Larry Liberty, Ph.D. works with Fortune 500 companies and teaches in MBA programs across the globe.

Friday, June 15, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Exactly what are California counties responsible to do?

County 101: Duties, Authorities and Responsibilities of Counties 157



Counties have very broad authorities and responsibilities. Federal and state laws along with county-adopted policies and ordinances frame how each of the 58 counties implement those duties. With such broad responsibilities it is difficult for county officials and staff to be aware of all the duties and mandates across all departments. This class examines each county responsibility area and, at a policy level, highlights what is mandated, required and/or discretionary, and the roles and authority counties have for that service. It would also look at the history of counties in California.

Instructor: Bill Chiat is CSAC Institute Dean, former executive director of the California Association of Local Agency Formation Commissions and CEO of Napa County.

Friday, June 15, 2018 10:00 a.m.–3:30 p.m.
 Merced ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Overview of county budgeting and financial management

County Budgeting and Financial Planning 116

Counties have complex systems for budgeting and financial management. This course provides a comprehensive overview of the ins and outs of county budgeting and the budget process. Discussion includes a review of the County Budget Act, a year in the county budget cycle, key elements of a budget, and integration of strategic plans into the annual budget. Participants also examine county revenue sources, sales and property tax allocation, General Fund and special funds, creating and integrating department-recommended budgets, and public involvement in the budget process. The class explores key elements in longer-term county financial planning and management. Class is a must for everyone involved in the budget process.

Instructors: Patrick Blacklock is County Administrator of Yolo County, and Robert Bendorf is County Administrator of Yuba County.

Thursday, June 21, 2018 10:00 a.m.–3:30 p.m.
 Contra Costa ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Understand and interpret county financial reports

County Financial Reporting and Budgeting for Nonfinancial Professionals 369

This course provides the tools for decision-makers, elected officials, senior managers – other than accountants and auditors – who want to have an overview understanding of government financial reporting. Participants discuss budgets, financial statements and the audit, and at the 30,000 foot level what each of those is saying (or not saying!).



Participants should bring questions about terms or concepts they have encountered as part of their interaction with county and government financial reporting. The discussion reviews terms and definitions used with government financial reporting and strategies on how to read financial statements and auditor reports to identify critical information and understand what it means ... in plain English!

Instructor: Laura Lindal, CPA, is an experienced auditor and an instructor for the California CPA Education Foundation.

Friday, January 26, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Friday, February 9, 2018 10:00 a.m.–3:30 p.m.
 San Bernardino ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Thursday, May 10, 2018 10:00 a.m.–3:30 p.m.
 Shasta ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Make strategic planning mean something

Crafting and Implementing Effective Strategic Plans 123

Most counties and departments create strategic plans. Sometimes they provide clear guidance to decision makers and staff; sometimes they don't. This course examines how to make the plan a living document ... and have it mean something to those affected. Participants examine: 1) how to craft a strategic plan with the Board of Supervisors or other governing board; 2) engagement of the community and staff in the process; 3) tips to prepare an actionable plan; 4) communication of the plan; and 5) putting a plan into action. Best practices and case examples are used to explore integration of the plan into agency operations and decision-making. Discussion highlights tips for structuring an effective strategic workshop.

Instructor: Angela Antenore, M.Ed. is an experienced strategic facilitator, agency board member and university instructor.

Thursday, February 15, 2018 10:00 a.m.–3:30 p.m.
 Contra Costa ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Friday, March 9, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Create customer satisfaction in a county setting

Customer Service in the Public Sector: Balancing Satisfaction with Priorities 354

This policy level course helps managers and elected officials explore ways to create and enhance a customer service culture in their organization. Participants explore how to balance good customer service with county and state regulations and requirements. It focuses on what defines good customer service and a service culture. Lively small and large group discussions provide tools to assess the current environment, gaps are to be more service oriented, and how to get there. Participants examine the structure and process to support and recognize effective customer service, even in difficult regulatory situations. Barriers to good customer service are examined along with service and performance measurements.

Instructor: Angela Antenore, M.Ed. is an experienced agency manager, agency board member and university instructor.

Thursday, May 17, 2018 10:00 a.m.–3:30 p.m.
 Contra Costa ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

EMERGING ISSUES

Exploring trends in policy issues

These seminars provide county decision-makers an opportunity to explore emerging trends with colleagues and experts. Brief presentations examine facets of the issue and allow opportunities for discussion on resources, capacity and authority available for counties to work toward solutions.



Solutions to increase affordability and availability of housing

Emerging Issues: The Crisis of Housing 406

California has reached a crisis point regarding both the availability of housing and its affordability. The average price of a home in the state is two-and-a-half times the average national price and rents are fifty percent higher than the rest of the country. According to the Legislative Analyst's Office, major changes to local government land use authority, local finance, CEQA, and other major policies are likely necessary to address California's high housing costs and limited availability. This course will focus on statewide and locally-driven policy solutions emerging through legislation and local policy changes, as well as case studies.

Thursday, March 22, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Elected Officials/Staff

The context of county-state revenue relationships

Financing California Counties: The History 151

Have you found yourself overwhelmed trying to understand the county revenue sources and funding streams? And how we ended up with this complex system? This course provides an in-depth examination of the history of county revenue sources and how they have evolved over decades. Exploring the context of county funding decisions by the legislature and administration over the last 40 years is critical in understanding the current state-county funding and revenue relationships. The class examines the history and consequences of major elements in county revenues including: Proposition 13, 172, 1A, Vehicle License Fees, Realignment, ERAF, property tax allocations, current year State budget and more.

Instructor: Diane Cummins is Special Advisor to the Governor on State and Local Realignment.

Friday, February 16, 2018 10:00 a.m.–3:30 p.m.
Merced ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Thursday, May 24, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Juggling a workforce with teens to seniors – leadership for everyone

Intergenerational Leadership 129

For the first time in history we find ourselves working with people from five generations. In today's workplace we have to understand, communicate and interact with people from different eras, different values and habits, and fundamentally different ideas about life! This class focuses on understanding and practicing how to integrate deeper generational insights into practice. Participants do self-assessments of their eras and their own values. They profile their work environments to discern the complexity of the generational mix. Most importantly they learn



a unique set of skills and processes to employ when encountering people whose values, habits and business practices may be at odds with their own. This workshop provides participants skills to blend generations to get the best from everyone.

Instructor: Larry Liberty, Ph.D. works with Fortune 500 companies and teaches in MBA programs across the globe, and is author of *The Maturity Factor – Solving the Mystery of Great Leadership*.

Thursday, February 8, 2018 10:00 a.m.–3:30 p.m.
Shasta ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Friday, April 20, 2018 10:00 a.m.–3:30 p.m.
Merced ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Create better value for – and relationships with – IT customers

IT Performance Metrics and Customer Value 342

County governments create value for citizens through the services they deliver. Doing so effectively and efficiently not only requires a



keen understanding of how government service quality is impacted by the internal systems and processes which enable them, but also requires establishing metrics around these systems and processes in order to measure performance - after all if it isn't measured, it isn't managed. This

facilitative course is designed to help county IT professionals understand the metrics that matter. By taking a customer-centric approach, participants will understand how to establish metrics across IT services, applications, and infrastructure, optimize performance over time, and communicate the benefits realized to the rest of the organization through a series of interactive discussions, group activities, and individual exercises.

Instructor: Valence Howden is a Research Director in the CIO Advisory Group at Info-Tech Research Group.

Thursday, February 1, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ IT Managers/Executives

How to figure out where you are going

IT Define an IT Strategy and Roadmap 339

Most IT departments struggle to develop a strategic IT plan that aligns with their organization, is understood outside of IT, and demonstrates ROI and the value that IT provides. This course will look at a visual approach to developing an IT strategy. One based on mandate and organizational context; that will ensure IT meets the rapidly changing needs of the organization and articulated in terms the organization understands.

Instructor: Valence Howden is a Research Director in the CIO Advisory Group at Info-Tech Research Group.

Thursday, April 5, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ IT Managers/Executives

How is IT service delivery positioned in your county? On the mark?

IT Service Management 341

IT exists in large measure to support other parts of the county; your internal customers. However, many IT departments do not approach IT delivery through a customer-service lens. Instead they focus on maintaining performance levels and reacting to requests. As cloud services proliferate, county leaders have more options available to

procure IT services. By taking an "order taker" posture, IT functions risk being outsourced altogether, compromising the unique value they can provide the organization. This course will enable county IT leaders to properly position themselves against these external options, by helping them identify their current level of IT customer-service sophistication, and instilling the knowledge, tools, and templates required to institute a proactive IT service management operation.

Instructor: Valence Howden is a Research Director in the CIO Advisory Group at Info-Tech Research Group.

Thursday, June 7, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ IT Managers/Executives

Employees are every county's largest budget item

Labor Relations and Negotiations in Local Government 153

The class examines the basics of labor relations in the county environment. Laws and regulations affecting public-sector employment and labor relations in California are examined along with techniques to build and maintain effective and productive relationships with employee groups. The class explores the various roles in labor relations and labor negotiations along with pitfalls to avoid in working with labor representatives. Techniques are examined for maintaining productive relationships with employee organizations during difficult times. *Eligible for MCLE credits for members of the Bar.*



Instructors: Richard Whitmore and Richard Bolanos are partners with Liebert Cassidy Whitmore and work extensively with local governments on labor relations.

Friday, May 25, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Why change efforts fail - and how to remove those barriers

Leadership & Change: Practices to Move People and Organizations 124

County officials and managers discuss the need for change in their organizations, yet struggle when change is difficult to accomplish within the depths of the organization. This course helps participants move past technical solutions to the practices for approaching adoptive challenges. Discussion highlights why some changes



happen relatively quickly while others are stymied. Participants explore change from the perspective of those whom the change affects. Practical discussions focus on design of a change process; practices to diagnose, interpret and select interventions; barriers; and creating an environment in which people can expand their capacity to address adaptive change.

Instructor: Bill Chiat, Dean of CSAC Institute. For the last 35 years he has worked with hundreds of local agencies in crafting change.

Thursday, April 19, 2018 10:00 a.m.–3:30 p.m.
 Contra Costa ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Friday, May 10, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

SPECIAL TWO-DAY INTENSIVE WORKSHOP

Do you have the emotional agility to thrive in today's world?

Emotional Intelligence – A Leadership Master Class 180

As the world changes, so do the requirements for leaders to leverage a new set of operating principles: self awareness, self-management, motivation, collaboration, authenticity, empathy, adaptability, influence and resilience ... Emotional Intelligence. In this engaging 2 day workshop you will discover the power of emotional intelligence and how it impacts leadership effectiveness and performance. The workshop utilises the latest research and techniques from neuroscience, emotional intelligence and mindfulness to assist participants in building their leadership impact, optimise positive relationships, effectiveness, decision-making, influence, and wellbeing; all primary success factors of a great leader. Participants examine the fundamentals of EQ, its importance in leadership, and how to apply competencies and techniques to specific workplace situations. Participants complete a EQ profile and learn how EQ can be developed through practical tools and techniques.



Instructors: Angela Giacomis is CEO of Careerlink, and works at the nexus of business and neuroscience; John Dare transforms organizations to thrive as a Silicon Valley entrepreneur.

Thursday - Friday, February 22-23, 2018
 10:00 – 4:30 p.m. Thursday and 8:30 – 3:00 p.m. Friday
 Sacramento ♦ \$298/person for counties ♦ 6 credits ♦ Staff/Elected Officials

Enhance interpersonal leadership skills

Leading with Emotional Intelligence 128



What characteristics and practices distinguish great from good performers? What evidence based practices should be part of your daily routine to be a high performer? We will answer these questions from a 30 year data base and research of top performance as we dive into the four areas of Emotional Intelligence (EI): 1) Understanding Yourself, 2) Managing Yourself, 3) Understanding Others and

4) Managing Others. You will take an assessment to determine your EI strengths. Hands on tools to enhance your EI will be explored. Emotional Intelligence is a prime factor to one's success when compared to Intelligence Quotient (IQ) and technical expertise. Business simulations, practice sessions, videos and group discussions will help participants enjoy, engage and learn more.

Instructor: Relly Nadler, Psy.D. is founder of True North Leadership, Inc., and author of *Leading with Emotional Intelligence*.

Thursday, June 14, 2018 10:00 a.m.–3:30 p.m.
 Shasta ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

JPA-Special Districts-MPO-LAFCo-COG-Cities-CSA: What do they all do?

Local Governance in California:

All Those Agencies!

150

California has a complex system of providing services through local governments. This course provides an overview of local government structure and responsibilities in California. You'll learn the basics of all the local agencies and how they interrelate with county responsibilities. A brief history of California governance is followed by a review of the roles and responsibilities of the state, cities, counties, special districts and an alphabet soup of other local agencies. Discussion highlights the authority and responsibilities of the county as it relates to other agencies through a county case study on the interrelationships of all these local agencies.

Instructor: Bill Chiat, CSAC Institute Dean, former executive director of the California Association of Local Agency Formation Commissions and experienced executive in county, district and city governments.

Thursday, March 8, 2018 10:00 a.m.–3:30 p.m.
Shasta ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Facilitate conflict constructively

Manage Conflict (Even Hostility) in Comfort 360

Conflicts and disagreements are a fact of life. They can contribute to better outcomes or can lead to an escalating situation. Transform the most difficult circumstances into a satisfying experience for all involved. This course helps County elected officials and executives identify constructive approaches to positively managing conflict whether from the dais, in a meeting, or one-on-one. Participants analyze their own response to conflict and develop tools to quickly assess and respond to difficult situations and create practical, positive outcomes.

Instructor: Dr. Laree Kiely is president of the Kiely Group and a professor at the USC Marshall School of Business.

Friday, January 19, 2018 10:00 a.m.–3:30 p.m.
Merced ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Thursday, March 15, 2018 10:00 a.m.–3:30 p.m.
Contra Costa ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Friday, May 11, 2018 10:00 a.m.–3:30 p.m.
San Bernardino ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

The 211 on social media 101 to avoid a communication 911

Mastering Social Media Basics 353



Confused about social media, which platforms are right for you, how to find time to manage it, what to post? This class will help you understand what to focus on, how to implement it, and ways to quickly create compelling content using the latest photo, audio and video

techniques! You will explore popular social media sites along with concrete tips, tools, apps and hands-on interaction that will help you become a social media Ninja (or at least have more confidence!). Valuable whether you're a newbie or seasoned practitioner you will go away with knowledge and techniques to implement immediately.

Instructor: Kerry Shearer is former Sacramento County Public Information Officer and a consultant specializing in social media.

Friday, March 16, 2018 10:00 a.m.–3:30 p.m.
Merced ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Create and communicate your county brand

Make Your County Count: Marketing and Branding Advice You Can Use 399



NEW! How do you craft a “county brand” and market your county? Learn how to reach your customers through a well-defined brand platform, a creative marketing strategy and effective executional tactics. Explore best practice strategies from other counties and

industries, identify your specific needs and get a head start on your own marketing plan. Class is designed to help counties initiate and manage a marketing and branding effort. All in one productive day.

Instructor: Ram Kapoor is the Chief Marketing Officer for the University of California, Berkeley.

Friday, May 11, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Achieve outcomes in everyone's best interest

Negotiations and Collaboration in Complex Environments 356

Negotiation is “a back and forth interaction among two or more people who wish to arrive at a mutually agreeable outcome where the parties have some interests in common and some that are opposed.” This definition from Fisher and Ury’s book *Getting to Yes* describes most “Public Good” negotiations. Solution-Based Negotiation teaches participants how to achieve the most beneficial outcomes for all negotiating parties while ensuring the outcomes are in the best interest of the public while the negotiating parties’ relationships end positively. This course covers the most current tried and tested behaviors in the field of negotiation and gives you tools that will be immediately useful in your work. Best of all, it can help you serve your constituents in the best possible ways without needless compromise.

Instructor: Dr. Laree Kiely is president of the Kiely Group, and professor at the USC Marshall School of Business.

Thursday, January 18, 2018 10:00 a.m.–3:30 p.m.
Contra Costa ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Thursday, April 12, 2018 10:00 a.m.–3:30 p.m.
Shasta ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Thursday, April 26, 2018* 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

TAKE NEGOTIATION SKILLS TO NEXT LEVEL WITH ADVANCED CLASS

Negotiation practices in difficult situations and with difficult people

Advanced Practices in Negotiations 384

This advanced course is designed to enhance and deepen the skills of those with negotiations experience. Whether applied in labor relations, conflict resolution, contracts, intergovernmental agreements and hundreds of other situations – this advanced course takes your negotiation practices to the next level. The class focuses on understanding and applying the 21st century framework for negotiation success even in very difficult situations and with very difficult people. Participants will explore and apply tools in typical negotiation challenges including scarce resources, rigid timeframes, emotionally charged issues, power struggles and multiple negotiators. Practical strategies and tools for difficult people and complex situations will highlight the class discussions. Participants will have hands-on experience with advanced tools and how to develop their

“going forward” plan in a variety of situations. *Prior completion of 356 Negotiations class required.*

Instructor: Laree Kiely, Ph.D. is president of the Kiely Group and professor at the USC Marshall School of Business.

Friday, April 27, 2018* 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

* Take these two top negotiations classes on back-to-back days!

For experienced presenters wanting to ‘up’ their presentations

**Polish Your Presentation:
 Advanced Practices in Communication** 125

This intense class helps senior managers and elected officials better present their ideas with conviction, control and poise — and without fear. The course covers specific skills and advanced techniques for delivering professional presentations that get results. Participants examine their presentation style, learn to use tools to organize their presentation and communicate their thoughts, and handle difficult situations. A straightforward presentation model helps participants build their self-confidence and overcome the common mistakes which turn off audiences. Use of graphics and presentation tools are also examined. Through a lab, participants work on improving one of their own presentations.

Instructor: Bill Chiat is Dean of the CSAC Institute and an accomplished presenter with city, county and state governments.

Friday, June 8, 2018 10:00 a.m.–3:30 p.m.
 San Bernardino ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Intentionality: Tying together activities to build performance

**Purpose, Outcomes and Intentionality:
 Make Things Happen in Your Agency** 113

NEW! We all have those nagging problems that lurk in the background, the ones you know you should tackle but never seem to have time. They are often the big hairy ugly ones we really don’t want to tackle. Or worse, we’ve made them “unsolvable”, working around rather than tackling them. This class provides a much needed break to really examine these issues. Participants take a step back to identify the roots of the issues, re-frame them as necessary, and then identify alternative strategies, reducing roadblocks, sequencing steps, identifying stakeholders and developing flexibility in getting to your goals. The class is about creating a mind-set for tackling problems and knowing whether you’re making progress or not. Be prepared to be challenged, and encouraged to think in new ways.



Instructor: Mary Kirlin, DPA is a former professor and department chair in public policy at Sacramento State University.

Thursday, March 1, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Improve customer and employee satisfaction ... and reduce costs

**Service Excellence through
 Process Improvement: Championship** 374

When counties look to create efficiencies, process improvement is a valuable tool. It can help maximize value, reduce wasteful activities, and improve service delivery. Hear case examples of how Ventura County has significantly improved service quality and performance

while reducing costs. This hands-on course engages managers in techniques to identify current service delivery processes and find opportunities to improve. Tools are shared for both identifying process problems and engaging the process participants in crafting solutions. Participants apply the tools in simulations and explore how to use them in a process improvement opportunity at home. Objectives include: 1) identify what a process is and define process improvement; 2) understand and apply the plan-do-check-act cycle; 3) know how and when to apply various improvement tools; and 4) create an improvement plan for a selected process.

Instructor: Paul Stamper is manager of the Ventura County Service Excellence Program.

Friday, February 2, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Storytelling is one of life’s most powerful skills

**Storytelling and Other Leadership
 Practices in the Art of Persuasion** 378

Persuasion is interpreted as an attempt to evoke a voluntary change in the attitude or behavior of another person. Effective leaders are able to tell stories that speak to others and markedly influence their behaviors. Through hands-on activities the class explores elements of story-telling and how to construct and use stories in the practice of leadership. Participants examine case studies and experiences to develop their own stories. Other practices examined include metaphors, humor, reciprocity, contrast and conformity. These tools are placed in the context of enhancing the transaction between leader and follower and authentically hearing the needs of listeners.



Instructor: Bill Chiat is Dean of the CSAC Institute and has been a practitioner of leadership (and storytelling) for 35 years.

Thursday, April 6, 2018 10:00 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Build collaborative relationships with county contractors and CBOs

Subrecipient Monitoring 397

new In California, state agencies receive federal grants for social services and make subawards to California counties. The counties, in turn, frequently make subawards to nonprofit organizations that actually provide the services. The Uniform Grant Guidance requires counties to actively monitor their subrecipients. Further, counties must review the subrecipient monitoring activities and report on them. If the auditee has not complied with the requirements, there could be significant impacts: financially; ability to provide services; grantee’s reputation; or access to future grants. This course identifies the federal requirements for subrecipient monitoring; how to determine the Single Audit requirements for subrecipient monitoring; strategies to build collaborative relationships with subrecipients through monitoring; and the recommended steps to conduct the monitoring. *Eligible for CPE credits for CPAs and MCLE credits for members of the bar.*

Instructor: Sefton Boyars, CPA, CGFM, CFS, is a former federal auditor general and an instructor for the California CPA Education Foundation.

Thursday, January 25, 2018 9:30 a.m.–3:30 p.m.
 Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Managers/Analysts

Innovations in addressing youth homelessness

Supporting Homeless and At-Risk Youth – Collaborative Approaches 321



Homelessness is a pervasive and complex problem impacting all California communities. As counties across the state are implementing innovative and collaborative solutions to address this issue, they are finding that homeless and at-risk youth are a unique subset of the homeless population and therefore need equally unique approaches and interventions. This class will engage participants in a discussion on many facets of youth homelessness including root causes and identification of homeless youth, school/county partnerships, foster youth, truancy and economic development. Attendees will hear from experts in the field along with lessons learned from counties implementing promising and successful programs.

Instructors: County Supervisors and experts from the Institute for Local Government.

Friday, June 22, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

New ways to think and work through enduring problems

Survey Design and Analysis 336

NEW! Are you thinking about surveying your employees? Your community? This class will explore the basics of designing a good survey and evaluating the results. We will explore topics such as how do you design questions? What is a good response rate? How do you interpret the responses? Finally, we will look at the features of a popular (and free) online survey tool: Survey Monkey.



Instructor: Mary Kirilin, DPA is a former professor and department chair in public policy at Sacramento State University.

Friday, June 1, 2018 10:00 a.m.–3:30 p.m.
Sacramento ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

Build organizational capacity from within the county

Talent Development and Succession Planning 380

This interactive course will confront the “retirement wave” of baby-boomers leaving local government and explore strategies and best practices to create effective leadership development and succession planning programs in county government. The course includes case examples, small group discussions as well as presentations. Discussion highlights: workforce demographic challenges facing county government; why talent development and succession planning are key to building organizational capacity, especially in tough times; steps to get started; and best practices and lessons learned from leadership development and succession planning programs.

Instructors: Dr. Frank Benest, former city manager of Palo Alto and a noted expert in succession planning. Donna Vaillancourt is the Human Resources Director for San Mateo County.

Friday, March 9, 2018 10:00 a.m.–3:30 p.m.
San Bernardino ♦ \$149/person for counties ♦ 3 credits ♦ Managers/Executives

New ways to think and work through enduring problems

Thinking Strategically in Trying Times 363

This intense seminar discusses the challenges of strategic agility with the critical, enduring problems counties face. The focus is on the art of possibilities. Participants examine separating probabilities (what’s likely to happen) from possibilities (what could happen) and applying concepts of creative and strategic thinking to find different paths to solutions. The conversation provides strategies to question assumptions; identify the environmental issues; distinguish strategies from tactics; use team resources, and structure learning from experience.



Instructor: Dr. Rich Callahan is associate professor of management at the University of San Francisco.

Thursday, January 11, 2018 10:00 a.m.–3:30 p.m.
Shasta ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Tools for engagement and decision making on difficult issues

To Do or Not To Do: Leadership in Decision Making 372

Join former Nebraska State Senator Dave Landis for this engaging and entertaining discussion of how to work with others to solve community and organizational problems, particularly in this era of divisiveness. This course examines a variety of problem solving and decision-making practices which will improve the likelihood of achieving your desired objectives. Case examples demonstrate application of ideas and challenge participants to consider alternative approaches in dealing with community and organizational problems and opportunities. Participants gain hands-on experience with using the tools and exploring application to real world situations.

Instructor: David Landis is a former long-time Nebraska state senator, university instructor and economic development director for Lincoln, NB.

Friday, January 12, 2018 10:00 a.m.–3:30 p.m.
San Bernardino ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Officials

Prepare for organizational scandals and crises

When Bad Things Happen: Managing the Media in Crises and Emergencies 357

Counties are prepared for natural disasters ... but what about federal and state investigations, embezzlement of funds, arrest or death of an official, program failure, scandals uncovered and other unexpected situations. This course focuses on the communications principles required to respond to organizational crises. Case studies are analyzed to identify successful and unsuccessful responses. A set of steps are presented to prepare a communications response, including role assignments, strategies and tactics which target affected audiences, key messages which tell the county’s story, and delivering the response via the media and other communications vehicles. Techniques are shared for response options, sample messages, understanding media perspective and how to avoid common pitfalls and missteps.

Instructors: Sheri Benninghoven, APR is President of SAE Communications. Scott Summerfield is an expert in public agency strategic communications.

Friday, April 13, 2018 10:00 a.m.–3:30 p.m.
San Bernardino ♦ \$149/person for counties ♦ 3 credits ♦ Staff/Elected Official

COURSE SCHEDULE INDEX

Institute Courses by Topic

| COURSE | LEADERSHIP COURSES | PAGE |
|--|--|------|
| 113 | NEW Purpose, Outcomes and Intentionality | 6 |
| 120 | Art & Practice of Organizational Leadership | 1 |
| 123 | Crafting and Implementing Effective Strategic Plans | 2 |
| 124 | Leadership & Change: Practices to Move Organizations | 4 |
| 125 | Polish the Presentation: Advanced Practices | 6 |
| 128 | Leading with Emotional Intelligence | 4 |
| 129 | Intergenerational Leadership | 3 |
| 132 | NEW Communication with Purpose | 1 |
| 180 | Two Day Class Leading with Emotional Intelligence Master | 4 |
| 354 | Customer Service in the Public Sector | 2 |
| 356 | Negotiations and Collaboration in Complex Environments | 5 |
| 360 | Managing Conflict in Comfort | 5 |
| 363 | Thinking Strategically in Trying Times | 7 |
| 371 | Building and Maintaining a Team Environment | 1 |
| 372 | To Do or Not To Do: Leadership in Decision Making | 7 |
| 374 | Service Excellence through Process Improvement | 6 |
| 378 | Storytelling and Other Practices in the Art of Persuasion | 6 |
| 380 | Talent Development and Succession Planning | 7 |
| 384 | Advanced Practices in Negotiations | 5 |
| POLICY & GOVERNANCE COURSES | | |
| 116 | County Budgeting and Financial Planning | 2 |
| 150 | Local Governance in California | 5 |
| 151 | Financing California Counties: A History | 3 |
| 153 | Labor Relations in Local Government | 4 |
| 157 | County 101: Duties, Authorities, Responsibilities | 2 |
| 321 | NEW Supporting Homeless and At-Risk Youth | 7 |
| 336 | NEW Survey Design and Analysis | 7 |
| 339 | NEW IT Define a IT Strategy and Roadmap | 3 |
| 341 | IT Service Management | 3 |
| 342 | IT Performance Metrics and Customer Value | 3 |
| 353 | Mastering Social Media | 5 |
| 357 | When Bad Things Happen: Managing the Media | 7 |
| 369 | County Financial Reporting for Nonfinancial Professionals | 2 |
| 397 | NEW Subrecipient Monitoring | 6 |
| 399 | NEW Make Your County Count: Marketing and Branding Advice | 5 |
| 406 | Emerging Issues The Crisis of Housing | 3 |



COST-EFFECTIVE SOLUTION FOR COUNTY SUCCESSION PLANNING AND EXECUTIVE DEVELOPMENT

*Registration fees includes professional instruction,
course materials, certificate and lunch*

www.csacinstitute.org Visit the Institute website for updated information, course schedules and resource materials, including materials from many of the Institute's most popular classes.



CSAC Institute for Excellence in County Government is a professional, practical continuing education program for senior county staff and elected officials. Its goal is to expand capacity and capability of county elected officials and senior staff to provide extraordinary services to their communities. The Institute was established in 2008 and is a component of the California Counties Foundation, Inc. and the California State Association of Counties (CSAC). Nearly 6,000 county staff and elected officials have taken courses. The Institute is supported by CSAC, the California Counties Foundation (a 501(c)(3) charity), grants from organizations and foundations, and course registration fees.

Course Locations

Sacramento – Courses are held in downtown Sacramento at the Capital Event Center at the M.A.Y. Building, 1020 11th Street.

Contra Costa – Courses are hosted by Contra Costa County and held at the Department of Child Support Services, Diablo Room, 50 Douglas Drive, Martinez.

Merced – Courses are hosted by Merced County and held at the Child Support Services training room, 3368 North Highway 59, Suite I, Merced.

San Bernardino – Courses are hosted by San Bernardino County and held at the Department of Behavioral Health Administration Building, 303 East Vanderbilt Way, Room 109, San Bernardino.

Shasta – Courses are hosted by Shasta and Tehama counties and held in Redding at the Best Western Hilltop Inn, 2300 Hilltop Drive.

Course Registration and Fees

Registration – Course registration is done on-line. *Advance registration is required.* Because of limited class size we cannot accommodate registration at the door. To register for a class please visit www.csacinstitute.org.

Fees – Course tuition includes instruction, materials, certificate and lunch. All county staff and officials are eligible for the special county rate of \$149/class day. Staff from county-partnered CBOs, CSAC Partners and Premier Members, and CSAC Affiliate Members are also eligible for this special reduced rate. Regular registration fee is \$351/class day.

Discounts – Reduced tuition is available to county staff and officials when registering for three or more classes at the same time or with the purchase of the Credential Package. Save at least 10% with these options.

Cancellations and Substitutions – Substitutions may be made at no charge; substitutions are not allowed for individuals in a credential package. Registrations may be cancelled by logging into your account, e-mail or calling up to seven days in advance of the class. Refunds are subject to a \$20 handling fee. There are no refunds or credits for cancellations within seven days of a class or no-show the day of the class.

Contact Us

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916/327-7500

2018 CSAC Calendar of Events

Board of Directors

As of 12/20/17

January

- 3 Urban Counties of California (UCC) Board Conference Call
- 11 California Association of County Executives (CACE) Business Meeting, Sacramento
- 17 CSAC Executive Committee Orientation Dinner, Sacramento
- 17 Rural County Representatives of California (RCRC) Board Meeting & Installation of Officers Reception, Sacramento
- 18 CSAC Executive Committee Meeting, Sacramento
- 29 Urban Counties of California (UCC) Board Conference Call
- 31-Feb. 2 CSAC Premier Corporate Partner Forum, San Diego County

February

- 15 CSAC Board of Directors Meeting, Sacramento
10:00am – 1:30pm, Capitol Event Center, 1020 11th Street, 2nd Floor, Sacramento
- 26 Urban Counties of California (UCC) Board Conference Call

March

- 3-7 NACo Legislative Conference, Washington, D.C.
- 14 Rural County Representatives of California (RCRC) Board Meeting, Sacramento
- 26 Urban Counties of California (UCC) Board Conference Call

April

- 5 CSAC Executive Committee Meeting, Sacramento
- 18-20 CSAC Finance Corporation Board Meeting, Riverside County
- 23 Urban Counties of California (UCC) Board Conference Call
- 25-26 Rural County Representatives of California (RCRC) Board Meeting, Humboldt County

May

- 16 Urban Counties of California (UCC) Board Meeting, Sacramento
- 16-17 CSAC Legislative Conference, Sacramento
- 17 CSAC Board of Directors Meeting, Sacramento
12:30pm – 4:00pm, Hyatt Regency, 1209 L Street, Sacramento
- 23-25 NACo Western Interstate Region Conference, Blaine County/Sun Valley, Idaho

June

- 20 Rural County Representatives of California (RCRC) Board Meeting, Sacramento

July

- 13-16 NACo Annual Conference, Gaylord Opryland, Davidson County/Nashville, Tennessee
- 23 Urban Counties of California (UCC) Board Conference Call

August

- 2 CSAC Executive Committee Meeting, Sacramento
- 15 Rural County Representatives of California (RCRC) Board Meeting, Sacramento
- 27 Urban Counties of California (UCC) Board Conference Call

September

- 6 CSAC Board of Directors Meeting, Sacramento
10:00am – 1:30pm, Capitol Event Center, 1020 11th Street, 2nd Floor, Sacramento
- 19-21 Rural County Representatives of California (RCRC) Annual Meeting, Napa County
- 19-21 CSAC Finance Corporation Board Meeting, Santa Diego County
- 25 Urban Counties of California (UCC) Board Conference Call

October

- 3-5 CSAC Executive Committee Retreat, Location TBD
- 22 Urban Counties of California (UCC) Board Conference Call
- 24-26 California Association of County Executives (CACE) Annual Meeting, Monterey County

November

27-30 CSAC 124th Annual Meeting, San Diego County

28 Urban Counties of California (UCC) Board Meeting, San Diego County

29 CSAC Board of Directors Meeting, San Diego County

2:00pm – 4:00pm, Marriott Marquis San Diego, 333 West Harbor Drive, San Diego

December

5 Rural County Representatives of California (RCRC) Board Meeting, Sacramento

12-14 CSAC Officers' Retreat, Napa County