

# CSAC BOARD OF DIRECTORS

## BRIEFING MATERIALS

Thursday, February 18, 2016  
10:00 a.m. 1:30 p.m.



Meeting Location:  
Masonic Hall, Sacramento  
1123 J Street, 3rd. Floor



CALIFORNIA STATE ASSOCIATION OF COUNTIES  
BOARD OF DIRECTORS  
Thursday, February 18, 2016  
10:00am – 1:30pm  
Masonic Hall, Sacramento

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**A G E N D A**

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Agenda times are approximate. Matters may be considered earlier than published time.

Presiding: Richard Forster, President

10:00am - **PROCEDURAL ITEMS**

- |    |   |        |
|----|---|--------|
| 1. | Roll Call                               | Page 1 |
| 2. | Approval of Minutes of December 3, 2015 | Page 3 |

10:15am – **SPECIAL PRESENTATIONS**

- |    |   |         |
|----|---|---------|
| 3. | Presentation of Distinguished Service Awards <ul style="list-style-type: none"><li>❖ Betty Yee, State Controller</li><li>❖ Michael Cohen, CA Department of Finance Director</li><li>❖ Joe Dhillon, Senior Advisor to the Governor for Tribal Negotiations</li><li>• <i>President Forster</i></li></ul>  |         |
| 4. | Corporate Partner Presentation <ul style="list-style-type: none"><li>• <i>Jim Manker, CSAC staff</i></li><li>• <i>Brian Hicks, BlueCat</i></li></ul>  | Page 7  |
| 5. | Report on Governor's Budget for 2016-17 <ul style="list-style-type: none"><li>• <i>Michael Cohen, Director, CA Department of Finance</i></li><li>• <i>Diane Cummins, Special Advisor to the Governor</i></li></ul>  |         |
| 6. | State Budget Review and Potential Ballot Measures <ul style="list-style-type: none"><li>❖ Managed Care Organization (MCO) Fix Proposal</li><li>❖ Transportation Funding</li><li>❖ Stormwater/Water Conservation Initiative</li><li>❖ 2016 Statewide Ballot Measures Update</li><li>❖ Governor's Public Safety Initiative</li><li>• <i>DeAnn Baker &amp; CSAC Advocacy staff</i></li></ul> | Page 16 |

11:15am – **ACTION ITEMS**

- |    |   |         |
|----|---|---------|
| 7. | Consideration of State and Federal Legislative Priorities for 2016 <ul style="list-style-type: none"><li>• <i>DeAnn Baker &amp; CSAC Advocacy staff</i></li></ul>   | Page 22 |
| 8. | Ratification of Support for Greg Cox, NACo 2 <sup>nd</sup> VP Candidate <ul style="list-style-type: none"><li>• <i>Matt Cate, CSAC Executive Director</i></li></ul> | Page 34 |

11:45am – **INFORMATION ITEMS**

9. CSAC Finance Corporation Report Page 35
- *Supervisor Linda Seifert, Finance Corp. President*
  - *Alan Fernandes, Finance Corp. Executive Vice President*
10. Conflict of Interest Statement for CSAC Board Members Page 36
- *Graham Knaus, CSAC staff*

12:00pm – **LUNCH**

11. Informational Reports without Presentation Page 38
- ❖ Institute for Local Government (ILG) Update
  - ❖ CSAC Litigation Coordination Program Update
12. Other Items

1:30pm - **ADJOURN**

**CALIFORNIA STATE ASSOCIATION OF COUNTIES**  
**Board of Directors**  
**2016**

<u>Section</u>	<u>County</u>	<u>Director</u>
U	Alameda County	Keith Carson
R	Alpine County	Terry Woodrow
R	Amador County	Louis Boitano
S	Butte County	Bill Connelly
R	Calaveras County	Michael Oliveira
R	Colusa County	Kim Dolbow Vann
U	Contra Costa County	John Gioia
R	Del Norte County	David Finigan
R	El Dorado County	Ron Mikulaco
U	Fresno County	Henry Perea
R	Glenn County	John Viegas
R	Humboldt County	Virginia Bass
S	Imperial County	Raymond Castillo
R	Inyo County	Jeff Griffiths
S	Kern County	Leticia Perez
R	Kings County	Doug Verboon
R	Lake County	Anthony Farrington
R	Lassen County	Jim Chapman
U	Los Angeles County	Don Knabe
R	Madera County	David Rogers
S	Marin County	Damon Connolly
R	Mariposa County	John Carrier
R	Mendocino County	Carre Brown
S	Merced County	Hubert "Hub" Walsh
R	Modoc County	Jim Wills
R	Mono County	Larry Johnston
S	Monterey County	Fernando Armenta
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	John Benoit

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	vacant
S	San Joaquin County	Bob Elliott
S	San Luis Obispo County	Bruce Gibson
U	San Mateo County	Carole Groom
S	Santa Barbara County	Doreen Farr
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	Linda Seifert
S	Sonoma County	Efren Carrillo
S	Stanislaus County	Vito Chiesa
R	Sutter County	Larry Munger
R	Tehama County	Robert Williams
R	Trinity County	Judy Morris
S	Tulare County	Steve Worthley
R	Tuolumne County	Sherri Brennan
U	Ventura County	Kathy Long
S	Yolo County	Jim Provenza
R	Yuba County	Roger Abe

**President:** Richard Forster, Amador  
**First Vice President:** Dave Roberts, San Diego  
**Second Vice President:** Leticia Perez, Kern  
**Immed. Past President:** Vito Chiesa, Stanislaus

**SECTION:** U=Urban S=Suburban R=Rural

CALIFORNIA STATE ASSOCIATION OF COUNTIES  
 BOARD OF DIRECTORS  
 Thursday, December 3, 2015  
 Marriott Hotel, Monterey, CA

MINUTES

Presiding: Vito Chiesa, President

**1. ROLL CALL**

Alameda	Keith Carson	Placer	absent
Alpine	Terry Woodrow	Plumas	Lori Simpson
Amador	Forster/Boitano	Riverside	absent
Butte	Bill Connelly	Sacramento	Susan Peters
Calaveras	Michael Oliveira	San Benito	Margie Barrios (audio)
Colusa	absent	San Bernardino	absent
Contra Costa	John Gioia	San Diego	Roberts/Cox
Del Norte	David Finigan	San Francisco	vacant
El Dorado	Ron Mikulaco	San Joaquin	Bob Elliott
Fresno	Henry Perea	San Luis Obispo	Bruce Gibson
Glenn	John Viegas	San Mateo	Carole Groom
Humboldt	Virginia Bass	Santa Barbara	Doreen Farr
Imperial	Jack Terrazas	Santa Clara	Ken Yeager
Inyo	Jeff Griffiths	Santa Cruz	Bruce McPherson
Kern	Leticia Perez	Shasta	Leonard Moty
Kings	Doug Verboon	Sierra	Lee Adams
Lake	absent	Siskiyou	Ed Valenzuela
Lassen	Jim Chapman	Solano	Linda Seifert
Los Angeles	absent	Sonoma	Efren Carrillo
Madera	Tom Wheeler	Stanislaus	Vito Chiesa
Marin	Damon Connolly	Sutter	Larry Munger
Mariposa	John Carrier	Tehama	Robert Williams
Mendocino	Carre Brown	Trinity	Judy Morris
Merced	Hubert "Hub" Walsh	Tulare	Steve Worthley
Modoc	Geri Byrne	Tuolumne	Sherri Brennan
Mono	Larry Johnston	Ventura	Kathy Long
Monterey	Fernando Armenta	Yolo	Jim Provenza
Napa	Diane Dillon	Yuba	Roger Abe
Nevada	Ed Scofield		Advisors: Rick Haffey and Charles McKee
Orange	Lisa Bartlett		

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of September 3, 2015 were approved as previously mailed.

3. CSAC CORPORATE PARTNERS REPORT

Josh Miller of Aetna addressed the Board of Directors and indicated they will be offering assistance to the victims of the San Bernardino County shooting. Briefing materials included a description of the health care benefits Aetna provides to local governments.

4. CSAC FINANCE CORPORATION REPORT

Supervisor Linda Seifert, President of the CSAC Finance Corporation, discussed programs that are currently being offered and encouraged Board members to participate in these programs. Program details were contained in the briefing materials. She also thanked CSAC for the Circle of Service award the Finance Corporation received for the work it has been doing on organization efficiency. Alan Fernandes was introduced as the new Executive Vice President of the Finance Corporation.

5. ELECTION OF 2016 EXECUTIVE COMMITTEE

The Urban, Suburban and Rural caucuses submitted the following Executive Committee nominees for approval by the Board of Directors:

Urban Section

Keith Carson, Alameda  
John Gioia, Contra Costa  
Carole Groom, San Mateo  
Don Knabe, Los Angeles  
Kathy Long, Ventura  
Ken Yeager, Santa Clara  
Greg Cox, San Diego (alternate)

Rural Section

David Finigan, Del Norte  
Ed Valenzuela, Siskiyou  
Virginia Bass, Humboldt (alternate)

Suburban Section

Bruce Gibson, San Luis Obispo  
Leonard Moty, Shasta  
Linda Seifert, Solano  
Hubert "Hub" Walsh, Merced (alternate)

Motion and second to approve Executive Committee nominees. Motion carried unanimously.

In addition, Pat Blacklock, CAOAC President, and Charles McKee, County Counsel Association Past President, will serve as advisors.

6. CSAC POLICY COMMITTEE REPORTS

*Administration of Justice.* Supervisor John Viegas, Chair of the CSAC Administration of Justice policy committee, presented a report on the meeting held this morning. The committee received reports on Proposition 47; The Pew-MacArthur Results First initiative; DMV inmate identification implementation; and 2016 legislative priorities. No items were brought forward for consideration by the Board of Directors.

*Agriculture, Environment & Natural Resources.* Supervisor Diane Dillon, Chair of the CSAC Agriculture, Environment & Natural Resources policy committee, presented a report on the meeting held earlier in the week. The committee received reports on Water Rights 101; wildfire prevention and recovery; increasing California's renewable portfolio standard; pharmaceutical ordinance for drug take-back programs; and 2016 legislative priorities. No items were brought forward for consideration by the Board of Directors. The briefing materials contained an update on the Stormwater/Water Conservation initiative.

*Government Finance & Operations.* Supervisor Henry Perea, Chair of the CSAC Government Finance & Operations policy committee, presented a report on the meeting held this morning. The committee received reports on the state budget, Affordable Care Act excise tax; GASB 68 and GASB 77; 2016 legislative priorities, and took action to co-sponsor AB 1238 related to electronic applications for certified copies of certain types of vital records, and AB 1546 authorizing secure alternatives to intaglio print for vital records. No items were brought forward for consideration by the Board of Directors.

*Health & Human Services.* Supervisor Ken Yeager, Chair of the CSAC Health & Human Services policy committee, presented a report from the meeting held earlier this week. The committee received reports on the Medi-Cal 2020 waiver; behavioral health priorities; Poverty Working Group; and 2016 legislative priorities. No items were brought forward for consideration by the Board of Directors.

*Housing, Land Use & Transportation.* CSAC staff presented a report from the meeting held earlier in the week. The committee received reports on the state and federal transportation reauthorization; Indian Gaming Working Group; land use and housing policy; and 2016 legislative priorities.

The policy committee recommended the Board of Directors take action to support the amendments to S. 1879 (Barrasso) Federal Fee-to-Trust Reform legislation. This bill is consistent with several of CSAC's key policies for reforming the fee-to-trust process. A number of changes suggested by CSAC are now included in the amended version of the bill. A memo detailing the amendments was distributed to Board members.

Motion and second to approve the policy committee recommendation to support S. 1879 as amended. Motion carried. Tuolumne County abstained.

7. EXECUTIVE DIRECTOR'S REPORT AND RESOLUTION AUTHORIZING CONDUCT OF CSAC BUSINESS

Matt Cate announced that Stanicia Boatner was recently promoted to a legislative analyst, Karen Schmelzer was hired as a legislative assistant, and Amalia Mejia was hired as a program coordinator for the Results First Initiative, a partnership between CSAC and the Pew Foundation.

Motion and second to approve the annual resolution authorizing the CSAC Executive Director to conduct business on behalf of the Board of Directors. Motion carried unanimously.

8. REQUEST FOR POSITION ON STATE FEES ON HOSPITALS INITIATIVE

This initiative would repeal the sunset date for the hospital Quality Assurance Fee and would instead extend it indefinitely. Further, the initiative seeks to ensure that the State uses the funds for the intended purpose of supporting hospital care to Medi-Cal patients and to help pay for health care for low-income children. The Quality Assurance Fee was first established in 2009 when California was seeking to maximize federal funding for health care services. The fee is a payment made by private hospitals to the state, which then uses those funds to leverage federal funding for health care services.

Anne McLeod, from the California Hospital Association, spoke in favor of the initiative and staff recommended that the Board of Directors adopt a 'Support' position on *State Fees on Hospitals. Federal Medi-Cal matching Funds. Initiative Statutory and Constitutional Amendment*, which has qualified for the November 2016 ballot.

Motion and second to adopt a 'Support' position on the above initiative. Motion carried unanimously.

9. CONSIDERATION OF CSAC STRATEGIC PLAN

Over the past year, CSAC has been developing a strategic plan with critical input from all staff, as well as staff from the CSAC Finance Corporation, CSAC Institute and broad discussion with CAOAC. Staff outlined the plan contained in the briefing materials and noted that staff will be creating work plans for each of the goals.

Motion and second to approve the 2016 CSAC Strategic Plan. Motion carried unanimously.



10. INSTITUTE FOR LOCAL GOVERNMENT (ILG)  
Martin Gonzalez, Executive Director of the Institute for Local Government (ILG), presented an update on ILG activities. He noted that San Mateo County was chosen as the Beacon Award recipient this year for its comprehensive approach to sustainability.
11. OTHER ITEMS  
Staff announced that Fresno County recently moved from the suburban to urban caucus of CSAC.
12. CLOSED SESSION  
The Board of Directors adjourned to a closed session regarding proposed amendments to the CSAC Constitution. Item will be brought to the Board during the 2016 legislative conference for action.

Meeting adjourned.

## **BlueCat**

Today's network and IT environments contain a mix of legacy, virtual, private cloud and public cloud infrastructures. As business needs evolve and change at an ever-increasing pace so do demands on the network. An adaptive and responsive IT organization is essential for organizations to continue to deliver value and innovation to their markets. This is BlueCat's mission.

### Contact:

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## CSAC Board of Directors Report – 2.18.16

1. **Partnership Program Update:** We are currently working renewals for our upcoming “half-year” partnership period. We are moving to a fiscal year partnership in July of 2016 to align with CSAC’s budget and calendar.

**NOTEWORTHY:** **BlueCat** is our newest Premier Partner and **United Healthcare/Optum** moved up from the Executive level to the Premier level! Also joining at the Associate level is **Equinox**. We begin 2016 with 60 partners (27 - Premier, 6 - Executive, 27 - Associate).

2. **Regional Meetings:** These one day regional events are designed to bring together our members and leaders from regional counties, our CSAC Executive and Advocacy Team members and our Premier and Executive level partners. Panels and round table discussions help foster the sharing of information and creative solutions critical to excellent county governance. Regional meetings also provide great opportunities for our partners build relationships with our members.

- Northern Counties Regional Meeting (Shasta County) – Thursday, March 24<sup>th</sup>. Agenda details and save the date information is forthcoming.
- Motherlode and Surrounding Counties Regional Meeting (Amador County) – Thursday, June 16<sup>th</sup>. Agenda and save the date information is forthcoming.

3. **Looking Ahead:** Here are the things we are currently working on.

- The newly completed **2016 Corporate Partner Guide** is currently being distributed to every county procurement and general services officer in California.
- **A County by County Procurement Roster** was distributed to all in attendance at our Partnership breakfast meeting at the annual meeting and electronically via our monthly partner Enews.
- CSAC Corporate Program twitter page, please follow us!
- I promoted CSAC and our partnership program last month at the California Association of Public Procurement Officials annual meeting.

Thank you again for your support of our Partnership Program.

Respectfully submitted,



Jim Manker  
CSAC Director of Corporate Relations

**Premier Partners (as of 2.1.2016)****1. Aetna**

Josh Miller, Director of Sales and Service  
2850 Shadelands Dr.  
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(925) 964-5800  
[millerj6@aetna.com](mailto:millerj6@aetna.com)  
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**2. Alliant Insurance Services, Inc.**

Nazie Arshi, Senior Vice President  
1301 Dove St. Suite 200  
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(949) 660-8110  
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**3. Anthem Blue Cross**

Michael Pro시오, Regional Vice President, State  
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1121 L Street, Suite 500  
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(916) 403-0527  
[Michael.prosio@anthem.com](mailto:Michael.prosio@anthem.com)  
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**4. Argyle Security**

Buddy Johns, President & CEO  
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**5. BlueCat**

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**6. California Clean Power**

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**7. California Health & Wellness**

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**8. California Statewide Communities  
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**9. CGI**

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**10. Coast2Coast Rx**

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**11. CSAC Excess Insurance Authority**

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**12. Dell | Enterprise Solutions Group**

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[www.dell.com/networking](http://www.dell.com/networking)

**13. DLR Group**

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**14. Dominion Voting Systems**

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**15. Election Systems & Software**

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**16. Hanson Bridgett LLP**

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**17. HP**

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**18. Kaiser Permanente**

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**19. Nationwide**

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**20. Optum**

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**21. Pacific Gas & Electric Company**

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**22. Renovate America, HERO Program**

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**23. Southern California Edison**

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**24. Synoptek**

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**25. UnitedHealthcare**

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**26. U.S. Communities**

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**27. Vanir Construction Management, Inc.**

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**Executive Partners****1. CaliforniaFIRST**

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**2. The Geo Group**

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**3. HdL Companies**

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**4. Molina Healthcare**

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**5. Recology**

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**6. Waterman & Associates**

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**Associate Partners****1. AT&T**

Mike Silacci, Regional Vice President  
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**2. CGL Companies**

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From: DeAnn Baker, Deputy Executive Director of Legislative Affairs  
Karen Keene, Senior Legislative Representative  
Farrah McDaid Ting, Legislative Representative  
Kiana Valentine, Legislative Representative

Re: **Update on CSAC's Top 2016 Legislative Priorities**

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**Background.** The California State Legislature reconvened on Monday, January 4 and Governor Jerry Brown released his January 2016-17 State Budget Proposal shortly thereafter. The following is an update on three of CSAC's top priorities for the coming legislative session in the context of the state budget, ongoing special sessions and the upcoming election cycle.

**Policy Considerations.**

Governor's Revised MCO Fix Proposal

The Managed Care Organization (MCO) tax currently provides roughly \$1.1 billion for Medi-Cal services, including administrative funding for the Coordinated Care Initiative (\$130 million) and other critical health care services. The federal government informed California two years ago that the current MCO tax structure failed to comply with their regulations in that it does not apply to all health plans in the state.

In response, the Governor has called a special session on health care to focus the Legislature on passing a revised MCO fix. In his January budget proposal, the Governor introduced a revised three-year tiered MCO tax plan based on the type of health plan (commercial, closed-system [such as Kaiser], and Medi-Cal). Some plans, including local health plans, would fall under both the commercial and Medi-Cal tiers. To help most of the plans with the costs associated with the new proposed tax, the state is offering concurrent relief in the Gross Premiums Tax and Corporate Tax that some plans also pay.

The Governor's new proposal would raise about \$1.7 billion total, but after the tax policy changes are taken into account, would net the state about \$1.3 billion. This funding would be placed into a special fund and be used to fund current Medi-Cal activities, including parts of the Coordinated Care Initiative plus the full-year restoration of the 7 percent across-the-board cuts in In-Home Supportive Services hours (\$236 million). It may also be enough to fund increases for developmental services providers.

Despite the Governor's efforts to date, achieving the two-thirds vote necessary in the Legislature to provide the fix has remained elusive as it is framed as a "tax." The Special Session on Health Care remains open, and at the time of this writing, the Administration has

not yet reached a final deal with the health plans. The Legislature is expected to take up the proposal once it is finalized.

### Transportation Funding

The Governor's 2016 January Budget Proposal continued to emphasize reinvesting in California's infrastructure, particularly in the transportation sector. This is a positive starting point for our efforts to secure new, robust and sustainable funding for local streets and roads in the Special Session on Transportation and Infrastructure Development still underway. The budget proposal included a reintroduction of the Governor's September 2015 transportation funding and reform package. Recall that proposal would spend an additional \$3.6 billion annually for ten-years on maintenance and rehabilitation of state and local transportation systems and investments in transit. The proposal also includes a number of reforms and accountability measures, including project delivery and environmental streamlining, innovative procurement methods, and reforms at Caltrans related to workload and hiring.

CSAC continues to work with a coalition of stakeholders to push for a larger transportation funding package. Under the Governor's transportation proposal, cities and counties would receive \$1.05 billion annually in new revenue. While this funding would certainly help local governments start to address significant maintenance and rehabilitation needs, it would not be enough to actually improve the overall condition of the local street and road system or reduce overall maintenance backlogs. Our analysis indicates counties and cities need closer to \$3 billion annually to bring the system into a "good" condition. Outside of the budget, Assembly Member Jim Frazier introduced a measure that would generate over \$7 billion annually and we understand that Senator Jim Beall is working on revisions to his existing \$4.5 billion funding plan. The Republican Caucuses in both houses also continue to promote their proposals, which aim to generate similar funding by relying on existing revenues, such as truck weight fees. Recall that truck weight fees are currently off-setting transportation bond debt service payments and, if diverted, would create an ongoing state general fund obligation.

For our part, CSAC continues to try to keep the pressure on the Legislature and Governor to pass a robust funding and reform solution in short order. There are a couple of current year issues that are assisting us in this effort. First, the Board of Equalization (BOE) is preparing to adjust the price-based excise tax rate, as required by the 2010 Fuel Tax Swap, which replaced the sales tax on gas with a variable rate excise tax. Based on early projections by the Department of Finance (DOF), the rate will likely go down by at least 2.2-cents, or the equivalent of \$330 million statewide, and as much as 3-cents or \$450 million. Counties receive 22% of the price-based excise tax revenue. This cut comes after a 6-cent reduction in FY 2015-16 and a 3-cent cut in FY 2014-15. CSAC is in the process of surveying all 58 counties to understand how these revenue reductions will impact local transportation projects, the ability to delivery basic public works services, and even staffing levels. We will use the results of this survey to inform every member of the Senate and Assembly about specific local impacts and urge their collective action to address the funding crisis now.

Second, in response to previous year cuts and in anticipation of the aforementioned BOE action, the California Transportation Commission (CTC) recently voted to deprogram (cut) \$754 million from the State Transportation Improvement Program (STIP) over the next five years. This action will impact every region in the State of California. In response to this, CSAC and our coalition partners are planning at least five press events over the next three weeks to highlight the specific regional project cuts and associated economic impacts. This effort will inform the media and communities that the Legislature and Governor can avoid these cuts by coming together on a bipartisan transportation package.

#### Stormwater/Water Conservation Initiative Update

On Monday, December 14, CSAC joined with the League of California Cities (League) and the Association of California Water Agencies (ACWA) in filing a proposed constitutional amendment with the Office of the Attorney General (AG). The measure would amend Article X of the California Constitution to create a new, optional funding system local agencies can use to finance stormwater management, flood control, sewer and water supply projects, set rates for customers to encourage conservation and reduce water and sewer bills for low-income customers. The ability to finance stormwater projects would assist local agencies in complying with the Federal Clean Water Act and the State Porter-Cologne Water Quality Control Act, thus avoiding potential fines and penalties. Any local agency that utilizes this optional funding method would be required to adhere to strict accountability, transparency, and ratepayer protections.

"The California Water Conservation, Flood Control and Stormwater Management Act of 2016" specifically authorizes local agencies at their discretion to:

- Set different levels of rates for customers to encourage conservation, prevent waste and discourage excessive use of water,
- Levy fees and charges, subject to ratepayer protest, for flood control and for management of stormwater to protect coastal waters, rivers, lakes and sources of drinking water from contamination, and
- Use fees and charges to reduce water and sewer fees and charges for low-income customers.

The accountability protections include detailed noticing and public hearing requirements, majority protest provisions, and assurances that ensure that all money must be spent for the local purpose for which the fee or charge was imposed and cannot be taken by state government.

Regarding process, CSAC and our coalition partners have submitted to the AG amendments to the original language in response to comments offered by other stakeholders. The proposed Constitutional amendment has been revised to reflect those comments. The changes made do not affect the overall intent of the proposal.

At the time of this writing, the Legislative Analyst Office (LAO)/Department of Finance (DOF) fiscal analysis is due any day now and the AG is expected to issue Title and Summary by Wednesday, February 17. The coalition has met with both the LAO and DOF, and will be meeting with the AG in the near future. Meetings with the Administration and other stakeholders will continue throughout this process.

If we are successful in obtaining a positive Title and Summary, we will do more polling to determine public support. A decision to move forward with a ballot measure via the signature gathering or legislative process will likely not occur until early March and will be highly dependent upon the results of the polling. Any consideration by CSAC to expend funds for a campaign would require a significant coalition of other financial partners and a two-thirds vote of the CSAC board of directors.

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**RE: 2016 Statewide Ballot Measures Informational Update**

The November 2016 ballot will likely feature a lengthy list of statewide ballot measures, in addition to local measures and candidate contests. As of February 2, there are:

- 68 initiatives currently circulating for signature
- 1 initiative with 25% of signatures reached – at this point, proponents must certify this threshold to the Secretary of State, who must then provide copies of the proposal to the Senate and Assembly for committee review and public hearings
- 1 initiative pending complete signature verification
- 14 initiatives pending at the Attorney General’s office, awaiting title and summary
- 8 measures that have qualified for either the June or November 2016 ballot

In addition, the Legislature may seek to qualify additional measures for the 2016 ballot with two-thirds approval of the Senate and Assembly. Initiatives working their way through the petition process will have until about July 1 to qualify for the November 2016 ballot, while referenda placed on the ballot by the Legislature need to be qualified just 31 days before the election.

CSAC is monitoring the progress of all of the proposed ballot initiatives. The following measures are currently qualified for a 2016 ballot:

Subject/Title	Summary	Current Status
<b>Suspension of a Legislator. (Chapter 805, Statutes of 2014)</b>	This measure would allow the Senate or Assembly to suspend a respective member and deem the salary and benefits of that member to be forfeited. Requires a two-thirds vote of the house and a motion or resolution stating the basis for the suspension. It also prohibits a suspended legislator from exercising any of the rights, duties or privileges of his or her office or using legislative resources.	CSAC did not have a position on this measure when it was heard in the Legislature in 2014.  <i>(June 2016 ballot)</i>
<b>Federal Medi-Cal Matching Funds</b>	This measure would protect the nearly \$3 billion Quality Assurance Fee contributed by hospitals and used by the state to draw down federal Medicaid matching funds for hospital Medi-Cal services by constitutionally prohibiting the funding from being diverted to other uses and removing the 2017 sunset date.	The CSAC Board of Directors took action at its December 2015 meeting to support this measure.  <i>(November 2016 ballot)</i>
<b>Referendum to Overturn Plastic Bag Ban</b>	This measure would reverse current law that prohibits grocery and other retail stores from providing single-use bags but permits sale of recycled paper bags and reusable bags, enacted through SB 270 (Padilla; Chapter 850, Statutes of 2014). This law has temporarily been suspended by court order until the outcome of the referendum is determined.	CSAC did not take a position on the original legislation establishing the single-use plastic bag restriction.  <i>(November 2016 ballot)</i>

<b>English Language Education (Chapter 753, Statutes of 2014)</b>	This measure amends and repeals various provisions of Prop 227, related to English language instruction. It provides that school districts and county offices of education shall, at a minimum, provide English language learners with a structured English immersion program and that these offices must solicit input on, and provide to pupils, effective and appropriate instructional methods.	CSAC did not have a position on this measure when it was heard in the Legislature in 2014.  <i>(November 2016 ballot)</i>
<b>Voter Approval for Revenue Bonds/Cortopassi Initiative</b>	This measure would require statewide voter approval (at statewide general elections) for any revenue bonds issued or sold by the state or any joint agency created by or including the state, if the bond amount exceeds \$2 billion. While directed at Governor Brown's water pipeline project, this could impact all state and local projects meeting the designated bond threshold level.	          <i>(November 2016 ballot)</i>
<b>State Prescription Drug Purchases Pricing Standards</b>	This measure would prohibit state agencies from paying more for a prescription drug than the lowest price paid for the same drug by the U.S. Department of Veterans Affairs. The prohibition applies to any program where the state is the ultimate payer for the drug, even if the state does not purchase the drug directly, though certain purchases of prescription drugs funded through Medi-Cal are exempt.	          <i>(November 2016 ballot)</i>
<b>Health Requirements for Adult Films</b>	This measure would require performers in adult films to use condoms during filming of sexual intercourse, and requires producers to pay for vaccines, testing, and examinations. The measure imposes liability on producers for violators.	          <i>(November 2016 ballot)</i>
<b>School Bonds for K-12 Schools and Community College Facilities</b>	Authorizes \$3 billion in general obligation bonds for new construction and \$3 billion for modernization of K-12 public school facilities. Authorizes \$1 billion in general obligation bonds for charter schools and vocational education facilities. Authorizes \$2 billion for community college facilities.	          <i>(November 2016 ballot)</i>

Additional measures currently circulating for signatures touch on many issues that could have direct implications for counties, including marijuana legalization, public safety, property tax assessments, water quality and storage, electricity generation, three strikes reform, minimum wage adjustments, pension and retiree health benefits, and disability access.

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

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California State Association of Counties®

## **CSAC 2016 STATE ADVOCACY PRIORITIES**

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**\*\*\* DRAFT \*\*\* Adopted by CSAC Executive Committee – January 2016**

California continues to outpace the rest of the country in all measures of growth as the nation enters its seventh year of economic recovery. However, within the state, progress has been uneven with many counties that are still not realizing the same level of economic stability compared to pre-recession standards. This is the stage for California's counties as we begin to prepare for the next inevitable downturn.

The CSAC 2016 policy priorities, therefore, are organized around three concepts where our partnerships with the state and federal governments can be strengthened to serve all Californians: **Local Budget Stability; Economic Development and Healthy Communities; and Infrastructure Investment.**

**LOCAL BUDGET STABILITY.** Some counties are sharing in the stronger state and national economy while others are lagging, especially in geographic areas where residents are in need of more economic opportunities and supportive services. As counties continue to take on more responsibility than ever for providing state programs, we look forward to a strong partnership with the state and continued funding for programs in which we share responsibility, including public safety grants, jail health costs, Payment in Lieu of Taxes (PILT), debts owed for past local government mandates, and Affordable Care Act eligibility administration.

**ECONOMIC DEVELOPMENT AND HEALTHY COMMUNITIES.** Local decisions about policies that spur the economy and improve the quality of life in local communities are often more successful when complemented by incentives and resources provided by state and federal governments. While local flexibility is critical for successful implementation of policy, clear and consistent state policy direction where applicable is also essential. This includes policies related to ensuring affordable housing, dedicating cap and trade revenue for local greenhouse gas reduction projects, and implementing universal broadband, election reforms, and foster care reforms, as well as addressing the state's still-persistent poverty issue.

**INFRASTRUCTURE INVESTMENT.** Safe, efficient, and sustainable infrastructure is essential to quality of life and economic prosperity. In some regions, critical components that underpin California's civic and economic life, including roads, bridges, flood protection, an adequate and safe water supply, and jail facilities, are not meeting basic standards because of deferred maintenance and inadequate revenue. County leaders' support for new, ongoing, and dependable funding, in combination with relieving unnecessary restrictions that hinder innovation and resourcefulness, will secure the needed resources for sound infrastructure investments.

## LOCAL BUDGET STABILITY

- **Payment in Lieu of Taxes (PILT).** CSAC will advocate for the current year payment of PILT totaling approximately \$644,000 as well as ongoing future payments. (Agriculture, Environment and Natural Resources)
- **IHSS MOE/Coordinated Care Initiative/Managed Care Organization Tax.** CSAC is mindful of the potential impact to counties should the Legislature fail to secure a new managed care organization (MCO) tax – a \$1.1 billion loss in funding – and should the Administration not realize the anticipated savings from the Coordinated Care Initiative (CCI). CSAC supports the CCI and remains committed to its success and eventual expansion of the pilot to all counties. CSAC will also work to protect the county in-home supportive services (IHSS) MOE and support a reasonable MCO tax. (Health and Human Services)
- **Medi-Cal Eligibility Administration Costs.** CSAC will continue to advocate for sufficient funding for county costs related to Medi-Cal eligibility workload and support efforts to undertake a work- and time-study project to better determine funding levels in the future. An estimated \$200 - \$300 million will be needed to adequately support county activities. (Health and Human Services)
- **Vital Records Paper Shortage.** CSAC will advocate for a solution that ensures counties can issue certified copies of birth, death and marriage certificates, despite the abrupt closure of the only authorized provider of banknote paper that met the statutorily required security standards. While temporary solutions are in place, a long-term approach to ensuring that counties are prepared to serve residents' needs for vital records with an adequate inventory of secure banknote paper is necessary. (Employee Relations and Administrative Services)
- **Court Security Supplemental Funding.** CSAC, in collaboration with the California State Sheriffs' Association, was successful for the last two years in securing additional funding for county supplemental court security staffing associated with the activation of a new court facility. This year CSAC, through continued collaboration, will advocate for sustained baseline funding for those counties awarded resources in FY 2015-16, will work to identify potential future needs, and conduct individual county outreach where needed. In FY 2016-17, the funding level for the supplemental court security line item must be calibrated to cover ongoing approved county costs from the current year along with an estimate of the potential new costs in the budget year. (Administration of Justice)
- **Community Correctional Partnership (CCP) Planning Grants.** CSAC will advocate for \$7.9 million in CCP planning grants to ensure counties may dedicate training and resources to their CCPs at a time when they are addressing significant reforms in the criminal justice system. The grants allow the CCPs the opportunity to discuss how to continue investing in their local systems and address public safety needs. (Administration of Justice)
- **Jail Health Costs.** For Medi-Cal eligible inmates who have a 24 hour or longer hospital stay, CSAC will continue to work with county affiliates and the Administration to determine the process for counties to claim federal financial participation. This includes working with the Administration to secure finalized and streamlined claiming protocols. (Administration of Justice; Health and Human Services)

- **Sales and Use Tax Revenue Protections.** CSAC strongly advocates for the protection of local sales and use tax revenue and, in addition, will oppose efforts to erode the state sales and use tax base that could impact allocations to county-designated revenue shares for services including public health, safety and transportation. (Finance and Operations)
- **AB 85 Health Realignment Implementation.** In 2016, the Administration will complete for the first time its final determinations of each county's 1991 Health Realignment AB 85 diversion amounts for fiscal year 2013-14. CSAC will continue to engage the Administration and monitor the integrity of the determinations, as well as work to establish an efficient payment or recoupment process. (Health and Human Services)
- **Affordable Care Act Excise Tax.** CSAC will engage state and federal resources to ensure a minimal fiscal impact to county employers. In addition, CSAC will ensure that county officials receive timely education on the imposition of the Affordable Care Act (ACA) Excise Tax, which will be imposed on employers beginning with taxable year 2020. This means employers could be required to pay an annual 40 percent tax on the cost of employee health coverage that exceeds a predetermined threshold amount. (Employee Relations and Administrative Services)
- **Post-2004 Mandate Repayment Plan.** The secured, full reimbursement of pre-2004 mandate debt still leaves over \$1.1 billion in post-2004 mandate debt owed to local agencies statewide. Although this debt is not officially included in the so-called "wall of debt," CSAC will work with the Administration to develop a pay-down plan to secure funding for those services already rendered by local agencies. (Finance and Operations)
- **Mandate Reform Working Group.** In addition to seeking mandate debt reimbursement, CSAC will actively engage with the Administration and stakeholders to study the current state mandate reimbursement system and identify potential alternatives to establish greater repayment certainty and reduce the potential for payment backlogs. (Finance and Operations)
- **CalPERS' Actuarial Separation of Court Employees.** SB 2140 (Burton; 2000) enacted the Trial Court Employment Protection and Governance Act that requires a trial court and county participate under a joint PERS contract if the trial court is located within a county contracting with PERS for retirement benefits. This results in pooled assets and liabilities, a single employer contribution rate, and a single benefit package. Following the implementation of GASB Statement 68, full pension liabilities are required to be disclosed on county balance sheets. As such, the pooling of assets and liabilities with state trial court employees has resulted in the overstatement of those liabilities. It has also resulted in additional administrative work and barriers for counties practicing fiscal prudence when addressing unfunded liabilities. CSAC will work with the Judicial Council of California, counties and CalPERS to investigate a solution that will result in counties having the option of separating assets and liabilities from the trial courts. (Employee Relations and Administrative Services)
- **Tribal-State Gaming Compacts.** CSAC will continue to work with counties and the Administration to ensure new and renegotiated tribal-state gaming compacts still include judicially-enforceable local agreements and the other positive components that mitigate the impacts of casinos on local government services and the environment. (Housing, Land Use and Transportation)

- **Indian Gaming Special Distribution Fund.** CSAC will explore ways to improve the Special Distribution Fund (SDF), which provides grants to counties and other local agencies to mitigate impacts from gaming. The 2015 compacts signed by the Governor maintained the SDF program, but counties have consistently found the program difficult to implement. Although the program has been unfunded for the last two budget cycles due to a structural deficit, the Legislature has continued to create new and more onerous requirements on the use of grant funds. (Housing, Land Use and Transportation)

## ECONOMIC DEVELOPMENT AND HEALTHY COMMUNITIES

- **Tree Mortality Emergency Response and Preparedness.** CSAC will work with the Administration on the Executive Order on tree mortality while advocating for local assistance and financial resources in order to limit the public health and safety risk from dead and dying trees. (Agriculture, Environment and Natural Resources)
- **Traffic Fine Amnesty Program.** CSAC will focus on future legislation that could extend the current Traffic Tickets/Infractions Amnesty Program that is authorized from October 1, 2015, to March 31, 2017. The Legislature and program advocates are interested in extending the temporary program into long-term reforms and reductions to the current fine and penalty system. CSAC will continue work with the Judicial Council, advocates, the Administration, Legislature, and the Legislative Analyst's Office on any proposals to ensure that county responsibilities and costs are contained should program expansion be pursued. (Administration of Justice)
- **Marijuana.** CSAC will continue to work on any legislative clean-up relative to the recently chaptered medical marijuana legislation as well as provide comments and input into legalization efforts ensuring local control, taxation and funding for environmental impacts. Should a measure qualify for the ballot, CSAC will review the proposal and provide a thorough analysis to the Agriculture, Environment and Natural Resource Policy Committee to ultimately provide a recommendation to the Board of Directors. (Agriculture, Environment and Natural Resources)
- **Elections Reform Funding.** California is undergoing major changes to the statewide election system to bring the costly, antiquated process into the 21st century. Last year significant strides were made to adopt automatic voter registration, implement a centralized voter information database, and expand voting opportunities. Because counties serve as elections administrators for the state and other local government entities, CSAC will advocate for flexibility and financial assistance in the adoption of new voting systems and practices. In addition, CSAC will continue to advocate for fully funded elections mandates and support appropriate election cost-reduction proposals. (Finance and Operations)
- **Proposition 47 Implementation.** The impact of Proposition 47 on county criminal justice systems has been difficult to calibrate. CSAC will continue working closely with counties, criminal justice system partners, the Administration, Legislature, the Board of State and Community Corrections, and other key stakeholders on the process of allocating any potential savings to the state as a result of Proposition 47. (Administration of Justice)
- **Cap and Trade.** CSAC will continue to advocate before the Administration and Legislature for additional resources to help reduce greenhouse gas (GHG) emissions at the local level. CSAC will

continue to engage in Administration-led efforts that include the Forestry Climate Action Team, the update of the 2016 Investment Plan, and the update and use of the California Communities Environmental Health Screening Tool (CalEnviroScreen) in the allocation of cap and trade auction proceeds to disadvantaged communities across all sectors. CSAC will also continue to engage with the Strategic Growth Council to ensure that the Affordable Housing and Sustainable Communities Program funds transportation and housing projects that result in significant GHG reductions while not being overly prescriptive and thereby limiting innovative projects. In addition, CSAC will engage in legislative efforts to influence the appropriation of the remaining of FY 2015-16 auction revenues as well as work to influence the distribution of FY 2016-17 funds. (Agriculture, Environment and Natural Resources; Housing, Land Use, and Transportation)

- **Groundwater.** CSAC will continue to represent county interests in the Sustainable Groundwater Management Act (SGMA) regulatory processes working with our joint County SGMA Working Group. (Agriculture, Environment and Natural Resources)
- **Broadband Access and Adoption.** There have been recent and increasing legislative and regulatory actions related to broadband infrastructure development, funding resources, and definitions of this technology. CSAC will continue to advocate for policies that recognize the diversity of county resources and needs to maximize economic development, service delivery, and future investment opportunities in all 58 counties in the promotion of broadband access and adoption. (Finance and Operations)
- **Behavioral Health Funding.** The 2011 Realignment Behavioral Health Sub- and Growth Accounts have been of interest to the mental health advocate community, the Legislature, and Administration. CSAC remains engaged in discussions with the County Behavioral Health Directors Association and the Administration to determine equitable distributions and in initial discussions related to setting a behavioral health base. CSAC will also continue to oppose any legislation that reduces local flexibility or otherwise adversely impacts the obligations of county behavioral health systems. (Health and Human Services)
- **California Inmate Identification Card Pilot Program Expansion.** CSAC will continue working with the Department of Motor Vehicles to expand on the newly developed Inmate Identification Card Pilot Program. The program started in October and following several months of program implementation in San Diego County the goal is to expand this program to additional interested counties. (Administration of Justice)
- **Continuum of Care Group Home Reform.** CSAC will continue to advocate for attention to the policy and fiscal impacts of AB 403 (Stone; 2015) to ensure that county child welfare services, behavioral health, and juvenile probation systems are adequately resourced to implement this ambitious policy change. CSAC will continue to convene county affiliates in discussions to ensure a coordinated advocacy effort and lead efforts on the Proposition 30 implications of the bill. (Health and Human Services)
- **Medi-Cal 2020 Waiver Implementation.** While the Section 1115 Medi-Cal 2020 Waiver has been agreed to in concept and the Special Terms and Conditions have been finalized with the Centers for Medicare and Medicaid Services (CMS), there is still much work to be done to implement the fiscal

and policy aspects of the deal. CSAC will continue to be an active participant in that process. (Health and Human Services)

- **Drug Medi-Cal Implementation.** CSAC will remain engaged as the Drug Medi-Cal Organized Delivery System Waiver continues to be phased into the various regions throughout the state. A key interest for CSAC will be the development of the financing mechanisms, the rate development process, and ensuring access to care and services for beneficiaries. (Health and Human Services)
- **Poverty Working Group.** California's poverty and homelessness rates remain amongst the highest in the nation and affect all Californians, including children, adults, and seniors. CSAC will continue to convene Poverty Working Group meetings to explore policies and serve as a hub for sharing innovative local programs and initiatives addressing poverty and homeless issues. (Health and Human Services)
- **Pew/MacArthur Results First Program.** CSAC will develop and expand on a new partnership with the Pew-MacArthur Results First Initiative in an effort to support county leaders as they engage in evidence-based policymaking. The goal of the CSAC-Results First partnership is to develop in-state capacity to support California county leaders who seek to invest in programs that will produce the best outcomes for residents and the highest rate of return on the counties' criminal justice investments. (Administration of Justice)

## INFRASTRUCTURE INVESTMENT

- **Transportation Funding.** CSAC staff and coalition partners will keep pressure on the Legislature and Governor to develop a feasible transportation funding package through continued advocacy and a public education and outreach campaign. Consistent with long-standing CSAC policy, the funding package may include new tax revenue, additional cap and trade auction proceeds, and redirecting existing revenues for transportation infrastructure. Staff will work closely with the County Engineers Association of California (CEAC) to highlight the significant infrastructure challenges facing the local streets and road. With continued effort in 2016, we will be poised to take up the funding issue in 2017 if a package does not materialize during this session. CSAC will also collaborate with the Board of Equalization to bring greater stability to the transportation tax swap rate setting process through the existing statutory authority. (Housing, Land Use and Transportation)
- **Water and Flood Control Infrastructure Funding - Article X Amendment.** CSAC will support an amendment to Article X of the California Constitution that would 1) enhance the ability of local agencies to finance stormwater capture and flood control infrastructure; 2) provide more flexibility for the voluntary establishment of conservation-based water rates; and 3) allow agencies, at their discretion, to implement lifelines rates for low-income households. Central to this effort, CSAC will continue to represent county interests on the coalition of statewide organizations that came together last year to develop a ballot measure to fund stormwater services. (Agriculture, Environment, and Natural Resources)
- **Jail Construction Bond Allocations.** CSAC will continue to advocate for, in collaboration with the California State Sheriff's Association, additional jail construction funding. As the Board of State and Community Corrections is working on allocating SB 863 funding, only 12 of the 32 counties that

applied have been recommended for full conditional awards. While \$500 million in grants are available, applications far exceeded that amount and total more than \$1.2 billion in need.  
(Administration of Justice)

- **Solid Waste Tipping Fee.** CSAC will actively engage in ongoing discussions regarding an increase to the State's solid waste disposal fee (Tipping Fee). Efforts will focus on negotiating a workable tipping fee structure, placing emphasis on the need to keep the increase reasonable, and to include the cost of the State Water Boards' Waste Discharge Requirement (WDR) fees in any tipping fee increase.  
(Agriculture, Environment, and Natural Resources)
- **Affordable Housing.** CSAC will continue to support affordable housing efforts in 2016, including increasing the state's affordable housing tax credit program. In addition to new funding efforts, CSAC is currently working to reduce red tape and streamline the environmental review process, and related improvements that will result in the production of new affordable housing. (Housing, Land Use, and Transportation)

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California State Association of Counties®

## **CSAC 2016 FEDERAL ADVOCACY PRIORITIES**

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**\*\*\* DRAFT \*\*\* Adopted by CSAC Executive Committee – January 2016**

*CSAC staff, in consultation with Waterman and Associates, developed the following list of federal issues of significance to California's counties. These issues will represent the association's top lobbying priorities for 2016, with CSAC staff and Waterman and Associates working together to identify other emerging topics that may necessitate action throughout the year.*

**State Criminal Alien Assistance Program (SCAAP).** CSAC will continue to serve as a lead advocate in efforts to protect, as well as enhance, the SCAAP program, which is a key source of federal funding for a significant number of California's counties. CSAC will fight to restrict statutory language that authorizes the U.S. Department of Justice to transfer a significant percentage of SCAAP funding to other justice accounts.

CSAC also will continue to advocate for a long-term reauthorization of SCAAP (S 2395) and will continue to seek several key programmatic changes to the program.

**Native American Affairs/Fee-to-Trust Reform.** 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 are reflected in legislation (S 1879) that is currently pending in the Senate. CSAC will continue to advocate for a number of additional key amendments to S 1879 and will work with the House to promote a similar, comprehensive reform package.

**Payments In Lieu of Taxes (PILT).** CSAC will continue to advocate for a long-term reauthorization of mandatory entitlement funding for the PILT program. In the absence of a long-term renewal, CSAC will support continued full funding for PILT via the appropriations process.

**Secure Rural Schools (SRS) Act Reauthorization/Federal Land Management Reform.** CSAC will maintain efforts aimed at securing a multi-year reauthorization of the SRS program. Absent a long-term program renewal, CSAC will continue to support short-term extensions of the Act. 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.

**Temporary Assistance for Needy Families (TANF) Reauthorization.** CSAC will continue to promote TANF reauthorization legislation that would restore state and county flexibility to tailor work and family stabilization activities to families' individual needs. CSAC also supports maintaining the focus on work activities under TANF, while recognizing that "work first" does not mean "work only."



**Child Welfare Services.** 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. Finally, CSAC supports federal funding to address the service needs of youth who are victims of commercial sexual exploitation.

**Affordable Care Act Excise Tax.** CSAC will monitor legislative proposals, and consider lending support to such efforts, that would eliminate the Affordable Care Act Excise Tax. Effective in 2020, a 40 percent federal excise tax will be imposed on high-cost health insurance plans that have a total cost exceeding a statutory dollar amount. The excise tax is based on the total cost of the employer and employee contribution to the plan, as well as any savings account arrangements such as health reimbursement arrangements and flexible spending accounts.

A number of California counties offer health insurance plans and related programs that will exceed the totals prescribed in the law. Existing labor agreements lock the current plans in place and negotiations of new labor contracts may have to take the tax into consideration.

**Property Assessed Clean Energy (PACE) Program.** CSAC supports legislative and administrative remedies that would help expand residential PACE programs. The Federal Housing Finance Agency (FHFA) issued a directive in 2010 that effectively shut down PACE programs in California and across the country. Bipartisan legislation that would prevent FHFA from adopting policies that contravene established state and local PACE laws remains on the table.

**Water Resources.** CSAC will monitor legislative proposals to ensure consistency with CSAC's comprehensive policy direction on water. Given the ongoing drought, various interests continue to pressure California's congressional delegation and the Obama administration to address the state's chronic water shortage. A range of proposals are being discussed that would address water transfers, endangered species laws, water quality, and California Bay-Delta protections, amongst others.

CSAC will continue to look for opportunities to promote legislation that would provide a Clean Water Act Section 404 permitting exemption for maintenance removal of sediment, debris, and vegetation from local flood control channels and basins.

CSAC also will continue to monitor and support congressional efforts aimed at overturning some of the problematic reforms of Environmental Protection Agency's "Waters of the U.S." regulation.

**Remote Sales Tax Legislation.** CSAC will continue to advocate for federal legislation (S 698) that would authorize state and local governments to require tax collection and remittance by remote sellers. As online sales continue to grow, local governments are losing billions of dollars in uncollected sales tax revenue.

**Victims of Crime Act Funding (VOCA).** Victims of Crime Act (VOCA) funding was increased as part of the fiscal year 2016 omnibus appropriations Act. The VOCA Fund, which is supported by federal criminal

finances and penalties, currently stands at \$3.04 billion (up from \$2.36 billion in FY 2015). While dollars from fines/penalties comprise the entirety of the fund, congressional appropriators can adjust the cap, which is what has been done in recent budget action. In the past, California has received on average \$58 million for the victims assistance VOCA funds. In 2015, California received over \$232 million. While most of the \$232 million will be in competitive grants, for the first time ever \$40 million is going directly to all 58 counties based on population and violent crime statistics. CSAC will continue to advocate for increased funding, which helps support domestic violence shelters, services for victims of human trafficking, and other services for victims of violent crimes.

## CSAC INTERNAL MONITORING

*In addition, CSAC will continue to provide internal monitoring on a number of issues that are of significance to California's counties.*

**U.S. Army Corps of Engineers' Levee Vegetation Removal Policy.** In 2014, Congress approved a major water resources reform bill known as the *Water Resources Reform and Development Act* (WRRDA, PL 113-121). Among other things, the legislation includes language championed by CSAC that requires the U.S. Army Corps of Engineers to undertake a comprehensive reexamination of its controversial levee vegetation removal policy. CSAC will actively monitor the Corps' review process .

In 2016, Congress may look to reauthorize and update the recently enacted WRRDA law. CSAC will closely monitor the development of the potential legislation for any water reform policies that are of direct interest to California's counties.

**Health Reform Implementation.** CSAC will support continued federal funding for the Affordable Care Act, including measures supporting state and county administration of the law.

**Pension Tier Changes - Conflict with IRS Requirements.** CSAC will continue to support legislative changes that would clarify the authority of local governments to propose and implement creative solutions to rising pension costs. At the same time, the association will urge the Internal Revenue Service (IRS) to remove regulatory barriers that prevent local governments from implementing their own local pension reforms.

**Tax-Exempt Status of Municipal Bonds.** CSAC will oppose any proposal that seeks to limit or eliminate the tax treatment of municipal bonds. Under current law, investors are not required to pay federal income taxes on interest earned from most bonds issued by state and local governments. The tax exempt status of municipal bonds therefore provides counties with a cost-effective tool to finance public infrastructure projects and capital improvements.

**National Flood Insurance Program (NFIP).** CSAC supports the creation of a new agricultural flood hazard area under the National Flood Insurance Program (NFIP). Specifically, Congress should establish a FEMA flood zone for agriculturally-based communities to allow replacement or reinvestment development in historically agricultural floodplains. This program would not require expensive elevation of structures or dry flood proofing, but would still have requirements for wet flood proofing certain structures. Congress should instruct FEMA - for these special agricultural zones - to adjust the NFIP rate to be more actuarially structured in order to evaluate the actual flood risk based on levees providing historical protection, as opposed to assuming that no protection exists.

**Community Development Block Grant.** CSAC will promote increased funding for the CDBG program to allow localities to continue to provide a wide variety of economic and community development activities, such as home rehabilitation loans, public works and infrastructure projects, and various youth-related services. CDBG funds have been targeted for cuts in recent budget cycles, making it increasingly challenging to maintain adequate funding for the block grant.

**Eliminate Inmate Exception.** CSAC supports the elimination of the federal health benefits "inmate exception" for persons in county jails and detention centers who are in custody pending disposition of charges. Counties are prohibited from billing federal programs for the health services provided to jail inmates prior to adjudication.

**Digital Goods and Services Tax Fairness Act.** CSAC will oppose legislation that would prohibit state and local governments from imposing taxes on digital goods and services that are taxable under current law. Digital goods and services are online purchases that are downloaded directly by consumers, including music downloads, movies, and newspaper subscriptions.

**Byrne Grant Funding.** CSAC strongly supports prioritizing Byrne funding in the annual appropriations process and will work collaboratively with the California congressional delegation and others to secure and promote increased funding for the program and the positive local outcomes it helps achieve.

**Federal Geothermal Royalties.** CSAC opposes any legislative effort that would discontinue geothermal royalty payments to county governments. The Geothermal Steam Act of 1970 specifies a formula for the distribution of geothermal revenues to federal, state, and county governments. Under the formula, the federal government retains 25 percent of the revenue, the States receive 50 percent, and county governments receive 25 percent. Several recent attempts have been made to permanently repeal the sharing of geothermal revenues with counties.

**Transient Occupancy Tax.** CSAC will work to ensure counties' continued authority to assess and collect transient occupancy taxes on the full rate paid by the consumer for all appropriate transient lodging, regardless of whether the consumer pays through a hotel or any other vendor.

**2-1-1 Statewide.** CSAC has actively supported both state and federal legislation to help build and fund a statewide 2-1-1 referral system. 2-1-1 is a free, easy-to-remember telephone number that connects people to essential community information and services. In 2009, over 1.6 million Californians called 2-1-1 to find needed community services such as rent and mortgage assistance, food and shelter, health care, job training, transportation, child care, and senior care. 2-1-1 also plays an informational role during emergencies and disasters and relieves pressure on the 9-1-1 system at these critical times. The value of this service was evident during the 2007 San Diego wildfires when 2-1-1 call centers provided information and support to more than 130,000 callers in five days. Currently, just 27 of California's 58 counties have 2-1-1 service covering 92 percent of the population. CSAC will continue to work at both the state and federal levels to promote the need for a comprehensive statewide 2-1-1 system.

**Medical and Long-Term Care Premiums.** CSAC supports federal legislation to extend to all retirees the option to use tax free distribution from qualified retirement plans to pay for medical and long-term care premiums. In the Pension Protection Act of 2006, Congress granted specified public safety officers the ability to use up to \$3,000 per year of tax-free dollars from their qualified retirement plans to pay for medical and long-term care premiums. Extension of this benefit to all retirees who participate in a

qualified retirement plan could encourage people to save more while lessening the burden on government budgets to cover rising health care costs.

***Municipal Bankruptcy.*** CSAC will monitor the progress of legislation (H.R. 95, Conyers), which would, among other provisions, modify conditions for confirming a Chapter 9 municipality bankruptcy plan to provide special protection for employees protected by a collective bargaining agreement and for retirees whose benefits would be modified under the Chapter 9 plan.

DRAFT



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Date: February 18, 2016  
To: CSAC Board of Directors  
From: CSAC President Richard Forster  
Re: Supervisor Greg Cox running for NACo 2nd VP in 2016

**Recommended Action: Ratification of Support for Greg Cox, NACo 2<sup>nd</sup> VP Candidate.**

I am pleased to inform you that San Diego Supervisor Greg Cox has announced he's running for NACo 2<sup>nd</sup> VP for 2016. This is great news for California counties! As many of you know, Greg is a longtime leader within CSAC and NACo. Over the past 40 years, Greg has served local government in County, city, and state roles. Greg has served on the San Diego County Board of Supervisors for 20 years, and has served as president of multiple statewide organizations including CSAC, the League of California Cities, the CSAC Finance Corporation, and the Institute for Local Government. He has also been a leader in NACo, having served on the Board and in multiple other roles including as co-chair of the NACo Governance and Structure Task Force that brought increased regional representation to California.

Having Greg as a NACo officer would open up new opportunities for California counties and strengthen our voice in our national association. The vote will occur during the NACo Annual Conference in Long Beach July 22-25. It's more important than ever to ensure all California counties attend the conference and have our votes cast.

Please join my fellow CSAC Officers and the CSAC Executive Committee in supporting Greg's candidacy.



CALIFORNIA STATE ASSOCIATION OF COUNTIES  
**FINANCE CORPORATION**

February 18, 2016

**To:** CSAC Board of Directors

**From:** Linda Seifert, Board President  
Alan Fernandes, Executive Vice President

**RE:** **CSAC Finance Corporation Update**

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**CSAC Finance Corporation Program Highlight:  
U.S. Communities**

The U.S. Communities Cooperative Purchasing program was founded in California and went national in 1996. Nearly all 58 California Counties purchase through U.S Communities, however, while total sales have continued to increase every year the average number of contracts utilized by California Counties has decreased from 5 to 2; most of the attrition due to the departure of certain contracts. U.S. Communities offers a unique cooperative purchasing experience to California Counties including:

- 36 contracts available featuring guaranteed best government pricing;
- No user fees;
- Leveraging of the purchasing power of over 90,000 public agencies nationally;
- Advisory oversight by public purchasing officials; and
- Supervisory oversight by government agency organizations including the CSAC Finance Corporation, CSAC, the National Association of Counties, and the League of California Cities.

On the following page you will find a list of all current U.S. Communities contracts. A list of your county's usage will be provided at the meeting. More information on U.S. Communities can be found at [www.uscommunities.org](http://www.uscommunities.org).



**U.S. COMMUNITIES™**  
GOVERNMENT PURCHASING ALLIANCE



**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  
CONFLICTS 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):

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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.

Date: \_\_\_\_\_

\_\_\_\_\_

Signature





# INSTITUTE FOR LOCAL GOVERNMENT<sup>SM</sup>

*Promoting Good Government at the Local Level*

## BOARD OF DIRECTORS

Chair

**Henry Gardner**  
Former City Manager  
Oakland

Vice Chair

**Michele Beal Bagneris**  
City Attorney/City Prosecutor  
Pasadena

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**Teresa Acosta**  
Public Affairs Manager  
Madaffer Enterprises, Inc.

**Matt Cate**

Executive Director  
California State Association of Counties

**Brett Channing**

Assistant to the City Manager  
El Cajon

**Hal Conklin**

Former Mayor  
Santa Barbara

**Alan Fernandes**

Executive Vice President  
CSCA Financial Corporation

**Mark S. Gaughan**

Genesee Group

**Rod Gould**

Former City Manager  
Santa Monica

**James Keene**

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**Neil McCormick**

Chief Executive Officer  
California Special Districts Association

**Chris McKenzie**

Executive Director  
League of California Cities

**Daniel T. Miller**

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Irvine Company

**William Nelson**

President  
California Special Districts Association

**Lydia Romero**

City Manager  
Lemon Grove

**Art Takahara**

President, De Anza Manufacturing  
Former Mayor, Mountain View

**Casey Tanaka**

Mayor  
Coronado

## CALIFORNIA STATE ASSOCIATION OF COUNTIES LIAISON

**Greg Cox**

Immediate Past Chair  
First District Supervisor  
County of San Diego

## CITY MANAGERS DEPARTMENT LIAISON

**Oliver Chi**

City Manager  
Monrovia

## LEAGUE OF CALIFORNIA CITIES BOARD LIAISON

**Michael Kasperzak**

Council Member  
Mountain View

## MUNICIPAL MANAGEMENT ASSOCIATION OF SOUTHERN CALIFORNIA LIAISON

**Alma Janabab**  
President

## COUNTY ADMINISTRATIVE OFFICERS ASSOCIATION OF CALIFORNIA LIAISON

**Patrick S. Blacklock**  
County Administrator  
Yolo County

## MUNICIPAL MANAGEMENT ASSOCIATION OF NORTHERN CALIFORNIA LIAISON

**Nat Rojanasathira**  
President

## Update on Activities

*February 2016*

The Institute for Local Government (ILG) is the research and education affiliate of the California State Association of Counties, 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](http://www.ca-ilg.org).

## Highlights

- ILG compiled a one-page, by the numbers overview of our work for 2015 (see attached annual report).
- ILG is hosting a webinar “Improving Community Wellness through Collaboration” on February 23<sup>rd</sup> at 11am. Register here: <https://attendee.gotowebinar.com/register/7668785013023700737>.

## 2016 Goal, Strategies and Outcomes

The ILG Board met on Friday, November 13<sup>th</sup>. Agenda topics included 2016 goals, governance and the Public Engagement Programs’ Evaluation Project.

The Board adopted the following goal: The Institute’s goal is to assist local leaders to govern effectively and ethically, work collaboratively and foster healthy and sustainable communities.

To do this, ILG will:

- 1.) Provide education, inspiration, resources and support to local leaders to: (1) govern effectively and ethically; (2) work collaboratively; and (3) foster healthy and sustainable communities;
- 2.) Increase local leaders’ awareness of the Institute’s resources; and
- 3.) Strengthen the Institute.

Emerging focus areas for 2016 include: governments engaging youth, effective governance and developing a public engagement framework. ILG will also maintain its focus on ethics and transparency, healthy communities, sustainable communities and climate change.

## Upcoming Workshops

ILG provides workshops and trainings for local governments throughout the year. If you are interested in learning more about upcoming trainings visit [www.ca-ilg.org](http://www.ca-ilg.org) to sign up for the newsletter or contact ILG Communications Manager, Melissa Kuehne at [mkuehne@ca-ilg.org](mailto:mkuehne@ca-ilg.org).

Examples of recent trainings include:

- AB 1234 Training
- Planning and Land Use
- Harness the Power of Partnerships to Achieve your City's Goals
- Race and Equity: How Cities Can Strengthen Community Relationships
- Cities – Driving the Transition to a Sustainable Future

## Sustainability Update

We have a new focus for the Beacon Climate Action and Sustainability program in 2016. In addition to supporting and recognizing the accomplishments of our 77 existing Beacon communities and the additional communities we expect to recruit in 2016, we are organizing at least two sub-regional collective impact demonstration projects. Through these projects we will work more intensely with groups of local jurisdictions to bring climate action knowledge and resources together to move the needle more quickly and deeply in the demonstration project sub-regions. This work will be done collaboratively with ILG's partners in the Statewide Energy Efficiency Collaborative – the four Investor-Owned Utilities and our two NGO partners, ICLEI and the Local Government Commission.

Thanks in part to persistent engagement by ILG and other voices from local government, the Governor's 2016-17 budget proposes \$100 million from Cap and Trade funds for a new Local Climate Action "Transformational Climate Communities Program" to be administered by the Strategic Growth Council. ILG is in discussions with key leaders in the administration and the legislative leadership regarding this proposal as a source of funding for local climate action as well as a potential source to scale up the Beacon program to provide additional support to local agencies.

ILG is instituting a new fee-based service to provide education and training for planning commissioners on the basics of land use planning as well as the latest developments on emerging topics such as climate action, healthy neighborhoods, and sustainability. Training programs are underway for the City of Stockton and the City of Agoura Hills, and ILG hopes to deliver additional trainings over the course of the year.

## New Articles and Resources

- ILG worked with CSAC and the League on an OpEd for Chris McKenzie and Matt Cate to submit to the *Sacramento Bee* on the importance of local action to address climate change. You can find the article here: [www.sacbee.com/opinion/op-ed/soapbox/article50105160.html](http://www.sacbee.com/opinion/op-ed/soapbox/article50105160.html).

- *Human Trafficking: Issue Brief for Local Officials* - discusses the issue of human trafficking and examples of what local governments can and are doing to address this problem. This brief is part of a larger ILG effort to provide local officials and staff with information on current issues facing California's local governments. Upcoming topics will include: homelessness and poverty. The brief can be found here: [www.ca-ilg.org/post/human-trafficking](http://www.ca-ilg.org/post/human-trafficking).
- *California Cities Use Creative Approaches to Recycling* – highlights ILG's recycling resource center and how local governments are finding innovative ways to finance and site recycling projects in their jurisdictions [www.westerncity.com/Western-City/February-2016/California-Cities-Use-Creative-Approaches-to-Recycling/](http://www.westerncity.com/Western-City/February-2016/California-Cities-Use-Creative-Approaches-to-Recycling/).

## Recent Workshops and Trainings

- On January 7<sup>th</sup>, the Summer Meal Coalition hosted a Summer Meal Summit in Oakland. The event brought together nearly 100 local and state leaders representing school districts, city and county agencies, healthcare, public health, out of school time programs, law enforcement, USDA, CDPH and CDE to focus on creating communitywide partnerships, building on USDA summer meal programs to advance the health and wellbeing of youth. Speakers included Stanford Pediatrics, Contra Costa District Attorney's Office, San Mateo County Library and City of Riverside. USDA Western Region Administrator kicked off the event, and the Oakland Mayor's Office delivered lunchtime remarks.
- In January, ILG provided a training to the San Bernardino LACFO entitled "Partnering with Community Based Organizations for More Inclusive Public Engagement."
- In collaboration with the CA Library Association, Patrice Chamberlain helped organize a library workshop on January 25 focused on the process and steps for starting a Summer Meals Program at local libraries. The successful workshop included librarians from all over California that have either already started a Summer Meal Program or is interested in starting one.

## Board of Directors

The 2016 ILG Board of Directors meetings will take place:

- Friday, March 18<sup>th</sup> (Sacramento)
- Friday, May 20<sup>th</sup> (Sacramento)
- Thursday and Friday, August 25-26<sup>th</sup> (Oakland)
- Friday, November 18<sup>th</sup> (Sacramento)

2015 commemorated ILG's 60th Anniversary and as it comes to a close, we at the Institute for Local Government (ILG) have the chance to reflect on the work done throughout the year and throughout our history. This milestone has marked another productive and exciting year for ILG! We welcomed the California Special Districts Association as a partner in our continued efforts to support all of California's local governments and updated our website to better serve local officials and staff. The numbers below provide an overview of the work completed in 2015. We look forward to continuing to be a resource for local governments across California.

## WHO WE SERVE

<b>58</b> Counties	<b>1000+</b> Special Districts
<b>482</b> Cities	 Local Agency Elected and Appointed Officials and Staff

## EDUCATION

- 3** Webinars drawing over **350** registrants
- 20** Conference sessions reaching hundreds of local officials and staff
- 34** Trainings and workshops reaching over **1000** local officials and staff including **7** AB 1234 trainings

## INFORMATION/COMMUNICATIONS

<b>7,000</b> monthly hits to <a href="http://www.ca-ilg.org">www.ca-ilg.org</a> - an increase of <b>1,000</b> visitors a month over 2014	<b>1,069</b> Facebook likes
<b>2,200</b> downloads monthly	<b>768</b> Twitter followers
<b>4,200</b> monthly newsletter recipients	<b>1,881</b> LinkedIn connections including <b>676</b> members of the Sustainable Communities Learning Network

## RESOURCES

- 39** Case stories including **22** featuring Beacon Communities of the Week
- 2** Resource centers on Cap and Trade and recycling
- 13** Tipsheets and white papers
- 12** Electronic newsletters

### Western City Magazine:

- 6** News from the Institute Columns
- 5** Feature articles and **1** City Forum

### The County Voice:

- 7** Blog Posts

### California Special District:

- 1** Feature article

## RECOGNITION OF LOCAL GOVERNMENT'S LEADERSHIP - THE BEACON PROGRAM:

- 76** Cities and counties participating representing over **25%** of California's population
- 85** Presented **85** spotlight Awards and **5** full Beacon Award including the first county award and the first Gold-Level award
- 10** Beacon champions

## PUBLIC ENGAGEMENT EVALUATION PROJECT:

ILG completed a comprehensive evaluation of the Public Engagement Program's work from 2005-2015 to inform future offerings.

- 335** Total publications produced
- 203** Total conferences and workshops reaching more than **5000** attendees
- 343** Evaluation Participants



# County Councils' Association of California

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## BOARD OF DIRECTORS

### *Officers*

President

*Bruce S. Alpert  
Butte County*

Vice-President  
*Bruce D. Goldstein  
Sonoma County*

Secretary-Treasurer  
*Donna R. Ziegler  
Alameda County*

Immediate Past President  
*Charles J. McKee  
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Historian (Nonvoting)  
*Marshall Rudolph  
Inyo County*

### *Directors*

*Alison A. Barratt-Green  
Nevada County  
2014-2016*

*Leroy Smith  
Ventura County  
2014-2016*

*John C. Beiers  
San Mateo County  
2015-2017*

*Rita L. Neal  
San Luis Obispo County  
2015-2017*

## EXECUTIVE DIRECTOR

*Jennifer B. Henning*

## MEMORANDUM

**To:** Supervisor Richard Forster, President, and  
Members of the CSAC Board of Directors

**From:** Jennifer Henning, Litigation Coordinator

**Date:** February 18, 2016

**Re:** Litigation Coordination Program Update

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

### ***765 Market Street Residential Owners Assn v. 706 Mission Street Co.***

Pending in the First District Court of Appeal (filed Dec. 19, 2014)(A143980)

Plaintiff is comprised of the owners of units within a luxury high-rise building in San Francisco. It filed this CEQA challenge to the city's approval of a neighboring luxury high-rise building. The initial and first amended complaints were admittedly "placeholder" pleadings to preserve the statute of limitations. They included only legal conclusions related to CEQA violations, but no factual allegations to support the CEQA causes of actions. The trial court sustained defendants' demurrer on that basis, with leave to amend. A second amended complaint was filed more than eight months after the CEQA statute of limitations had run, and for the first time included facts to support the CEQA claims. Defendants again demurred, this time alleging that the second amended complaint violated the statute of limitations because the new allegations did not relate back to any facts pled in the first amended complaint. The trial court sustained the demurrer without leave to amend. Plaintiff has appealed and argues in its opening brief that a CEQA petitioner need only plead "placeholder" facts prior to the expiration of the statute of limitations. CSAC will file a brief in support of San Francisco.

### ***ACLU of Southern Calif. v. Superior Court (County of Los Angeles)***

Previously published at: 236 Cal.App.4th 673 (2d Dist. May 6, 2015)(B259392),  
*petition for review granted* (July 29, 2015)(S227106)

The ACLU requested records related to the City of LA and County of LA's Automatic License Plate Reader (ALPR) program, which is a system of high-speed cameras that automatically scan and catalogue license plate images to aid law enforcement in locating vehicles associated with a suspected crime. The

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request sought numerous records, including all raw data generated during a specified one week period. Policies and procedures were disclosed, but the agencies refused to produce the requested data, primarily based on the exemption for “records of...investigations conducted by...any state or local police agency, or any investigatory or security files compiled by any other state or local police agency...” under Section 6254(f). The trial court denied a writ to compel production. The Second District affirmed, concluding that the exemption for law enforcement records of investigations in section 6254(f) applies to APLR records. However, the Supreme Court has granted review. CSAC will file a brief in support of Los Angeles.

***Banning Ranch Conservancy v. City of Newport Beach***

Previously published at: 236 Cal.App.4th 1341 (4th Dist. Div. 3 May 20, 2015)(G049691), *petition for review granted* (Aug. 19, 2015)(S227473)

In a challenge to an approval of a coastal property development, plaintiff contended that the city violated its general plan policy requiring the city to “work with” various resource agencies, including the California Coastal Commission. Plaintiff argued that the policy required more than just consulting or requesting input, but rather that it was necessary to try to reach agreement with the Coastal Commission before approving the project. The court afforded deference to the city in interpreting its general plan policy requirement, concluding that it is “improper for courts to micromanage these sorts of finely tuned questions of policy and strategy that are left unanswered by the general plan. Cities are free to include clear, substantive requirements in their general plans, which will be enforced by the courts. But courts should not invent obligations out of thin air.” In so ruling, the court specifically disagreed with the Third District’s holding in *California Native Plant Society v. City of Rancho Cordova* (2009) 172 Cal.App.4th 603, in which the court concluded that a general plan requirement to coordinate with other agencies was not satisfied by mere solicitation and rejection of input. The California Supreme Court has granted review. CSAC will file a brief in support of the City of Newport Beach.

***Berkeley Hillside Preservation v. City of Berkeley***

241 Cal.App.4th 943 (1st Dist. Sept. 23, 2015)(A131254), *request for publication granted* (filed Oct. 15, 2015)

In March 2015, the California Supreme Court issued a decision in this CEQA case, in which CSAC filed an amicus brief. The Court agreed with CSAC’s position, and concluded that a potentially significant environmental effect is not, by itself, sufficient to trigger the “unusual circumstances” exception to CEQA’s categorical exemptions. The Court remanded with instructions to the First District on how to properly analyze significant environmental effects in the context of exceptions to the CEQA exemptions. On remand, in an unpublished opinion, the First Appellate District concluded that the city properly applied the categorical exemptions. In a detailed analysis, the court rejected Plaintiff’s arguments regarding the project’s size, setting, and other alleged “unusual circumstances,” emphasizing instead the stringent substantial evidence standard of review directed by the Supreme Court. The court also addressed an issue left open by the Supreme Court, and helpfully explained that the city’s requirement that the project implement a traffic management plan did not constitute a mitigation measure, which would have precluded use of a categorical exemption. CSAC’s publication request was granted.

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***Bermudez v. Ciolek***

237 Cal.App.4th 1311 (4th Dist., Div. 3 July 20, 2015)(G049510), *petition for review denied* (Sept. 9, 2015)(S228186)

This personal injury case touches on the standards adopted by the court in two prior CSAC amicus cases: *Howell v. Hamilton* (2011) 52 Cal.4th 541 [personal injury plaintiff can recover only the lesser of the amount actually paid for medical services or the market value of those services] and *Corenbaum v. Lampkin* (2013) 215 Cal.App.4th 1308 [unpaid medicals bills are irrelevant as evidence of the reasonable market value of medical services]. This case applies these principles to an uninsured plaintiff who was injured in a traffic accident. The treating physicians agreed to payment in the form of a lien on plaintiff's lawsuit recovery. The jury awarded plaintiff almost the full amount billed based solely on the doctor's testimony that the bills were "reasonable," but without any evidence of the market value of the services. Defendant appealed, but the Court of Appeal upheld the award and concluded: (1) the doctor's testimony was sufficient to establish reasonableness, and (2) *Howell* and *Corenbaum* are distinguishable because they did not involve an uninsured plaintiff. Defendant sought Supreme Court review, which CSAC supported, but review was denied.

***Castro v. City of Thousand Oaks***

231 Cal.App.4th 1451 (2d Dist. Aug. 31, 2015)(B258649), *petition for review denied* (Dec. 16, 2015)(S229662)

Plaintiffs brought this dangerous conditions lawsuit after being struck by a vehicle while crossing a street. Improvements to the intersection were approved by the city council, but a pedestrian signal beacon was added upon approval of the city's engineer after the project was constructed. The trial court granted the city's summary judgment motion finding that the action was barred by the design immunity statute. The Second District reversed, concluding that design elements that are not part of the approved plan are outside of the design immunity statute. The court further rejected the notion that an approval of a design element by an employee with delegated authority (here, the city's engineer) could ever be sufficient to meet the requirements of design review. The city sought Supreme Court review, which CSAC supported, but review was denied.

***City of Petaluma v. Superior Court***

Pending in the First Appellate District (filed June 19, 2015)(A145437)

While an employee was out on leave, she filed an EEOC complaint against the city alleging harassment and retaliation. She resigned shortly thereafter, never returning from leave. The city was unaware of her complaints before receiving notice of the EEOC charges. But suspecting that a lawsuit would soon follow, the city retained an employment law attorney to investigate the allegations and provide a report that would help the city identify its legal exposure. A harassment and discrimination lawsuit did in fact follow, and plaintiff sought to discover documents relating to the investigation. The trial court ordered that the investigation documents be released over the city's objections, concluding they were not protected by the attorney-client privilege. The city sought writ review, which was summarily denied by the Court of Appeal. The Court of Appeal summarily denied the writ, but the Supreme Court granted review and transferred the matter back to the Court of

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Appeal with directions to issue an order to show cause. CSAC has filed an amicus brief in support of the city. The matter is pending at the Court of Appeal.

***Clark v. McCann***

243 Cal.App.4th 910 (4th Dist. Div. 1 Dec. 24, 2015)(D067918), *ordered published* (Jan. 11, 2016)

In an unpublished opinion, the Fourth District affirmed the disqualification of provisional ballots that failed to provide valid residence information. The court rejected plaintiff's argument that verifying residence information is for registration purposes and provisional ballots should only be subject to signature comparisons required by the Elections Code. The court concluded that "the Registrar may implement reasonable, uniform processes to fulfill his statutory duties relating to processing and counting ballots," including verifying residence information. The court also rejected plaintiff's contention that the Registrar's conduct violated the Equal Protection Clause because counties are counting provisional votes differently. The court noted that equal protection in the voting context refers to similarly situated voters within the same jurisdiction or electoral unit and concluded that the Registrar applied the procedures uniformly during this local election for a seat on the Chula Vista City Council. CSAC's request to publish the opinion was granted.

***County of Alameda v. Superior Court (City of Oakland)***

Pending in the First Appellate District (filed Oct. 30, 2015)(A146627)

Alameda County has filed a petition for writ of mandate challenging a trial court order (issued ex parte and unnoticed) requiring the Sheriff to take physical custody of an injured, hospitalized arrestee prior to his presentation at the county jail. The arrestee was injured in a shoot-out with the Oakland Police Department. He was arrested in the City of Oakland and taken to a hospital for treatment of his gunshot wounds. Within hours, the Oakland Police Department moved the trial court for an order transferring physical custody to the Sheriff, which the court granted. The county's writ petition therefore presents the issue of who should bear the burden and costs of assuming physical custody of individuals arrested by city law enforcement officers, in city jurisdiction, and taken to a local hospital, prior to being booked in a county jail. The county argues that the transfer order violates Penal Code section 4015(b), which states that a Sheriff is not required to receive a person in immediate need of medical care until that "person has been transported to a hospital or medical facility so that his or her medical needs can be addressed prior to booking into a county jail." The county also argues that the order violated due process since it was issued without notice or a chance to respond. CSAC filed an amicus letter in support of Alameda County, and the court has issued an order to show cause why the writ petition should not be granted. The matter is pending in the First Appellate District.

***DHCS v. Office of Administrative Hearings***

Pending in the Fifth District Court of Appeal (filed Feb. 26, 2015)(F071023)

This is the third California Children Services Program (CCS)-related amicus request that CSAC has received in the past two years. All three cases were brought by the same law firm and, although the facts of the cases vary, the primary legal issues are the same: (1) Can CCS unilaterally decrease/terminate medically necessary services? and (2)



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Can a hearing officer hold CCS responsible for providing services not deemed medically necessary by a CCS physician? The issues have yet to be decided on appeal, but one case is also pending before the Ninth Circuit. CSAC filed a brief in that federal case, and will also be filing a brief in Sacramento Superior Court on another. For this case, the ALJ resolved a dispute regarding student's CCS services in favor of the student's parents. The ALJ ordered CCS to reinstate student's services, and also to provide specific amounts of direct compensatory services to student. The Department of Health Care Services filed a petition and complaint seeking to overturn that order. The trial court denied the Department's requested relief and the Department has appealed. CSAC filed a brief in support of the Department. The case is pending.

***In re Acknowledgment Cases***

239 Cal.App.4th 1498 (4th Dist. Div. 2 June 5, 2015)(E058460), *petition for review denied* (Nov. 14, 2015)(S229931)

The City of Los Angeles requires all of its newly-hired police officers to attend and graduate from its police academy, which includes the basic POST certification training, as well as additional training that is specific to the LAPD. The city requires a prorated reimbursement to the city of the cost of training if an officer voluntarily leaves for another law enforcement agency within 5 years of training graduation. Officers are required to sign an acknowledgment agreeing to the reimbursement terms. Beginning in 2001, the city filed several lawsuits to enforce the acknowledgment against officers who left the LAPD. The officers cross-complained, arguing that the acknowledgment was unenforceable under Labor Code section 2802, which requires employer to indemnify employees for all "necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties...." The Court of Appeal agreed with the officers, and found the acknowledgment requirement unlawful, thereby creating a conflict with the First District. (*City of Oakland v. Hassey* (2008) 163 Cal.App.4th 1477 [holding that Oakland could require reimbursement of training costs].) CSAC supported the city's petition for review, but review was denied.

***In re Mainline Equipment***

Pending in the Ninth Circuit Court of Appeals (filed Oct. 14, 2015)(15-60069)

The LA County Treasurer and Tax Collector recorded certificates of tax liens on the personal property of Mainline Equipment, Inc., a financially-distressed company that failed to pay its county personal property taxes. After Mainline filed for Chapter 11 bankruptcy, it brought an adversary proceeding against the county seeking to avoid the county's statutory liens. Specifically, Mainline argued that a statutory lien is avoidable by a trustee or debtor in possession if it is not perfected or enforceable against a hypothetical bona fide purchaser. Both the bankruptcy court and the Bankruptcy Appellate Panel (BAP) held that the county's certificates of tax liens on personal property under Rev. and Tax section 2191.4 could be avoided because they were not properly perfected or enforceable against a bona fide purchaser in bankruptcy. The BAP further concluded that in order to perfect the lien, the county must obtain a money judgment and record it with the Secretary of State under CCP 697.510. The county has appealed, arguing that the BAP opinion missed a crucial distinction between notice and actual knowledge. CSAC has filed a brief in support of the LA County Treasurer.

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***Jones v. Wang***

802 F.3d 990 (9th Cir. Sept. 21, 2015)(12-55995)

An infant was brought into UCLA hospital with injuries consistent with either an accident or abuse. The child abuse medical director (Dr. Wang) suspected child abuse and wanted additional testing done on the child, so she convinced the parents to allow the infant to be hospitalized over the weekend without telling them that the tests could be performed on an outpatient basis. Ultimately, based on the doctor's conclusion that the injuries were highly suspicious, DCFS retained the child and the parents lost custody for several months until a juvenile court eventually determined there was no risk of abuse. The parents then brought this Section 1983 action against Dr. Wang. (Los Angeles County was also a defendant, but is not involved in the appeal.) In a 2-1 decision, the Ninth Circuit held: (1) Dr. Wang was not entitled to qualified immunity for the federal law claims because she could have sought a warrant to keep the child in the hospital over the weekend; and (2) She was not entitled to state law discretionary immunity because no statute specifically permitted her employer to undertake her actions. CSAC has filed a brief supporting Dr. Wang's petition for rehearing.

***Monterey Coast Keeper v. Monterey County Water Resources Agency***

Pending in the Sixth Appellate District (filed July 15, 2015)(H042623)

Plaintiff filed this action against the Monterey County Water Resources Agency (MCWRA) relating to a drain and reclamation ditch used to transport agricultural runoff across the Salinas Valley for ultimate discharge into the Salinas River. Plaintiff alleged that these activities make MCWRA a "discharger" under the Porter-Cologne Water Quality Act, and thus MCWRA has permitting and reporting requirements that it is failing to meet. The court agreed with plaintiff that MCWRA was required to file a waste discharge report, rejecting MCWRA's argument that: (1) plaintiff failed to exhaust its administrative remedies; and (2) that MCWRA met its obligations through compliance with its other permits. CSAC will file a brief in support of MCWRA.

***People v. Financial Casualty & Surety, Inc.***

Previously published at: 239 Cal.App.4th 440 (2d Dist. Aug. 12, 2015)(B251230), *petition for review granted* (Oct. 28, 2015)(S229446)

The California Supreme Court granted Financial Casualty & Surety's petition for review challenging the Second District's decision affirming an order denying the surety's motion to extend the period to exonerate a bail bond. The court will consider the following issues: 1) Should the good cause standard under Penal Code section 1305.4 for extension of the period to exonerate bail require a demonstration of a reasonable likelihood of success of returning a fugitive? (2) When a court finds there has been a diligent investigation to locate a fugitive, does the burden shift under Penal Code section 1305.4 to the People to prove that there is not a reasonable likelihood of success of returning the fugitive? (3) Does an extension of the period to exonerate bail under Penal Code section 1305.4 commence on the date on which the initial 180-day period expires or on the date on which the trial court grants the extension? CSAC will file a brief in support of Los Angeles County.

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***T-Mobile v. City and County of San Francisco***

Pending in the First District Court of Appeal (filed Feb. 17, 2015)(A144252)

In 2011, San Francisco adopted a personal wireless service facilities ordinance that required service providers to obtain a permit to place their facilities in the right-of-way. The ordinance included several requirements, but the element relevant to this appeal is a provision conditioning a permit for larger equipment on an aesthetic review. T-Mobile and other personal wireless providers challenged that requirement, relying on Public Utilities Code section 7901, which gives telecom providers the ability place their equipment in the public right-of-way so long as the equipment does not “incommode the public use of the road.” Plaintiffs argue that since aesthetic considerations are not relevant to whether their equipment obstructs travel, the ordinance is preempted. But the trial court ruled in the city’s favor, relying on a Ninth Circuit decision (*Sprint PCS Assets v. City of Palos Verdes Estates*) that concluded that the public’s “use of the road” is more than just getting from place to place. Rather, aesthetics can be relevant to how the public uses the roadways. As the city notes in its trial court briefing, this is especially true in a place like San Francisco, where scenic views and vistas through the streets are so valuable to the public. T-Mobile has appealed, urging the Court of Appeal not to accept the Ninth Circuit precedent, but rather to adopt a stricter interpretation of section 7901. CSAC will file a brief in support of San Francisco.

## 2016 CSAC Board of Directors Calendar of Events

### January

- 6 Urban Counties of California (UCC) Board Conference Call
- 13 CSAC Executive Committee Orientation Dinner, Sacramento County
- 14 CSAC Executive Committee Meeting, Sacramento County
- 20 Rural County Representatives of California (RCRC) Board Meeting & Installation of Officers Reception, Sacramento County

### February

- 3 Urban Counties of California (UCC) Board Conference Call
- 10-12 CSAC Premier Corporate Partner Forum, San Diego County
- 18 CSAC Board of Directors Meeting, Sacramento County  
*10:00am – 1:30pm, Masonic Hall, 1123 J St, 3<sup>rd</sup> Floor, Sacramento*
- 20-24 NACo Legislative Conference, Washington, D.C.

### March

- 2 Urban Counties of California (UCC) Board Conference Call
- 16 Rural County Representatives of California (RCRC) Board Meeting, Sacramento County
- 24 CSAC Regional Meeting, Shasta County

### April

- 6 Urban Counties of California (UCC) Board Conference Call
- 7 CSAC Executive Committee Meeting, Los Angeles County
- 20-21 Rural County Representatives of California (RCRC) Board Meeting, Glenn County
- 27-29 CSAC Finance Corporation Board Meeting, Riverside County

### May

- 18 Urban Counties of California (UCC) Board Meeting, Sacramento County
- 18-19 CSAC Legislative Conference, Sacramento County
- 19 CSAC Board of Directors Meeting, Sacramento County  
*12:00pm – 4:00pm, Masonic Hall, 1123 J St, 3<sup>rd</sup> Floor, Sacramento*
- 25-27 NACo Western Interstate Region Conference, Jackson Hole, Wyoming

### June

- 16 CSAC Regional Meeting, Amador County
- 22 Rural County Representatives of California (RCRC) Board Meeting, Sacramento County

### July

- 6 Urban Counties of California (UCC) Board Conference Call
- 22-25 NACo Annual Meeting, Los Angeles County/Long Beach

### August

- 3 Urban Counties of California (UCC) Board Conference Call
- 4 CSAC Executive Committee Meeting, Sacramento County
- 17 Rural County Representatives of California (RCRC) Board Meeting, Sacramento County

## **September**

- 1 CSAC Board of Directors Meeting, Sacramento County  
*10:00am – 1:30pm, Sutter Club, 1220 9th Street, Sacramento*
- 7 Urban Counties of California (UCC) Board Conference Call
- 14-16 CSAC Finance Corporation Board Meeting, Santa Barbara County
- 28-30 Rural County Representatives of California (RCRC) Annual Meeting, Placer County

## **October**

- 5 Urban Counties of California (UCC) Board Conference Call
- 5-7 CSAC Executive Committee Retreat, Location TBD

## **November - December**

- 29-2 CSAC 122nd Annual Meeting, Palm Springs, Riverside County
- 30 Urban Counties of California (UCC) Board Meeting, Palm Springs, Riverside County

## **December**

- 1 CSAC Board of Directors Meeting, Palm Springs, Riverside County  
*2:00pm – 4:00pm, Palm Springs Convention Center, 277 N Avenida Caballeros, Palm Springs*
- 7 Rural County Representatives of California (RCRC) Board Meeting, Sacramento County
- 14-16 CSAC Officers' Retreat, Napa County

As of 2/4/16