

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS
September 7, 2017
Capitol Event Center, Sacramento

MINUTES

Presiding: Keith Carson, President

1. ROLL CALL

Alameda	Carson/Haggerty	Placer	Jim Holmes
Alpine	Terry Woodrow	Plumas	Lori Simpson (audio)
Amador	Richard Forster	Riverside	Chuck Washington (audio)
Butte	absent	Sacramento	absent
Calaveras	Michael Oliveira	San Benito	Jaime De La Cruz (audio)
Colusa	Kim Dolbow Vann	San Bernardino	James Ramos
Contra Costa	absent	San Diego	Greg Cox
Del Norte	Chris Howard	San Francisco	Malia Cohen
El Dorado	Sue Novasel	San Joaquin	Bob Elliott
Fresno	Buddy Mendes (audio)	San Luis Obispo	John Preschong
Glenn	John Viegas (audio)	San Mateo	Carole Groom
Humboldt	Bass/Fennell (audio: Fennell)	Santa Barbara	Das Williams (audio)
Imperial	absent	Santa Clara	Ken Yeager
Inyo	absent	Santa Cruz	Bruce McPherson (audio)
Kern	Leticia Perez	Shasta	Leonard Moty
Kings	Doug Verboon (audio)	Sierra	Lee Adams
Lake	Jim Steele	Siskiyou	Ed Valenzuela
Lassen	absent	Solano	Erin Hannigan
Los Angeles	absent	Sonoma	James Gore
Madera	absent	Stanislaus	Vito Chiesa (audio)
Marin	Damon Connolly	Sutter	Larry Munger
Mariposa	Marshall Long	Tehama	Robert Williams
Mendocino	Carre Brown (audio)	Trinity	absent
Merced	Lee Lor	Tulare	Steve Worthley
Modoc	Patricia Cullins (audio)	Tuolumne	Sherri Brennan
Mono	Larry Johnston (audio)	Ventura	Kelly Long
Monterey	Luis Alejo	Yolo	absent
Napa	absent	Yuba	absent
Nevada	Ed Scofield	Advisors: Helen Robbins-Meyer (audio)	
Orange	Lisa Bartlett		

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of May 18, 2017 were approved as previously mailed.

3. PROPOSITION 57 IMPLEMENTATION

Scott Kernan, Secretary of the CA Department of Corrections and Rehabilitation (CDCR), presented an update on the implementation of Proposition 57, a ballot measure to enhance public safety, reduce recidivism and prevent federal courts from indiscriminately releasing inmates. He noted that CDCR is hoping to have the new regulations in place within the next few months. Details of those regulations were included in the briefing materials. Secretary Kernan also noted that there are currently 130,000 offenders in the state prison system and that number increases by 1% each year. All out-of-state inmates will be returned to California by the end of this year, totaling about 4900. CSAC has worked closely with CDCR and the Governor's Office during the implementation process.

4. CSAC CORPORATE PARTNER REMARKS

Jeff Smith, President of Taborda Solutions, addressed the Board of Directors regarding services his company offers to counties. Taborda was founded in 2006 and has grown into a \$44m company, providing a full-range of technology products and services. Mr. Smith indicated that they are now focused on helping local governments engage with constituents.

Staff distributed the new Corporate Partner Guide that includes 72 CSAC corporate members and descriptions of their products and services.

5. IN-HOME SUPPORTIVE SERVICES (IHSS) MOE

The Governor signed SB 90, which implements the Governor's May Revision proposal to mitigate the fiscal impact of the elimination of the In Home Supportive Services (IHSS) Maintenance of Effort (MOE) related to the Coordinated Care Initiative (CCI). The proposal for a new county IHSS MOE will result in significantly reduced overall county contribution for IHSS costs compared to the January budget proposal.

CSAC formed an IHSS MOE work group to ensure input from CAOs and technical experts during the development of the new county IHSS MOE. The recommended approach weights the MOE Base and Annual Hours Growth equally and combines them into an overall methodology. Based on combining 50% from each, a county's overall percent to total is calculated and then applied to determine the county's proportionate share of the cost shift and offsetting General Fund revenue. This balances out the different factors that impact a county's share of the IHSS cost increase. It provides a link to a county's current MOE amount and incorporates differences among wages and the growth in hours in determining how much of the cost shift each county should receive.

The overall MOE is the sum of four smaller MOE amounts – services, IHSS county administration, Public Authority administration, and Case Management, Information and Payrolling System (CMIPS). The recommended methodology is used to determine the services component of the cost shift and offsetting revenue, which accounts for approximately 95% of the overall amount. It is then combined with the other MOE amounts to calculate the total cost shift and proportionate share for each county. The new County MOE amount that counties receive is the amount after the cost shift has been added and the General Fund has been applied. All other offsetting revenue, with the exception of revenue used for caseload growth from prior years is distributed in proportion to a county's share of the overall cost shift.

Statewide, the increased county costs remain manageable in 2017-18 and 2018-19, but are unsustainable in subsequent years. In an effort to address several outlier counties, the work group established a hold harmless provision to ensure that no county has increased costs above a specific percent.

The IHSS MOE methodology recommendation was presented to the Executive Committee on August 23, which unanimously recommended that the Board of Directors approve the methodology subject to review by the CA Association of County Executives (CACE). The CACE has since approved the recommended methodology.

Motion and second to approve the IHSS methodology, consistent with the Executive Committee recommendation. Motion carried unanimously.

Staff announced that Supervisor Ken Yeager will be chairing an IHSS work group to look into potential reforms, negotiate future years of IHSS, and help ensure long-term sustainability of the program.

6. CSAC FINANCE CORPORATION UPDATE

Supervisor Leonard Moty, President of the CSAC Finance Corporation, announced that the semi-annual Finance Corp. Board meeting will be held next week and the Board will also meet jointly with the CSAC Executive Committee next month. There is a new Business Development Application online to vet potential business ideas. The form can be found on the CSAC Finance Corporation website and CSAC Board members were encouraged to submit ideas for viable new programs.

James Hamill, Administrator of the CA Statewide Communities Development Authority (CSCDA) provided an update on the Property Assessed Clean Energy (PACE) program. CSCDA currently has five PACE provider partners and has been working closely with CSAC to help support lobbying efforts for the program.

7. LEGISLATIVE UPDATE

Staff announced that Assembly Member Brian Dahle has been named the new Assembly Republican leader, replacing Chad Mayes. AB 1250 remains a top priority for CSAC. This bill would restrict counties' ability to deliver critical services and carry out basic county administrative functions. It is sponsored by SEIU and AFSCME. CSAC is strongly opposed to this bill, which is currently being held in Senate Rules Committee subject to additional amendments. SB 649 is another bill that CSAC strongly opposes. The bill would eliminate local governments' ability to negotiate agreements with telecom companies, as well as the authority to regulate size, appearance, location and quantity of cellular infrastructure. The Legislature and Governor are still in negotiations on a package of bills to address affordable housing. CSAC has developed a webpage of resources to help facilitate county implementation of SB 1 and compliance with its accountability provisions. Additional details were contained in the briefing materials.

CSAC and CSAC Finance Corporation staff have been working together to explore ways that CSAC might assist counties with the cannabis regulatory compliance, banking and cash collection issues that will result from the legalization of adult cannabis use beginning in January 2018. The solution is the California Cannabis Authority (CCA), a joint powers authority created by contract between counties with cannabis regulatory or taxing authority. The CCA will initially focus on addressing the complex problems surrounding the substantial increase in cash payments to state and local governments expected from cannabis businesses. It can reduce the cash-management burden on state and local governments by reducing the due-diligence burden on banks, by providing them much of the information required to comply with enhanced due diligence. This requires big data and the means to analyze that data to support regulatory, tax and law enforcement activities. CCA will collect and provide this data and analytical capacity and function. CSAC has convened a small working group of supervisors, treasurer-tax collectors and staff to help guide this effort. In addition, CSAC is working with the Treasurer's Cannabis Working Group to help inform our efforts.

8. CA ASSOCIATION OF COUNTY EXECUTIVES (CACE) DISTINGUISHED SERVICE AWARD

Helen Robbins-Meyer, President of CACE, announced that nominees are currently being sought for the third annual CAO/CEO Distinguished Service award. This award is given to those CAOs/CEOs who have made a difference for the professional administration of county governments. Deadline for submitting nominees is October 13.

9. CSAC CHALLENGE AWARDS

Staff announced that judging took place earlier this week on the 2017 CSAC Challenge Awards. A 15-panel judge reviewed 288 entries and chose 12 counties as recipients. CSAC will create videos on the winning programs.

10. OPERATIONS AND MEMBER SERVICES UPDATE

Staff announced that registration is open for the 2017 CSAC annual meeting being held the last week of November in Sacramento. CSAC will be holding a regional meeting in Los Angeles on November 8-9. Details will be sent in the next couple of weeks. The CSAC Institute continues to be successful and will be opening a new satellite campus in San Bernardino County. The CA Counties Foundation, in partnership with Pew Charitable Trusts, has secured a \$500,000 grant from the California Health Care Foundation to provide longer-term funding for the Results First program which is centered on evidence-based and cost-effective criminal justice programming at the local level.

11. OTHER ITEMS

The briefing materials contained reports on the CSAC Litigation Coordination Program, the Institute for Local Government (ILG), a CSAC Institute class schedule, and a CSAC Financial Statement.

Supervisor Gore announced that the California Economic Summit will be held in San Diego on Nov. 2-3, and encouraged all Board members to attend.

Mariposa County Supervisor Marshall Long thanked the counties who offered assistance during the recent Detwiler fire.

President Carson adjourned the meeting in reflection of those dealing with tragedies of current fires and storms.