

CALIFORNIA STATE ASSOCIATION OF COUNTIES  
EXECUTIVE COMMITTEE

Thursday, January 19, 2012, 10:00am - 1:30pm  
CSAC Conference Center, Sacramento

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**A G E N D A**

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Presiding: Mike McGowan, President

**10:00am PROCEDURAL ITEMS**

1. Introduction of New Executive Committee Members
  - *President McGowan*
  - *Paul McIntosh, CSAC Executive Director*

2. Roll Call *Page 1*

3. Approval of Minutes of October 6, 2011 *Page 2*

**10:15am SPECIAL PRESENTATION**

4. Report on Governor's Budget for 2012-13
  - *Representative from State Department of Finance*

**10:45am DISCUSSION ITEM**

5. Discussion of Budget Impacts on Counties *Page 8*
  - *Paul McIntosh & Jim Wiltshire, CSAC staff*

**11:15am ACTION ITEMS**

6. Appointment of CSAC Treasurer, NACo Board of Directors and Western Interstate Region Representatives *Page 31*
  - *President McGowan*

7. Appointment of CSAC Policy Committee Chairs and Vice Chairs for 2012 *Page 32*

- *President McGowan*

8. Consideration of State and Federal Legislative Priorities for 2012 *Page 33*

- *Jim Wiltshire & Karen Keene, CSAC staff*

9. Consideration of Position on Governor's November 2012 Ballot Initiative *Page 45*

- *Paul McIntosh*

**12:00pm LUNCH**

**1:00pm INFORMATION ITEMS**

10. Update on AB 109 Allocation Process *Page 61*

- *Elizabeth Howard Espinosa, CSAC staff*

11. Report on Redevelopment Agency Status *Page 64*

- *Jean Hurst, CSAC staff*

12. The following items are contained in your briefing materials for  
Your information, but no presentation is planned:

❖ CSAC Finance Corporation Report *Page 66*

❖ CSAC Corporate Associates Report *Page 67*

❖ Litigation Coordination Program Report *Page 68*

13. Other Items

**1:30pm ADJOURN**

CALIFORNIA STATE ASSOCIATION OF COUNTIES  
EXECUTIVE COMMITTEE  
2012

President:	Mike McGowan, Yolo
1 <sup>st</sup> Vice President:	David Finigan, Del Norte
2 <sup>nd</sup> Vice President:	John Gioia, Contra Costa
Immed. Past President:	John Tavaglione, Riverside

Urban Section

Keith Carson, Alameda  
Federal Glover, Contra Costa  
Don Knabe, Los Angeles  
John Moorlach, Orange  
Liz Kniss, Santa Clara  
Kathy Long, Ventura  
Greg Cox, San Diego (alternate)

Suburban Section

Valerie Brown, Sonoma  
Joni Gray, Santa Barbara  
Henry Perea, Fresno  
Bruce Gibson, San Luis Obispo (alternate)

Rural Section

John Viegas, Glenn  
Terry Woodrow, Alpine  
Susan Cash, Inyo (alternate)

Advisors

Matthew Hymel, Marin County Administrator  
Charles McKee, Monterey County Counsel

CALIFORNIA STATE ASSOCIATION OF COUNTIES  
EXECUTIVE COMMITTEE

October 6, 2011  
Lodge at Torrey Pines, La Jolla, San Diego County

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MINUTES

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Presiding: John Tavaglione, President

1. DISCUSSION WITH FINANCE CORPORATION BOARD MEMBERS

Supervisor Greg Cox, President of the CSAC Finance Corporation, provided an historical overview of the corporation. It was formed in 1986 to provide municipal finance services to counties. The Corporation is governed by a ten-member Board. Current Board members are as follows:

- Mark Saladino, Vice President, Los Angeles County Treasurer-Tax Collector
- Les Brown, Treasurer, former CSAC President
- Joni Gray, Santa Barbara County Supervisor
- Michael Johnson, former Solano County Administrator
- Steve Juarez, UC State Governmental Relations
- Paul McIntosh, CSAC Executive Director
- Susan Muranishi, Alameda County Administrative Officer
- Patrick O'Connell, Alameda County Auditor/Controller
- Larry Spikes, Kings County Administrative Officer

In 1987, CSAC and the League of California Cities created a Joint Powers Authority (JPA) of counties and cities – the *California Statewide Communities Development Authority (CSCDA)* – to issue bonds and provide a broader range of financial products and services to local governments.

Mark Saladino outlined the revenue history, as contained in the briefing materials, which demonstrates the amount of money the Finance Corp. has contributed to the CSAC Budget over the past several years.

Les Brown reviewed the revenue history, as contained in the briefing materials, which reflects the amount of revenue received from each of the products and services provided by the CSCDA. He encouraged Executive Committee members to utilize the pooled purchasing programs offered by CSCDA as they provide a substantial discount on many items routinely utilized by counties.

State Treasurer Bill Lockyer requested that the Joint Legislative Audit Committee (JLAC) undertake an audit of CSCDA. The State Treasurer has alleged that the model rewards a private company if they convince public agencies to issue bonds, through CSCDA's contract with HB Capital which manages the business affairs of CSCDA. CSAC and CSCDA had concerns that the narrow scope of the request would not accurately assess the program and encouraged JLAC to include additional

issuers. The audit was expanded to include the State Treasurer's Office conduit issuers and the Governor's Office issuers. The outcome of the audit was positive, but generated some negative press aimed at CSCDA and HB Capital, the program administrators. CSCDA will be sending out an RFP for a program administrator since HB Capital has served in that role since the program's inception.

The CSAC Finance Corp. has endorsed the NACo Deferred Compensation Program that is administered by Nationwide Retirement Solutions (NRS). This program offers county employees the opportunity to voluntarily set aside a portion of their wages, while postponing federal and state taxes, to supplement retirement income. NACo receives a fee for its endorsement and marketing of the program and shares that revenue with sponsoring state associations. Due to recent changes in federal law, CSAC would now be required to register as a municipal advisor in order to continue to receive fees through this program. NACo is looking at options to resolve this issue such as seeking changes to the rules and obtaining an exemption for state associations.

CSAC Finance Corporation staff will be meeting with Executive Committee member counties to continue to market programs.

2. ROLL CALL

John Tavaglione, President	Valerie Brown, Sonoma
Mike McGowan, 1 <sup>st</sup> Vice Pres.	Henry Perea, Fresno
David Finigan, 2 <sup>nd</sup> Vice Pres.	Joni Gray, Santa Barbara, alternate – via audio
Greg Cox, San Diego	John Viegas, Glenn – via audio
Liz Kniss, Santa Clara	Terry Woodrow, Alpine
John Moorlach, Orange	
Kathy Long, Ventura, alternate	

3. APPROVAL OF MINUTES

The minutes of August 11, 2011 were approved as previously mailed.

4. 2011 REALIGNMENT: CONSTITUTIONAL PROTECTIONS

Paul McIntosh announced that CSAC has retained a law firm and team of consultants with significant successful experience in ballot campaigns to assist in drafting the measure and to conduct public opinion polling.

John Fairbank presented a PowerPoint on survey results from a recent telephone poll conducted with 1,200 randomly selected California registered voters. His summary of key findings was as follows:

- Voters respond favorably to the ballot measure concept, but initial support is “soft” with only a quarter voting “definitely yes.”
- Three-in-four support requiring the state to dedicate existing revenues to counties, and also prohibiting the state from redirecting these funds.
- Support increases as voters learn more about realignment, the state shifting services to the local level, and how the measure protects funding for counties.

- Voters support counties taking greater responsibility for providing certain services, but two-thirds think shifting state prisoners to county jails is a “bad idea.”
- The “No” messages about the measure’s impact on education funding and the prisoner transfer issue cause voters to reconsider their willingness to support the proposed measure.
- Overall, the results indicate that proponents are well-positioned, but a successful Yes campaign will require sufficient funds to educate and communicate with voters to frame the measure effectively, and must also be able to county organized opposition.

Brandon Castillo discussed three options and the pros and cons of each approach for achieving constitutional protections. They are as follows:

- 1) **Initiative route via signature gathering.** It is anticipated that the Governor could support and assist in the campaign. However, the cost of gathering signatures is estimated to be \$3 million. There would be additional costs of running a campaign once the measure qualifies for the ballot.
- 2) **Legislature places measure on ballot.** This option would save CSAC a considerable amount of money and potentially receive a broader base of support. It is unlikely that the Legislature could reach such an agreement.
- 3) **Coalition approach joined with revenue measure.** This option would include a broad coalition which means additional funding and limited opposition. It would likely include additional taxes and voters have indicated they would not support a measure with increased taxes.

The Executive Committee’s consensus was that option #1 is preferable. A discussion ensued regarding funding that approach. Staff recommended a one-time assessment to each county in order to gain the \$3 million needed for signature gathering. It was suggested that a better approach would be to implement a 3 to 5 year phased-in dues increase to offset funds borrowed from the Finance Corporation to fund the initiative. The Finance Corp. would borrow the money from a bank in order to provide immediate campaign funding.

Staff distributed a summary of CSAC’s draft constitutional amendment. Final initiative language is not yet available. It is anticipated that CSAC will file the measure with Attorney General for title and summary in mid-October. Discussions will continue with the Governor and stakeholders on legislative and alternative measures.

The Board of Directors will consider whether or not to move forward with campaign, including funding approach at the December, 2011 meeting.

#### 5. DISTINGUISHED SERVICE & PRESIDENT AWARD RECIPIENTS

Each year the Executive Committee selects a recipient for the CSAC Distinguished Service Award which is presented during the CSAC annual conference. The award is given to the person who has made the greatest contribution to the improvement of government in California, particularly as it relates to county government. For 2011, staff recommended Peter Detwiler, former consultant with the Senate Local Government Committee. Peter recently retired after nearly 30 years with the Senate

Local Government Committee and has long been known and respected as the legislative expert on many local government issues.

Motion and second to approve selection of Peter Detwiler as recipient of the 2011 CSAC Distinguished Service Award. Motion carried unanimously.

President Tavaglione announced that he plans to present the CSAC President's Award to Governor Brown.

6. CIRCLE OF SERVICE AWARD NOMINEES

The Circle of Service award was created to recognize county officials, department directors, staff, Corporate Associates and other CSAC members whose service to CSAC and counties sets them apart. Staff recommended the following nominees:

- Susan Adams, Marin County Supervisor
- Larry Combs, Merced County Executive Officer
- Mike Johnson, Retired Solano County Administrator
- Susan Mauriello, Santa Cruz County Administrative Officer
- Rick Robinson, Stanislaus County Chief Executive Officer
- Pat Leary, Yolo County Assistant County Administrator
- Donna Vaillancourt, San Mateo County Director of Human Services
- Bryan Barr, 2011 CSAC Corporate Associates President

Staff was directed to add David Finigan, Diane Cummins, Nancy McFadden, Ana Matosantos and the CSAC legislative representatives to the list of recipients. Staff was further directed to delete Susan Adams from the list.

7. REQUEST FOR AFFILIATE MEMBERSHIP

The California Mental Health Services Authority (CalMHSA) is requesting consideration to become a CSAC affiliate member. CalMHSA is an independent administrative and fiscal government agency focused on delivery of California mental health projects. This JPA was formed in July of 2009 and is in the process of administering Statewide Prevention and Early Intervention funds through a contract with the California Department of Mental Health. Current membership includes 40 counties.

Motion and second to approve request for affiliate membership from the California Mental Health Services Authority. Motion carried unanimously.

8. REVIEW OF AUDITED FINANCIAL STATEMENTS FOR FY 2010-11

Supervisor Kathy Long, CSAC Treasurer, presented the CSAC audited financial statements for FY 2010-11 as contained in the briefing materials. She noted that the vacancy rate at CSAC's Ransohoff building continues to be above normal, but that is due to the poor economy. Supervisor Long indicated that the financial statements contain "no surprises."

It was noted that unfunded liabilities were not addressed in the documentation and staff was directed to gather the information and distribute to Executive Committee members.

Motion and second to approve CSAC audited financial statements for FY 2010-11. Motion carried.

9. STATUS REPORT ON CSAC PROJECTS

Paul McIntosh provided a status report on the following CSAC projects:

**County Employee Health Benefits Cooperative.** This is a project to explore the viability and feasibility of establishing a county employee health benefits cooperative, managed by CSAC, to provide an opportunity for member counties to have better control over their employee health care costs and programs. The CSAC Board of Directors previously approved moving forward with studying this program and appropriated \$125,000 for the study. AONHewitt was selected to conduct the feasibility analysis and the cost is not expected to exceed \$75,000 for this phase. It is anticipated that the study will be completed and brought to the Board of Directors for consideration in spring 2012.

**CSAC Institutional Property.** CSAC has initiated a project to register the CSAC brand as a trademark, including CA Counties, CSAC Finance Corp. and the CSAC Institute. In addition CSAC has entered into an agreement with CONSOR, a firm with significant expertise in valuing the intellectual property, or brand, of companies and corporations. The cost of this project will not exceed \$100,000. CONSOR's work will provide CSAC with factual background to negotiate endorsement fees with companies seeking CSAC's endorsement and to provide significant value-added measures to the Corporate Associates program. It is anticipated that the cost of this project will be recouped within the first year through endorsement fees and tax savings. The study will take approximately six months to complete.

**Coast 2 Coast Rx Discount Drug Program.** Subsequent to approval by the Board of Directors, CSAC has entered into an endorsement agreement and will begin assisting Coast 2 Coast in marketing the program to member counties. The agreement will provide CSAC with 40 cents for every prescription filled in California through the program. It is anticipated that CSAC will receive \$250,000 per year when the program is fully operational.

10. ACHIEVEMENT REPORT FOR 2011

Paul McIntosh presented CSAC's 2011 Achievement Report, which included state legislative achievements, federal legislative achievements and achievements in other areas of interest such as the CSAC Finance Corp., Corporate Associates program, public affairs and member services, and the CSAC Institute for Excellence in County Government. McIntosh indicated that top future challenges will be: obtaining constitutional protections for realignment; pension reform; local government fiscal reform; 2012 national and state elections, reauthorization of SAFETEA-LU; and tribal lands issues.

#### 11. CSAC COMMUNICATIONS UPDATE

Since the elimination of CSAC's magazine, CSAC has evaluated and enhanced its communications tools to take advantage of new technologies that provide information more quickly, less expensively and more effectively. Staff outlined current communication tools that CSAC utilizes. They are: *The CSAC Bulletin*, *The County Voice* (CSAC's blog), social networking, video channel, CSAC web site, CSAC Challenge Awards, and *Executive Director's Watch*. Web site viewership is up and followers on Twitter, Facebook and *The County Voice* increase weekly.

During the next year, CSAC is looking to pursue a number of short and long-term projects that will enhance overall communications effectiveness.

#### 12. FEDERAL LEGISLATIVE REPORT

Staff distributed a status report on federal legislative issues which was prepared by CSAC's Washington lobbyists Waterman & Associates. The report included updates on the following issues: Native American Affairs; Reauthorization of the Secure Rural Schools Act; Reauthorization of SAFETEA-LU; Army Corps of Engineers Levee Vegetation Removal Policy; Clean Water Act; State Criminal Alien Assistance Program; Property Assessed Clean Energy Program; and Temporary Assistance for Needy Families Reauthorization.

The Executive Committee adjourned to closed session with the CSAC Executive Director.





**Highlights of the Governor's Proposed 2012-13 State Budget  
Week of January 2, 2012**

January 5, 2012

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

FROM: Paul McIntosh, CSAC Executive Director  
Jim Wiltshire, CSAC Deputy Executive Director  
Jean Kinney Hurst, Legislative Representative

RE: **Summary of the Governor's 2012-13 Budget Proposal**

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In an unanticipated turn of events, Governor Jerry Brown released his [proposed 2012-13 state budget](#) a few days early. (Apparently, the budget document was inadvertently posted on the Internet, requiring an early announcement from the Governor.) The budget is an austere one, proposing significant program reductions in addition to the new revenues proposed by the Governor in his sponsored November 2012 ballot measure. The Governor continues to focus on moving government closer to the people, improving government efficiency, and paying down the state's "wall of debt."

The slow economic recovery continues to plague the state and hamper the ability to fund core services. Baseline General Fund revenues are projected to total \$89 billion in 2012-13, and are not expected to return to their 2007-08 levels until 2014-15. Further, there remain significant risks and uncertainty to the state's fiscal health, including ongoing debt obligations, pension liabilities, and uncertainties associated with the continuing debate on addressing the federal budget deficit.

The budget deficit for 2012-13 is estimated to be \$9.2 billion, including a current year deficit of \$4.1 billion. The current year fiscal problem was exacerbated by court challenges, delays in federal approvals, and lower-than-anticipated economic performance. To address the deficit, the Governor is proposing a combination of spending reductions and temporary taxes (via ballot initiative) totaling \$10.3 billion to both balance the budget and establish a \$1.1 billion reserve. The Governor also proposes a new round of trigger cuts slated to take effect if his ballot initiative fails; these cuts are detailed in the sections that follow.

The Governor also proposes a reorganization of state government, including the elimination and consolidation of 48 boards, commissions, programs, and departments. For more details on the Governor’s reorganization plans, please see the “Making Government More Efficient” chapter of the [Governor’s budget summary](#), starting on page 23.

With an entire chapter devoted to 2011 realignment, the Governor also reiterated his commitment to constitutional protections and ongoing dialogue with counties during implementation of realignment.

This *Budget Action Bulletin* summarizes the components of the Governor’s proposed 2012-13 budget as we understand them at this late hour. Please note that additional details and information will be forthcoming from CSAC as they become available. Do not hesitate to contact CSAC staff with your questions and we will do our best to assist you.

#### BUDGET SUMMARY CHARTS

### 2012-13 Governor’s Budget General Fund Budget Summary (\$ in millions)

	Defining the Problem		With Solutions	
	2011-12	2012-13	2011-12	2012-13
<b>Prior Year Balance</b>	-\$3,079	-\$3,416	-\$3,079	-\$985
Revenues and Transfers	\$86,309	\$89,221	\$88,606	\$95,389
<b>Total Resources Available</b>	<b>\$83,230</b>	<b>\$85,805</b>	<b>\$85,527</b>	<b>\$94,404</b>
Non Proposition 98 Expenditures	\$53,846	\$58,905	\$53,883	\$55,035
Proposition 98 Expenditures	\$32,800	\$35,348	\$32,629	\$37,518
<b>Total Expenditures</b>	<b>\$86,646</b>	<b>\$94,253</b>	<b>\$86,512</b>	<b>\$92,553</b>
<b>Fund Balance</b>	<b>-\$3,416</b>	<b>-\$8,448</b>	<b>-\$985</b>	<b>\$1,851</b>
Reserve for Liquidation of Encumbrances	\$719	\$719	\$719	\$719
Special Fund for Economic Uncertainties	-\$4,135	-\$9,167	-\$1,704	\$1,132
<b>Budget Stabilization Account</b>	-	-	-	-
<b>Total Available Reserve</b>	<b>-\$4,135</b>	<b>-\$9,167</b>	<b>-\$1,704</b>	<b>\$1,132</b>

**General Fund Revenue Sources**  
(\$ in millions)

	2011-12	2012-13	Change from 2011-12	
			\$ Change	% Change
Personal Income Tax	\$54,186	\$59,552	\$5,366	9.9%
Sales and Use Tax	18,777	20,769	1,992	10.6%
Corporation Tax	9,479	9,342	-137	-1.4%
Motor Vehicle Fees	103	30	-73	-70.9%
Insurance Tax	2,042	2,179	137	6.7%
Estate Taxes	-	45	45	-
Liquor Tax	323	329	6	1.9%
Tobacco Taxes	93	90	-3	-3.2%
Other	3,603	3,053	-550	-15.3%
<b>Total</b>	<b>\$88,606</b>	<b>\$95,389</b>	<b>\$6,783</b>	<b>7.7%</b>

**General Fund Expenditures by Agency**  
(\$ in millions)

	2011-12	2012-13	Change from 2011-12	
			\$ Change	% Change
Legislative, Judicial, Executive	\$2,540	\$2,600	\$60	2.4%
State and Consumer Services	619	689	70	11.3%
Business, Transportation & Housing	679	558	-121	-17.8%
Natural Resources	1,935	1,896	-39	-2.0%
Environmental Protection	51	47	-4	-7.8%
Health and Human Services	26,668	26,414	-254	-1.0%
Corrections and Rehabilitation	7,849	8,744	895	11.4%
K-12 Education	34,162	38,179	4,017	11.8%
Higher Education	9,821	9,377	-444	-4.5%
Labor and Workforce Development	354	448	94	26.6%
General Government:				
Non-Agency Departments	450	514	64	14.2%
Tax Relief/Local Government	544	2,534	1,990	365.8%
Statewide Expenditures	840	553	-287	-34.2%
<b>Total</b>	<b>\$88,606</b>	<b>\$95,389</b>	<b>\$6,783</b>	<b>7.7%</b>

**Budget Balancing Proposals**  
(\$ in millions)

<b>Expenditure Reductions</b>	
<b><u>Health and Human Services</u></b>	
CalWORKs	\$946.2
Medi-Cal	842.3
In-Home Supportive Services	163.8
Other HHS Programs	86.9
<b><u>Education</u></b>	
Proposition 98	544.4
Child Care	446.9
Cal Grant Program	301.7
Other Education	28.0
<b><u>All Other Reductions</u></b>	
State Mandates	828.3
Other Reductions	27.3
<b>Total Expenditure Reductions</b>	<b>\$4,215.8</b>
<b>Revenues</b>	
<b><u>General Fund Revenues</u></b>	
Temporary Taxes	\$4,400.8
Other General Fund Revenues	88.8
<b><u>Special Fund Revenues</u></b>	
Gross Premiums Insurance Tax on Medi-Cal Managed Care Plans	161.8
<b>Total Revenues</b>	<b>\$4,651.4</b>
<b>Other</b>	
Loan Repayment Extensions	\$630.5
Unemployment Insurance Interest Payment	417.0
Additional Weight Fee Revenues	349.5
Suspend County Share of Child Support Collections	34.5
<b>Total Other</b>	<b>\$1,431.5</b>
<b>Total Solutions</b>	<b>\$10,298.7</b>

**Outstanding Budgetary Borrowing**  
(\$ in billions)

Deferred payments to schools and community colleges	\$10.4
Economic Recovery Bonds	6.3
Loans from special funds	3.4
Unpaid costs to local governments, schools, and community colleges for state mandates	4.5
Underfunding of Proposition 98	3.4
Borrowing from local government (Proposition 1A)	2.1
Deferred Medi-Cal costs	1.3
Deferral of state payroll costs from June to July	0.8
Deferred payments to CalPERS	0.5
Borrowing from transportation funds (Proposition 42)	0.3
<b>Total</b>	<b>\$33.0</b>

**Trigger Cuts**

The Governor’s proposed budget assumes the passage of a November 2012 initiative that would protect counties’ realignment revenues and also temporarily raise the sales tax rate and personal income tax rates on higher income earners. However, the state needs to borrow money at the beginning of the fiscal year to cover expenses until the bulk of the revenue comes later in the year.

Money lenders would not trust the state to repay this intra-year debt with such uncertainty, so the Governor proposes significant trigger cuts effective January 1, 2013 should the ballot measure fail.

These trigger cuts total \$5.4 billion. \$4.8 billion (89 percent) of those cuts are reductions to schools and community colleges. Half of that reduction results from the decrease to the Proposition 98 guarantee. The other half results from shifting K-14 bond debt service costs into Proposition 98, thereby reducing money going to schools. Cuts at this level equal about three weeks of instruction. Another \$400 million in cuts target the UC and CSU systems.

The rest of the cuts are to the courts (\$125 million, equivalent to three days of closures per month), Cal FIRE (\$15 million, about 10 percent of its budget), and small cuts to various other state protection agencies. These small cuts would, among other things, eliminate lifeguards from state beaches and reduce the number of park rangers and game wardens by 20 percent.

**Ballot Trigger Reductions**  
**Effective January 1, 2013**  
(\$ in millions)

Proposition 98	\$4,836.9
University of California <sup>/1</sup>	200.0
California State University <sup>/1</sup>	200.0
Courts	125.0
Department of Forestry and Fire Protection	15.0
Flood Control	6.6
Fish and Game: Non-Warden Programs	2.5
Fish and Game: Wardens	1.0
Park Rangers	1.0
Park Lifeguards	1.0
Department of Justice	1.0
<b>Total Ballot Trigger Reductions</b>	<b>\$5,390.0</b>

<sup>/1</sup> This level of savings may be offset by Cal Grant increases if the universities raise tuition.

**2011 Realignment**

The Governor’s proposed 2012-13 state budget includes discussion about moving forward with 2011 realignment in terms of constitutional protections, allocation of funds and funding structure, and other programmatic changes. As previously reported, the Governor is sponsoring a ballot measure that provides constitutional protections for the revenue dedicated to 2011 realignment, as well as protections against new costs associated with future changes to realigned programs.

Recall that two additional programs are slated for realignment in 2012 (and incorporated into the funding model for 2011 realignment): mental health managed care and the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program. These programs will be fully funded by 2011 realignment revenues on an ongoing basis.

**2011 Realignment Funding**

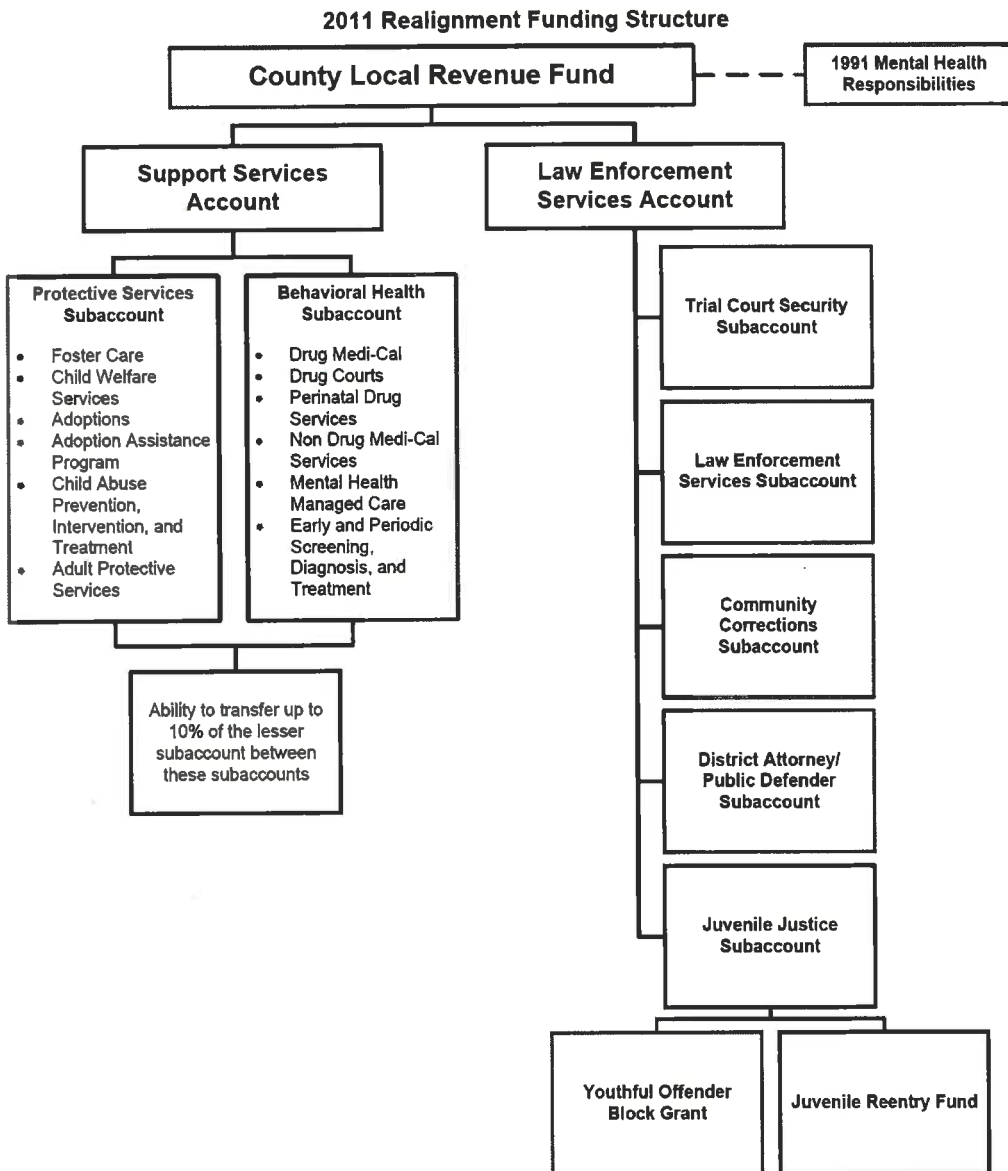
The budget assumes funding for 2011 realignment from two state sources – a state special fund sales tax of 1.0625 percent totaling \$5.1 billion and \$462.1 million in Vehicle License Fees (VLF) for 2011-12. These two figures represent revised estimates by the Department of Finance (DOF) after the enactment of the final 2011-12 budget last June. These funds are deposited in the Local Revenue Fund 2011 and are continuously appropriated and allocated to counties for the purposes of 2011 realignment.

**2011 Realignment Funding**  
(\$ in millions)

<b>Program</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Court Security	\$496.4	\$496.4	\$496.4	\$496.4
Local Public Safety Programs	489.9	489.9	489.9	489.9
Local Jurisdiction for Lower-level Offenders and Parole Violators				
Local Costs	239.9	581.1	759.0	762.2
Reimbursement of State Costs	957.0	-	-	-
Realign Adult Parole				
Local Costs	127.1	276.4	257.0	187.7
Reimbursement of State Costs	262.6	-	-	-
Mental Health Services				
EPSDT	-	544.0	544.0	544.0
Mental Health Managed Care	-	188.8	188.8	188.8
Existing Community Mental Health Programs	1,104.8	1,164.4	1,164.4	1,164.4
Substance Abuse Treatment	179.7	179.7	179.7	179.7
Foster Care and Child Welfare Services	1,562.1	1,562.1	1,562.1	1,562.1
Adult Protective Services	54.6	54.6	54.6	54.6
Existing Juvenile Justice Realignment	95.0	98.8	100.4	101.3
Program Cost Growth	-	180.1	443.6	988.8
<b>Total</b>	<b>\$5,569.1</b>	<b>\$5,816.3</b>	<b>\$6,239.9</b>	<b>\$6,719.9</b>
Vehicle License Fee Funds	462.1	496.3	491.9	491.9
1.0625% Sales Tax	5,107.0	5,320.1	5,748.0	6,228.0
<b>Total Revenues</b>	<b>\$5,569.1</b>	<b>\$5,816.3</b>	<b>\$6,239.9</b>	<b>\$6,719.9</b>

### Funding Structure for 2011 Realignment

Counties will recall discussions over the last months regarding a permanent funding structure for 2011 realignment. While we had originally anticipated requiring such a structure prior to the Legislature’s adjournment, these efforts were postponed to allow for additional conversations with stakeholders. After ongoing conversations between CSAC, our county partners, and DOF, the Administration is proposing a permanent funding structure for realignment with the goal of providing a reliable and stable funding source that allows for local flexibility. That structure is depicted in the chart below.





**Base Funding**

Base funding in each subaccount should not experience a year-over-year decrease. A statutory mechanism should be in place to deal with the possibility of a year's base being short due to significantly reduced revenues.

The timing of the programs' inclusion in 2011 realignment and the implementation scheduled should affect base funding for each program. The base should be a rolling base for each subaccount, meaning that a year's base funding plus growth becomes the subsequent year's base.

The 1991 Mental Health programs should continue to receive revenue based on its 1991 formula.

**Growth Funding**

Funding for program growth should be distributed on a roughly proportional basis, first among accounts, then by subaccounts.

Within each subaccount, federally required programs should receive priority for funding if warranted by caseload and costs.

Growth funding for the Child Welfare Services (CWS) program is a priority once base programs have been established. Over time, CWS should receive an additional \$200 million.

**Transferability**

To provide flexibility, counties should have the ability to transfer a maximum of 10 percent of the lesser subaccount between the subaccounts within the Support Services Account.

Beginning in 2015-16, there should be a local option to transfer a portion of the growth among subaccounts within the Law Enforcement Services Account. Transfers should be for one year only and not increase the base of any program.

**Reserve Account**

To provide some cushion for fluctuations in future revenue, a Reserve Account should be established when Sales and Use Tax revenues exceed a specified threshold.

### **Public Safety Realignment (AB 109)**

The Governor's budget discusses counties' efforts at implementing public safety realignment. Given only three months of experience managing the new adult offender populations, the Governor notes that there is insufficient information available to assess whether the state's estimates of 2011 Realignment impacts are tracking counties' actual new workload. The budget also discusses the operational impacts to the state's corrections system associated with the implementation of public safety realignment, noting that:

- The state prison population is declining, as expected, which greatly aids the state in complying with the federal court's order to reduce prison population over the next two years. State prison population is expected to decline from just over 150,000 inmates in 2011-12 to approximately 132,000 in 2012-13 (a 12 percent drop).
- The state's facility needs will change as a result of population reductions. For example, the proportion of female inmates is decreasing more quickly than males, meaning the state now plans to convert the Valley State Prison for Women to a male facility in 2013. Other operational changes related to reception centers and other beds are also expected.

The Governor's budget narrative also discusses the AB 109 allocation formula, noting that the county-by-county distribution for the first nine months of operation applies only to 2011-12, given counties' expressed need to have programmatic experience before settling on a more permanent funding methodology.

As discussed previously, the Governor's budget makes an ongoing commitment of funding to support the transferred criminal justice responsibilities. (See 2011 Realignment Funding table above.) Ongoing and regular discussions continue among counties, public safety stakeholders, and the Administration to identify and monitor realignment implementation. The Governor's budget makes clear his ongoing commitment to address systemic issues that arise. The budget notes, for example, the Administration's intent to work with counties to explore and develop treatment and housing options for in-custody offenders who are in need of mental health treatment.

In recognition of the significance of the shift in new offender populations, the Governor's budget proposes a second year of training to support statewide AB 109 training efforts (\$1 million) and grants to local Community Corrections Partnerships (CCP) (\$7.9 million). The CCP planning funds are intended to support counties' efforts in reviewing and amending AB 109 implementation plans.

### **Ongoing Realignment Efforts**

The Administration is committed to a continued partnership with county officials for the successful implementation of 2011 realignment, including:

- **State Operations Reductions.** The Administration is committed to a 25-percent reduction in the state operations of program areas that have been realigned. Both the Departments of Alcohol and Drug Programs and Mental Health have reduced their program components by that amount before transferring functions to the Department of Health Care Services (DHCS). The new Division of Mental Health and Substance Use Disorder Services within the DHCS will provide appropriate state oversight and assistance for programs realigned to the counties. The Department of Social Services will develop its 25-percent reduction plan upon county decisions regarding workload within realigned programs and based upon federal requirements.
- **County Flexibility.** The Administration continues to support efforts to increase the flexibility of counties in administering programs.

### **Juvenile Justice Reform**

The Governor's budget outlines a revised juvenile justice reform proposal whereby the state would stop intake of juvenile offenders to the Division of Juvenile Justice (DJJ) facilities on January 1, 2013. After this date, all new commitments of youthful offenders to DJJ would cease. DJJ would continue to house those juvenile offenders who were placed with the state on or before January 1, 2013, but facilities would shut over time as the population phases out. In order to prepare counties for this shift in responsibility, the budget proposes to provide \$10 million in planning funds to counties in the current year. The purpose of this funding is to give counties both the time and resources to develop appropriate placement and treatment options for this additional juvenile population. The funds would be distributed to counties under an as-yet undetermined methodology. The Administration will work with stakeholders to determine how to distribute the planning funds to the 58 counties. As the result of this proposal, the state plans to delay collection of the increased fees for DJJ placements that became effective on January 1, 2012 as a result of the 2011-12 trigger cuts.

### **Phase 2 Realignment**

The Governor's budget discusses his continued intention to pursue Phase 2 Realignment in the future. These efforts would be linked to ongoing conversations regarding California's implementation of federal healthcare reform. Structuring Phase 2 will take into account the movement of a significant number of people now served by county indigent programs (about 2 million) to the Medi-Cal program and the Administration's desire to rebalance county responsibility for additional programs in the future. More

information and further exploration of potential changes in state/local program responsibility in Phase 2 are needed.

#### ADMINISTRATION OF JUSTICE

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In addition to the Governor's ongoing commitment to the success of realignment as stated in the introduction, the Governor's proposed budget contains other public safety elements that may be of interest to counties. These elements are briefly described below.

**California Department of Corrections and Rehabilitation (CDCR).** The budget proposes various operational changes for CDCR, including the following:

- *Expanding the Alternative Custody for Female Offenders Program* – This program was created in 2010, pursuant to SB 1266 by Senator Carol Liu. It allows non-violent and non-serious female offenders to participate in an alternative custody program in the community, which includes substance abuse counseling and vocational education. The Governor's budget proposes to expand eligibility of this program to include female offenders who have a prior offense that is serious and/or violent, as many of these offenders have been deemed low-risk.
- *Review of Prison Facilities Plans* – CDCR has reduced its use of non-traditional prison beds by over 4,000 beds. The State is reevaluating its need for infill and reentry construction projects proposed to be funded through the state's portion of AB 900 (2007) given that it has significantly reduced its use of gymnasiums and dayrooms to detain prison inmates.

**Board of State and Community Corrections.** The budget contains \$109.1 million in funding to support the creation of the Board of State and Community Corrections (BSCC) beginning July 1, 2012, as enacted in the 2011-12 state budget. Under the structure, the BSCC will assume the duties of the existing Corrections Standards Authority and certain public safety grant-related responsibilities of the California Emergency Management Agency (CalEMA). Further, the BSCC is designed as an independent entity that will provide statewide leadership and coordination on statewide public safety policies – including realignment.

**Judicial Branch.** The Governor's budget contemplates a \$50 million augmentation to the Trial Court Trust Fund based on a proposed civil court fee increase. The augmentation is intended to offset the ongoing impacts of permanent budget reductions the courts have experienced in past years.

**2012-13 Trigger Cuts in Courts/Public Safety.** The Governor is proposing trigger cuts should his November 2012 ballot initiative fail. These trigger cuts total \$5.3 billion, of

which \$126 million will be to the courts and the Department of Justice. Please see below for a brief explanation of these cuts:

- Judicial Branch – The courts would be reduced an additional \$125 million, an amount equal to three court closures a month.
- Department of Justice (DOJ) – The trigger cuts would apply a \$1 million unallocated reduction.

## **AGRICULTURE AND NATURAL RESOURCES**

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**Reorganization of State Government.** The Governor’s proposed budget eliminates, consolidates and restructures a number of agencies and departments under the Agriculture & Natural Resources area. Specifically, the budget proposes to eliminate CalEMA and would make it an office reporting directly to the Governor. The proposed budget would transfer the Department of Resources, Recycling and Recovery (Cal Recycle) to the California Environmental Protection Agency (CalEPA). The budget summary indicates that hazardous waste, electronic waste and landfill permits are more appropriately regulated by CalEPA and not the Natural Resources Agency. The proposed budget also eliminates the State Geology and Mining Board, transferring its responsibilities to the Office of Administrative Hearings for regulatory appeals functions, with the balance of the Board’s responsibilities going to the Office of Mine Reclamation within the Department of Conservation. Finally, the Governor’s budget would reduce the number of Regional Water Quality Control Boards from nine to eight, consolidating the Colorado River Basin Water Board into neighboring regions, and reduce the number of members on the boards from nine to seven.

**Department of Forestry and Fire Protection.** The proposed budget assumes \$9.3 million in revenues for 2012-13 to be generated by the proposed State Responsibility Area (SRA) fee, currently under consideration by the Board of Forestry. As you may recall, ABX1 29 (2011) established an (up to) \$150 fee on each structure on a parcel located within the SRA. The budget also indicates that the Board of Equalization will assess the fee, including an increase of \$6.4 million to their budget and an addition of 57 positions to do so, and that the Administration is continuing to evaluate the long-term structure of the fee, leaving the door open for supplementing the fee with an additional per-acre charge.

**State Water Resources Control Board.** The budget proposes to increase water quality grants by \$11 million through the State Water Pollution Control Revolving Small Community Fund. These grants are for small and severely disadvantaged communities to address wastewater system needs.

**Delta.** The proposed budget includes an increase of \$25.4 million and 135 positions to DWR for preliminary engineering work to support the Delta Habitat Conservation and Conveyance Program (DHCCP). This funding will support the Bay Delta Conservation Plan's Environmental Impact Report, to be conducted by DHCCP.

**Climate Change.** The California Air Resources Board (CARB) will begin to auction greenhouse gas (GHG) emissions allowances through the AB 32 Cap and Trade Program in 2012-13. Revenue estimates for the program are expected to be approximately \$1 billion in the first year. The proposed budget includes a framework for how to expend the proceeds of the Cap and Trade Program, noting that only activities that further the purposes of AB 32 are eligible for funding. The framework lists clean and efficient energy, low-carbon transportation, natural resource protection and sustainable infrastructure development as priority areas for funding. Of particular note, under the heading of natural resource protection, the Governor lists natural resource conservation and management and sustainable agriculture as areas eligible for funding.

## **GOVERNMENT FINANCE AND OPERATIONS**

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### **Mandates**

The Governor's budget plan proposes to reduce state spending on local government and school mandates, saving the General Fund \$828 million.

The bulk of this savings results from his proposal to dramatically change the state's mandate relationship with schools. Under the plan, the state would eliminate almost half of all current K-14 mandates, and replacing the rest with incentives to comply with those that remain. Instead of funding actual costs, the Governor proposes a school mandates block grant.

Furthermore, the Governor proposes to repeal dozens of the roughly 50 mandates that have been suspended at least two years.

The Governor also proposes that the Commission on State Mandates redetermine mandates related to sexually violent predators. The state originally mandates certain activities in 1995 and reimburses local agencies for their related costs, but voters approved Proposition 83 (Jessica's Law) in 2006, and the state is not required to reimburse locals for mandates passed by voters.

Lastly, the Governor proposes to again defer the state's payment for pre-2004 state mandates, saving the General Fund (and costing local agencies) \$99.5 million.

### **Counties with 100 Percent Basic Aid Education Entities**

The Governor's proposed budget provides \$4.4 million to the counties of Amador and Mono and the cities therein for shortfalls in 2010-11 associated with their Sales and Use Tax and Vehicle License Fee Adjustment Amounts. In these counties, all education entities are considered "basic aid" and, as a result, there is no statutory mechanism by which the counties and cities can receive reimbursement for revenues losses associated with the Triple Flip and VLF Swap of 2004. CSAC is joining these counties and the Regional Council of Rural Counties (RCRC) in sponsoring AB 1191 (Huber) to provide a permanent mechanism to achieve this reimbursement.

### **EMPLOYEE RELATIONS**

The Governor's proposed budget includes the elimination or consolidation of several employment-related boards and commissions. Specifically, it:

- Creates the **Government Operations Agency**, which will include duties of the departments of General Services, Human Resources, Technology, Office of Administrative Law, the Public Employees' Retirement System, the State Teachers Retirement System and the State Personnel Board.
- Eliminates the Occupational Safety and Health Administration Board and gives its functions to the Employee Development Department.
- Consolidates EDD's tax collection functions with the Franchise Tax Board into a new department called the **Department of Revenue**.

Additionally, the Governor's budget proposes to eliminate 15,000 state positions and have DOF conduct a department-by-department review to identify other positions for elimination.

**Unemployment Insurance Program.** Counties will recall that due to a structural imbalance between revenues and benefit payments, the Unemployment Insurance (UI) Fund has been making benefit payments with borrowed federal funds since 2009. The UI Fund deficit was \$9.8 billion at the end of 2011, and is projected to be \$11.7 billion at the end of 2012. Required annual interest payments were waived under the American Recovery and Reinvestment Act for 2010. Interest in the amount of \$303.5 million was paid in September 2011 through a loan from the state's Unemployment Compensation Disability Fund. The Governor's budget proposes to continue to borrow from the Disability Fund to pay the 2012-13 interest expense of \$417 million.

The budget also proposes a surcharge on employers to generate \$472.6 million to fund future interest payments and repay borrowed funds, and increases the minimum

monetary eligibility requirements to qualify for UI benefits to account for increases in employee wages that have occurred since the requirements were last adjusted in 1992.

**Workforce Investment Act (WIA) Funding.** The budget reflects a decrease of \$39.5 million in federal funds for the Governor's discretionary WIA funding, a reduction from 15 percent to 5 percent in the discretionary funds provided by the federal government.

#### HEALTH AND HUMAN SERVICES

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Governor Brown has proposed significant cuts and changes to the CalWORKs, Medi-Cal, In Home Support Services (IHSS), and Child Care programs in his 2012-13 budget proposal. Please note that each of the reductions and proposals outlined below are permanent and ongoing, and would take effect regardless of whether the Governor's proposed tax initiative passes in November.

**CalWORKs.** The Governor is proposing to restructure the existing CalWORKs program by creating a two-tier system that supposedly focuses on work participation for adult recipients. All proposals below will affect both current and future CalWORKs recipients, and are estimated to save the state up to \$1.1 billion in the current year.

The Governor would create two tracks for CalWORKs recipients:

- **CalWORKs Basic** would serve as the entry-point for the welfare-to-work program and would be operational by October of this year. The eligibility time limit for this phase would be 24 months, with an assessment of the recipients' progress after 12 months. For six months following the October 2012 implementation of the CalWORKs Basic program, all currently aided eligible adults will be eligible for welfare-to-work services and child care. The budget has increased the county single allocation by \$35.6 million to provide some of these services. Additionally, families who are sanctioned for more than three months would be disenrolled from the program.
- If a CalWORKs Basic participant maintains unsubsidized employment at specified levels (30 hours for adults and 20 hours for those with children under age six), they would move to the **CalWORKs Plus** program. This program would become operational in April of 2013 and reward participants with a higher grant level by allowing them to utilize a higher income disregard (first \$200 earned and 50 percent of subsequent income). Participants would be eligible for this program for up to 48 months, and if they reach the time limit but continue to work specified amounts, they would retain the higher earned income disregard.

The income support program of child only grants will continue under the name of Child Maintenance Program, but grants will be cut by 27 percent, or about \$70 a month, beginning in October of this year. Also, families on the Child Maintenance Program will



be subject to annual eligibility determinations and required to have children in the program seen annually by a doctor.

Furthermore, under the restructuring, low-income families who are CalFresh recipients or child care subsidies – but not on CalWORKs – and meet work participation requirements may receive \$50 bonus payments.

**Child Care.** The Governor proposes shifting eligibility determinations and payment functions for approximately 142,000 children in subsidized child care programs to counties in 2013-14. Once fully implemented, the new structure would replace the three-stage CalWORKs child care system for current and former CalWORKs recipients and programs already serving low-income parents with a “work-based” subsidized child care system administered by county welfare departments.

In this model, counties would apply federal income eligibility rules and welfare-to-work participation requirements to those seeking subsidized child care support. Recipients would also be subject to welfare-to-work employment requirements, and the Administration estimates that this change in eligibility will eliminate about 46,300 child care slots statewide.

Additionally, the state seeks to save \$43.9 million by switching eligibility determinations from a measure of state median income to 200 percent of the Federal Poverty Level. The state estimates this will remove 15,700 child care slots.

The proposal also removes the statutory Cost of Living Increase Adjustment for capped non-CalWORKs child care programs to save \$29.9 million..

Governor Brown also proposes to reduce the child care reimbursement rate ceiling for voucher-based programs from the 85<sup>th</sup> percentile of the private pay market to the 50<sup>th</sup> percentile (based on the 2009 Market Rate Survey). This would save the state \$11.8 million. Please note that rates for license-exempt providers will be unaffected, but they will have to meet certain health and safety standards in order to continue to receive reimbursement. Also, direct-contracted Title 5 centers will see a 10 percent reimbursement rate reduction.

Furthermore, beginning in 2013-14, families who meet federal work requirements under the new structure will receive a \$50 monthly work bonus to be issued by county welfare departments.

Priority for voucher-based programs will be given to families who participate in the Child Welfare System or are at risk for being abused, neglected, or exploited. Cash-aid families would continue to receive subsidized child care services.

The Governor will also introduce legislation to require counties to identify and collect subsidized child care overpayments, and would levy sanctions on agencies that do not reduce the incidence of overpayments.

Overall, the child care cuts would save over \$500 million.

**In-Home Support Services.** The budget includes a number of reductions to the In Home Support Services (IHSS) program as well as significant restructuring for those who are dually eligible for Medi-Cal and Medicare. Please see the Medi-Cal section for more information on that specific proposal.

The Governor proposes to eliminate domestic and related services for IHSS consumers living with other adults who are not participants in the IHSS program, unless those adults are found to be unable to perform such services. This reduction in domestic services also applies to children in the IHSS program who reside with their parents, and the state assumes budget savings of \$164 million in the current year if implemented by July 1 of this year. This proposal would affect 254,000 IHSS recipients.

The budget assumes that the 20-percent across-the-board trigger cut to IHSS would be implemented April 1, 2012. However, a court injunction has precluded implementation.

The budget also includes a set-aside to fully fund the IHSS program in the event the court permanently upholds the injunction.

### **Medi-Cal.**

**Care Coordination for Dual Eligible Individuals.** The Administration proposes to improve care coordination for seniors and persons with disabilities. The term “dual eligible beneficiary” refers to persons eligible for both Medi-Cal and Medicare. Current law authorizes a dual eligible beneficiary pilot in four counties to begin January 1, 2013. The budget proposes a three-year phase-in of the pilots and an expansion of the number of pilots to 10 counties. In the first year, dual eligible beneficiaries will transition to managed care for Medi-Cal benefits. The benefits will become a more integrated plan responsibility over the subsequent two years. Under a separate proposal, the Administration is also proposing to expand Medi-Cal managed care statewide starting in June 2013. Currently, 30 counties have Medi-Cal managed care plans.

The pilots will provide managed care plans with a blended payment consisting of federal, state and county funds and responsibility for the full array of health and social services to dual eligible beneficiaries. Making long-term care services a managed care benefit is intended to increase access to home and community-based medical and social services. The larger goal is to allow beneficiaries to remain in their homes and out of

institutions. Behavioral health services will generally be provided by counties. In year one, IHSS, other home and community-based services and nursing home care funded by Medi-Cal will become managed care benefits. The IHSS program will essentially operate as it does today, except all authorized IHSS benefits will be included in the managed care plan rates. Over time, managed care plans would take on more responsibility for home and community-based services, including IHSS.

The Governor's budget document acknowledges a number of issues that will need to be worked on, including consumer protections, development of a uniform assessment tool, and consumer choice and protection.

The Administration views the dual eligible beneficiary pilots as part of its effort to implement health reform and establish the state as the level of government primarily responsible for delivering health care services. The Administration identifies the state-county relationship in financing and delivering services – including collective bargaining structure for IHSS providers and the long-term county financial responsibility and other health programs.

The Administration will be working with counties, consumers and other stakeholders to address these outstanding issues through development of legislation necessary to implement the proposal.

The Administration is projecting savings from the pilots related to a reduction in hospital and nursing home costs. To accelerate savings into 2012-13, the Administration is proposing a payment deferral (one payment for all providers) and alignment of payment policies for all managed care counties. This proposal will save \$678.8 million in 2012-13 and \$1 billion in 2013-14.

**Managed Care Expansion.** The Governor proposes expanding Medi-Cal Managed Care into all counties statewide and enrolling all current Medi-Cal beneficiaries, including IHSS recipients and those in the Institutional Long-Term Care program, in the managed care model. The state would begin this transition in the 28 fee-for-service counties in June of this year, and estimates savings of \$2.7 million in 2012-13 and \$8.8 million in 2013-14.

The Governor also proposes an annual open enrollment period for Medi-Cal beneficiaries to save up to \$3.6 million in 2012-13 and \$6 million in 2013-14. Currently, beneficiaries may change plans up to 12 times a year.

**Operational Flexibilities.** The Governor introduces his desire to streamline the regulatory process to allow the Medi-Cal program to change more quickly. Examples

include reducing laboratory rates, eliminating funding for avoidable hospital admissions, and no longer paying for services of “limited value.” He proposes a stakeholder process to examine changes in benefit design and estimates that the state can save approximately \$75 million in 2012-13.

**Medical Therapy Program.** The Governor proposes to impose an income test for the Medical Therapy Program that mirrors the California Children’s Services (CCS) program. Only families with annual incomes of less than \$40,000 or with annual CCS-related medical expenses exceeding 20 percent of their annual income would qualify for the Medical Therapy Program.

**Revenue for the Medi-Cal Program.** The Governor proposes a one-time redirection of private and non-designated hospital stabilization funds for fiscal years 2005-06 through 2009-10 to the state General Fund for a savings of \$42.9 million. He also wants to continue indefinitely the Gross Premium Tax on Medi-Cal Managed Care Plans to save up to \$161.8 million in 2012-13 and \$259.1 million in 2013-14.

**Healthy Families Program.** The Administration is proposing to reduce Healthy Families managed care rates by 25.7 percent effective October 1, 2012 for a savings of \$64.4 million in 2012-13 and \$91.5 million in 2013-14. The budget again proposes to shift the 875,000 children in the Healthy Families Program to the Medi-Cal program with a nine-month phase in starting October 2012.

The budget also proposes to eliminate the Managed Risk Medical Insurance Board by July 1, 2013.

**Child Support.** Governor Brown proposes to suspend the county share of child support collections (\$34.5 million in 2012-13) and redirect it to the state’s General Fund.

## **Public Health**

**AIDS Drug Assistance Program.** The Governor proposes to increase the client share of cost for the AIDS Drug Assistance Program (ADAP) for \$14.5 million in state savings in 2012-13. This proposal would implement the federal share of cost maximum amounts, resulting in average monthly copayments of between \$28 and \$385, depending on the client’s income. The state estimates that this proposal will generate administrative costs of \$2 million due to the amount of paperwork involved, and that cost is included in the \$14.5 million savings estimate.

**New Office of Health Equity.** The proposed budget creates a new **Office of Health Equity** in the Department of Public Health and transfers the Office of Women’s Health, Office of Multicultural Health, Health in All Policies Task Force, the Health Places Team, and the Office of Multicultural Services to the new structure.

**Department of State Hospitals.** The budget establishes a new **Department of State Hospitals** that will oversee the state’s mental hospitals. In addition to the new department, the Administration is proposing a number of changes to the mental hospitals to address a \$180 million shortfall. Of interest to counties, the Administration is proposing to increase the bed rate charges to counties for civil commitments by \$20 million.

**Departments of Mental Health and Alcohol and Drug Programs.** The Administration is proposing to eliminate the Departments of Mental Health and Alcohol and Drug Programs. The Department of Health Care Services will assume responsibility for the administration of Mental Health Services Act programs and financial oversight of funds, administration of federal Substance Abuse and Mental Health Services Administration discretionary and block grants, Projects for Assistance in Transition from Homelessness grants, Substance Abuse Prevention and Treatment block grants, the Parolee Services Network, veterans mental health programs, and the mental health components of the California Health Interview Survey.

The Department of Public Health will assume the duties of the Office of Multicultural Services, the administration of counselor certification, narcotic treatment, driving under the influence, and problem gambling functions.

The Department of Social Services will be responsible for licensing and quality improvement functions.

The California Department of Education will administer the Early Mental Health Initiative grants.

The Office of Statewide Health Planning and Development will now include the Mental Health Workforce Education and Training program.

The Mental Health Services Oversight and Accountability Commission will be responsible for Mental Health Services Act training, technical assistance and program evaluation.

#### **HOUSING, LAND USE AND TRANSPORTATION**

**Transportation Funding.** The Governor’s proposed budget reports that gasoline consumption was down 0.5-percent in 2010-11 from the prior fiscal year. While it is anticipated to decrease another 0.6-percent in 2011-12, the proposed budget projects that consumption will rise 1.9 percent in 2012-13. Under the 2010 transportation tax

swap, whereby the state eliminated the sales tax on gasoline and replaced it with an equivalent amount of new gasoline excise tax which is adjusted annually to reflect what the sales tax would have otherwise generated in a given year, DOF is projecting that the new 2012-13 excise tax rate will be reduced from the current 35.7-cents to 35-cents.

The proposed budget fully funds transportation as agreed to in the transportation tax swap of 2010. Recall that after the state backfills the State Highway Account for truck weight fee revenues dedicated to transportation bond debt service, the remaining revenues are divided among the state and local streets and roads in the following manner:

- 44 percent for the State Transportation Improvement Program
- 44 percent for Local Streets and Roads
- 12 percent for the State Highway Operation and Protection Program

CSAC is waiting for more information, specifically for the Board of Equalization to adjust the new excise tax rate as required by statute, before we provide counties with estimated revenues for 2012-13.

It is also important to note that the Governor borrows \$349.5 million in truck weight fees over and above what is necessary to pay budget year bond debt service payments. However, this was anticipated given that bond debt service fluctuates from year to year. In order to maximize the transportation tax swap and truck weight fee agreements from 2010 and 2011, the Governor will take all eligible weight fee revenues each year and bank the funds to use to offset the bond debt costs in the future.

**Transportation Bond Sales.** The Governor does not propose new transportation bond appropriations in his proposed budget and is putting this off until spring 2012 when more information on project cash flow needs is available.

**High-Speed Rail.** The Governor's proposed budget includes funding for the basic functions for the High-Speed Rail Authority. However, the document is silent on funding the initial train segment. The High-Speed Rail Authority's Business Plan is currently under review with DOF and the Governor will await its analysis before proposing a plan for funding the first segment. Additionally, the Legislature has indicated that they, too, will be holding hearings on the project and could potentially take action in the 2012 legislative year that will affect the project, for good or bad.

**Consolidation/Elimination of State Agencies.** Continuing his mission to "reorganize state government", the Governor proposes to reduce the number of state agencies from 12 to 10 and eliminate another 39 state entities and 9 programs. Among this reorganization is:

- The consolidation of the California Department of Transportation (Caltrans) with the Department of Motor Vehicles, the High-Speed Rail Authority, the Highway Patrol, the California Transportation Commission, and the Board of Pilot Commissioners into the new **Transportation Agency**.
- Changes to the budget process including requiring some departments, such as Caltrans, to perform a detailed review and analysis of all of their programs to evaluate whether the functions need to exist and the level of resources needed to accomplish them.
- Transfer of the functions of the California Housing Finance Authority (CalHFA) to the Housing and Community Development Department (HCD). Since both CalHFA and HCD are concerned with the development and financing of affordable housing, the goal is to obtain administrative efficiencies by combining the efforts under one department. It should also be noted that the new HCD will be moved from the former Business, Transportation, and Housing Agency to a new agency – the **Business and Consumer Services Agency**.

**STAY TUNED FOR THE NEXT BUDGET ACTION BULLETIN!**

*If you would like to receive the Budget Action Bulletin electronically, please e-mail Amanda Yang, CSAC Legislative Assistant, at [ayang@counties.org](mailto:ayang@counties.org). We're happy to accommodate you!*



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January 9, 2012

TO: Members, CSAC Executive Committee  
FROM: Paul McIntosh, Executive Director  
SUBJECT: Appointment of CSAC Treasurer, NACo Board of Directors and Western Interstate Region (WIR) Representatives

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Each year, CSAC appoints a Treasurer, two members to the National Association of Counties (NACo) Board of Directors and two members to the NACo Western Interstate Region (WIR) Board of Directors.

Following are Officer recommendations for 2012:

CSAC Treasurer

The Officers would like to recommend that Terry Woodrow of Alpine County be appointed CSAC Treasurer for 2012. Supervisor Woodrow has indicated her willingness to serve.

NACo Board of Directors

Your current representatives are Greg Cox, San Diego County, and Keith Carson, Alameda County. Supervisor Cox has indicated he no longer wishes to serve. The Officers are recommending that Liz Kniss of Santa Clara County be selected to replace him and that Keith Carson remains on the Board for 2012.

NACo WIR

Del Norte County Supervisor David Finigan currently serves as CSAC representative. The Officers are recommending that he continue to serve during 2012.

Eight years ago, California was provided an opportunity to appoint a second director to the WIR Board. CSAC and the Regional Council of Rural Counties (RCRC) agreed to appoint one each, with the appointing organization paying costs related to its appointee. Brian Dahle of Lassen County currently serves as the RCRC representative. RCRC would like Supervisor Dahle to continue to serve in 2012 and Supervisor Dahle has indicated his willingness to remain in the position.



**CSAC POLICY COMMITTEE  
CHAIRS AND VICE CHAIRS  
2012**

*(as proposed by CSAC Officers)*

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**HOUSING, LAND USE AND TRANSPORTATION**

**Efren Carrillo, Sonoma, Chair  
Matt Rexroad, Yolo, Vice Chair**



## CSAC 2012 STATE ADVOCACY PRIORITIES

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### YEAR OF REFORM

The 2011 legislative session set in motion monumental fiscal and policy shifts that have permanently altered the path of governance for California counties. The year began with a new governor committed to the devolution of government service from the state to the local level. Most notably, the 2011 realignment of public safety and health and human services shifted significant new responsibilities and populations that historically have been state provided services.

For the coming year, the Legislature and the Administration must come to the realization that counties no longer have capacity, fiscal or human, to continue to provide more with less. In addition, to address the perpetual fiscal crisis of California there has to be a balanced approach of multiple reforms and revenue enhancements. There will be at least a dozen initiatives on the November 2012 ballot asking Californians to determine what reforms and revenues they desire in shaping the changing governance model of California.

While there are many pressing legislative priorities for counties, none is as critical as securing constitutional protections necessary to make the 2011 realignment manageable and sustainable. Next year presents many challenges (election year, with multiple competing initiatives, roll-out of 2011 realignment, reforms, etc.). The political landscape has never been more complicated. CSAC needs to stay positioned to seize opportunities and minimize exposure as realignment and reform policies evolve over the course of the next year. CSAC has identified the following issues that will consume our advocacy efforts throughout the 2012 legislative session.

- **2011 Realignment:** Faced with a Supreme Court decision mandating the reduction of the state's prison population by 30,000, the Administration crafted a realignment of low level offenders to counties rather than releasing felons from state prison into the streets. The political calculus at the time was choosing between having hardened criminals released back into our communities without money or a realigned low level offender program with money. The Board of Directors opted to endorse a realignment package that included transferring program responsibility to the local level, with constitutional protections, flexibility in service delivery and extension of temporary taxes to fund the realigned programs. By the end of the legislative session, counties received a continuous appropriation for realigned programs. Significant work remains to achieve the other components primarily to protect counties from fiscal exposure and provide the ability to effectively manage new program responsibilities that reflect each counties' priorities.

Constitutional Protections: CSAC worked closely with the administration to craft SCA 1 X1 last year that would have provided fiscal protections to the 2011 realignment package. The measure lacked the sufficient number of votes to put it on the ballot. Last fall the Board of Directors

directed staff to pursue, as one option, a stand-alone constitutional amendment to effectively provide the same protections.

AB 109: The funding for the public safety component of the 2011 realignment is continuously appropriated however it only contained a one year allocation methodology. This was done intentionally as there were many unknowns related to new populations and program needs. The Chief Administrative Officers Association has designated representatives from urban, suburban and rural counties to revisit the methodology.

- **Pension Reform:** Pension reform discussions began in 2011 as part of negotiations on the state budget. In the absence of an agreement Governor Brown proposed a pension reform plan that would apply to all public employees, including county employees. Additionally, several initiative proposals have been filed with the Attorney General that will affect pension benefits for public employees. Further, a conference committee was convened to consider a comprehensive pension reform package. The conference committee met twice in 2011 and a final hearing is expected in early 2012 to finalize recommendations for the Legislature to consider. CSAC's review of the proposed initiatives and the Governor's proposal conclude that the issues of local control vs. statewide implementation of reforms and whether counties would support a shift from defined benefit pension plans to a hybrid model are the fundamental questions that counties will need to consider this upcoming year.
  
- **Regulatory Reform:** Although many state leaders have recently voiced support for regulatory reform, very little has been done to eliminate duplicative, inconsistent and outdated regulations. In fact, certain state agencies have proposed a series of new regulations and policies that are the antithesis of regulatory reform given the redundancy of their requirements and excessive costs associated with their implementation and compliance. Many of these proposed regulations and policies will detrimentally impact county operations and project delivery in addition to local economic development. Of particular concern are regulations concerning stormwater run-off; land use decisions and flood protection; on-site waste treatment systems; and, fees for fire protection in State Responsibility Areas.

As discussions ensue regarding ways to improve California's regulatory climate, remain committed to our longstanding policy direction to support environmental and economic cost-benefit evaluations of existing and proposed state regulations. We will also continue to communicate to the State regulatory bodies the practical ramifications of their proposals on county government.

## **STATE KEY ISSUES BY POLICY AREA**

### **Housing, Land Use and Transportation**

SB 375 Implementation: The first regional plan to reduce greenhouse gas emissions and link land use, housing and transportation investments was recently adopted by the San Diego region (SANDAG) as required by SB 375 (Chapter 728, Statutes of 2008). The Sacramento region (6 SACOG counties) and Southern California region (6 SCAG counties) plans are due next. There continues to be significant scrutiny of these plans beyond the statutory review by the Air Resources Board as prescribed by SB 375. We know that the State's Attorney General,

Governor's Office of Planning and Research, as well as a coalition of stakeholder's, have all weighed in on the SANDAG plan. Implementation has yet to begin. SB 375 was very carefully negotiated to retain regional flexibility and local control by elected officials that sit on the regional boards. CSAC will remain engaged in ensuring there is no erosion of this compromise and also support any necessary legislative changes to ensure successful implementation.

Housing Element Reform: The housing element remains the only local general plan element (and local plan for that matter) that requires a state department compliance determination. This body of law has been added to over several decades and contains very prescriptive requirements for cities and counties to follow with questionable outcomes. Further, the State Department of Housing (HCD) often times reaches beyond statute in their process of determining compliance with the law. In these tight fiscal times Governor Brown significantly reduced HCD's budget to review local housing elements. CSAC is working with other stakeholder's and the administration to develop an alternative to the current review process that would address the budget reduction and place HCD's role back in line with existing statute. With respect to land use and local discretion, this area of law remains one of the most contentious between locals and the state.

CEQA Reform: With tight budgets and increasing pressure to meet housing needs, the CSAC Board of Directors directed staff to sponsor legislation to provide counties with greater tools to proceed with affordable housing infill projects. Unfortunately, our attempt to pursue more flexibility under current statutory CEQA streamlining provisions was met with significant opposition from the environmental community. However, recent legislation, with support from the administration, has tasked OPR with developing guidelines for CEQA streamlining for infill projects. CSAC is participating on a working group to pursue potential CEQA reform related to this and other aspects of that law. Our goal remains a challenge as the environmental community has strong feelings that development should occur within cities and that any relaxation of CEQA should be restricted to cities, while also meeting the goal of reducing vehicle miles traveled.

## **Government Finance and Operations**

Pension Reform: At the end of the legislative session in 2011, the Legislature, in lieu of passing legislation addressing individual pension issues, convened a conference committee to consider a comprehensive pension reform package. The conference committee met at the end of October and heard testimony from employer and employee representatives about the status of pension reform negotiations and on December 1 to consider a proposal for pension reform released by Governor Brown on October 27. A final hearing of the conference committee is expected in early 2012 to finalize recommendations for legislation that could move forward in 2012. Additionally, throughout 2011 several initiatives were filed with the Attorney General. Based on the information we have, there are two critical issues that CSAC will need to consider in anticipation of future discussion and action on the Governor's proposal and/or the any qualifying ballot measures.

- Local control vs. statewide implementation of reforms. CSAC's first principle for pension reform is "Protect local control and flexibility". CSAC has held that a statewide mandated retirement system is neither appropriate nor practical, given the diversity of California's communities. The Legislative Analyst, in its response to the Governor's pension proposal, raised the question of whether some diminution in local control over retirement benefits is merited given the long-term nature of pension costs and the potential for competition among local and state employers to recruit and retain employees. This will be a key question for CSAC as well.

- Defined benefit vs. mandatory hybrid model. CSAC has supported providing local agencies the option to implement defined contribution retirement plans within both CalPERS and 1937 Act systems, as stand-alone benefits or hybrid systems. While the Governor's proposal is lacking sufficient detail to consider the merits of this particular hybrid plan, the threshold question of whether counties would support a shift from defined benefit pension plans to a hybrid model is the more fundamental question.

## **Agriculture and Natural Resources**

SB 5 Clean-Up Legislation (flood management/land use). SB 5 (Chapter 364) was one of a six-bill flood protection package signed into law in 2007. Viewed as the linchpin, SB 5, requires the State to adopt a Central Valley Flood Protection Plan by 2012, and requires cities and counties in the California Central Valley to achieve 200-year flood protection. Counties (and cities) within the Central Valley have expressed concerns with DWR's preliminary plans and process for implementing SB 5. Their concerns fall into three categories: (1) lack of useful data needed by local agencies to demonstrate a 200-year level of flood protection; (2) "unintended consequences" such as triggering 200-year protection for changes in uses requiring discretionary permits; and, (3) local agencies would have to depend on the completion of certain major "system-wide improvements" by the state and/or federal governments to achieve 200-year level of protection.

CSAC will work closely with Central Valley counties and other stakeholders to advocate for an extension of the SB 5 implementation dates and other necessary clean-up legislation.

### Renewable Energy Facility Siting Legislation/Regulation.

On April 12, 2011, Governor Jerry Brown signed legislation requiring the State to achieve a 33% renewables portfolio standard by December 31, 2020. The Governor's strong commitment to the 33% standard has translated into actions and statements that threaten the local land use approval process for siting certain renewable facilities. Speaking at a UCLA energy conference on July 25, 2011, Governor Brown stated that he wanted to centralize decision-making so that local officials aren't able to slow or block the development of renewable resources. He also indicated that his administration will "crush" efforts to block renewable energy projects in California, intervening in local disputes to overcome opposition. Given these statements by the Governor and pressure by some renewable energy project proponents, there is a strong likelihood that additional attempts to streamline the siting approval process will be pursued in 2012. While CSAC supports the development and use of alternative energy sources, we will oppose proposals that diminish and/or eliminate local government involvement in the renewable energy facility siting process.

Water Quality Regulations. The State Water Resources Control Board is actively considering no less than three storm water permit updates as well as a wetland area protection policy, and regulations affecting on-site waste treatment systems. CSAC has expressed concerns and in some cases opposition to all of these regulatory updates/proposals throughout their respective processes. Generally, our concerns with each have a reoccurring theme: significant costs associated with their implementation with no reliable funding source; would impose overly prescriptive standards/requirements; would be redundant of other state and federal requirements; and, as proposed would not achieve significant water quality benefits. The public comment process on new draft or final versions of the permits, policies and regulations will extend through next year. CSAC will continue to voice county

concerns with the various proposals via stakeholder and public processes. We will also work through other channels to ensure that the Water Board does not move forward with the permits, policies and regulations without making substantial changes to address the concerns of a wide array of stakeholders.

## **Administration of Justice**

Realignment: Implementation of the 2011 Criminal Justice Realignment will continue to be the main focus for Administration of Justice (AOJ) staff in 2012. Staff will continue to strengthen partnerships with local government stakeholders involved in this very important work. Further, staff will continue to participate in bi-weekly meetings with the Governor's Administration, the California State Sheriffs Association and the Chief Probation Officers of California regarding realignment implementation. These meetings continue to focus on counties' progress and challenges thus far in managing the new offender population at the local level, which include exploration of legislative changes that may be required in order to achieve more effective implementation.

Areas of ongoing policy discussion in 2012 include: creation of a county-level medical "probation" program for incapacitated jail inmates (similar to the medical parole policy adopted in SB 1399 (Leno) in 2009); finalizing the general terms and framework for state/county agreements related to use of fire camps and contracting back for state prison beds; and ensuring statutory authority is in place for counties' use of public community correctional facilities. In addition, other specific realignment areas that will receive significant attention during the next twelve months include the following:

- Funding allocation – Staff will continue to provide technical support and assistance to the County Administrative Officers' Realignment Allocation Committee (RAC) in its determination of a Year 2 funding formula for the criminal justice realignment portion (AB 109) of the realigned programs. This group is charged with developing a formula by March 2012.
- Court Security – Staff will continue to work with the Governor's Administration, the Administrative Office of the Courts, and the California State Sheriffs' Association on the implementation of court security reforms carried out in the 2011 realignment. Stakeholders continue to work on guiding principles to assist the courts, sheriff departments and counties as they work to implement the new funding construct.

Juvenile Justice: The Governor's 2012-13 Proposed Budget contemplates a revised juvenile justice reform proposal whereby the state would stop intake of juvenile offenders to the Division of Juvenile Justice (DJJ) facilities on January 1, 2013. After this date, all new commitments of youthful offenders to DJJ would cease. DJJ would continue to house those juvenile offenders who were placed with the state on or before January 1, 2013, but facilities would shut over time as the population phases out. In order for counties to prepare for this shift in responsibility, the budget proposes to provide \$10 million in planning funds to counties in the current year. The purpose of this funding is to give counties both the time and resources to develop appropriate placement and treatment options for this additional juvenile population. The funds will be distributed to counties under an as-yet undetermined methodology. Over the next several months CSAC will be working with the state and other stakeholders on this methodology and the overall juvenile justice reform proposal.

## **Health and Human Services**

Realignment: Implementing language, as well as fiscal structures, for the first phase of Governor Brown's realignment of state responsibility to counties must be developed in 2012. HHS staff will also focus on any "Phase 2" realignment proposals, which are expected to solely include health and human programs. HHS staff will also provide technical and program expertise for the advancement of constitutional protections in realignment for counties.

Emergency Medical Services: Staff has been closely involved with the stakeholder process for developing legislation that would streamline the local emergency medical services system (AB 1387 by Assembly Member Jose Solorio). HHS staff will continue to work closely with county supervisors, county counsels, county legislative coordinators, and members of the county caucus and associations to preserve and protect county EMS authority.

Federal Health Care Reform and Medicaid Waiver Implementation: The Affordable Care Act (ACA) must be fully implemented by January 2014, so 2012 is truly a year where the implementation planning and execution must take place. Almost all of California's counties are also establishing Low Income Health Programs (LIHPs), which are part of the 2010 federal Section 1115 Medicaid waiver. Many of the LIHPs will be operational in 2012. CSAC is not only working on the legislative and regulatory aspects of the ACA, including the establishment of the Exchange Board but is also actively pursuing partnerships to offer educational and training opportunities for counties.

Long-Term Care Integration: The Brown Administration is aggressively pursuing federal waivers to allow for the integration of long-term care through a mostly managed care model. Impacts on counties include changes in federal reimbursement for the In Home Supportive Services program and long-term care services. CSAC is working with the state and county stakeholders to develop workable solutions for restructuring service delivery and financing.



## **CSAC 2012 FEDERAL ADVOCACY PRIORITIES**

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*CSAC's contract for federal affairs services with Waterman and Associates provides for a nine-issue agenda. CSAC staff, in consultation with Waterman and Associates, developed the following list of eight federal issues of significance to California's counties, with one issue left in reserve to accommodate emerging topics.*

### **New Authorization of the Nation's Surface Transportation Law (SAFETEA-LU)**

After months of stakeholder discussions, the Senate Environment and Public Works Committee in late 2011 approved legislation (S 1813) that would reauthorize the nation's surface transportation law (SAFETEA-LU). The bill, entitled *Moving Ahead for Progress in the 21st Century* (MAP-21), would reauthorize SAFETEA-LU for two years at current funding levels, plus inflation. The existing authority for federal transportation programs has been operating under a series of short-term extensions, the latest of which expires in March.

House transportation leaders are expected to unveil a five-year transportation bill early in 2012. The legislation will reportedly link new American energy production to investment in infrastructure projects. As of this writing, additional details of the House measure are unavailable.

For its part, CSAC continues to actively promote its transportation reauthorization agenda with key policymakers. Among other things, the association is recommending a more streamlined and flexible approach to allocating federal transportation funds to state, regional, and local agencies. CSAC also is promoting several environmental streamlining proposals such as a CEQA for NEPA reciprocity pilot program, as well as funding for a number of priority programs, including the Highway Bridge Program and the High Risk Rural Roads Program.

### **State Criminal Alien Assistance Program**

The State Criminal Alien Assistance Program (SCAAP) is a critically important budget item for many of California's counties. CSAC is one of the leading local government organizations in the fight to protect and enhance funding for SCAAP, which continues to be underfunded by Congress. CSAC will continue to advocate for maximum funding levels to offset the cost of housing undocumented criminals in county detention facilities.

Additionally, CSAC supports legislation (S 638) introduced by Senator Dianne Feinstein (D-CA) that would require the Department of Justice to reimburse local jurisdictions for incarceration costs associated with undocumented individuals who have been convicted or accused of a felony or two or more misdemeanors. The current statute is limited to allowing reimbursement only in cases in which an individual is actually convicted of such crimes.

### **Property Assessed Clean Energy Program/Renewable Energy Policy**

CSAC is urging Congress to approve legislation (HR 2599) that would restart stalled Property Assessed Clean Energy (PACE) programs in California and across the country. The bill – entitled the *PACE Protection Act of 2011* – would prevent federal housing regulators from adopting policies that contravene established state and local PACE laws, thus allowing counties and other local governments to once again offer the popular program. PACE programs create jobs, stimulate business growth, reduce greenhouse gas emissions, and add lasting value to residential and commercial properties without increasing risks of mortgage defaults.



On a related energy matter, CSAC is urging Congress to provide adequate funding for the Energy Efficiency and Conservation Block Grant, which provides resources to local governments for a variety of energy efficiency programs. Additionally, the association is promoting that the widest possible range of renewable energy sources – such as biomass, hydropower, and post-recycled municipal solid waste – qualify as resources to help California meet its renewable energy goals.

### **Native American Affairs**

In the wake of the U.S. Supreme Court's *Carcieri v. Salazar* decision, which limits the secretary of Interior's trust land acquisition authority to those tribes that were under federal jurisdiction at the time of the passage of the Indian Reorganization Act (IRA) of 1934, several members of Congress have aggressively promoted legislation that would overturn the Court's ruling. Under pending legislation (S 676/HR 1291/HR 1234), the secretary of Interior would be granted authority to take land into trust for all Indian tribes.

In response, CSAC has led a multi-state coalition of county government associations that opposes the aforementioned *Carcieri* bills. Known as "quick-fix" legislation, the bills would reverse *Carcieri* without providing for much-needed, long-overdue reforms in the fee-to-trust process. CSAC is actively advocating for its own trust reform bill, which includes modifications to the IRA that would require tribes to meet a set of heightened regulatory standards as a condition of the secretary of Interior approving trust land applications.

### **Temporary Assistance for Needy Families Reauthorization**

The Temporary Assistance for Needy Families (TANF) program is currently operating on a short-term extension, the latest of which runs through February 29, 2012.

The temporary continuation of the TANF program sets the stage for Congress to debate the scope of the next multi-year bill in 2012. With the nation's economy continuing to struggle and unemployment rates still high, policymakers are looking at recent trends in welfare rolls and poverty figures as they consider options for reauthorizing TANF.

Congress – as well as previously issued regulations – placed additional administrative burdens on the TANF program. Many of those requirements had the effect of changing the focus on following federally imposed processes to the detriment of moving families into self-sufficiency.

CSAC is urging Congress to 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."

### **Secure Rural Schools Reauthorization**

In 2011, House Republicans unveiled a draft Secure Rural Schools and Community Self-Determination Act (SRS) reauthorization bill that would substantially alter the way that SRS payments are made. Under the measure, the Secretary of Agriculture would be required to act as trustee to carry out various projects – which could include timber sales, issuance of special permits, etc. – to meet an annual revenue requirement (ARR) on each unit of the National Forest System. From the ARR, 75 percent of revenues would be shared with counties, 20 percent would go to the Forest Service, and five percent would be directed to the federal Treasury.

The House measure also would provide a transition period to temporarily continue SRS payments to counties and schools. Details of the transition period and how much would be authorized for payments have yet to be determined. GOP leaders from the Natural Resources Committee are expected to formally introduce their proposal early in 2012.

Originally passed and signed into law in 2000, SRS represents a contract between the federal government and more than 700 rural counties and school districts that have historically depended on revenues from timber harvests on federal lands in their jurisdictions. These rural communities and schools have relied upon a share of the national forest receipts program to supplement local funding for education services and roads. The most recent act expired on September 30, 2011, with final payments distributed in January of 2012.

CSAC is advocating for a long-term reauthorization of SRS supported by adequate funding.

### **Clean Water Act**

The Clean Water Act (CWA) and subsequent amendments have positively impacted the health of the nation's rivers and streams. At the same time, however, the CWA has created a host of unintended consequences. One such unintentional result of the Act is the continued inability of counties and other local entities to properly maintain flood protection facilities and drainage ditches.

Pursuant to Section 404 of the CWA, the Secretary of the Army Corps of Engineers may issue permits for the discharge of dredged or fill material into navigable waters of the United States and exempts certain activities from the permitting process. Although the Act appears to explicitly exempt maintenance activities of currently serviceable flood control facilities from permitting requirements, the Corps has not interpreted the law in this manner. As a result, virtually all routine maintenance of flood protection facilities and drainage ditches are subject to 404 permits, which has caused significant backlogs in the Corps' permit processing times and ultimately thwarted local agencies from performing routine maintenance in a timely manner.

Working closely with CSAC, Congressman Gary Miller (R-CA) introduced in 2011 legislation that would provide a narrow permitting exemption for maintenance removal of sediment, debris, and vegetation from flood control channels and basins. Several members of the California congressional delegation have signed on as original cosponsors of the bill.

### **Levee Vegetation Management**

CSAC supports modification to the Army Corps of Engineers' policy on vegetation management of Corps built flood control facilities that: considers regional variation across the nation; includes an exemption provision where appropriate; conforms to other federal and state laws; and, includes local government in a transparent and collaborative process.

The Corps released in late 2011 its System-Wide Improvement Framework (SWIF) policy for levee systems. The policy provides levee sponsors with a process to transition their levees over time to Corps' standards while remaining eligible for federal rehabilitation funding under Public Law 84-99. It should be noted that the policy allows deficiencies – which may include vegetation – to be addressed on a “worst first” basis as part of a larger system-wide plan.

According to the Corps, the SWIF process may complement the vegetation variance request process as a means for a levee sponsor to address levee deficiencies. If required, a vegetation variance request can be part of the SWIF process.

CSAC and other key stakeholders are reviewing the SWIF and will continue to actively pursue modifications to the Corps' levee vegetation process, where appropriate.

## 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.*

### **National Health Care Reform**

The landmark *Patient Protection and Affordable Care Act* requires states to implement many of its major provisions by 2014. California's counties will play a key role in the implementation of the law over the next two years and must monitor and participate in the rulemaking and regulatory process at the federal level to help achieve a workable framework to provide health care to all Californians.

### **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.

### **Federal Geothermal Royalties**

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. Given the importance of these revenues to the affected counties, CSAC opposes any legislation that would discontinue geothermal royalty payments to county governments.

### **Community Development Block Grant**

The fiscal year 2012 budget includes \$2.95 billion for the Community Development Block Grant (CDBG) program. The current level of funding is close to a \$400 million reduction from fiscal year 2011.

CDBG, as well as many other discretionary spending programs, sustained cuts in the fiscal year 2012 budget as a result of the continued focus on deficit reduction. CSAC, along with other county and city government partners, are calling on Congress to restore 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.

### **Child Welfare Financing Reform**

As part of TANF reauthorization, Congress may consider legislation to reform the child welfare financing system, as well as provide additional resources to stabilize families and train and retain child welfare staff. CSAC supports additional programmatic flexibility, along with an updated foster care payment methodology.

### **Byrne Grant Funding**

The fiscal year 2012 budget provides \$470 million for the Byrne Memorial Justice Assistance Grant (JAG) program. CSAC strongly supports prioritizing Byrne funding in the annual appropriations process and will continue to work collaboratively with our congressional delegation and others to secure and promote increased funding for the program and the positive local outcomes it helps achieve.

## **Cooperative Endangered Species Conservation Fund**

CSAC supports increased funding for the U.S. Fish and Wildlife Service's Cooperative Endangered Species Conservation Fund (CESCF). The CESCF is currently funded at \$47 million in fiscal year 2012, a cut of roughly \$12 million from the previous fiscal year, and down nearly 50 percent from fiscal year 2010 levels. Funding should be restored to help provide much needed support to regional Habitat Conservation Plans (HCPs) in California and nationally.

### **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.

### **State's Water Crisis**

California's political leaders and various state and local water interests continue to pressure California's congressional delegation and the Obama administration to address the state's chronic water shortage. A wide range of proposals are being discussed that would address water transfers, endangered species laws, water quality and California Bay-Delta protections, to name a few. CSAC will monitor these proposals to ensure consistency with the organization's comprehensive policy direction on water.

### **Payments-in-lieu-of-Taxes**

Pursuant to PL 110-343, all counties are receiving 100 percent of authorized Payments-in-lieu-of-Taxes (PILT) payments in fiscal years 2008 through 2012. Prior to fiscal year 2008, PILT payments were subject to the annual appropriations process. CSAC will support efforts to convert the temporary mandatory spending into a permanent feature of the PILT program.

### **Farm Bill Reauthorization**

CSAC will continue to monitor congressional efforts to reauthorize the federal Farm Bill, including provisions affecting the Supplemental Nutrition Assistance Program (SNAP), rural development programs, and renewable energy development. Congressional authorizing committees are expected to hold hearings and consider a new Farm Bill sometime in 2012.

### **Waters of the U.S.**

In 2011, the Obama administration announced that it was updating draft guidance on the scope of waters that would be regulated under the Clean Water Act (CWA). According to EPA, the number of waters identified as protected by the CWA under the revised "Waters of the U.S." guidance will increase compared to current practice. The expansion of federal jurisdictional authority over state and local waters has elicited concern from state and local resource agencies, as well as federal lawmakers.

CSAC, joined by other key state and local stakeholders, have provided substantive comments to EPA and the Army Corps of Engineers regarding the draft guidance. EPA has indicated that it will undertake a formal rulemaking process in 2012. At the same time, congressional efforts to block EPA's administrative actions are expected to continue.

### **FEMA Mapping**

FEMA has launched a five year national Map Modernization Plan to update the nation's flood hazard maps. Once the new maps become effective, all new structures in the FEMA floodplain will be required to adhere to heightened land use and control measures. Properties mapped into the Special Flood Hazard Area (SFHA) and backed by a federally-insured mortgage will be required to carry flood insurance.

Additionally, Congress is considering a long-term reauthorization of the National Flood Insurance Program (NFIP). Legislative proposals in both houses of Congress would require some form of mapping of areas of residual risk. The Senate bill, however, would require residual risk areas to be included within a "special flood hazard area" and require the price of flood insurance policies in areas of residual risk to accurately reflect the level of flood protection provided, regardless of the certification status of the flood control structure.

CSAC opposes efforts that would mandate federal flood insurance coverage for homeowners and business that are protected by properly constructed and maintained flood protection structures. Additionally, CSAC supports a transparent and fiscally reasonable process by which counties and residents can revise and amend FEMA's Flood Insurance Rate Maps. CSAC also supports federal efforts to enhance flood hazard mapping outreach and technical assistance to local communities.

### **Pension Tier Changes – Conflict with IRS Requirements**

The rising cost of public employee pension plans is a growing concern for California's counties. A number of counties have proposed their own local solutions, but the Internal Revenue Service (IRS) has prevented these reforms from being implemented. Under a 2006 IRS ruling, allowing current employees to change their retirement options would force all county employees to have to pay taxes on their retirement deductions – whether they switch plans or not.

CSAC supports bipartisan legislation (HR 2934) introduced by Representative Loretta Sanchez (D-CA) that would revise the IRS ruling so that local governments can propose and implement their own local plans, without severe consequences.



January 9, 2012

To: Executive Committee, California State Association of Counties

From: Paul McIntosh, Executive Director

Re: **Constitutional Protections for Realignment Update – ACTION ITEM**

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At a special meeting on January 5, the CSAC Board of Directors reaffirmed that obtaining a constitutional guarantee of revenues to support the 2011 realigned programs, as well as protecting counties from costs associated with future changes to those programs, remained the top priority of the Association. The board also voted to suspend all efforts by CSAC to qualify an independent ballot measure, leaving the measure filed by Governor Brown (“The Schools and Local Public Safety Protection Act of 2012”) as the only available vehicle to achieve those constitutional protections.

This memo is intended to provide information to the Executive Committee to assist in developing a recommendation to bring to the CSAC Board of Directors at its February 23, 2012 meeting.

### **Background**

Realignment in 2011 shifted responsibility for nearly \$6 billion in public safety and social service programs to California’s counties. CSAC’s support of realignment was premised on assurances from Governor Brown and the Legislature that the funding for realigned programs would be constitutionally protected and counties’ exposure to future programmatic costs would be limited. Without these guarantees and protections, California counties remain significantly exposed to increased costs and program responsibilities.

In September 2011, after the Legislature failed to approve SCA 1X, the measure that included the negotiated constitutional protections, the Board of Directors authorized CSAC staff to begin to prepare a ballot measure and evaluate the efficacy of moving forward on a realignment-only measure. This measure, “The Local Taxpayers, Public Safety and Local Services Protection Act of 2012,” was filed with the Attorney General on November 2, 2011 and received title and summary from the Attorney General and a fiscal analysis from the Legislative Analyst’s Office on December 29, 2012.

Subsequently, the Governor filed his own sponsored initiative, “The Schools and Local Public Safety Protection Act of 2012,” on December 5, 2011. The Governor’s measure awaits title and summary and fiscal analysis from the Legislative Analyst’s Office, anticipated by January 27, 2012.

When considering the realignment protections only, the two measures are substantively similar, as outlined in the attached side-by-side comparison. There are a few major differences: first, the Governor’s measure authorizes changes to 2011 Realignment through the end of this legislative year (September 30, 2012), while ours set the date at last year’s legislative year (October 9, 2011). The Governor’s measure does limit the ability to transfer new programs to counties during this legislative session only to the Mental Health Managed Care program and the Early Periodic Screening and Diagnosis (EPSDT) program, which were slated to be transferred in 2012. The Governor’s measure does not explicitly authorize the Legislature to reduce or eliminate programs, whereas our sponsored measure does. Further, the Governor’s measure explicitly excludes revenues dedicated to realignment from the Proposition 98 guarantee, whereas our sponsored measure does not. Overall, both measures contain the same dedication of revenues, as well as the same protections for future programmatic changes from the Legislature or Administration, federal government, or federal courts.

CSAC polled likely voters on the concepts of the CSAC measure and on Governor Brown's measure. After receiving title and summary of the CSAC measure, a poll was conducted specifically on the likely voter reaction to the title and summary. While the concept of local control and funding of programs shifted from the state to counties was strongly supported by likely voters, the Legislative Analyst's Office fiscal analysis called out a resultant decrease in the Proposition 98 guarantee. This statement caused significant concerns among voters, as education funding remains a primary issue for them.

As to education funding, it is important to note that the Governor's measure provides for a temporary (four-year) sales and use tax increase and a temporary (five-year) personal income tax increase on those earning more than \$250,000. These revenues are beyond the revenue guarantee for the realigned programs. The revenues generated from these temporary taxes are exclusively dedicated to school entities (K-12 education and community colleges) and are subject to the Proposition 98 calculation. This essentially means that these revenues are first to fill the "bucket" of the state's annual Proposition 98 calculation, thus saving the state about half of that amount that can otherwise be used for other state General Fund purposes.

While some members of the Board of Directors expressed concern regarding the temporary taxes proposed in the Governor's measure, it has long been CSAC policy to support a balanced approach to resolving the long-running state budget deficit. Governor Brown inherited a combined \$26.2 billion budget deficit when he took office last year and whittled that down to a \$9.2 billion deficit over the next 18 months. The budget proposed covers approximately half of that deficit with cuts and triggers cuts, primarily in education, if his proposed measure does not pass. The temporary taxes contained in this measure are about half of the taxes that would have been extended by SCA 1 X 1. CSAC voted 45-4 to support SCA 1 X 1 due primarily to the fact that it contained the constitutional protections sought as part of realignment, as does the Governor's proposed measure.

### **Next Steps**

While the Board of Directors affirmed that constitutional protections are a priority issue for the Association, the Board determined that it was premature to take an affirmative position of support on the Governor's proposed measure. The Board did so recognizing that delaying action on our own measure would so significantly increase signature-gathering costs that it would likely not be feasible to decide to move forward with qualifying our own measure. Hence, the Governor's initiative is the only measure in the field that would provide the constitutional protections for realigned programs that counties seek.

While any statewide tax measure faces an uphill battle, the Governor's measure does have support among voters. Californians are becoming more and more concerned with the state's budget impacts on schools. We also anticipate significant funding from education groups in support of the Governor's efforts. The Governor has in fact indicated a broad range of supporters, from labor to business interests. The key to his success will be the extent to which he can clear the field of other tax initiatives.

The Governor has also committed to an ongoing dialogue with counties regarding implementation issues for realigned programs, as well as other issues of statewide concern. We continue to have an active and constructive dialogue with Administration officials on the implementation of AB 109 and realignment generally.

Attachment

SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
<b>General Provisions</b>		
Definition of realigned services	"Public Safety Services" defined with narrative describing realigned services.	Nearly identical to SCA 1X, with the exception of "providing transitional housing and other services to emancipated youth" (this language is deleted from Governor's initiative).
Definition of "2011 Realignment Legislation"	Legislation enacted on or before <b>October 9, 2011</b> that provides for assignment of responsibilities to local agencies, including reporting responsibilities.	Legislation enacted on or before <b>September 30, 2012</b> ; however, no new programs may be transferred after <b>January 1, 2012</b> , except for EPSDT and mental health managed care.
Realignment Revenues	Extension of 2009 sales and use tax and VLF increases for a five-year period.	1.0625% of existing state sales and use tax revenues and 25.1% of existing VLF revenues. These revenues are explicitly <b>not</b> included in the calculation of the Proposition 98 guarantee.
Local Revenue Fund 2011	Continuously appropriated; state may be reimbursed for its costs during the implementation period; methodology for allocating funds for allocating funds and reimbursing state costs is as specified in 2011 Realignment Legislation. Local Revenue Fund 2011 to cover costs of administering the fund.	Continuously appropriated; state may be reimbursed for its costs during the implementation period; methodology for allocating funds is as specified in 2011 Realignment Legislation. The state may <b>not</b> charge the Local Revenue Fund 2011 for costs of administering the fund.



	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
County Local Revenue Fund 2011	County treasurer directed to create a County Local Revenue Fund 2011 Fund; funds shall be used exclusively to fund Public Safety Services.	County treasurer directed to create a County Local Revenue Fund 2011 Fund; funds shall be used exclusively to fund Public Safety Services.	County treasurer directed to create a County Local Revenue Fund 2011 Fund; funds shall be used exclusively to fund Public Safety Services.
Existing Mandate Protections	Removes realigned programs and services from existing Article XIII B, Section 6 mandate protections. Brown Act mandate is no longer a reimbursable mandate under Article XIII B, Section 6.	Removes realigned programs and services from existing Article XIII B, Section 6 mandate protections.	Removes realigned programs and services from existing Article XIII B, Section 6 mandate protections. Brown Act mandate is no longer a reimbursable mandate under Article XIII B, Section 6.
New State Legislation that Increases Costs for Realigned Programs	State legislation enacted after <b>October 9, 2011</b> that has an overall effect of increasing costs already borne by a local agency shall apply only to the extent the state provides funding for the cost increase. Any expenditure in excess of provided funding is not subject to mandate claim. This provision does not apply to new crimes.	State legislation enacted after <b>October 9, 2011</b> that has an overall effect of increasing costs already borne by a local agency shall apply only to the extent the state provides funding for the cost increase. Any expenditure in excess of provided funding is not subject to mandate claim. This provision does not apply to new crimes. Any legislation enacted after October 9, 2011 and prior to the effective date of this measure that has an overall effect of increasing costs already borne by a local agency shall be void unless the State provides annual funding.	State legislation enacted after <b>September 30, 2012</b> that has an overall effect of increasing costs already borne by a local agency shall apply only to the extent the state provides funding for the cost increase. Any expenditure in excess of provided funding is not subject to mandate claim. This provision does not apply to new crimes.

New State Regulations that Increase Costs for Realigned Programs	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
	<p>Regulations, executive orders, or administrative directives implemented after <b>October 9, 2011</b> that are not necessary to implement the realigned programs and that have an overall effect of increasing costs already borne by a local agency shall apply only to the extent the state providing funding for the cost increase.</p> <p>Any expenditure in excess of provided funding is not subject to mandate claim.</p>	<p>Regulations, executive orders, or administrative directives implemented after <b>October 9, 2011</b> that are not necessary to implement the realigned programs and that have an overall effect of increasing costs already borne by a local agency shall apply only to the extent the state providing funding for the cost increase.</p> <p>Any expenditure in excess of provided funding is not subject to mandate claim.</p>	<p>Regulations, executive orders, or administrative directives implemented after <b>October 9, 2011</b> that are not necessary to implement the realigned programs and that have an overall effect of increasing costs already borne by a local agency shall apply only to the extent the state providing funding for the cost increase.</p> <p>Any expenditure in excess of provided funding is not subject to mandate claim.</p>
Federal Plans and Waivers	<p>The State is prohibited from submitting to the federal government any plans or waivers that have an overall effect of increasing the cost borne by a local agency for programs or levels of service mandated by the 2011 Realignment Legislation, except to the extent that the plans or waivers are required by federal law or the State provides annual funding for the increase.</p>	<p>The State is prohibited from submitting to the federal government any plans or waivers that have an overall effect of increasing the cost borne by a local agency for programs or levels of service mandated by the 2011 Realignment Legislation, except to the extent that the plans or waivers are required by federal law or the State provides annual funding for the increase.</p>	<p>The State is prohibited from submitting to the federal government any plans or waivers that have an overall effect of increasing the cost borne by a local agency for programs or levels of service mandated by the 2011 Realignment Legislation, except to the extent that the plans or waivers are required by federal law or the State provides annual funding for the increase.</p>

	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
Funding Sources for New State Costs	The State is not required to provide a subvention of funds for a mandate that is imposed by the State at the request of a local agency or to comply with federal law. The State must provide funds for new costs from a source other than 2011 realignment revenues (or their replacement), ad valorem property taxes, or the Social Services Subaccount of the Sales Tax Account of the Local Revenue Fund (1991).	The State is not required to provide a subvention of funds for a mandate that is imposed by the State at the request of a local agency or to comply with federal law. The State must provide funds for new costs from a source other than 2011 realignment revenues (or their replacement), ad valorem property taxes, or the Social Services Subaccount of the Sales Tax Account of the Local Revenue Fund (1991).	The State is not required to provide a subvention of funds for a mandate that is imposed by the State at the request of a local agency or to comply with federal law. The State must provide funds for new costs from a source other than 2011 realignment revenues (or their replacement), ad valorem property taxes, or the Social Services Subaccount of the Sales Tax Account of the Local Revenue Fund (1991).

<p>Authority to Reduce or Eliminate Programs</p>	<p>SCA 1X (Steinberg) 3.17.11</p>	<p>The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11</p>	<p>The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11</p>
	<p>n/a</p>	<p>The Legislature may reduce or eliminate realigned programs. If it does so, it may also reduce the amount of revenue appropriated to the County Local Revenue Fund 2011 by the amount allocated for that program. A local agency may challenge that appropriation reduction in court. If the court finds that the Legislature erroneously reduced the appropriation, the Controller is directed to impound and allocate the proper amount. For Law Enforcement Subvention Programs, however, the Legislature may only reduce, eliminate, reallocate the funding for, or otherwise make changes to these programs with a 4/5 vote.</p>	<p>There is no explicit provision authorizing the State to reduce or eliminate programs.</p>

	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
Federal Law Changes	For specified federal programs, if federal statutes or regulations are changed in a manner that alters the condition under which federal matching funds are obtained and have the overall effect of increasing the costs incurred by a local agency, the State shall annually provide at least 50 percent of the nonfederal share of those costs as determined by the State.	For specified federal programs, if federal statutes or regulations are changed in a manner that alters the condition under which federal matching funds are obtained and have the overall effect of increasing the costs incurred by a local agency, the State shall annually provide at least 50 percent of the nonfederal share of those costs as determined by the State.	For specified federal programs, if federal statutes or regulations are changed in a manner that alters the condition under which federal matching funds are obtained and have the overall effect of increasing the costs incurred by a local agency, the State shall annually provide at least 50 percent of the nonfederal share of those costs as determined by the State.

Federal Court Actions	<p>SCA 1X (Steinberg) 3.17.11</p> <p>For specified federal programs, if the state is a party to a federal judicial or administrative proceeding and there is a settlement of judicial or administrative order that imposes a cost in the form of a penalty or has the overall effect of increasing costs already borne by a local agency, the State shall annually provide at least 50 percent of the nonfederal shares of costs as determined by the State.</p> <p>Payment by the State is not required if the State determines that the settlement or order is due to local agencies' failure to perform a ministerial duty, failing to perform a legal obligation in good faith, or acting in a negligent or reckless manner.</p>	<p>The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11</p> <p>For specified federal programs, if the state is a party to a federal judicial or administrative proceeding and there is a settlement of judicial or administrative order that imposes a cost in the form of a penalty or has the overall effect of increasing costs already borne by a local agency, the State shall annually provide at least 50 percent of the nonfederal shares of costs as determined by the State.</p> <p>Payment by the State is not required if the State determines that the settlement or order is due to local agencies' failure to perform a ministerial duty, failing to perform a legal obligation in good faith, or acting in a negligent or reckless manner.</p>	<p>The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11</p> <p>For specified federal programs, if the state is a party to a federal judicial or administrative proceeding and there is a settlement of judicial or administrative order that imposes a cost in the form of a penalty or has the overall effect of increasing costs already borne by a local agency, the State shall annually provide at least 50 percent of the nonfederal shares of costs as determined by the State.</p> <p>Payment by the State is not required if the State determines that the settlement or order is due to local agencies' failure to perform a ministerial duty, failing to perform a legal obligation in good faith, or acting in a negligent or reckless manner.</p>
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	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
Funding Sources for New Federal Costs	The State is not required to provide a subvention of funds for a mandate that is imposed by the State at the request of a local agency or to comply with federal law.  The State must provide funds for new costs from a source other than 2011 realignment revenues (or their replacement), ad valorem property taxes, or the Social Services Subaccount of the Local Revenue Fund (1991).	The State is not required to provide a subvention of funds for a mandate that is imposed by the State at the request of a local agency or to comply with federal law.  The State must provide funds for new costs from a source other than 2011 realignment revenues (or their replacement), ad valorem property taxes, or the Social Services Subaccount of the Sales Tax Account of the Local Revenue Fund (1991).	The State is not required to provide a subvention of funds for a mandate that is imposed by the State at the request of a local agency or to comply with federal law.  The State must provide funds for new costs from a source other than 2011 realignment revenues (or their replacement), ad valorem property taxes, or the Social Services Subaccount of the Local Revenue Fund (1991).
Standing in Civil Court Matters	If the State or a local agency fails to perform a duty or obligation under the constitutional provisions or 2011 realignment legislation, an appropriate party may seek judicial relief. These proceedings have priority over all other civil matters.	n/a	If the State or a local agency fails to perform a duty or obligation under the constitutional provisions or 2011 realignment legislation, an appropriate party may seek judicial relief. These proceedings have priority over all other civil matters.
Federal Matching Funds	Funds deposited into a County Local Revenue Fund shall be spent in a manner designed to maintain the State's eligibility for federal matching funds and to ensure compliance with applicable federal standards.	Funds deposited into a County Local Revenue Fund shall be spent in a manner designed to maintain the State's eligibility for federal matching funds and to ensure compliance with applicable federal standards.	Funds deposited into a County Local Revenue Fund shall be spent in a manner designed to maintain the State's eligibility for federal matching funds and to ensure compliance with applicable federal standards.

	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
Non-Supplant	Funds deposited into the County Local Revenue Fund 2011 shall not be used by local agencies to supplant other funding for Public Safety Services. The Legislature is not precluded from subsequently imposing a fee or tax enacted in accordance with the Constitution.	Funds deposited into the County Local Revenue Fund 2011 shall not be used by local agencies to supplant other funding for Public Safety Services. The Legislature is not precluded from subsequently imposing a fee or tax enacted in accordance with the Constitution.	Funds deposited into the County Local Revenue Fund 2011 shall not be used by local agencies to supplant other funding for Public Safety Services. n/a
Future Fees or Taxes			



	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
Replacement Revenues*	The State is obligated to continue to provide funding when the original dedicated funding sources cease to be operative, in an amount equal to or greater than what would have otherwise been provided by those original sources. The method of determining that amount shall be described in 2011 Realignment Legislation and the State shall be obligated to provide that amount for so long as the local agencies are required to perform realigned services.  If the State fails to annually appropriate that amount, the Controller shall transfer that amount from the General Fund in pro rata monthly shares to the Local Revenue Fund for disbursement. The Controller shall disburse these amounts to local agencies in the manner directed by 2011 Realignment Legislation.	If the Legislature reduces or repeals realigned revenues and adopts an alternative source of revenue to replace them, the alternative source is continuously appropriated and deposited into the Local Revenue Fund 2011 in an amount equal to or greater than what would have otherwise been provided by those original sources. If the Legislature fails to adopt an alternative source of revenue, the funds are appropriated from the General Fund to the Controller for transfer to the Local Revenue Fund 2011. The Controller is then obligated to disburse the revenues to local agencies according to statute. The source of replacement revenues must be other than 2011 realignment revenues (or their replacement), ad valorem property taxes, or the Social Services Subaccount of the Sales Tax Account of the Local Revenue Fund (1991).	If the taxes are reduced or cease to be operative, the State shall annually provide moneys to the Local Revenue Fund 2011 in an amount equal to or greater than what would have otherwise been provided by those original sources. The method of determining that amount shall be described in 2011 Realignment Legislation and the State shall be obligated to provide that amount for so long as the local agencies are required to perform realigned services.  If the State fails to annually appropriate that amount, the Controller shall transfer that amount from the General Fund in pro rata monthly shares to the Local Revenue Fund for disbursement. The Controller shall disburse these amounts to local agencies in the manner directed by 2011 Realignment Legislation.

	SCA IX (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
Obligation to Fund (Replacement Revenues)	These obligations have a lower priority claim to General Fund money than the first priority for certain school funding and the second priority for general obligation debt. n/a	These obligations have a lower priority claim to General Fund money than the first priority for certain school funding and the second priority for general obligation debt. n/a	These obligations have a lower priority claim to General Fund money than the first priority for certain school funding and the second priority for general obligation debt.
Link between Education and Public Safety Funding			To ensure that public education is not harmed in the process of providing critical protection to local Public Safety Services, the Education Protection Account is created to receive and disburse the revenues derived from the taxes imposed by the measure. The measure provides funding for K-12 schools and community colleges in an amount that equals or exceeds that which would have been provided if realignment revenues had been considered "General Fund revenues" for purposes of calculating the Proposition 98 guarantee.

	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
Education Funding Provisions: Taxes	Extension of 2009 PIT rates/credit reduction for taxable years 1/1/11 through 1/1/16.	n/a	Effective 1/1/12 through 1/1/17, tax revenue generated from a 0.5% increase in the state sales and use tax rate. Effective 1/1/12 through 1/1/17, tax revenue generated from PIT increases of: 1.0% for the excess over \$250,000 for individual filers making \$250,000 to \$300,000; 1.5% for the excess over \$300,000 for individual filers making \$300,000 to \$500,000; 2.0% for the excess over \$500,000 for individual filers making \$500,000 and up. Effective 1/1/12 through 1/1/17, tax revenue generated from PIT increases of: 1.0% for the excess over \$340,000 for joint filers making \$340,000 to \$408,000; 1.5% for the excess over \$408,000 for joint filers making \$408,000 to \$680,000; 2.0% for the excess over \$680,000 for joint filers making \$680,000.

Education Funding Provisions: Proposition 98	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11 n/a	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
	Funds are dedicated to the Education Protection Account and appropriated by the Legislature to K-12 schools and community college districts. These funds are deemed "General Fund revenues" for purposes of calculating the Proposition 98 guarantee.		Funds are dedicated to the Education Protection Account and are continuously appropriated for the support of school districts, county offices of education, charter schools, and community college districts. These revenues are deemed "General Fund revenues" for purposes of calculating the Proposition 98 guarantee.
Audit Provisions	The Controller may perform audits of the Local Revenue Fund 2011, any County Local Revenue Fund 2011, and the Education Protection Account.	The Controller may perform audits of the Local Revenue Fund 2011 and any County Local Revenue Fund. These audits will provide information about whether the cost of providing transferred services exceeds the amount of revenues provided by the State.	The Controller may perform audits of the Local Revenue Fund 2011, any County Local Revenue Fund 2011, and the Education Protection Account. Additionally, the Attorney General or county district attorney may investigate and prosecute any misuse of funds from the County Local Revenue Fund 2011 or the Education Protection Account.
Effective Date	Measure takes effect the day after the election in which it is approved by voters.	n/a	Protections for realigned revenues take effect as of July 1, 2011; new tax revenues for education take effect January 1, 2012.

	SCA 1X (Steinberg) 3.17.11	The Local Taxpayers, Public Safety and Local Services Protection Act of 2012 (CSAC, CSSA, CPOC) 11.04.11	The Schools and Local Public Safety Protection Act of 2012 (Governor Jerry Brown) 12.05.11
Conflicting Measures	n/a	n/a	In the event that this measure and another measure that imposes an incremental increase in the tax rates for personal income appear on the same statewide ballot, the measures are deemed in conflict. If this measure receives the greatest number of votes, it prevails and the other measure or measures are null and void.

*\*Recall that SCA 1X was predicated on a five-year extension of taxes as a funding source for realignment. In both initiative measures, existing funding sources are continuously appropriated and replacement revenues only contemplated if those revenues are reduced or cease to be operative.*



January 9, 2012

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TO: CSAC Executive Committee

FROM: Elizabeth Howard Espinosa  
CSAC Administration of Justice Staff

**RE: Public Safety Realignment Allocation (AB 109) – Update on Year 2 Process**

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This informational memo provides an update on efforts underway to update for the 2012-13 county-by-county allocation formula for public safety realignment (AB 109), which encompasses county responsibilities for new adult offender populations at the local level. For reasons outlined below, the current formula that dictates each county’s share of AB 109 funds is set in statute and applies only for the 9-month implementation period in 2011-12<sup>1</sup>. A new formula must be statutorily set for 2012-13 and subsequent years.

**Background: 2011-12 (Year 1) Allocation**

During 1991 Realignment, counties – under the leadership of the county administrative officers – took the lead on developing allocation formulas for the mental health, social services, and health programs transferred to counties at that time. In keeping with that practice, the Brown Administration requested CSAC’s assistance last year for purposes of determining statewide allocation formulas for the 2011 Realignment. To accomplish this task, the County Administrative Officers’ Association of California (CAOAC) established a Realignment Allocation Committee in 2011.

The Realignment Allocation Committee is composed of nine CAOs: three urban, three suburban, and three rural. Although the committee composition has changed slightly in 2012, the current membership is as follows:

URBAN	SUBURBAN	RURAL
Bill Fujioka, Los Angeles	Susan Mauriello, Santa Cruz (chair)	Larry Spikes, Kings
Susan Muranishi, Alameda	Veronica Ferguson, Sonoma	Bill Goodwin, Tehama
Walt Ekard, San Diego	Matthew Hymel, Marin	Carmel Angelo, Mendocino

In approaching the first-year allocation, the Realignment Allocation Committee established the following principles:

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<sup>1</sup> Although pursuant to statute the allocation formula only applies for the nine months of operation in the 2011-12 fiscal year, the funding source to support public safety realignment (a portion of the dedicated 1.0625% of sales tax) is ongoing and continuously appropriated.

- The Year 1 allocation for 2011-12 would apply only for the first year of the AB 109 population shift, given the significance of realignment policy changes and the sense of “unknown.”
- The Year 2 and subsequent year allocation formula(s) would be open for discussion and would be informed by additional data and actual programmatic experience.
- The allocation formula should be simple in its approach.

The challenges the committee encountered in its efforts to make a statewide formula determination included the following:

- A strict reliance on caseload/workload based on the state’s population estimates resulted in vastly divergent results as compared to a county’s per-capita share; there was insufficient data to explain the differences among counties.
- There was an expressed need to build in an “incentive” measurement to drive counties toward alternative to incarceration and a community corrections model.

After exploring dozens of permutations for the first-year allocation methodology, the committee settled on three factors, weighted as follows:

- **60% workload/caseload** – Sixty percent of the allocation formula is based on each county’s expected workload/caseload, as estimated by the Department of Finance at full-implementation of public safety realignment, expressed as average daily population (ADP)<sup>2</sup>;
- **30% county adult population** – Thirty percent of the allocation formula is tied to each county’s adult (18 to 64) population; and
- **10% SB 678 success** – Ten percent of the allocation formula relates to each county’s performance with reducing new prison commitments from the adult felony probation caseload, as measured by implementation of SB 678 (Leno, 2009).

The latter two elements were included largely to mitigate the divergent results produced by relying solely on a workload/caseload measurement. Finally, the committee made accommodations for the extreme outliers, including a minimum base amount for the smallest counties.

### **2012-13 (Year 2) Allocation**

Implementation of public safety realignment began on October 1, 2011. Given the prospective application of the statutory changes for most components of the measure, the shift of population to counties will grow incrementally over time. It is expected that the full

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<sup>2</sup> Average daily population represents one bed or slot filled on average for one year, given the multiple individuals could occupy the same slot over the period of 12 months. ADP does not reflect the actual count of individuals that come through the door.

impact of implementation will be achieved by 2014-15. The state scaled back the 2011-12 funding level for AB 109 implementation from its initial estimates to reflect nine months of operation.

According to the state’s revenue estimates, counties should have **\$842.9 million** available to them for implementation of AB 109 in 2012-13 – **more than double this year’s funding level of \$354.3 million**. It is more than likely that under any decision the Realignment Allocation Committee makes for a Year 2 allocation each jurisdiction will be guaranteed its Year 1 allocation, with additional resources on top.

<i>Dollars expressed in millions</i>	<b>Estimated programmatic allocation (AB 109)*</b>	<b>DA/PD Revocation Activities*</b>	<b>One-time start-up costs</b>	<b>Community Correction Partnership Planning Grants</b>	<b>TOTAL</b>
2011-12 (YEAR 1) - 9 months of operation	\$354.3	\$12.7	\$25.0	\$7.9	<b>\$399.9</b>
2012-13 (YEAR 2) - 12 months of operation	\$842.9	\$14.6	-	\$7.9*	<b>\$865.4</b>

\* Proposed in Governor’s 2012-13 spending plan

The Realignment Allocation Committee has already begun meeting to contemplate approaches for a Year 2 allocation formula. While no substantive decisions have been made to date, the committee is working toward a March 2012 deadline based on input given by the Administration. The committee is approaching this important policy discussion thoughtfully, with a goal of ensuring that the county-by-county distribution puts individual jurisdictions in the best position to successfully implement public safety realignment. Determination of whether and how actual programmatic experience can be woven into an allocation formula remains unknown. CSAC is working with sheriffs and probation chiefs – along with other state stakeholders – on data collection efforts, but any final decisions on county data efforts may be many months off.





January 9, 2012

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To: CSAC Executive Committee  
From: Paul McIntosh, Executive Director  
Jean Kinney Hurst, Legislative Representative  
Re: **County Impacts of *CRA v. Matosantos* – INFORMATION ONLY**

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As you are aware, on December 29, 2011, the California Supreme Court ruled in *CRA v. Matosantos*, upholding AB 26X, which eliminated community redevelopment agencies, but striking down AB 27X, the companion measure that would have allowed the agencies to continue to operate if they made specified payments to the state. The Supreme Court's decision requires that agencies are dissolved on February 1, 2012. (A coalition of redevelopment advocates is currently working to seek legislative approval of a measure to extend that date.)

Setting aside the obvious impact of dissolution of *county-sponsored* redevelopment agencies, this ruling has an impact on counties in that county auditor-controllers are responsible for many duties associated with the dissolution process for *all* redevelopment agencies.

Additionally, there are many questions as to what happens next in terms of redevelopment activities around the state. Redevelopment, labor, and affordable housing advocates are hoping for a rebirth of sorts of a restructured redevelopment program. While everyone realizes that the state's fiscal situation all but precludes any future impact on the state General Fund, it is less clear how (or if) redevelopment should proceed.

CSAC has a long-standing mixed approach on redevelopment. While many of our member counties see considerable benefit from their own county redevelopment agency, others have significant concerns about the decades-long losses of property tax increment to city redevelopment projects. We have historically asked the Legislature to fully enforce proper pass-through calculations and payments, to hold the line on extensions for collection of increment and debt authority, and to maintain and even strengthen blight standards. The bottom-line issue for counties tends to be that when a city forms a redevelopment agency, the county has little or no say. And, if a county disagrees with the redevelopment agency on decisions on boundaries or specific projects, its remedies are limited, primarily to the court. And since statutes are such that redevelopment agencies have great autonomy, the county often finds itself on the losing end. Conversely, when a county forms a redevelopment agency, it does so considering the myriad needs of its communities and ability to fund public services. It can make informed choices about redevelopment activities because it does so in the broader context of its budget constraints and community needs.

CSAC has communicated our interest in discussions that focus on additional tools for economic development or reforms to the redevelopment construct. Obviously, counties have a great deal of interest in ensuring that our communities are able to find the resources to provide for infrastructure and public facilities; at the same time, we must also focus on ensuring sufficient resources for the other critical public services counties provide and in a balanced and stable state budget. This is particularly important in light of 2011 realignment.

Staff will be working with county counsels, auditor-controllers, and others to help engage in the legislative dialogue that is forthcoming on this important matter.



CALIFORNIA STATE ASSOCIATION OF COUNTIES  
FINANCE CORPORATION

January 19, 2012

**To:** CSAC Executive Committee  
**From:** Nancy Parrish, Executive Director, CSAC Finance Corporation  
**RE:** **Finance Corporation Program Update  
INFORMATION ITEM**

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

**CalTRUST**

- CalTRUST currently has assets of approximately \$900 million and over 110 participant accounts.
- An RFP for fund accounting services for CalTRUST is currently being developed.
- The first annual CalTRUST Stakeholder's Meeting will be held April 17<sup>th</sup> in Sacramento.
- The next meeting of the CalTRUST Board of Trustees will be held April 27, 2012.

**California Communities (CSCDA)**

- CSCDA has recently adopted updated policy and procedures to reflect changes in business practices that have evolved over the last ten years. As part of those updates we will renegotiate our contract with CSCDA in the early part of 2012. No major changes are expected.

**U.S. Communities**

- A new flooring products and accessories, installation and related services contract was recently awarded to Empire and is now available for use.

**Coast2CoastRx**

- We have launched our discount prescription drug card program with Coast2CoastRx and have 17 counties currently participating. Approximately \$25,000 in revenue has been received from the program for October and November activity.

**General Information**

- The CSAC Finance Corporation is currently developing RFPs for two new programs including a property tax postponement loan program and a medicare coordinator program.
- The next meeting of the CSAC Finance Corporation Board of Directors will be held April 26<sup>th</sup> and 27<sup>th</sup>, 2012.
- We continue to meet with individual counties and their department heads to present our programs and benefits. Please let us know if you would like a meeting set with your county's department heads.

If you have any questions regarding these or any other CSAC Finance Corporation programs please do not hesitate to contact us via phone, 916.327.7500 x556, or via email, [nparrish@counties.org](mailto:nparrish@counties.org); Laura Labanieh at 916.327.7500 x536 or [llabanieh@counties.org](mailto:llabanieh@counties.org).

## Memorandum

To: CSAC Executive Committee  
From: Nancy Parrish  
Re: Corporate and Sponsorship Programs  
Date: January 19, 2012

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Last fall, we undertook the process of totally revamping CSAC's Corporate and Sponsorship programs. Our goal was to increase corporate participation and sponsorship by:

- Increasing the quality and quantity of opportunities for our Corporate and County Members to interact
- Increasing sponsorship opportunities to provide additional networking venues and revenue
- Improving the content provided to Corporate Members at their meetings

We also had wanted to clarify some internal issues around these programs by:

- Transiting our Corporate membership program from a calendar year membership to match our fiscal year
- Consolidating our internal tracking of revenues and expenses related to Corporate and Sponsorship programs so as to
- Simplifying the existing membership levels to reflect the value of the opportunities offered
- Providing a higher level of staff support to develop and grow the program to a level appropriate to CSAC's value

To date we have:

- Eliminated the previous Corporate Relations Manager position and added a Director of Corporate Relations position
- Held an interactive session for our current corporate members at the Annual meeting with a panel of CAO/CEOs
- Interviewed current members regarding the proposed changes in structure and fees

We worked closely with Consor on designing the new membership levels, time line, and fee structure and expect to finalize that in the next week. It will be presented to the Corporate members at their meeting in Newport Beach on February 1<sup>st</sup>.



# County Counsels' Association of California

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## BOARD OF DIRECTORS

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## EXECUTIVE DIRECTOR

Jennifer B. Henning

## MEMORANDUM

**To:** Supervisor Mike McGowan, President, and  
Members of the CSAC Executive Committee

**From:** Jennifer Henning, Litigation Coordinator

**Date:** January 19, 2012

**Re:** Litigation Coordination Program Update

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This memorandum will provide you with information on the Litigation Coordination Program's activities since your last regular meeting in October.

### I. New Case Activity Since Last Executive Committee Meeting

#### *American Tower Corporation v. City of San Diego*

Pending in the Ninth Circuit Court of Appeals (filed Oct. 13, 2011)(11-56766)

Plaintiff applied for new conditional use permits for three telecommunications towers when its existing CUPs expired. The city denied the permits since the height and design of the existing towers did not comply with the city's current regulations. Plaintiff filed this action in federal court alleging Telecommunications Act and Permit Streamlining Act violations. The district court granted summary judgment to the city on all issues except the Permit Streamlining Act claim. As to that issue, the district court found that the CUPs were "deemed approved" as a matter of law because they were not approved within the statute's time limit. In reaching its decision, the court rejected the city's argument that the CUPs could not be deemed approved under relevant California law. The city has appealed. CSAC will file a brief in support of the city.

#### *Calvo v. HSBC Bank*

199 Cal.App.4th 118 (2d Dist. Sept. 13, 2011)(B226494), *petition for review pending* (filed Oct. 25, 2011)(S197440)

Plaintiff obtained a loan secured by a deed of trust against her residence. The original lender assigned the loan and deed of trust to another bank, and a new trustee was also substituted after the loan was originated. Plaintiff defaulted on the loan. The new trustee initiated foreclosure proceedings and executed a foreclosure sale of the house. Notice of the assignment of the deed of trust appeared only in the substitution of trustee, which was recorded on the same date as the notice of trustee's sale. Plaintiff sought to set aside the trustee's sale for an

alleged violation of Civil Code section 2932.5, which requires the assignee of a mortgagee to record an assignment before exercising a power to sell real property. Both the trial court and Court of Appeal agreed with defendant trustee that recordation was not required because section 2932.5 does not apply when the power of sale is conferred in a deed of trust rather than a mortgage. A petition for Supreme Court review is pending, and CSAC has filed a letter in support.

***Comite De Jornaleros De Redondo Beach v. City of Redondo Beach***

657 F.3d 936 (9th Cir. Sept. 16, 2011)(06-55750)(en banc)

Plaintiffs brought a First Amendment challenge to an ordinance prohibiting the act of standing on a street or highway and soliciting employment, business, or contributions from the occupants of an automobile. The federal trial court struck down the ordinance. On appeal, a panel of the Ninth Circuit originally reversed, concluding that the ordinance is a valid time, place, or manner restriction. But the court granted en banc review and then issued a new opinion, this time concluding that the ordinance is a facially unconstitutional restriction on speech. Chief Judge Kozinski, joined by Judge Bea, dissented, calling the opinion “folly.” Concluding that the ordinance is a valid time, place and manner restriction, an obviously frustrated Judge Kozinski stated, “The majority is demonstrably, egregiously, recklessly wrong. If I could dissent twice, I would.” The city plans to seek United States Supreme Court review. CSAC will file a brief in support.

***Dex Media West v. City of Seattle***

Pending in the Ninth Circuit Court of Appeals (filed Sept. 21, 2011) (11-35399 & 11-35787)

The City of Seattle adopted an ordinance establishing an “opt-out” registry for the delivery of yellow pages directories. Telephone book publishers are prohibited from delivering the directories unless they meet certain conditions -- including not delivering to residents and businesses who have opted out, displaying information in the directories about the opt-out option, and securing an annual license and paying a fee to distribute the books. Publishers challenged the ordinance, claiming First Amendment and Commerce Clause violations. The federal trial court treated the books as commercial speech and upheld the ordinance. The publishers have appealed, arguing that yellow pages directories are “fully protected” noncommercial speech subject to strict scrutiny under the First Amendment. CSAC will file a brief in support of the City of Seattle.

***Elk Hills Power v. Board of Equalization***

Previously published at: 194 Cal.App.4th 285 (4th Dist. Div. 1 May 10, 2011)(D056943), *petition for review granted* (S194121)

The California Supreme Court has agreed to consider a tax assessment issue: whether an electric power plant’s emission reduction credits (ERC’s) should be included in its unitary tax determination. The appellate court upheld the Board of Equalization’s decision to include the ERC’s in the tax determination, rejecting plaintiff’s argument that the ERC’s should be exempted as intangible property. Instead, the court concluded that because the ERC’s are necessary to the ongoing productive use of the property, they should

be included in determining the fair market value of the property. CSAC will file a brief in support of the BOE.

***Filarsky v. Delia***

621 F.3d 1069 (9th Cir. Sept. 9, 2010)(09-55514), *petition for cert. granted* (Sept. 27, 2011)(10-1018)

Plaintiff, a firefighter, was placed off-duty due to a work related injury. Given a history of disciplinary problems, his supervisors believed he may not have been truthful about the extent of his injuries, so the City of Rialto hired a private investigation firm to conduct surveillance and outside counsel to conduct an internal affairs investigation. The federal Ninth Circuit Court of Appeals eventually concluded that the techniques used during the investigation violated plaintiff's right under the Fourth Amendment to be protected from a warrantless unreasonable compelled search of his home. However, the court found the city and its employees were granted qualified immunity because the right was not clearly established at the time of the constitutional violation. Importantly, the court denied qualified immunity for the outside counsel used to conduct the investigation, creating a split of opinion between federal courts on the issue of immunity for outside counsel. The United States Supreme Court granted review. CSAC filed a brief urging the Court to extend immunity under these circumstances.

***Guerrero v. Superior Court (Weber)***

Pending in the First Appellate District (filed Sept. 19, 2011)(A133202)

Plaintiff alleges that she worked as an IHSS worker 7 hours per day, 7 days per work for several months, but that her hours were fraudulently claimed by the recipient's grandmother. As a result, plaintiff received no payment for the work she allegedly performed. She brought this action against the Sonoma County Human Resources Director and the Manager of the Sonoma County IHSS Public Authority. The trial court granted Sonoma County's demurrer, agreeing that Sonoma County is not plaintiff's employer for purposes of wage and hour laws. The court further found that even if the county is a joint employer with the recipient, the IHSS provider is within a job class that is exempt from federal and state wage and hour laws. The Court of Appeal accepted her writ petition, and the case is now being briefed. CSAC will file in support of Sonoma County.

***Hrdlicka v. Reniff***

631 F.3d 1044 (9th Cir. Jan. 31, 2011)(09-15768), *petition for cert. pending* (filed Nov. 22, 2011)(11-651)

The owner of the magazine *Crime, Justice & America* sought permission from the Butte County Sheriff to distributed unsolicited copies of the magazine to inmates in the county jail. The Sheriff refused, and plaintiff brought this action in federal district court alleging a violation of his First Amendment rights. The district court agreed with the county that the Sheriff's refusal to distribute the publication is rationally related to legitimate penological interests, but the Ninth Circuit reversed. The court concluded that *CJA* has a First Amendment right to access the inmates, and that under applicable law, the ban on unsolicited materials constituted a First Amendment violation. Butte County is

seeking United States Supreme Court review, and CSAC has filed a brief in support of Butte County, as well as Sacramento County, which is also seeking review of a case raising the identical issue.

***Jaramillo v. County of Orange***

200 Cal.App.4th 811 (4th Dist., Div. 3 Nov. 8, 2011)(G043142), *petition for depublication pending* (filed Dec. 9, 2011)(S198559)

When plaintiff, a former Assistant Sheriff, was hired, he signed waivers acknowledging that he was an at-will employee and could be terminated without notice, cause, or right of appeal. Some years later, Orange County dismissed plaintiff without notice or hearing, or any POBR process. Some time after his termination, he pleaded no contest to a number of felony offenses involving tax fraud. He later brought this action, and the trial court found in his favor, awarding backpay from the date of his termination to the date of his fraud conviction. The county appealed, but the Court of Appeal affirmed, finding he did not effectively waive his POBR rights. Orange County is seeking Supreme Court review, and another interested party has requested depublication. CSAC will file letters in support of review and depublication.

***Pack v. Superior Court (City of Long Beach)***

199 Cal.App.4th 1070 (2d Dist. Oct. 4, 2011)(B228781), *petition for review pending* (filed Nov. 10, 2011)(S197169)

Long Beach adopted a medical marijuana collectives ordinance that requires collectives to have a permit to operate, sets buffer zones between collectives and sensitive uses, and requires collectives to be at least 1,000 feet apart. A lottery system was created for applicants whose collectives would be within 1,000 feet of one another to determine which of them may operate. Applicants are required to submit an application fee in excess of \$14,000, which is nonrefundable. Any collective operating at the time the ordinance was adopted that did not subsequently obtain a permit under the ordinance was required to close. Plaintiffs sued, alleging the city's ordinance is preempted by both state and federal law. The superior court upheld the ordinance, and plaintiffs filed a writ petition in the Second District. The court granted the writ, concluding that to the extent the ordinance permits and regulates medical marijuana collectives rather than merely decriminalizing specific acts, it is preempted by federal law. Long Beach is seeking Supreme Court review, and CSAC has filed a letter in support.

***People v. Cooperative Patients' Services***

Pending in the Fourth Appellate District, Division Two (filed Apr. 12, 2011)(E053310)

Cooperative Patients' Services (CPS) opened a medical marijuana dispensary in the City of Temecula, even though the operation of a dispensary is not a permitted use in the city. (CPS also failed to secure a valid certificate of occupancy and business license for the dispensary.) The trial court granted the city's motion for a preliminary injunction to prohibit CPS's operation as a public nuisance in violation of the zoning code. The court rejected CPS's argument that the city's effective ban on dispensaries under the ordinance is preempted by state law. The court prohibited CPS from operating a medical marijuana



dispensary at any location in the city, as well as any business without a valid business license and certificate of occupancy. CPS has appealed. CSAC will file a brief in support of the City of Temecula.

***Qualified Patients Assoc. v. City of Anaheim***

Appeal To Be Filed in the Fourth Appellate District, Division Three

In 2007, the City of Anaheim enacted an ordinance banning medical marijuana dispensaries. The trial court upheld the ordinance and the case was appealed. In the first appeal, the court left open the issue of whether the State's Medical Marijuana Program Act (MMPA) preempts local ordinances regulating medical marijuana activities. The case went back to the trial court, and the court upheld all but the criminal penalties of the ordinance against the state preemption challenge. The court found that there is no conflict between the MMPA and the city's ordinance. The court also concluded that the Compassionate Use Act (CUA) "clearly does not occupy the field of medical marijuana distribution." Similarly the court found that the MMPA does not fully occupy the area of medical marijuana distribution law. The court did conclude that the CUA preempts the criminal sanctions, but concluded that the criminal sanction portion of the ordinance is severable. The remaining provisions making medical marijuana dispensaries a nuisance per se were upheld. Plaintiff plans an appeal. CSAC will file a brief in support of Anaheim.

***Rosenbaum v. Washoe County***

--- F.3d ---, 2011 U.S.App.LEXIS 23804 (9th Cir. Nov. 30, 2011)(10-15637)

Until this case, the law on probable cause for arrest allowed the arrest to be based on a statute identified after the fact, even if there was no evidence that the arresting officer was ever aware of the existence of the law. The rationale behind this approach is that the constitutionality of an arrest should not depend upon the experience of the arresting officer. In this case involves a man who was arrested for trying to sell state fair tickets that he had received for free in a promotion. He was released after the officers determined he had not actually broken any law. He filed a civil rights complaint. In defense the officers cited as a plausible basis for the arrest a statute under which the court determined no person had ever actually been prosecuted. The Ninth Circuit originally rejected the defense, concluding that the statute was so obscure that it could not reasonably be relied upon to justify the arrest. The county sought rehearing en banc, which CSAC supported. In response to the petition, the court withdrew its original opinion and issued a new opinion on November 30. This new opinion still found that the officers were not entitled to qualified immunity, but instead of denying immunity because of the remoteness and obscurity of the statute used to justify the arrest, the court found instead that the statute relied upon by the county to justify a belief for probable cause simply cannot be read to apply to the facts of this case.

***Salmon Protection and Watershed Network v. County of Marin***

Pending in the First Appellate District (filed Sept. 8, 2011)(A133109)

The county adopted its General Plan in 2007. Plaintiff had concerns with the plan, and the county attempted to resolve those issues through negotiation. Part of the negotiation included tolling the statute of limitations period for challenging the General

Plan under CEQA. After several tolling periods and attempts to reach agreement, plaintiffs nevertheless filed this CEQA action challenging the General Plan. Two landowners who obtained development rights under the adopted General Plan intervened. They argued that the county did not have the authority to toll the statute of limitations period for challenging the General Plan, and that Plaintiff's action was therefore time-barred. Plaintiff and the county both opposed intervenors' argument, and the trial court agreed that the county could toll the limitations period. Intervenors have now filed a writ petition in the Court of Appeal. CSAC will file a brief in support of Marin County.

***Sierra Club v. Superior Court (County of Orange)***

Previously published at: 195 Cal.App.4th 1537 (4th Dist. Div. 3 May 31, 2011)(G044138), *petition for review granted* (Sept. 14, 2011)(S194708)

The Sierra Club made a Public Records Act request for the county's "Landbase" in an electronic GIS file format, which would allow the Sierra Club to conduct searches and analysis of the data. The Sierra Club argued the county must produce these files for free in a GIS format without charging the county's standard GIS Basemap licensing fees. The county relied on Government Code section 6254.9's computer mapping system exemption in support of the licensing fee, which is used to recoup the costs of maintaining and updating the Landbase. (The county was willing to produce the information for free in a non-GIS format.) The Sierra Club then brought this action, arguing the county was required to produce the information in a GIS format without charging a licensing fee because producing the information in other formats prevented them from utilizing the functions of a GIS. The trial court ruled in favor of the county, and the Fourth District affirmed, holding that the County could properly charge a licensing fee for its geographic information system database. However, the Supreme Court granted Sierra Club's petition for review. CSAC will file a brief in support of Orange County.

**II. Amicus Cases Decided Since Last Executive Committee Meeting**

In addition to the new amicus cases already decided, which are discussed above, the following amicus cases have been decided the Board's last meeting in October:

***City of San Diego v. Board of Trustees of the California State University***

--- Cal.App.4th ---, 2011 Cal.App.LEXIS 1562 (4th Dist. Div. 1 Dec. 13, 2011)(D057446)

Outcome: Positive

The city brought this action against CSU's certification of an EIR and approval of a revised master campus plan for CSU San Diego, challenging CSU's refusal to guarantee funding for off-campus environmental mitigation. During the CEQA process, the city identified approximately \$20 million in necessary traffic and infrastructure costs required for the total campus build-out. And while the CSU acknowledged at least \$6 million of these costs, it alleged it met its obligation to secure funding by making a budget request to the Legislature, even if the Legislature does not appropriate the funds. The trial court ruled in favor of CSU, but the Fourth District reversed. At issue in the case is the proper

interpretation of the Supreme Court's recent decision in *City of Marina v. Board of Trustees of California State University* (2006) 39 Cal.4th 341. The city argued that Marina required actual funding for offsite impacts, while CSU argued that Marina only requires what is feasible, and it is not feasible to require CSU to do more than request an appropriation for the impacts. The court sided with the city, concluding that the CSU's interpretation would require other public agencies to shoulder the burden of mitigation or suffer the unmitigated adverse impacts of the University's project. CSAC filed a brief in support of the city.

***City of Scotts Valley v. County of Santa Cruz***

200 Cal.App.4th 97 (1st Dist. Oct. 26, 2011)(A126357), *petition for rehearing denied* (Nov. 23, 2011)

Outcome: Negative

This case involves the proper apportionment of property tax to cities under the Tax Equity Allocation Act (TEA; Rev. & Tax Code § 98), which was enacted to address the inequities created after Prop. 13 by AB 8—the legislative distribution of property taxes following Prop. 13 – for those cities that possessed either no property taxes or a very low tax rate (“Low Tax Cities”). Scotts Valley, a low tax city, challenged the county's apportionment method of computing TEA payments. That methodology, which arose following a State Controller audit in 1997, required the TEA comparison be done to the "gross" AB 8 Apportionment, without deduction for redevelopment or ERAF II payments. The trial court disagreed, and concluded instead that the City should be reimbursed, in material part, for its ERAF II payment, ERAF III payment, and Redevelopment Contribution. The First District affirmed. The court found that Section 97.70 specifically refers to the TEA statute and ensures that property tax revenues diverted from an ERAF to the VLF Fund to reimburse a qualifying city for lost vehicle license fee revenue are not construed as property tax receipts, but are instead treated as vehicle license fee revenue. This reimbursement, the court concluded, would increase a qualifying city's property tax revenues, affecting its entitlement to TEA. CSAC filed a brief in support of Santa Cruz arguing that trial court should have afforded the Auditor Association Guidelines deference.

***Edna Valley Watch v. County of San Luis Obispo***

197 Cal.App.4th 1312 (2d Dist. Aug. 2, 2011)(B223653), *petition for review denied* (Oct. 26, 2011)(S196358)

Outcome: Negative

The Second District has found that the private attorney general provision (Code of Civil Procedure section 1021.5) allows for attorney fees incurred in an administrative hearing. In the case, petitioners opposed the planning commission's approval of a conditional use permit for a church. They appealed to the Board of Supervisors, which denied the appeal. Petitioners then filed a writ petition alleging various CEQA violations. Ultimately, the church decided to abandon its project, and after some wrangling, petitioners eventually dismissed their petition. They then filed a motion for approximately \$35,000 in attorney fees, with more than half of the requested fees arising out of work related to the administrative hearing before the Board of Supervisors. The trial court found that

petitioners were entitled to fees since their petition was the catalyst for the church abandoning its project, but that petitioners were not entitled to fees for work at the administrative hearing. The Second District reversed. The court noted that section 1021.5 allows an award of fees “in any action,” but does not specify whether “action” includes administrative proceedings. The court found that in order to further the purposes of the private attorney general statute – to encourage suits that effectuate strong public policy – fees must be available for the administrative hearings that are required to be exhausted before a lawsuit can be filed. CSAC filed a letter in support of the county’s petition for rehearing and petition for review, but both were denied.

***International Church of the Foursquare Gospel v. City of San Leandro***

634 F.3d 1037 (9th Cir. Feb. 15, 2011)(09-15163), *petition for cert. denied* (Oct. 3, 2011)(11-106)

Outcome: Negative

Plaintiff brought this RLUIPA challenge to the city’s denial of its conditional use permit application to build a church in an industrial zone. The district court granted summary judgment in favor of the city, concluding in relevant part that the zoning law was of general applicability, only an incidental burden, and did not trigger RLUIPA’s strict scrutiny standard. The Ninth Circuit reversed. “While the zoning scheme itself may be facially neutral and generally applicable, the individualized assessment that the City made to determine that the Church’s rezoning and CUP request should be denied is not. We have never held that a zoning regulation cannot impose a substantial burden under RLUIPA simply by the fact that it is a zoning regulation. Rather, our practice is to examine the particular burden imposed by the implementation of the relevant zoning code on the claimant’s religious exercise and determine, on the facts of each case, whether that burden is ‘substantial.’ The district court, by concluding that the Zoning Code as a neutral law of general applicability could impose only an incidental burden on religious exercise, committed reversible legal error.” The city’s petition for review, which CSAC supported, was denied.

***Los Angeles County Metropolitan Transportation Authority v. Alameda Produce Market***

52 Cal.4th 1100 (Nov. 14, 2011)(S188128)

Outcome: Negative

The Metropolitan Transportation Authority sought to acquire property for bus parking through eminent domain. MTA used the quick-take procedure, deposited the probable amount of compensation, and filed a motion for immediate possession. Before trial, three lenders with liens against the property filed applications to withdraw a portion of the deposited funds. The property owner received notice of lenders’ applications, and did not object. The trial court authorized the withdrawals. When MTA sought to take immediate possession, the property owner objected citing various procedural flaws, including failure to satisfy the statutory requirements for the resolution of necessity. MTA argued that by the lenders’ withdrawing a portion of the deposit, and by the property owner not objecting, the property owner waived its right to object to the take. The California Supreme Court disagreed, concluding that the plain language and overall statutory scheme

of the Code of Civil Procedure leads to the conclusion that a lender's withdrawal of a portion of the deposit of probable compensation in an eminent domain proceeding does not effect a waiver of the property owner's right to challenge the taking. CSAC filed a brief in support of MTA.

***McKee v. Tulare County Board of Supervisors***

Unpublished Opinion of the Fifth Appellate District, 2011 Cal.App.Unpub.LEXIS 8367 (5th Dist. Nov. 2, 2011)(F061146), *petition for rehearing denied* (Nov. 29, 2011)

Outcome: Positive

This case involves a challenge the practice of Board members having regular lunches together at county expense. Plaintiffs filed a writ of mandate alleging Brown Act violations. The trial court twice sustained the county's demurrer to the petition, concluding that the petition failed to state a violation of law. Specifically, the court concluded that the subject matters discussed during these Board lunches (travel planning, office management and the like) involve individual supervisory activities and not items of importance concerning collective decision making. Plaintiffs appealed to the Fifth District, which affirmed. The court found that since the Board no longer engages in the practice of dining together as a group, there was no meaningful relief that could be granted to plaintiffs. The court concluded that any past violations are moot and there were insufficient allegations to state a threat of a future claim. CSAC filed an amicus brief in support of the county.

***Retired Employees Association of Orange County v. County of Orange***

52 Cal.4th 1171 (Nov. 21, 2011)(S184059)

Outcome: Negative

The Ninth Circuit certified, and the California Supreme Court agreed to consider, the following question: Whether, as a matter of California law, a California county and its employees can form an implied contract that confers vested rights to health benefits on retired county employees. On November 21, the Supreme Court answered the question: “[A] county may be bound by an implied contract under California law if there is no legislative prohibition against such arrangements, such as a statute or ordinance. . . . Although Government Code section 25300 does require that compensation of county employees be addressed in an ordinance or resolution, the statute does not prohibit a county from forming a contract with implied terms, inasmuch as contractual rights may be implied from an ordinance or resolution when the language or circumstances accompanying its passage clearly evince a legislative intent to create private rights of a contractual nature enforceable against the county. Whether an implied term creates vested rights, in the absence of a legislative bar, is a matter of the parties’ intent.” The Court did not opine as to whether the requisite intent exists in this case. The case has been remanded to the federal trial court for a determination on the merits based on the Supreme Court’s ruling. CSAC filed a brief in support of Orange County.

## Calendar of Events

2012

### **January**

- 5 CSAC Special Board of Directors Meeting, Sacramento County
- 19 CSAC Executive Committee Meeting, Sacramento County

### **February**

- 1-3 CSAC Corporate Associates Retreat, Orange County
- 23 CSAC Board of Directors Meeting, Sacramento County

### **March**

- 3-7 NACo Legislative Conference, Washington, D.C.

### **April**

- 19 CSAC Executive Committee Meeting, Sacramento County
- 26-27 CSAC Finance Corporation Meeting, Monterey County

### **May**

- 16-18 NACo Western Interstate Region Conference, Santa Fe County, New Mexico
- 30-31 CSAC Legislative Conference, Sacramento County
- 31 CSAC Board of Directors Meeting, Sacramento County

### **July**

- 13-17 NACo Annual Meeting, Allegheny County (Pittsburgh), Pennsylvania

### **August**

- 2 CSAC Executive Committee Meeting, Los Angeles County

### **September**

- 6 CSAC Board of Directors Meeting, Sacramento County
- 13-14 CSAC Finance Corporation Meeting, San Diego County

### **October**

- 3-5 CALAFCO Annual Conference, Monterey County
- 10-12 CSAC Executive Committee Retreat, Orange County
- 17-20 NACo National Council of County Association Executives Annual Fall Meeting

### **November**

- 27-30 CSAC 118th Annual Meeting, Long Beach, Los Angeles County
- 29 CSAC Board of Directors Meeting, Long Beach, Los Angeles County

### **December**

- 12-14 CSAC Officers Retreat, Site TBD

2013

### **January**

- 17 CSAC Executive Board Meeting, Sacramento County

### **February**

- 21 CSAC Board of Directors Meeting, Sacramento County

### **March**

- 2-6 NACo Legislative Conference, Washington, D.C.

### **April**

- 18 CSAC Executive Committee Meeting, Sacramento or Los Angeles

### **May**

- 22-24 NACo Western Interstate Region Conference, Flagstaff, Arizona

- 29-30 CSAC Legislative Conference, Sacramento County

- 30 CSAC Board of Directors Meeting, Sacramento County

### **July**

- 19-23 NACo Annual Conference, Tarrant County, Ft. Worth, Texas

### **August**

- 8 CSAC Executive Committee Meeting, Sacramento or Los Angeles

### **September**

- 5 CSAC Board of Directors Meeting, Sacramento

- 10-13 CSAC Finance Corporation Fall Meeting

### **October**

- 9 -11 CSAC Executive Committee Retreat, Site TBD

### **November**

- 19-22 CSAC 119th Annual Meeting, San Jose, Santa Clara County

- 21 CSAC Board of Directors Meeting, San Jose, Santa Clara County

### **December**

- 4-6 CSAC Officers Retreat, Napa County

## **2014**

### **March**

- 1-5 NACo Legislative Conference, Washington, D.C.

### **May**

- 28-29 CSAC Legislative Conference, Sacramento County

### **July**

- 11-15 NACo Annual Conference, New Orleans Parish, New Orleans, LA

### **November**

- 18-21 CSAC 120th Annual Meeting, Anaheim, Orange County