

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS
Thursday, March 29, 2007
12:00pm - 3:00pm
CSAC Conference Center, Sacramento

A G E N D A

Presiding: Frank Bigelow, President

12:00pm BUFFET LUNCH

12:45pm PROCEDURAL ITEMS

1. Roll Call *Page 1*
2. Approval of Minutes of February 22, 2007 *Page 3*

1:00pm ACTION ITEMS

3. Consideration of Proposed CSAC Budget for FY 2008 *Page 7*
 - *Steve Keil, CSAC Interim Executive Director*
 - *Tony Oliveira, CSAC Treasurer*

4. Consideration of Proposed Litigation Coordination Program Budget for FY 2007-08 *Page 14*
 - *Jennifer Henning, County Counsel Association Director*

5. Grant to CAOAC for Professional Development Program *Page 18*
 - *Norma Lammers, Interim Deputy Executive Director*

6. Appointment of Interim Commissioner to California Statewide Communities Development Authority (CSCDA) *Page 20*
 - *Supervisor Greg Cox, Finance Corp. Board Member*
 - *Norma Lammers, Finance Corp. Executive Director*

7. CSAC Policy Committee Reports *Page 21*
 - Housing, Land Use and Transportation
 - *Supervisor Mike McGowan, Chair*
 - *DeAnn Baker, CSAC staff*

 - Health and Human Services *Page 22*
 - *Supervisor Helen Thomson, Chair*
 - *Kelly Brooks, CSAC staff*

 - Government Finance and Operations *Page 25*
 - *Supervisor Kathy Long, Chair*
 - *Steve Keil and Jean Hurst, CSAC staff*

 - Economic Development *Page 47*
 - *Supervisor Liz Kniss, Chair*
 - *Steve Keil and Farrah Ting, CSAC staff*

 - Agriculture and Natural Resources *Page 48*
 - *Supervisor Jeff Morris, Chair*
 - *Karen Keene, CSAC staff*

 - Administration of Justice *Page 49*
 - *Supervisor John Silva, Chair*
 - *Elizabeth Howard, CSAC staff*

2:30pm INFORMATION ITEMS

8. The Emerging Role of Public Health in the Land Use Process *Handout*
 - *Judy Corbett, Local Government Commission Executive Director*

9. Institute for Local Government (ILG) Update *Page 56*
 - *JoAnne Speers, ILG Director*

10. CSAC Corporate Associates Report *Page 58*
 - *Norma Lammers*

11. State Budget/Legislative Report
 - *Steve Keil*

12. Other Items

3:00pm ADJOURN

ROSTER

CALIFORNIA STATE ASSOCIATION OF COUNTIES

Board of Directors

2007

<u>Section</u>	<u>County</u>	<u>Director</u>
U	Alameda County	Keith Carson
R	Alpine County	Terry Woodrow
R	Amador County	Louis Boitano
S	Butte County	Curt Josiassen
R	Calaveras County	Merita Callaway
R	Colusa County	Thomas Indrieri
U	Contra Costa County	Federal Glover
R	Del Norte County	David Finigan
R	El Dorado County	James Sweeney
S	Fresno County	Henry Perea
R	Glenn County	Tom McGowan
S	Humboldt County	Roger Rodoni
S	Imperial County	Gary Wyatt
R	Inyo County	Susan Cash
S	Kern County	Jon McQuiston
R	Kings County	Tony Oliveira
R	Lake County	Ed Robey
R	Lassen County	Robert Pyle
U	Los Angeles County	Don Knabe
R	Madera County	Vern Moss
S	Marin County	Susan Adams
R	Mariposa County	Dianne Fritz
R	Mendocino County	Michael Delbar
S	Merced County	Mike Nelson
R	Modoc County	Mike Dunn
R	Mono County	Vikki Magee-Bauer
S	Monterey County	Fernando Armenta
S	Napa County	Brad Wagenknecht
R	Nevada County	Ted Owens
U	Orange County	Pat Bates
S	Placer County	Jim Holmes
R	Plumas County	William Powers
U	Riverside County	John Tavaglione

U	Sacramento County	Roger Dickinson
R	San Benito County	Reb Monaco
U	San Bernardino County	Paul Biane
U	San Diego County	Greg Cox
U	San Francisco City & County	Jake McGoldrick
S	San Joaquin County	Victor Mow
S	San Luis Obispo County	Harry Ovitt
U	San Mateo County	Jerry Hill
S	Santa Barbara County	Joni Gray
U	Santa Clara County	Liz Kniss
S	Santa Cruz County	Tony Campos
S	Shasta County	Glenn Hawes
R	Sierra County	Arnold Gutman
R	Siskiyou County	LaVada Erickson
S	Solano County	Barbara Kondylis
S	Sonoma County	Valerie Brown
S	Stanislaus County	Dick Monteith
R	Sutter County	Larry Munger
R	Tehama County	Bob Williams
R	Trinity County	Jeff Morris
S	Tulare County	Allen Ishida
R	Tuolumne County	Richard Pland
U	Ventura County	Kathy Long
S	Yolo County	Mike McGowan
R	Yuba County	Mary Jane Griego

President: Frank Bigelow, Madera County
 First Vice President: Richard Gordon, San Mateo
 Second Vice President: Gary Wyatt, Imperial
 Immed. Past President: Connie Conway, Tulare County

SECTION: U=Urban S=Suburban R=Rural

1/16/07

MINUTES OF FEBRUARY 22, 2007

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS
February 22, 2007
Sacramento Convention Center, Sacramento, CA

MINUTES

Presiding: Frank Bigelow, President

1. ROLL CALL

Alameda	absent	Orange	absent
Alpine	Terry Woodrow	Placer	Jim Holmes
Amador	absent	Plumas	William Powers
Butte	absent	Riverside	John Tavaglione
Calaveras	absent	Sacramento	Roger Dickinson
Colusa	absent	San Benito	absent
Contra Costa	Federal Glover	San Bernardino	absent
Del Norte	David Finigan	San Diego	Greg Cox
El Dorado	James Sweeney	San Francisco	absent
Fresno	Henry Perea	San Joaquin	absent
Glenn	Tom McGowan	San Luis Obispo	Harry Ovitt (via audio)
Humboldt	absent	San Mateo	Richard Gordon
Imperial	Gary Wyatt	Santa Barbara	Joni Gray (via audio)
Inyo	Susan Cash	Santa Clara	Liz Kniss
Kern	Jon McQuiston	Santa Cruz	absent
Kings	Tony Oliveira	Shasta	Glenn Hawes
Lake	Ed Robey	Sierra	absent
Lassen	absent	Siskiyou	Michael Kobseff
Los Angeles	absent	Solano	Barbara Kondylis
Madera	Bigelow/Moss	Sonoma	Mike Kerns
Marin	Susan Adams	Stanislaus	absent
Mariposa	Dianne Fritz	Sutter	Larry Munger
Mendocino	Michael Delbar	Tehama	absent
Merced	Mike Nelson	Trinity	absent
Modoc	Mike Dunn	Tulare	Conway/Ishida
Mono	absent	Tuolumne	Richard Pland
Monterey	Fernando Armenta	Ventura	Kathy Long
Napa	Brad Wagenknecht	Yolo	Mike McGowan
Nevada	absent	Yuba	absent

The presence of a quorum was noted.

2. APPROVAL OF MINUTES

The minutes of November 30, 2006 were approved as previously mailed.

3. UPDATE ON CORRECTIONS REFORM

Secretary Jim Tilton of the California Department of Corrections and Rehabilitation addressed the Board of Directors regarding the Governor's Corrections Reform proposal. He indicated his concern with the proposal to transfer inmates from state prisons to county jails and noted that he has been visiting county jail facilities throughout the state in order to assess needs. He stated that he is committed to making sure counties are included in discussions with Administration representatives regarding allocation of funds.

In response to concerns expressed regarding the Governor's Corrections Reform proposal during the February 8, Executive Committee meeting, the County Administrative Officers' Association of California (CAOAC) conducted a survey to assess individual county impacts of the proposal. The results of that survey were distributed to the Board of Directors.

Staff also presented a document titled *Partnering for Corrections Reform: Counties Seek an Inclusive Policy-Making Process* which outlines the areas of the Governor's proposal that are of the most interest to counties and where CSAC should focus efforts.

Motion and second to adopt the *Partnering for Corrections Reform* document with the addition of the following language: **Counties cannot support any corrections reform proposal that does not include CSAC's active participation in negotiations and development of legislative and administrative remedies for reform.** Motion carried unanimously.

Staff was directed to convene stakeholders through the Administration of Justice policy committee to address corrections reform issue in order to develop unified positions on corrections reform.

4. LEGISLATIVE PRIORITIES FOR 2007

Staff reviewed the State Legislative Priorities as contained in the briefing materials. An amended version of the Federal Legislative Priorities was distributed. This version reflects the addition of *Flood Control* as an issue for CSAC internal monitoring.

Motion and second to adopt the CSAC State and Federal Legislative Priorities for 2007. Motion carried unanimously.

5. EMINENT DOMAIN REFORM PROPOSAL

CSAC has continued to work with the "No on Prop. 90" coalition partners to develop a legislative proposal to address concerns of voters regarding eminent domain. Attorneys for the coalition have begun drafting a constitutional amendment and accompanying statutory measure that would: protect owner-occupied residences from eminent domain takings for purposes of transfer to private entity; protect small businesses from eminent domain takings unless the small business is provided an opportunity to participate in the plan or if the small business does not want to participate, it shall be paid relocation expenses or the fair market value of the small business at it's option. The proposal does not preclude local government from using eminent domain to: abate a nuisance, address health and safety code violations, prevent criminal activity, respond to an emergency, or remedy environmental contamination. The proposal is currently being vetted with the Howard Jarvis Taxpayers Association (HJTA), which has

sponsored two measures – one that is ready for signature gathering and another that is still awaiting title and summary. HJTA has indicated it will withdraw its first measure and, if they sign on to our measure, will drop their plans to move forward with a future measure. The proposed language is not yet available for review by Board of Directors.

Staff also noted that AB 397 (Adams) has been introduced. This bill would prohibit any local agency from paying dues to an organization of which it is a member that makes monetary contributions to a political campaign. The measure makes no distinction between dues and non-public funds. Most likely, this bill was directed at our coalition partners involved in the 'No on 90' campaign. CSAC is concerned that if this measure passes, it would prohibit any activities regarding a ballot measure. Staff will continue to monitor this bill and keep Board of Directors updated.

Supervisor Ishida, Tulare County, expressed concern regarding a bill related to eminent domain, AB 576, which was recently introduced. The bill would prohibit operation of an animal feeding facility (primarily dairies) within five miles of the boundary of Colonel Allensworth State Historic Park in Tulare County. Staff indicated that CSAC has existing policy to oppose this type of measure, but would first meet with the author to determine intent and express concerns.

6. RESOLUTION TO SUPPORT HIGH SPEED RAIL

The CSAC Housing, Land Use and Transportation Policy Committee recommended support for a resolution relating to support for High-Speed Rail (attached). This resolution was previously approved by the Executive Committee.

Motion and second to adopt resolution in support of High-Speed Rail. Motion carried unanimously.

7. INSTITUTE FOR LOCAL GOVERNMENT REPORT

JoAnne Speers, Director of the Institute for Local Government (ILG), provided an update on recent ILG activities. The Institute just received a \$1.6 million grant for the "Communities for Health Kids" program which identifies and helps enroll kids who are eligible for no- or low-cost health insurance through non-traditional means such as parks and recreation or gang diversion programs. Ms. Speers distributed some recent ILG publications regarding Ethics Law, Housing Trust Funds, Revenue Diversification, and Planning Public Forums.

8. CSAC CONSTITUTION REVISION TASK FORCE REPORT

Supervisor Rich Gordon, Chair of the Constitution Revision Task Force, presented a report from the meeting held on February 7. Task force members include: Supervisors John Tavaglione, Paul Biane, Judy Case, Jon McQuiston, Joni Gray, Mike Delbar, Jeff Morris and County Counsel's Association Executive Director Jennifer Henning.

The current CSAC Constitution and Policy Manual was separated into two documents and some proposed amendments were presented to the task force. The group will also be looking at large issues such as caucus definitions, voting thresholds and ballot initiative positions. The task force will be meeting again this afternoon to further develop recommendations for consideration by the Executive Committee and Board of Directors as a future meeting.

9. CSAC FINANCE CORPORATION REPORT

Two new programs were recently introduced. The Go-Solar program will benefit counties by offering access to solar facilities at a price that is competitive with current utility rates, but will save significantly over time. The U.S. Communities Purchasing Program has begun offering "green" products such as Energy Star certified products, biodegradable cleaning supplies,

energy saving lighting and technology products and playground equipment using recycled materials. A complete list of green products was contained in the briefing materials.

10. LEGISLATIVE UPDATE

Staff distributed and outlined two documents regarding health care reform. The first was an overview of how California counties deliver health care services and the second was a matrix that lists the major health care reform proposals that have been introduced and the elements contained in each. The Assembly Health Committee is schedule to meet next week to draft legislation that includes the best elements of each proposal. The CSAC Health and Human Services policy committee has been meeting weekly since January and formed two subcommittees: Data and Health Care Reform.

An Infrastructure Bond Guide was also distributed and outlined by staff. This document takes a comprehensive look at the infrastructure bond measure of direct interest to counties. It also contains information on what is known to date about timing, process and eligibility for each account.

Staff reported that SB 113, the Presidential primary bill, will be heard in Senate Appropriations next week and asked for direction on a position. The Board directed staff to oppose the bill unless it is amended to include language providing reimbursement to counties for the cost of the election.

The Governor has appointed a 12-member Other Post Employment Benefits (OPEBs) Commission and names Supervisor Connie Conway as a member.

Meeting adjourned.

PROPOSED CSAC BUDGET FOR FY 2008

March 15, 2007

TO: CSAC Board of Directors

FROM: Steve Keil, Interim Executive Director
Steve O'Brien, Controller

SUBJECT: Proposed FY 2008 CSAC Budget

Summary of Executive Committee Action and Recommendation

At their March 15, 2007 meeting the CSAC Executive Committee approved the FY 2008 Budget and recommended it to the CSAC Board of Directors for adoption. The Executive Committee asked CSAC Treasurer Tony Oliveira to examine with staff some last minute corrections offered to the historical FY 2006 revenues and expenditures items under corporate sponsorships. If that examination results in any changes to the attached budget detail, a revised budget will be sent to you in advance.

Proposed Budget

The Proposed CSAC Budget for FY 2008 continues the gradual strengthening of our financial position. Please note that by the end of FY 2007, we should have approximately \$1.3 million in cash reserves. This compares with a cash reserve of \$51,477 at the end of FY 2005.

Some of the highlights for FY 2007 Budget Year and issues for FY 2008:

FY 2007 (Current Year)

- As you will recall, you approved refinance of our two main properties (CSAC Building and Ransohoff) to move us from a variable to fixed rate loan.
- Salaries in 2007 are below budget, primarily due to non-hire of Deputy Director and some salary savings in vacant analyst (replacement) positions (which are being filled). CSAC increased approved staffing positions by 1.5 during the current fiscal year.
- FY 2007 debt service for Ransohoff includes \$325,000 payment of one time loan from City of Sacramento.
- Revenues from Finance Corporation were at all-time highs (\$2.825 million). We had planned to contribute \$500,000 to begin paying down debt but used those funds to support our contributions to *No on 90* campaign.
- Corporate Associates revenues were down due to turnover and non-hire of Deputy. Excluding Deputy salary savings though, we still should come out ahead in Corporate Associates program by almost \$100,000 due to significant reductions on expense side.
- Meetings budget took a loss of projected (\$225,000) with about (\$125,000) on expense side: Video use at annual conference, some one-time capital purchases for backdrops, etc.) and location; and almost (\$100,000) on revenue side: mostly due to drop in sponsorship at annual conference. This was due to staffing deficit, first year of new corporate membership program, and our decision to not aggressively pursue funds at end of calendar year but to put efforts into new year recruitments (see 2008 highlights). Combining Corporate Associates Budget and Meetings budgets results in a net loss of about (\$125,000). Counting the Deputy salary savings we break even.

- The Magazine is projected to lose about (\$85,000) this year, an increase of about (\$15,000) over last year.
- Overall, we project ending the year over \$500,000 in the black.

FY 2008 (Proposed Budget)

- Proposed Budget expects adding \$137,000 surplus.
- Budget includes full staffing. Legislative unit in particular is staffed up with lobbyists and analysts in every policy area.
- Budget allows for \$50,000 fund for Legislative Counsel pilot project (see attached memo).
- Aggressive efforts are planned to elevate Corporate Associates memberships and corporate sponsorships for next year to begin to move meetings budget into the black. (Affiliate Relations staff, Katrina Thompson, and half-time Deputy Director Norma Lammers are focused on Corporate revenues).
- Finance Corporation Revenues are estimated at \$2.3 million. Potential for more??
- Ransohoff debt service includes \$500,000 pay down of loan (year one of eight year plan for both buildings).
- Magazine is slated for redesign and upgrade in quality and size. While this adds some expense, ad revenues are expected to increase faster.

Some Comments/Future Issues/Decisions Offered by Jim Keene Prior to his Leaving
CSAC is effectively maxed out on ability to add new staff positions in the future without expanding/growing revenues in some new ways.

Propositions are increasingly part of the policy setting landscape. Exploration of means to fund CSAC's role in key initiatives including exploring PAC formation/other ideas should be pursued.

Addition of grassroots staff support to counties on a regional basis may be essential to building civic, media, and political support for county issues and strengthening the effectiveness of our advocacy. Also, concentration by CSAC staff on enhanced member outreach and relationship building is a high priority.

Restructuring of Finance Corporation Executive Director position and CSAC Deputy Director should be reviewed.

Support for enhancing the involvement of CAO's in CSAC will be beneficial to our long-term success.

Good luck as you move forward into the future. I know a new Executive Director can continue to improve CSAC and its financial condition. There is still plenty to do.

Recommendation:

It is recommended that the CSAC Board of Directors approve the Fiscal 2008 budget as presented.

DATE: March 15, 2007
TO: Members, CSAC Board of Directors
FROM: Steve Keil, Director of Legislative Services
RE: CSAC Budget for FY 2008: CSAC Counsel

Recommendation: We request your approval for reimbursement of CSAC Counsel expenses not to exceed \$50,000 in fiscal year 2007/08 within the Professional Services account. This request is not currently reflected in the budget document contained in your agenda. This proposal was given preliminary approval by the Executive Committee.

Background: CSAC does not currently employ counsel. We do contract for private counsel for CSAC business needs. In addition, we receive outstanding assistance from Jennifer Henning and the County Counsel Cost Shift Committee regarding advice on major policy issues. While the relationship between CSAC and the County Counsel Association has been mutually beneficial, CSAC staff is generally reluctant to burden County Counsels with requests for language development, language interpretation, or for legal research.

Proposal: We propose a pilot project for fiscal year 2008 in which an amount not to exceed \$50,000 would be authorized to reimburse the County Counsel Litigation Services for additional legal assistance. It is very likely that the services would be rendered by retired County Counsel attorneys who would be selected by, and working in consultation with, Jennifer Henning and other members of the County Counsel Association. The services rendered would be for research, language development and language interpretation regarding priority CSAC legislation and constitutional amendment issues. All expenditures would be mutually approved by the CSAC Executive Director and Jennifer Henning, and would be for services that exceed the policy advice we now receive from the County Counsel Cost Shift Committee. The \$50,000 request is relatively modest and will deliver up to a couple of hundred hours of assistance, but will provide us an opportunity to measure the value of this pilot project and extent of actual need. The County Counsel Association Executive Committee has considered this pilot project and is prepared to provide the requested assistance if approved by your Board.

This matter will be discussed during the review of the CSAC Budget proposal for fiscal year 2008.

cc: Jennifer Henning, Executive Director, County Counsel's Association

California State Association of Counties

Proposed Budget 2008 - Rev 1

	2006	2007	2007	2008
	Actual	Budget	Projected	Budget
Revenues:				
Membership Dues	2,650,050	2,690,640	2,690,644	2,731,225
Contributions From Finance Corp	1,700,000	2,825,000	2,825,000	2,300,000
Audio/Video Conferencing	39,558	0	0	0
CEAC Contract	109,391	111,500	111,225	115,000
Corporate Associates Dues	176,500	225,000	120,000	150,000
Corporate Sponsorships	19,000		0	
Annual Conference Sponsors	161,950	160,000	19,500	100,000
Legislative Conference Sponsors	17,300	10,000	10,000	10,000
Conference Registration and Exhibitors	301,529	310,000	358,950	320,000
Magazine	137,368	120,000	123,594	142,000
Management Fees	266,012	236,000	304,724	262,000
Miscellaneous	43,266	19,000	50,743	25,000
NACo 2nd VP	7,000	0	0	0
Print shop/Publication Sales	92,759	80,000	67,650	75,000
Rental and Parking Income	920,179	877,700	977,784	994,100
Service Contracts	96,000	97,000	96,000	94,000
Investment Income	95,528	80,000	117,801	100,000
Total Revenues	6,833,390	7,841,840	7,873,615	7,418,325
Expenditures:				
Salaries	2,260,006	2,479,521	2,169,312	2,407,594
Retirement	577,404	743,062	694,907	756,430
Benefits	318,585	406,370	423,681	439,102
Travel	209,759	218,000	227,000	239,500
Communications	33,230	112,200	104,141	106,900
Audio/Video Conferencing	15,012	0	0	0
Utilities	101,072	120,000	105,685	110,000
Insurance	35,799	43,000	36,352	40,000
Publications	16,241	18,000	17,011	18,000
Legislative Bill Service	12,833	13,500	13,442	13,500
Membership Fees	21,795	25,750	23,600	25,750
Office Supplies	67,545	66,300	65,661	65,650
Postage and Delivery	28,770	40,500	34,995	36,500
Printing	113,768	110,300	114,769	130,100
R & M/Purchases	295,625	478,640	389,417	397,100
Initiative	50,000	500,000	600,094	0
Professional Services	535,476	576,000	538,349	529,500
Property Tax	123,442	86,000	82,797	86,000
Cities, Counties, Schools	75,692	76,000	75,890	76,000
Rent and Leases	116,428	143,615	204,370	229,216
Public Affairs	28,812	35,000	23,060	25,000
NACo 2nd VP Campaign	80,745	30,000	31,630	0
Conference Expenses	375,194	392,000	533,509	443,500
Mortgage Principal & Interest Expense	461,408	765,000	760,193	905,000
Miscellaneous	75,893	74,500	57,697	51,000
Contingency	0	0	0	100,000
Income Taxes	47,997	40,000	40,744	50,000
Total Expenditures	6,078,531	7,593,258	7,368,306	7,281,342
Excess of Revenues Over (Under)	754,859	248,582	505,309	136,983
Expenditures				



CSAC Budget FY 2008

Account Definitions and Explanations

Revenues:

Membership Dues – Annual dues from counties. Slight increase based on Board of Directors action (November 2002) on recommendation of the CSAC Dues Structure Census Project.

Contributions from Finance Corporation – CSAC Finance Corporation contributions to CSAC.

Audio/Video Conferencing – CSAC is no longer associated with this service

CEAC Contract – Contract with County Engineers for lobbying, newsletter/roster generation and meeting planning. Increase contractually based on Consumer Price Index.

Corporate Associates Dues – Corporate Associates dues.

Corporate Sponsorships – Sponsorships over and above Corporate Associates dues and conference sponsorships.

Annual Conference Sponsors - Income from corporate sponsors.

Legislative Conference Sponsors - Income from corporate sponsors.

Conference Registration and Exhibitors – Income for registration and exhibitors for the CSAC annual and legislative conferences.

Magazine – Subscriptions and ads for the CA County magazine. Anticipate a revenue increase as the look the magazine is changing.

Management Fees – Fees for pay rolling affiliates, SB90 administration fees and CalWin administration fees.

Miscellaneous - Executive Search Partnership fees, website ad fees and other miscellaneous incomes.

NACo 2nd VP – No longer used

Print Shop/Publication Income - Print shop income from outside sources for making posters, copying, printing, binding and sales of rosters and fact books.

Rental and Parking Income – Office and conference center rental income and fees for using parking lot.

Service Contracts – Contracts with CSAC Finance Corp for accounting, marketing and clerical support and contracts with CSAC Finance Corp and Los Angeles County for computer support.

Investment Income – Interest from checking accounts and investment in CalTrust.

**CSAC Budget
FY 2008
Account Definitions and Explanations**

Expenditures:

Salaries – All CSAC salaries including overtime. Increase in 2007 budget due to addition of new Deputy Executive Director, which did not happen. 2006 actual expenses reflect staff vacancies for the latter half of the year including one lobbyist and one administrative assistant. 2007 Projected reflects the fact that the deputy director was not hired, the executive director's slot goes unfilled for the remainder of the year, a senior lobbyist retired and a bookkeeper was replaced by a temp for the remainder of the year. Budget includes a 3% increase for all staff in January 2008. Only half of that increase impacts 2008.

Retirement – Both employee and employer contribution to the SBCERS. Generally 32% of salaries. 2006 actual low as CSAC received a credit of 94K for one employee's overpayment.

Benefits – Includes medical, dental, EAP, LTD, AD&D, life, vision and worker's compensation insurance. Also staff training, payroll tax, car allowance and annual employee workshop. Increased budget slightly for inflation. The remaining increase due to increasing staff.

Travel – Travel for administrative, legislative staff, officers and NACo representative travel. Increase in 2008 due to legislative outreach program.

Communications – Cell phones, landlines, long distance, fax, legislative squawk box, Comcast television and T-1 lines. Lower 2006 actual due to a overstated 2005 accrual for cancelling a contract with SBC.

Audio/Video Conferencing – CSAC is no longer associated with this service.

Utilities - Natural gas, electricity, water, sewer and garbage for the buildings and parking lot.

Insurance – Insurance for the buildings, liability, employee dishonesty.

Publications – Various books and periodicals. Majority is an internal transfer for the cost of CA County magazine and rosters to all the supervisors.

Legislative Bill Service – From the California government printing office for bill printing.

Membership Fees – Membership and sponsorship for various 501(c)(3&4) s. Examples include ICMA, NACo, Civil Justice Association and California Infrastructure Association.

Office Supplies - All matter of office supplies including paper, binders, ink, toner, water, in-house meeting supplies, etc.

Postage and Delivery – Mail postage, FEDEX, UPS, courier. Includes postage for mailing the CA County magazine.

Printing – Printing brochures, annual report, rosters.

CSAC Budget
FY 2008
Account Definitions and Explanations

R&M/Purchases – includes all repairs to the building, equipment and computers. Also includes any purchases of equipment or furniture. 2007 budget includes 100K for replacing the window air conditioners and 100K to replace carpets, update 1st floor, paint back stairwell. 2008 budget includes 100K for various projects and moving expenses.

Initiative – Was for the prop 90 campaign.

Professional Services – Budget includes 195K Waterman, 6K Colbert, 20K temps, 25K other, 80K LOCAL and 80K to the Institute for Local Government (ILG). Account also includes parking lot management contract and commission to magazine ad agency.

Property Tax – Property taxes for the three CSAC properties. 2006 actual includes one time payment back taxes from reassessment when CSAC purchased the Ransohoff building.

Cities, Counties, Schools Partnership – Support for CCSP. 75K plus some meals.

Rent and Leases – Leases on five copiers, \$125/mo for restroom rental at 1110 K and remainder is rent CSAC charges itself the space at 1100K. The offset is income to the 1100K building.

Public Affairs – Press releases, website maintenance, communications projects, promotional projects and clipping service.

NACo 2nd VP Campaign – No longer used

Conference Expenses – All expenses associated with the legislative conference, annual conference and corporate associates steering committee meeting.

Interest Expense – Principal and interest payments on the two mortgages. 2007 projected includes paying off the 325K-city loan. 2008 budget includes 500K to buy down on of the two building loans.

Miscellaneous – Includes advertising, contributions, challenge award expenses and various misc. expenses.

Contingency – Reserve for unexpected expenses.

Income Taxes – State and Federal income tax.

**PROPOSED LITIGATION COORDINATION
PROGRAM BUDGET for FY 2007-08**



County Counselors' Association of California

MEMORANDUM

To: Frank Bigelow, President, and
Members of the CSAC Board of Directors

From: Jennifer B. Henning, Litigation Coordinator

Date: March 29, 2007

Re: 2007-2008 Litigation Budget

Recommended Action:

Approve the 2007-2008 Litigation Coordination Budget.

Reason for Recommended Action:

The attached proposed budget is a balanced budget based on projected expenditures. The budget is similar to the budget approved for 2006-2007, but with reduced expenditures in certain office-related expenses, such as communications and publications, and an increase in retirement, employee group insurance and salaries to better reflect the actual costs of the Litigation Coordination Program. No increase in the Litigation Coordination Program dues is proposed.

Background:

The Litigation Coordination Program is an important service provided by CSAC to its members. The program allows counties to save litigation costs by coordinating in multi-county cases, and by sharing information and resources. The Program also files *amicus curiae*, or "friend of the court," briefs on CSAC's behalf in State and federal appellate cases in order to advance the interests of all counties in the courts.

Last year, the CSAC Board of Directors approved a 10% increase in the Litigation Coordination Program fees, bringing the Program's total revenue to \$256,567.00.

Frank Bigelow, President, and
Members of the CSAC Board of Directors
March 29, 2007
Page 2 of 2

This year's proposed budget makes reductions in several line items in the budget to better reflect actual costs. Those line items that have been reduced include: Staff travel, communications, publications, office supplies, postage and delivery, and printing costs. The reductions reflect actual costs experienced by the Program and are the result in part of the Program's increased reliance on electronic communications.

The primary costs associated with the Litigation Coordination Program are those related to personnel: salaries, retirement, group insurance, payroll taxes, and administrative fees. The proposed budget uses the cost savings from increased use of electronic communications to increase the budget for staff costs, particularly retirement costs. The Litigation Program's retirement costs have risen as a percentage of salaries over the past several fiscal years. (See chart below.) The proposed budget is designed to more realistically address these costs.

<u>Fiscal Year</u>	<u>% of Salaries</u>
02-03	20.7%
03-04	24.2%
04-05	28.6%
05-06	31.6%

Conclusion:

The proposed draft budget will be sufficient to fund the Litigation Coordination Program, and provide room for future expected cost increases. This budget has been reviewed and approved by the Litigation Overview Committee, the County Counsels' Association's Board of Directors, and the CSAC Executive Committee. I appreciate your support of the Litigation Coordination Program, and ask for your approval of the proposed Fiscal Year 2007-2008 budget.

Attachments:

Proposed 2007-2008 Litigation Budget
Budget Comparison (2006-2008)

CSAC/County Counsels' Association
LITIGATION COORDINATION PROGRAM
FISCAL YEAR 2007-2008 BUDGET

Approved by Litigation Overview Committee on January 11, 2007
Adopted by County Counsels' Association Board of Directors on January 18, 2007
Approved by CSAC Executive Committee on March 15, 2007
Adopted by CSAC Board of Directors on _____, 2007

INCOME:

Membership Dues	256,567.00
TOTAL INCOME.....	256,567.00

EXPENSES:

Salaries.....	\$150,682.00
Retirement.....	50,000.00
Employee Group Insurance.....	23,000.00
Staff Expense and Travel.....	1,200.00
Communications	750.00
On-Line Expense.....	1,300.00
Publications.....	650.00
Membership Fees	400.00
Office Supplies.....	800.00
Postage/Delivery	500.00
Printing - Commercial.....	200.00
Printing - In House.....	1,200.00
Leases - Property.....	17,500.00
Payroll Tax.....	2,435.00
Administrative Fees	5,700.00
Committee Meeting Expense.....	250.00
TOTAL EXPENSES.....	256,567.00

LITIGATION COORDINATION PROGRAM
FISCAL YEAR 2007-2008 BUDGET

LITIGATION COORDINATION PROGRAM

Budget Comparison (2006-2008)

Prepared for Fiscal Year 2007-2008 Budget

	2006 Actual	2007 Budget	2007 Projected	2008 Budget
INCOME:				
Membership Dues	233,529	256,567	256,567	256,567
Misc. Income	15,000			
TOTAL INCOME:	248,529	256,567	256,567	256,567
EXPENSES:				
Salaries	155,313	145,227	148,756	150,682
Retirement	49,101	40,680	50,589	50,000
Employee Group Insurance	20,363	25,000	22,027	23,000
Staff Training	0	500	0	0
Staff Travel	888	3,300	1,200	1,200
Communications	752	3,500	750	750
On-Line Expenses	1,330	2,000	1,100	1,300
Publications	618	2,300	650	650
Membership Fees	395	500	400	400
Office Supplies	172	1,000	800	800
Postage/Delivery	407	2,060	500	500
Printing-Commercial	0	200	0	200
Printing – In-House	300	2,500	1,128	1,200
Prof./Specialized Services	0	1,000	0	0
Leases – Property	17,637	17,500	16,749	17,500
Payroll Tax	2,239	3,000	2,386	2,435
Admin Fees	5,478	5,600	5,594	5,700
Committee Meeting Expenses	0	650	0	250
TOTAL EXPENSES	254,993	256,567	252,629	256,567
Excess of Revenues Over (Under) Expenditures	(6,464)	0	3,938	0

**GRANT TO CAOAC FOR PROFESSIONAL
DEVELOPMENT PROGRAM**



March 29, 2007

To: CSAC Board of Directors
From: Norma Lammers, Interim Deputy Executive Director
Re: **Grant to CAOAC for Professional Development
ACTION ITEM**

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500
Facsimile
916.441.5507

Recommendation: Staff recommends that the Board of Directors approve the award of a \$15,000 grant to the County Administrative Officers Association of California to fund their 2007 professional development program. The cost of this grant will be underwritten by the CSAC Finance Corporation.

Background - Last September Brent Wallace approached the CSAC Finance Corporation on behalf of the County Administrative Officers to provide a \$15,000 grant to CAOAC to help fund their professional development training programs. The Finance Corporation unanimously agreed to fund the grant. During the discussion of this item, it was agreed that the grant should be **approved and awarded by CSAC and underwritten by the CSAC Finance Corporation**. This distinction was made to not set a precedent for every CSAC affiliate to approach the Finance Corporation for grant funding. They felt the special relationship between CSAC and the CAO's was generally recognized and would not set a precedent for other affiliates. At the same time, by underwriting the grant, CSAC Finance Corporation would achieve its goal of "giving back" to the CAO's something of value for their participation in Finance Corporation programs. The CAO's have already conducted one professional development training program as part of the CSAC Annual Conference with over 100 county staff attending. The second is scheduled for March 28 as a part of the Legislative Conference.

Attached is a letter from Brent Wallace requesting the funds.



County Administrative Officers Association of California

February 13, 2007

Norma Lammers
CSAC Finance Corporation

Norma,

For ease of my record keeping system, such as it is, I would like to make a formal request that the funds committed by the Finance Corporation for the web site improvements and the professional development training programs be placed in the CAOAC budget. I will be making a mid-year budget report to the CAOAC membership in March, in which I would like to acknowledge the contribution of those funds.

As I recall our conversation, the Finance Corporation will provide \$250 for the improvements to our web site, which will then have the Finance Corporation listed on our home page as a sponsor. Additionally, the Finance Corporation will provide \$15,000 for professional development training for this year, with an invitation that I may request such funding for each of the next two years.

The improvements to the web site are underway. I anticipate having the new site up and running by the end of March.

We have already conducted one professional development training program as part of the CSAC Annual Conference with more than 100 county staff attending. Our second program is scheduled for March 28th, also a part of the CSAC Conference.

The CAOAC membership will have a meeting on March 29th at 10 am. If you would like to be a part of that agenda to make announcements or provide information on a specific program please let me know.

Thank you for your support of CAOAC.

Sincerely,

Brent Wallace

**APPOINTMENT OF INTERIM COMMISSIONER
TO CSCDA**

March 29, 2007



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500
Facsimile
916.441.5507

To: CSAC Board of Directors

From: Greg Cox, Board Member
Norma Lammers, Executive Director
CSAC Finance Corporation

Re: **Appointment of Interim Commissioner to California Statewide
Communities Development Authority, a Joint Powers Authority
ACTION ITEM**

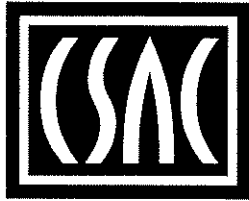
Recommendation: Staff recommends that the Board appoint Jean Hurst, CSAC Legislative Representative, as a Commissioner for the California Statewide Communities Development Authority to serve until replaced by the new CSAC Executive Director.

Background. California Statewide Communities Development Authority (Authority) is a JPA established by CSAC and the League of California Cities in 1987 to promote economic development through the provision of financial services to local governments. It is the entity through which we conduct all of our pooled financings – TRAN, VLF Gap Loan, Pension Obligation bonds, Tobacco bonds, Water/Wastewater bonds, as well as serving as a conduit issuer of nonprofit and multi-family bonds.

According to the Joint Powers agreement, the Authority is governed by a seven-person Commission. Four members of that Commission are appointed by the "governing body of CSAC." Three of those members are Steve Keil, Norma Lammers and Paul Hahn, Deputy County Executive Officer from Sacramento County. The fourth member has been Jim Keene, former CSAC Executive Director. The League's appointees are Chris McKenzie and Dan Harrison from the League and Gus Vina from the City of Sacramento. The membership of the Commission is designed to be geographically very close to facilitate a quorum being available for the approximately thirty meetings it conducts annually. The ability of this Commission to meet on short notice (while still complying with the Brown Act) and frequently has been key to its success in private sector financings.

Action Requested. Until the CSAC Board of Directors is able to appoint the new Executive Director to the Commission, there will be a vacancy. We would recommend the appointment of Jean Hurst, Legislative Representative for Revenue and Taxation, to fill this vacancy until the CSAC Board appoints the new CSAC Executive Director to the Commission. Jean is familiar with many of the Authority's programs and interacts with them on legislative issues. We feel this temporary appointment will have the dual benefit of facilitating a quorum while providing an excellent experience for Jean.

CSAC POLICY COMMITTEE REPORTS



**Housing, Land Use, & Transportation
Policy Committee **DRAFT****

2007 CSAC Legislative Conference

Wednesday, March 28, 2007 · 10:00 a.m. – 12:00 Noon

**Sheraton Grand Sacramento · Gardenia · Ballroom Level
Sacramento, California**

**Supervisor Mike McGowan, Yolo County, Chair
Supervisor Diane Dillon, Napa County, Vice Chair**

- 10:00 a.m. I. **Welcome and Introductions**
Supervisor Mike McGowan, Yolo County
Supervisor Diane Dillon, Napa County
- 10:10 – 10:40 II. **Prop 1C & 84 Incentive Funds**
DeAnn Baker, Legislative Representative, CSAC
- 10:40 – 11:10 III. **Prop 1B Transportation Infrastructure Bond Update**
DeAnn Baker, Legislative Representative, CSAC
- 11:10 – 11:25 IV. **Indian Gaming Update**
Anthony LaBouff, County Counsel, Placer County (invited)
- 11:25 – 11:45 V. **Mobilehome Park Conversions**
Supervisor Steve Bennett, Ventura County (invited)
- 11:45 – 12:00 VI. **Update on Local Streets & Roads Needs Assessment**
Maurice Shiu, Director of Public Works, Contra Costa County
DeAnn Baker, Legislative Representative, CSAC
- 12:00 Noon VII. **Closing Comments and Adjournment**
Supervisor Mike McGowan, Yolo County



Health and Human Services Policy Committee

Spring Legislative Conference

Thursday, March 29, 2007 · 9:00 – 11:00 a.m.

Gardenia Room · Sheraton Grand Hotel · Sacramento, California

Supervisor Helen Thomson, Yolo County, Chair **Supervisor Henry Perea, Fresno County, Vice Chair**

- 9:00 a.m. I. **Welcome and Introductions**
Supervisor Helen Thomson, Yolo County
- 9:05 – 9:35 II. **Health and Human Services Budget Update**
- Human Services Cost of Doing Business
Frank Mecca, Executive Director, County Welfare and Directors Association
 - Mental Health Budget Issues
Don Kingdon, PhD, Deputy Director, County Mental Health Directors Association (CMHDA)
- 9:35 – 9:55 III. **CSAC Health Care Reform Task Force Report**
Kelly Brooks, CSAC Legislative Representative
- Action Item**
- 9:55 – 11:00 IV. **Health Care Reform Panel Discussion**
Moderator: Marian Mulkey, MPP, MPH., Senior Program Officer, California Health Care Foundation
- Panelists*
Advisor from Governor's Health Care Team
David Panush, Consultant, Senator Don Perata (invited)
Sumi Sousa, Health Policy Consultant, Speaker Fabian Nuñez (invited)
Tim Conaghan, Policy Consultant, Senate Republican Policy Office
Deborah Gonzalez, Consultant, Assembly Republican Caucus (invited)
- 11:00 a.m. V. **Closing Comments and Adjournment**
Supervisor Helen Thomson, Yolo County



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

March 16, 2007

To: CSAC Board of Directors

From: Kelly Brooks, CSAC Legislative Representative
Qiana Charles, CSAC Legislative Analyst

Re: CSAC Health Reform Task Force – ACTION ITEM

Recommendation. Staff will be providing the Health and Human Services Policy Committee with an advocacy document on health care reform. As of this writing, the document has not been finalized. However, we anticipate a final document to be presented at the Health and Human Services Policy Committee. If the Committee is able to review and approve the document on March 29, staff requests approval from the Board of Directors.

Background. Attached is a draft advocacy document developed by the CSAC Health Reform Task Force to be used during discussions with the Legislature and the Administration in the coming months on health care reform. Staff is currently in the process of developing more detail under the three recommendation sections. We anticipate the document will be finalized by March 29th.

The CSAC Health and Human Services Policy Committee created a Health Reform Task Force to develop recommendations on health care reform. The Policy Committee has been meeting weekly since mid-January to discuss the proposals introduced by the Governor and legislative leadership. Due to the size of the Policy Committee, a smaller task force was created to discuss pertinent policy issues.

The Task Force is comprised of approximately 30 members, representing rural, urban, and rural counties; the mix of county health systems, including CMSP counties; and a mix of Medi-Cal managed care models. The Task Force includes supervisors, CAOs, health directors, a mental health director, an alcohol and drug director, a welfare director, county counsels, and CSAC and county affiliate staff.

The Task Force continues to meet and to finalize the draft document attached. Please note that staff anticipates more detail will be added to the attached document as the Task Force continues its work in the coming weeks. A final document will be presented to the CSAC Health and Human Services Policy Committee on March 29 for its approval. That same document will be presented before the Board of Directors on March 29 for its approval. Staff will have copies of the final document for the Board at the March 29 meeting.

Action Requested. If the Health and Human Services Policy Committee is able to review and approve the document on March 29, staff requests approval from the Board of Directors.

DRAFT

CSAC Position and Recommendations on State-Level Universal Health Care Reform

Counties strongly support the concept of universal health coverage for all Californians. Toward that end, counties urge the state to enact a system of health coverage and care delivery that builds upon the strengths of the current systems in our state, including county-operated systems serving vulnerable populations.

Currently, California has a complex array of co-existing coverage and delivery systems that serve many, but not all, Californians. Moving this array of systems into a universal coverage framework is a complex undertaking that requires sound analysis, thoughtful and deliberative planning, and a multi-year implementation process. As California moves forward with development of a universal coverage system, counties urge the state to prevent reform efforts from exacerbating existing service and funding problems, to appropriately consider the differences across California counties and the impacts of reform efforts on the network of safety-net providers, including county providers. The net result of health reform must provide a strengthened health care delivery system for Californians, including those served by the safety net.

Counties have a high stake in California's health reform efforts. Counties serve as employers, payers, and providers of care to vulnerable populations. Consequently, counties stand ready to actively participate in discussions of how to best structure a universal health care system for California.

Counties recommend the following:

1. **Sequencing.** As California moves towards a universal system of health care, the sequencing of changes must be carefully planned
2. **Access and Affordability.** Access to care and affordability of care are critical components of any health reform plan. Important improvements to our current programs must be taken either prior to, or in concert with, a coverage expansion in order to assure access. Coverage must be affordable for Californians to access care.
3. **Financing.** Overall the system is currently underfunded; adequate financing must be sought.

DRAFT

**Government Finance & Operations
Policy Committee**

CSAC Legislative Conference

Thursday, March 29, 2007 - 9:00 a.m. – 11:00 a.m.
Sheraton Grand Hotel - Sacramento, California

**Supervisor Kathy Long, Ventura County, Chair
Supervisor Michael Delbar, Mendocino County, Vice Chair**

- 9:00 a.m. **I. Welcome and Introductions**
Supervisor Kathy Long, County of Ventura
Supervisor Michael Delbar, County of Mendocino
- 9:00 – 9:15 **II. Emergency Management: Hoping for the Best,
 Preparing for the Worst – ACTION ITEM**
Karen Keene, CSAC Legislative Representative
Mary Moreland, Riverside Co. Fire Dept., Office of Emergency Services
- 9:15 – 9:45 **III. Mandate Reform: A New Way Forward**
Steve Keil, CSAC Interim Executive Director
Marianne O'Malley, Legislative Analyst's Office
Tom Dithridge, California Department of Finance (invited)
- 9:45 – 10:15 **IV. Eminent Domain: Give and Take – POTENTIAL
 ACTION ITEM**
Jean Kinney Hurst, CSAC Legislative Representative
Brandon Castillo, Bicker, Castillo & Fairbanks
- 10:15 – 10:40 **V. OPEB Commission: From the Front Lines**
Supervisor Connie Conway, Tulare County
Steve Keil, CSAC Interim Executive Director
- 10:40 – 10:55 **VI. Legislative Update**
Jean Kinney Hurst, CSAC Legislative Representative
Geoffrey Neill, CSAC Legislative Analyst
- 10:55 – 11:00 **VII. Closing Comments and Adjournment**
Supervisor Kathy Long, County of Ventura



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

March 28, 2007

To: CSAC Government Finance and Operations Policy Committee

From: Karen Keene, Legislative Representative

Re: **Emergency Management: Hoping for the Best, Preparing for the Worst -
ACTION ITEM**

Recommendation. Staff recommends that the CSAC Government Finance and Operations Policy Committee approve the attached policy statement regarding emergency management.

Background. With the backdrop of September 11, Hurricane Katrina, and the 2006 Heat Emergency and given the many potential disasters for which counties must be prepared — from the avian flu and floods to earthquakes, fires, and acts of terrorism — CSAC convened a working group of experts to develop coordination strategies among county and state agencies; and promote education and training. A product of this effort is the proposed CSAC Emergency Management Policy Guidelines. These policy statements will enable CSAC staff to respond to legislative and administrative proposals regarding a wide range of emergency management issues.

Policy Considerations. One of CSAC's 2007 State Legislative Priorities is to support legislative and regulatory proposals that maximize California counties' ability to effectively mitigate, prepare for, respond to, and recover from natural and man-made disasters and public health emergencies. The proposed policy guidelines provide more detailed policy direction to CSAC, and are consistent with this general policy statement.

Action Requested. Staff is requesting your action to approve the proposed CSAC Emergency Management Policy Guidelines.



DRAFT Emergency Management County Policy Guidelines

Preamble

It is CSAC's overarching policy to support legislative and regulatory proposals that maximize California counties' ability to effectively mitigate, prepare for, respond to, and recover from natural and man-made disasters and public health emergencies. Such proposals must recognize that the 58 California counties have unique characteristics, differing capacities, and diverse environments. In addition, emergency management policies, practices, and funding should be designed to promote innovation at the local level and to permit maximum flexibility, so that services can best target individual community needs and capacities.

The following policy statements would be utilized by CSAC staff as a foundation for lobbying efforts on behalf of counties.

Policy Guidelines

- Support adherence to the Standardized Emergency Management System (SEMS) and the National Incident Management System (NIMS) processes, especially as they relate to the operational area concept.
- Support restructuring of the Office of Emergency Services (OES) and Office of Homeland Security (OHS) that results in a clear definition of each agencies' roles and responsibilities and eliminates duplicative and/or conflicting statutory/regulatory requirements.
- Advocate for broad county access to technologies that offer effective and wide-ranging communications capabilities for alerting the public in emergency situations.
- Work to ensure that proposals that impose new responsibilities upon counties are accompanied by adequate and flexible funding.
- Advocate for improved coordination between state and local offices of emergency services and state and local departments with health and safety-related responsibilities (i.e. California Health and Human Services Agency, Department of Health Services, and the Emergency Medical Services Authority, and county offices of emergency services, county health agencies and local emergency services agencies).
- Support flexible and adequate funding for on-going emergency preparedness and all hazard planning.

- Support grant processes, procedures, and guidelines that allow funding for personnel in order to carry out emergency management mandates.
- Support efforts to reform the existing state and federal grant funding structure that result in a streamlined and flexible process.
- Support flexible and adequate funding for on-going emergency preparedness exercises and training, focusing on an all hazards approach, at the state and local level.
- Support adequate and flexible funding for emergency communication system interoperability between all local government agencies and the State of California.
- Advocate at the federal level for policies and requirements that are practically achievable by local governments.





March 28, 2007

To: CSAC Government Finance and Operations Policy Committee

From: Jean Kinney Hurst, Legislative Representative

Re: **Eminent Domain: Give and Take – POTENTIAL ACTION ITEM**

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

Recommendation. Staff will be providing the Government Finance and Operations Policy committee with suggested language on a proposal on eminent domain reform being advanced by the Howard Jarvis Taxpayers' Association and other members of our No on 90 coalition for your approval. As of this writing, final language is not available; however, we hope to have language sent to you at the earliest possibility prior to your meeting on March 29.

Background. Recall that CSAC staff has been part of a discussion with a broad range of stakeholders – taxpayer, homeowner, local government, business, environmental, legislators, and other groups – with the hope of developing a responsible eminent domain reform measure that could be presented to voters in 2008.

We are nearing preliminary agreement among stakeholders on a concept for a legislative proposal that includes a constitutional amendment and a companion statutory measure.

The concept being developed by the coalition, along with our legal and political advisors, includes constitutional restrictions that prohibit owner-occupied residences from being taken by eminent domain for transfer to a private entity. The proposal also focuses on restrictions on the use of eminent domain on property on which a small business operates for transfer to another private party. Again, much of this language is being debated and fine-tuned among a range of stakeholders. We hope to have a final draft for you to review by March 29.

Our coalition also filed language for a ballot initiative with the Attorney General's office, attached. This measure is intended to challenge other measures that have already been filed or could be filed with the Attorney General for signature-gathering for a 2008 ballot. In the event that our legislative strategy is unsuccessful, this measure also provides the coalition the opportunity to offer voters a reasonable alternative to more draconian measures. Again, this is not our preferred approach and our immediate focus is securing the passage of a legislative solution.

A matrix outlining various existing eminent domain proposals is attached, in addition to the coalition initiative language currently awaiting title and summary.

Policy Considerations. Recall that the Government Finance and Operations Policy Committee recommended and the CSAC Board of Directors adopted "Eminent



1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

Domain/Redevelopment Principles” at its meeting in November. These principles give staff direction as to how to approach legislative and initiative measures that address the use of eminent domain and redevelopment. The principles specifically address eminent domain use:

Counties recognize that eminent domain is a necessary and useful tool for important public projects. However, counties also recognize the importance of protecting private property from eminent domain for the purposes of private development.

Action Requested. If the Committee can review the draft language in a timely manner, staff requests approval of the proposal. Staff will report regularly on the progress of this issue to members on an ongoing basis.

Staff Contact. Please contact Jean Kinney Hurst (jhurst@counties.org or (916) 327-7500 x515) for additional information.

RECEIVED

FEB 27 2007

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

February 26, 2007

07 - 0006

VIA PERSONAL DELIVERY

The Honorable Edmund G. Brown, Jr.
Attorney General
1300 I Street
Sacramento, CA 95814

Attention: Patricia Galvan, Initiative Coordinator

Re: Request for Title and Summary- Initiative Constitutional Amendment

Dear Mr. Brown:

I am one of the proponents of the attached initiative constitutional amendment. Pursuant to Article II, Section 10(d) of the California Constitution and Section 9002 of the Elections Code, I hereby request that a title and summary be prepared. Enclosed is a check for \$200.00. My residence address is attached.

All inquiries or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814; Attention: Steve Lucas (telephone: 415/389-6800).

Thank you for your assistance.

Sincerely,

Christopher K. McKenzie, Proponent

Enclosure: Proposed Initiative

RECEIVED

FEB 27 2007

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

February 26, 2007

07-0006

VIA PERSONAL DELIVERY

The Honorable Edmund G. Brown, Jr.
Attorney General
1300 I Street
Sacramento, CA 95814

Attention: Patricia Galvan, Initiative Coordinator

Re: Request for Title and Summary- Initiative Constitutional Amendment

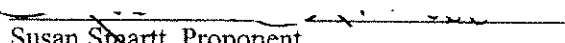
Dear Mr. Brown:

I am one of the proponents of the attached initiative constitutional amendment. Pursuant to Article II, Section 10(d) of the California Constitution and Section 9002 of the Elections Code, I hereby request that a title and summary be prepared. Enclosed is a check for \$200.00. My residence address is attached.

All inquires or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814; Attention: Steve Lucas (telephone: 415/389-6800).

Thank you for your assistance.

Sincerely,


Susan Smartt, Proponent

Enclosure: Proposed Initiative

RECEIVED

FEB 27 2007

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

February 23, 2007

- 0 7 - 0 0 0 6

VIA PERSONAL DELIVERY

The Honorable Edmund G. Brown, Jr.
Attorney General
1300 I Street
Sacramento, CA 95814

Attention: Patricia Galvan, Initiative Coordinator

Re: Request for Title and Summary- Initiative Constitutional Amendment

Dear Mr. Brown:

I am one of the proponents of the attached initiative constitutional amendment. Pursuant to Article II, Section 10(d) of the California Constitution and Section 9002 of the Elections Code, I hereby request that a title and summary be prepared. Enclosed is a check for \$200.00. My residence address is attached.

All inquires or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814; Attention: Steve Lucas (telephone: 415/389-6800).

Thank you for your assistance.

Sincerely,

Kenneth Willjs, Proponent

Enclosure: Proposed Initiative

TITLE: This measure shall be known as the "Homeowners and Private Property Protection Act."

SECTION 1: PURPOSE AND INTENT

By enacting this measure, the people of California hereby express their intent to:

- A. Protect their homes from eminent domain abuse.
- B. Prohibit government agencies from using eminent domain to take an owner-occupied home to transfer it to another private owner or developer.
- C. Amend the California Constitution to respond specifically to the facts and the decision of the U.S. Supreme Court in *Kelo v. City of New London*, in which the Court held that it was permissible for a city to use eminent domain to take the home of a Connecticut woman for the purpose of economic development.
- D. Respect the decision of the voters to reject Proposition 90 in November 2006, a measure that included eminent domain reform but also included unrelated provisions that would have subjected taxpayers to enormous financial liability from a wide variety of traditional legislative and administrative actions to protect the public welfare.
- E. Provide additional protection for property owners without including provisions, such as those in Proposition 90, which subjected taxpayers to liability for the enactment of traditional legislative and administrative actions to protect the public welfare.
- F. Maintain the distinction in the California Constitution between Section 19, Article I, which establishes the law for eminent domain, and Section 7, Article XI, which establishes the law for legislative and administrative action to protect the public health, safety and welfare.
- G. Provide a comprehensive and exclusive basis in the California Constitution to compensate property owners when property is taken or damaged by state or local governments, without affecting legislative and administrative actions taken to protect the public health, safety and welfare.

SECTION 2: AMENDMENT TO THE CALIFORNIA CONSTITUTION

Section 19 of Article I of the California Constitution is hereby amended to read:

Sec. 19. (a) Private property may be taken or damaged for a public use and only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation.

(b) The State and local governments are prohibited from acquiring by eminent domain an owner-occupied residence for conveyance to a private person.

(c) Subdivision (b) of this Section does not apply when the acquisition of private property by eminent domain is for a Public work or improvement or when State or local government exercises the power of eminent domain to abate a nuisance; to protect public health and safety from building, zoning or other code violations; to prevent serious, repeated criminal activity; to respond to an emergency; or to remedy environmental contamination that poses a threat to public health and safety.

(d) For the purpose of this section:

- 1. "Conveyance" means a transfer of real property whether by sale, lease, gift, franchise, or otherwise.*
- 2. "Local government" means any city, including a charter city, county, city and county, school district, special district, authority, regional entity, redevelopment agency, or any other political subdivision within the State.*
- 3. "Owner-occupied residence" means real property that is improved with a single family residence such as a detached home, condominium, or townhouse and that is the owner or owners' principal place of residence for at least one year prior to the State or local government's initial written offer to purchase the property. Owner-occupied residence also includes a residential dwelling unit attached to or detached from such a single family residence which provides complete independent living facilities for one or more persons.*
- 4. "Person" means any individual or association, or any business entity, including, but not limited to, a partnership, corporation, or limited liability company.*
- 5. "Public work or improvement" means facilities or infrastructure for the delivery of public services such as education, police, fire protection, parks, recreation, emergency medical, public health, libraries, flood protection, streets or highways, public transit, railroad, airports and seaports; utility, common carrier or other similar projects such as energy-related, communication-related, water-related and waste-water-related facilities or infrastructure; projects identified by a State or local government for recovery from natural disasters; and private uses incidental to, or necessary for, the Public work or improvement.*
- 6. "State" means the State of California and any of its agencies or departments.*

SECTION 3. The meaning of the terms in subdivision (a) of Section 19, Article I of the California Constitution, including, without limitation, "taken," "damaged," "public use," and "just compensation," are deliberately not changed by this measure.

SECTION 4. The provisions of Section 19, Article I, together with the amendments made by this initiative, are the exclusive and comprehensive basis in the California Constitution for providing compensation to property owners when private property is

taken or damaged by state or local government. Nothing in this initiative shall limit the ability of the Legislature to provide compensation in addition to that which is required by Section 19 of Article I to property owners whose property is taken or damaged by eminent domain.

SECTION 5. The amendments made by this initiative shall not apply to the acquisition of real property if the initial written offer to purchase the property was made on or before January 1, 2008, and a resolution of necessity to acquire the real property by eminent domain was adopted on or before December 31, 2008.

SECTION 6. The words and phrases used in the amendments to Section 19, Article I of the California Constitution made by this initiative which are not defined in subdivision (d), shall be defined and interpreted in a manner that is consistent with the law in effect on January 1, 2007 and as that law may be amended or interpreted thereafter.

SECTION 7. The provisions of this measure shall be liberally construed in furtherance of its intent to provide homeowners with protection against exercises of eminent domain in which an owner-occupied residence is subsequently conveyed to a private person.

SECTION 8. The provisions of this measure are severable. If any provision of this measure or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SECTION 9. In the event that this measure appears on the same statewide election ballot as another initiative measure or measures that seek to affect the rights of property owners by directly or indirectly amending Section 19, Article I of the California Constitution, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and each and every provision of the other measure or measures shall be null and void.

HOWARD JARVIS
TAXPAYERS
ASSOCIATION



HOWARD JARVIS, Founder (1903-1986)
ESTELLE JARVIS, Honorary Chairwoman
JON COUPAL, President
TREVOR GRIMM, General Counsel
TIMOTHY BITTLE, Director of Legal Affairs

Amdt. #18

February 28, 2007

RECEIVED

FEB 28 2007

**INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE**

Ms. Patrician Galvan
Initiative Coordinator
Attorney General's Office
1515 K Street, 6th Floor
Sacramento, CA 95814

Re: Proposed Initiative No. 07-0003

Dear Ms. Galvan,

Enclosed please find the complete text of an amended version of Proposed Initiative No. 07-0003, which we submitted for title and summary on or about February 13, 2007. Please substitute this version for the one previously filed. Thank you for assistance. If there is a problem, or if you have any questions, please call Jon Coupal at 916-444-9950.

Sincerely,

Doug Mosebar
President, California
Farm Bureau Federation

Jon Coupal
President, Howard Jarvis
Taxpayers Association

Jim Nielsen
Chairman, Cal. Alliance to
Protect Private Property
Rights

SECTION 1. STATEMENT OF FINDINGS

(a) Our state Constitution provides that all people have inalienable rights including the right to acquire, possess, and protect property.

(b) Our Constitution further provides that no person shall be deprived of property without due process of law.

(c) Finally, our Constitution provides that private property may not be taken or damaged by government except for public use and only after just compensation has been paid to the property owner.

(d) Notwithstanding these clear constitutional guarantees, the courts have not protected our rights from being violated by state and local governments through the exercise of their powers to take and regulate private property.

(e) For example, the United States Supreme Court, in *Kelo v. City of New London*, permitted a city to use eminent domain to take private property for the purpose of transferring ownership to a private developer. In another recent case, the Court allowed the government to impose regulations on the price an owner could charge for its property, with no requirement that the regulations advance a legitimate government interest.

SECTION 2. STATEMENT OF PURPOSE

(a) State and local governments may use their power to take and regulate private property only for public uses, such as roads, parks, and public facilities, for land-use planning and zoning, or to preserve the health and safety of their citizens.

(b) When state or local governments take or regulate private property for public uses, the owner shall receive just compensation for what has been taken or damaged.

(c) Therefore, the people of the state of California hereby enact the "California Property Owners Protection Act."

SECTION 3. AMENDMENT TO CALIFORNIA CONSTITUTION

Section 19 of Article I of the California Constitution is amended to read:

SEC. 19(a) Private property may be taken or damaged only for a stated public use and when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for

V.11 (02/28/07)

possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation. Private property may not be taken or damaged for private use.

(b) For purposes of this section:

(1) "Taken" includes the transfer of ownership, occupancy or use of property from a private owner to a public agency or to any person or entity other than a public agency.

(2) "Damaged" includes actions by a public agency denying reasonably expected, economically viable or productive uses of real property by the owner. It does not mean such actions that are undertaken:

(i) to preserve the health and safety of its citizens, including the abatement of public nuisances or criminal activity; or

(ii) as land-use planning, zoning, or use restrictions that substantially advance a legitimate government interest and do not deny a private owner economically viable or productive use of his property, including his reasonable investment-backed expectations;

provided such actions under subdivision (i) or (ii) do not limit the price a property owner may charge another person to purchase, occupy or use his real property; or

(iii) to preserve land for, or to protect land from encroaching uses that would jeopardize its use for, customary husbandry practices in the raising of food, fiber, livestock, or other agricultural products, including timber.

(3) "Public use" means:

(i) use and ownership by a public agency or a regulated public utility for the public use stated at the time of the taking, including public facilities, public transportation, and public utilities; or

(ii) primarily for the use, enjoyment, or protection of the public generally;

except that nothing herein prohibits leasing limited space for private uses incidental to the stated public use; nor is the exercise of eminent domain prohibited to restore utilities or access to a public road for any private property which is cut off from utilities or access to a public road as a result of a taking for public use as otherwise defined herein.

(4) "Private use" means:

(i) transfer of ownership, occupancy or use of private property or associated property rights to any person or entity other than a public agency or a regulated public utility;

(ii) transfer of ownership, occupancy or use of private property or associated property rights to a public agency for the consumption of natural resources or for the same or a substantially similar use as that made by the private owner; or

(iii) regulation of the ownership, occupancy or use of privately owned real property or associated property rights in order to transfer an economic benefit to one or more private persons at the expense of the property owner.

(5) "Public agency" means the state, special district, county, city, city and county, including a charter city or county, and any other local or regional governmental entity, municipal corporation, public agency-owned utility or utility district, or the electorate of any public agency.

(6) "Just compensation" means:

(i) for property or associated property rights taken, its fair market value; or

(ii) for property or associated property rights damaged, the value fixed by a jury, or by the court if a jury is waived; and

(iii) an award of reasonable costs and attorney fees from the public agency if the property owner obtains a judgment for more than the amount offered by a public agency as defined herein; and

(iv) any additional actual and necessary amounts to compensate the property owner for temporary business losses, relocation expenses, business reestablishment costs, other actual and reasonable expenses incurred and other expenses deemed compensable by the Legislature.

(7) "Prompt release" means that the property owner can immediately have possession of the money deposited by the condemnor without prejudicing his right to challenge the determination of fair market value or his right to challenge the taking as being for a private use.

(8) "Owner" includes a lessee whose property rights are taken or damaged.

(9) "Regulated public utility" means any public utility as described in Article XII, section 3 that is regulated by the California Public Utilities Commission and is not

V.11 (02/28/07)

owned or operated by a public agency. Regulated public utilities are private property owners for purposes of this article.

(c) In any action by a property owner challenging the validity of a taking or damaging of his property under this section, the court shall consider all relevant evidence and exercise its independent judgment, not limited to the administrative record and without deference to the findings of the public agency. The property owner shall be entitled to an award of reasonable costs and attorney fees from the public agency if the court finds that the agency's actions are not in compliance with this section.

(d) Nothing in this section prohibits a public agency or regulated public utility from reaching an agreement with a private property owner regarding its action or proposed action, including the repeal or amendment of the action, or payment of just compensation.

(e) If property is acquired by a public agency through eminent domain, then before the agency may put the property to a use substantially different from the stated public use, or convey the property to another person or unaffiliated agency, the condemning agency must make a good faith effort to locate the private owner from whom the property was taken, and make a written offer to sell the property to him at the price which the agency paid for the property, increased only by the fair market value of any improvements, fixtures, or appurtenances added by the public agency, and reduced by the value attributable to any removal, destruction or waste of improvements, fixtures or appurtenances that had been acquired with the property. If property is repurchased by the former owner under this subdivision, it shall be taxed based on its pre-condemnation enrolled value, increased or decreased only as allowed herein, plus any inflationary adjustments authorized by subdivision (b) of Section 2 of Article XIII A. The right to repurchase shall apply only to the owner from which the property was taken, and does not apply to heirs or successors of the owner or, if the owner was not a natural person, to an entity which ceases to legally exist.

(f) Nothing in this section prohibits the California Public Utilities Commission from regulating public utility rates.

(g) Nothing in this section shall restrict the powers of the Governor to take or damage private property in connection with his powers under a declared state of emergency.

SECTION 4. IMPLEMENTATION AND AMENDMENT

This section shall be self-executing. The Legislature may adopt laws to further the purposes of this section and aid in its implementation. No amendment

to this section may be made except by a vote of the people pursuant to Article II or Article XVIII.

SECTION 5. SEVERABILITY

The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SECTION 6. EFFECTIVE DATE

This section shall become effective the day following the election pursuant to section 10(a) of Article II, except that any action by a public agency enacted prior to January 1, 2007, that limits the price a property owner may charge a tenant to occupy residential property may remain in effect until the first day of the thirty-seventh month following the effective date of this section; provided that if, at any time after the effective date of this section, an individual rental unit or mobile home space is vacated by all the tenants thereof, then this section shall be effective immediately as to that unit or space.

Side-by-Side Comparison of 2007 Eminent Domain Constitutional Reform Proposals as of 2/22/07

	<u>Jarvis I (Nov 21, 2006)</u>	<u>Jarvis II (Feb 13, 2007)</u>	<u>SCA 1</u>	<u>ACA 2</u>
Stated Use	Stated public use	Same as Jarvis I (Nov 21, 2006)	Stated use only, plus public or private incidental other uses	Stated use only
If Stated Use Ceases	If w/in 5 yrs, offered to owner at FMV	Must offer to previous owner at price agency paid plus improvements minus unimprovements	If w/in 10 yrs, owner can buy at FMV	No provision
Transfer to Private	May not take (private to non-public) or damage (deny econ. viable uses, inc. limiting price for sale, occupation or use) for private use (inc. providing econ benefit to one or more privates at expense of property owner)	"Private property may not be taken or damaged for private use," including: 1) Transfer to pub. agency for consumption of natural resources, 2) Regulation to transfer economic benefit to privates at expense of owner	Can't take or damage for any private use (eg. tax revenue, econ. dev.), nor to maintain present use	RDA, CDC, JPA can't take to transfer to private...
Exceptions	<ul style="list-style-type: none"> - Damage doesn't include: health/safety actions; planning/zoning restriction that substantially advances legitimate gov't interest and doesn't deny economically viable use, including reasonable investment-backed expectations; land preservation for food/fiber/etc - 'Public use' includes investor-owned pub util. - Limited incidental private uses - Gov's declared state of emergency - PUC rate regulation 	<ul style="list-style-type: none"> - Damage doesn't include: health/safety actions, planning/zoning restriction that substantially advances legit. gov't interest and doesn't deny econ. viable use, inc. reasonable invest.-backed expectations, all provided no limit on price to buy, use, or occupy, and land preservation for food/fiber/etc - 'Public use' includes investor-owned pub util. - Gov's declared state of emergency - Limited incidental private lease OK - OK to e.d. to restore util. or road access to property cut off by taking 	Owned/occupied only by condemnor or other gov't in agreement w/ condemnor or leased to entity regulated by PUC	...except to transfer to public utility
Just Compensation	<ul style="list-style-type: none"> - FMV of property or associated prop. rights taken - Value fixed by jury or court for damage to prop. - Reasonable attorney fees, if low-balled - Temp. business losses, relocation, other consequences decided by Legislature 	Same as Jarvis I (Nov 21, 2006)	Includes cost of acquiring comparable property, all costs and losses due to condemnation (income, business good will), attorney's fees (if low-balled)	No provision

Side-by-Side Comparison of 2007 Eminent Domain Constitutional Reform Proposals as of 2/22/07

Effective Date	Agency action that results in continuing damage to private prop. for private use is null/void at start of next FY; applies immediately to e.d. proceeding where no final adjudication	Agency action from before 1/1/07 that controls rent can stay for 36 months unless tenant moves out before that	Affects actions begun or pending 6/23/05 unless completed and not appealable	Affects new and pending projects unless resolution of necessity adopted prior to effective date
Getting the Money	Owner's acceptance of deposited money shall not prejudice right to challenge amount	Same as Jarvis I (Nov 21, 2006)	Acceptance of deposited money doesn't prejudice right to challenge amount	No provision
Administrative Record/Judicial Deference to Findings	Court to consider all relevant evidence, not limited to admin. record and w/o deference to agency findings	Same as Jarvis I (Nov 21, 2006)	In court action, owner not limited to administrative record; court shall not defer to legislative findings	No provision
Other Notes		"Owner" includes lessee whose property rights are taken or damaged	Does not apply to criminal asset forfeiture	Where attempt made to acquire property by e.d. has been "stated or otherwise implied"



Redevelopment & Eminent Domain

County Policy Principles

Preamble

Counties believe that redevelopment is, and can continue to be, a useful tool in combating economic and physical blight in California communities. However, counties also recognize that reforms to redevelopment law are needed to ensure that a balance exists between revitalizing blighted areas, protecting private property, and ensuring that counties can continue providing important local programs and services to our citizens.

Fundamental Principles

Eminent Domain

Counties recognize that eminent domain is a necessary and useful tool for important public projects. However, counties also recognize the importance of protecting private property from eminent domain for the purposes of private development.

Definition of Blight

Counties support efforts to further tighten the statutory definition of "blight" to ensure appropriate use of tax increment revenues in the neediest communities and to avoid abuse of redevelopment powers. Counties oppose exceptions to the blight definition or broadening of the blight definition for any purpose.

Tax Increment Financing

While the Constitution allows tax increment financing for redevelopment purposes, counties oppose extension of redevelopment time limits that would require additional tax increment financing without the consent of the other taxing entities. Further, counties oppose the use of tax increment financing for purposes other than redevelopment without the consent of the other taxing entities.

Merged RDA Areas

Reform redevelopment by prohibiting the creation of new merged redevelopment project areas unless a finding of blight is made for each of the project areas proposed for merger. These blight findings must meet the same standards as apply to a new redevelopment area being formed. In addition, the merger plan must demonstrate that the tax increment from the merged project areas is dedicated to the elimination of blight in all of the merged project areas.

Public Accountability

Counties support measures that offer additional scrutiny of redevelopment decisions, including extension of timelines for referenda, extension of timelines for filing lawsuits, and additional disclosure/communication to property owners.

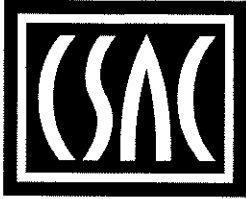
Oversight

Counties support greater oversight of redevelopment activities and opportunity for county input in oversight activities.

Low- and Moderate-Income Housing

Counties recognize and support the important role of redevelopment in providing funding for affordable housing.





Economic Development Policy Committee

CSAC Legislative Conference

Wednesday, March 28, 2007 · 2:00 – 4:00 p.m.

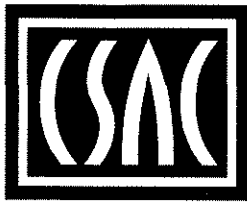
Sheraton Grand Hotel · Tofanelli Room · Second Level

Sacramento, California

DRAFT 03/14/2007

Supervisor Liz Kniss, Santa Clara County, Chair
Supervisor Jon McQuiston, Kern County, Vice Chair

- 2:00 p.m. **I. Welcome and Introductions**
- Supervisor Liz Kniss, *Santa Clara County*
- 2:10 – 2:30 **II. Update on Counties and Military Affairs**
- Ned McKinley, *Joint Land Use Studies, Governor's Office of Planning and Research*
- 2:30 – 3:30 **III. California's Economic Development Challenges: Legislation and Vision**
- Toni Symonds, *Chief Consultant, Assembly Committee on Jobs, Economic Development, and the Economy*
- 3:30 – 3:55 **IV. CSAC and CALED: Identifying Priorities and Resources**
- Paula Connors, *Executive Director, California Enterprise Development Authority within the California Association for Local Economic Development*
- 3:55 – 4:00 **V. CDBG Update**
- CSAC Staff
- VI. Closing Comments**
- Supervisor Liz Kniss, *Santa Clara County*



Agriculture and Natural Resources Policy Committee

CSAC Legislative Conference

Wednesday, March 28, 2007 · 2:00 – 4:00 p.m.

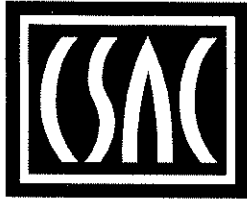
**Sheraton Grand Sacramento · Gardenia Ballroom Level
Sacramento, California**

Supervisor Jeff Morris, Trinity County, Chair Supervisor Mike Nelson, Merced County, Vice Chair

- 2:00 p.m. **I. Welcome and Introductions**
*Supervisor Jeff Morris, Trinity County
Supervisor Mike Nelson, Merced County*
- 2:10 p.m. **II. California Agriculture Outlook for 2007**
*Secretary A.G. Kawamura, California Department of Food and
Agriculture
Eric Stein, Deputy Director, California Department of Food and
Agriculture*
- 2:30 p.m. **III. Global Warming/Climate Change:**
• **State Activities Regarding Climate Change: Implications for
Counties**
Howard Choy, Los Angeles County

• **Report on NACo Global Warming Resolution**
Supervisor Susan Adams, Marin County
- 2:55 p.m. **IV. Community Forest Stewardship**
*Supervisor Jeff Morris, Trinity County, Chair
Pat Frost, Director, Trinity County Resource Conservation District*
- 3:15 p.m. **V. CSAC Flood Protection Policy Working Group Report**
*Supervisor Roger Dickinson, Sacramento County – Chair, CSAC Flood
Protection Policy Working Group
Karen Keene, CSAC Legislative Representative*
- 3:30 p.m. **VI. Update: Office of Inspector General Audit of U.S. Forest
Service**
Fire Chief Ken Masucco, Marin FPD
- 3:50 p.m. **VII. CSAC County Platform Revision Update**
Karen Keene, CSAC Legislative Representative
- 4:00 p.m. **VIII. Closing Comments and Adjournment**
*Supervisor Jeff Morris, Trinity County
Supervisor Mike Nelson, Merced County*

**Note: Next Meeting is scheduled for Wednesday, June 13, 10:00 a.m. – 2:00 p.m.,
CSAC Building, 1100 K Street, Suite 101, First Floor Conference Room**



CSAC Legislative Conference
Administration of Justice Policy Committee
Wednesday, March 28, 2007 · 10 a.m. – 12 noon
CSAC Conference Center · 1020 – 11th Street, 2nd Floor
Between J & K Streets · Sacramento, CA

Supervisor John F. Silva, Solano County, Chair
Supervisor Ronn Dominici, Madera County, Vice Chair

- | | | |
|-----------------|-------|---|
| 10:00 a.m. | I. | Welcome and Introductions
<i>Supervisor John Silva, Solano County</i> |
| 10:05 – 11:00 | II. | Corrections Reform – ACTION ITEM <ul style="list-style-type: none">▪ <i>Adult Proposal: Nick Warner, Legislative Director, California State Sheriffs' Association</i>▪ <i>Juvenile Proposal: Karen Pank, Executive Director, Chief Probation Officers of California</i> |
| 11:00 – 11:10 | III. | Medical Benefits for the Detained – NACo Advocacy Effort
<i>Elizabeth Howard, CSAC Legislative Representative</i> |
| 11:10 – 11:20 | IV. | Booking Fees Update
<i>Elizabeth Howard, CSAC Legislative Representative</i> |
| 11:20 – 11:30 | V. | Sex Offender Placement: Report from March 19 Summit
<i>Elizabeth Howard, CSAC Legislative Representative</i> |
| 11:30 – 11:45 | VI. | CDCR Policy on Mental Health Services for Parolees
<i>Elizabeth Howard, CSAC Legislative Representative; Rosemary Lamb, CSAC Legislative Analyst</i> |
| 11:45 – 12 noon | VII. | Legislative Update
<i>Elizabeth Howard, CSAC Legislative Representative</i> <ul style="list-style-type: none">▪ <i>Court Facilities – SB 145 (Corbett)</i>▪ <i>Court Fees – AB 227 (Beall)</i>▪ <i>Public Interest Attorney Loan Repayment Program – AB 171 (Beall)</i> |
| 12 noon | VIII. | Closing Remarks and Adjournment
<i>Supervisor John Silva, Solano County</i> |



March 13, 2007

TO: CSAC Board of Directors

FROM: Elizabeth Howard
CSAC Legislative Representative, Administration of Justice

RE: **Governor's Corrections Reform Proposal – ACTION ITEM**

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327-7500

Facsimile
916.441.5507

Requested Action: Review and take action on Governor's revised corrections reform proposal (not yet available)

As you are aware, Governor Arnold Schwarzenegger included in his 2007–08 January budget proposal a comprehensive corrections reform plan that, among other elements, contemplated a significant investment in jail and prison expansion, with a concomitant shift in responsibility for certain adult and juvenile offender populations. As introduced, the Governor's plan contained elements that elicited broad concerns, most specifically the element that would have asked counties to house in local facilities offenders convicted of certain wobblers who otherwise would have served sentences of up to three years in state prison.

In breaking news today, the Governor's Office revealed that they are reformulating their Corrections Reform package, but have yet to release any details in writing regarding the contours of the new proposal. We understand, however, that the reformulated package will parallel in certain aspects the substitute proposal the California State Sheriffs' Association has recently circulated. We do not know how, if at all, any of the other elements of the Governor's original proposal (e.g., juvenile realignment, investment in adult probation services, creation of Sentencing Commission) will be affected by the revisions now underway.

The sheriffs' substitute proposal, which we understand to be an alternative only for the adult corrections portion of the Governor's package (i.e., infrastructure expansion of local and state adult detention facilities, including reentry facilities), would do all of the following:

- Abandon the concept of committing state prison inmates to local facilities for up to three years;
- Expand the re-entry facility proposal as contained in the Governor's budget to a more broad state/local detention facilities plan that would seek to construct 36,000 community re-entry facility beds statewide for joint state/local use;
- Provide for a county "opt-in";

- Require that the state and each county that opts in to negotiate a contract that would address facility size, population to be served, programming, and operational staffing, among other details;
- Permit the housing of various populations in the facility, including 1. Offenders who now occupy traditional county jail beds; 2. Parole violators who now are in county jail; and 3. State prison inmates close to their parole date (i.e., the original population targeted for the re-entry facility); and
- Stipulate that costs (construction and operational) will be split between the state and county proportionate to the number of state and local beds and require that a local match only apply to the portion of beds that are to be for local use.

(A copy of the sheriffs' proposal is attached for reference.)

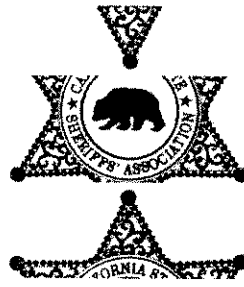
While this proposal contains some positive elements for counties — namely, it moves away from the very problematic proposal regarding three-year commitments of state prisoners in county jails, and it provides for a county opt-in — there are a number of policy, fiscal, and operational details that need further fleshing out.

The CSAC Administration of Justice (AOJ) Committee will meet on Wednesday, March 28 in conjunction with the Spring Legislative Conference, where they will consider a staff recommendation on the Governor's revised corrections reform proposal. At this time, with very few details available, we do not have sufficient basis to recommend a specific action to either the AOJ policy committee or to the Board of Directors. However, over the coming days, we anticipate receiving more information regarding the direction of the Governor's proposal that will permit us to more fully develop a recommended action.

In the meantime, we also are attaching the county "manifesto" — *Partnering for Corrections Reform: Counties Seek an Inclusive Policy-Making Process* — that we developed largely in response to feedback provided by the CSAC Executive Committee and Board of Directors members during their respective meetings in February. We have been using (and will continue to use) this county policy directive in all our interactions with the Administration, Legislature, Department of Finance, and other stakeholders as these most important discussions move forward.

cc: Steve Keil, CSAC Interim Executive Director

Attachment



Officers

President
Gary Penrod
Sheriff, San Bernardino County

1st Vice President
Laurie Smith
Sheriff, Santa Clara County

2nd Vice President
Ed Bonner
Sheriff, Placer County

Secretary
Clay Parker
Sheriff, Tehama County

Treasurer
Curtis Hill
Sheriff, San Benito County

Sergeant-at-Arms
Mark Pazin
Sheriff, Merced County

Immediate Past President
Bill Kolender
Sheriff, San Diego County

Sergeant-at-Arms, Emeritus
Al Cooper

Directors

Jim Allen
Sheriff, Mariposa County

Bob Brooks
Sheriff, Ventura County

Mike Carona
Sheriff, Orange County

Bill Cogbill
Sheriff, Sonoma County

Jim Denney
Sheriff, Sutter County

Dennis Downum
Sheriff, Calaveras County

Bob Doyle
Sheriff, Riverside County

Pat Hedges
Sheriff, San Luis Obispo County

Mike Kanalakis
Sheriff, Monterey County

John McGinness
Sheriff, Sacramento County

Keith Royal
Sheriff, Nevada County

Presidents' Counsel

Robert Doyle
Sheriff, Marin County

Warren Rupf
Sheriff, Contra Costa County

Steve Szalay
Executive Director

Nick Warner
Legislative Director

Martin J. Mayer
General Counsel

California State Sheriffs'

Organization Founded by the Sheriffs in 1894

STATE/LOCAL DETENTION FACILITIES PLAN FOR OVERCROWDING: JOINT STATE/LOCAL PROPOSAL FOR THE STATE BUDGET FY 2007-08

1. Community Re-entry Facilities (CRF). Establish a Community Re-entry Facility construction program with the goal of constructing 36,000 beds throughout California to house an equal number of state and local inmates. Qualified state inmates who have 12-18 months remaining on their sentences would serve their final months prior to release in the Community Re-entry Facility nearest to their homes. The state could also send new inmates to the CRFs for the purpose of conducting risk assessments to be used in the development of a re-entry plan at the start of their incarceration.

The CRFs would offer inmates a wide variety of program components designed to help them make a smooth transition from incarceration back to their communities as law abiding, productive citizens. Examples of programs include vocational training, vocational counseling, mental health treatment, housing counseling, substance abuse treatment, other training and counseling services.

These CRFs would be developed on a county-by-county and/or regional basis. Variables could include size, types of programs to be offered, operational staffing, etc. For example, a new CRF could be operated by the county, the state, a combination of county and state, or by a contract depending on agreements worked out between the county and the state. County and state officials would work together to develop the facility that is most beneficial for the county and/or region.

Funding for this CRF construction program will be \$4 billion in state funds with a 25% local match for local beds. The resultant \$4.5 billion is estimated to yield 36,000 beds (\$125,000 per bed). Operational funding would be split between state and counties based on the percentage of beds in each CRF. Construction funding will be secured through revenue or lease revenue bonds, or certificates of participation issued by counties or JPAs in the case of regional facilities. Debt service will split between the state and counties in the same percentage as operational costs.

Advantages to State:

- Provides a creative method to construct approximately 18,000 new beds that will help ease overcrowding.
- Would provide another 6,400 beds if the \$1.6 billion allocated for "state re-entry facilities" was added to the community re-entry facility (CRF) proposal.
- Allows for flexibility in both the construction phase and ongoing operation of the new CRFs.
- Provides new beds faster than the "3 years and under sentenced inmate" transfer proposal.
- Provides a new approach to rehabilitation of inmates to improve their smooth assimilation into the community and reduce recidivism.
- Does not add to the state's bond inventory.
- Treats the state/local, prison/jail components of the state system as a whole coordinated system.
- Local program service providers can be used because the CRFs will be constructed locally.

1450 Halyard Dr, Ste 6 ★ West Sacramento, California 95691-5001

P O Box 980790 ★ West Sacramento, California 95798-0790

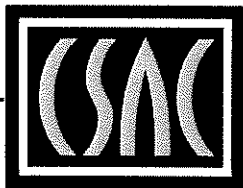
Telephone 916/375-8000 ★ Fax 916/375-8017 ★ Website calsheriffs.org ★ e-mail cssa@calsheriffs.org

Advantages to Counties:

- Provides a creative method to construct approximately 18,000 new beds that will help ease overcrowding and early release of sentenced inmates.
- Would provide another 6,400 beds if the \$1.6 billion allocated for "state re-entry facilities" was added to the community re-entry facility (CRF) proposal.
- Allows for flexibility in both the construction phase and ongoing operation of the new CRFs.
- Provides new beds faster and reduces the early release of sentenced inmates faster than the "3 years and under sentenced inmate" transfer proposal.
- Provides a new approach to rehabilitation of inmates to improve their smooth assimilation into the community and reduce recidivism.
- Creates a secure state revenue stream for servicing the local revenue, lease revenue or certificate of participation bonds.
- Treats the state/local, prison/jail components of the state system as a whole coordinated system.
- Local program service providers can be used because the CRFs will be constructed locally.

2. Adult Probation Supervision. Increase funding \$50 million in local assistance for county probation departments to target at risk 18-25 year old probation population. This investment will increase to \$100 million in 2008-09.

SCS/NW/cmc



California State Association of Counties

PARTNERING FOR CORRECTIONS REFORM: COUNTIES SEEK AN INCLUSIVE POLICY-MAKING PROCESS

FEBRUARY 2007

The Governor's 2007–08 budget proposes bold changes to the state and local corrections systems. In addition to making a significant investment in the expansion of local adult and juvenile facilities, the reform proposal also contemplates shifting responsibility for certain adult and juvenile offenders to county control and supervision. The plan proposes establishment of re-entry facilities to more successfully transition offenders back into the communities; would make a significant invest in adult probation services; and create a sentencing commission. California counties have a great deal at stake in these discussions and will be working to define a clear path for communication and coordination to assure meaningful county input in these discussions.

- × **Systems are linked; solutions should be, too.** Counties must be active participants in any effort to improve the corrections system in our state. Local and state corrections systems are inextricably connected, and it is rational to collectively pursue policy decisions about how to best manage offenders who are now in or will be returning to our communities; about how to make smart investments earlier on in the continuum of criminality to divert likely offenders from detention; and about how we can make most productive use of offenders' time when they are detained – either at the local or state level.
- × **What is at stake?** There is a great deal at stake for counties in the context of these reform discussions — both financially and operationally. While there are many key county interests who must bring to bear their expertise in defining technical elements of the reform package, it is ultimately county boards of supervisors and county administrators who will have to face the realities of implementing a reform plan. Counties in the broadest sense will have the responsibility of balancing the financial and operational demands that will necessarily accompany the Administration's current corrections proposals against the other significant responsibilities we are entrusted to carry out — from foster care to health care to elections and land use, among others.
- × **Can the state and counties work toward shared objectives?** Counties and the state share an identical constituent base. By focusing on results both in the form of improved offender outcomes and community safety, we can build a meaningful and mutually beneficial state-county partnership. Our refrain for today and throughout this entire process is that we must define a clear path of communication and coordination to assure that broad county interests are appropriately represented and our issues addressed.
- × **The devil is in the details.** The problems that plague the corrections system statewide did not emerge overnight. Counties understand and accept our role and responsibility in the corrections continuum and are willing to contemplate new ways of approaching the problems we share with the state. How we get to a solution and what that solution looks like, however, is not immediately evident and will certainly be costly. For counties, funding is very significant consideration in the context of a reform plan of this scope. Will the funding materialize for counties' proposed new roles and responsibilities? Will it be sufficient, sustained, and protected? These questions color virtually every aspect of counties' perspective on this comprehensive reform proposal. Beyond funding, do counties have the human infrastructure and practical ability to build the capacity necessary to deliver the services contemplated by this proposal? Are our service systems — probation, mental health, substance abuse treatment, health care and social services — prepared and able to take on new challenges and demands? Can we be assured a joint decision making process for determining siting?

- × **Inclusive policymaking.** A plan to reform California's corrections systems — a plan that, in fact, seeks to dramatically reshape both the state and local systems — must include the direct involvement of county governments. A reform plan that is designed without direct, front-end input of county supervisors and administrators, who will be entrusted to carry programs forward, will not succeed.

- × **What is the critical path?** Counties across the state are now examining how the current corrections reform proposal, as we now understand it, will play out in their respective jurisdictions. The immediate response varies from county to county, but there is considerable anxiety over the prospect of new responsibilities, expectations, and relationship. Counties approach this reform proposal with apprehension, but we are nevertheless committed to sitting down and trying to craft solutions to problems that we share with the state — but those solutions must be fiscally and operationally feasible for county governments to carry out. We welcome the opportunity to work with the Legislature, the Administration, the Department of Corrections and Rehabilitation, and all other interest groups in the coming weeks and months.

CSAC Staff Contact: **Elizabeth Howard, Legislative Representative, Administration of Justice**
916/327-7500 x537 ▪ ehoward@counties.org

INSTITUTE FOR LOCAL GOVERNMENT UPDATE



INSTITUTE FOR LOCAL GOVERNMENT

Update on Activities

March 2007

Land Use 101 Session Planned for CSAC Legislative Conference

The Institute is pleased to be collaborating with the County Administrative Officers Association of California to organize a "Land Use 101" session at the CSAC legislative conference. The session is occurring on Wednesday, March 28 from 2-4 in the afternoon in the CSAC Conference Center.

The session will provide participants with nuts and bolts information about such things as:

- Land Use Planning Framework
- Other Laws Relating to Land Use Decision-making
- Intergovernmental Relations
- Elements of Good Decision-Making

Legislative conference attendees, as well as county and state legislative staff have been invited to attend the session.

Institute Receives Grants to Support Youth Engagement

The Institute has received grants from the Surdna Foundation in New York and the Wallace Alexander Gerbode Foundation in San Francisco that will support the local agencies' use of youth commissions throughout California. This work will occur under the aegis of the Institute's Collaborative Governance Initiative.

The Institute has already begun the process of compiling a complete list of youth commissions with staff contact information. The grant will fund the creation of *A Local Official's Guide to Developing Effective Youth Commissions*. The grants also will fund online web dialogues that will allow youth commissioners from around the state to discuss matters of interest and relevance to these commissions.

A collection of stories about youth commission work, highlighting their innovative efforts, will be carried on the Institute's website at www.ca-ilg.org/youthcommissions.

ILG MISSION

*Serving as a trusted source of information
to assist local officials in their service to their communities*

Institute for Local Government Report

March 2007

Page 2

Fiscal Summit Planned for May 17

County finance professionals from the following organizations

- State Association of County Auditors
- California Association of County Treasurers & Tax Collectors
- California Assessors Association
- Probation Business Managers' Association
- California Association of Public Purchasing Officers (includes counties)

and others (including CSAC representatives) are being invited to the third annual Fiscal Summit in May. This invitation-only summit brings together nonprofit associations representing local agency finance professionals and state agencies that are involved in local finance issues.

The purpose of the summit is to enable participating groups and agencies to strengthen relationships, explore common goals and opportunities to collaborate. Issues to be addressed at the Summit include:

- Recruiting the next generation of local agency finance professionals
- How to implement funding and valuation of other post-employment benefit liabilities and communicate this issue to the public? (GASB 45 implementation)
- How to collaborate on tracking new legislation and regulations
- How to collaborate on professional development and training opportunities

The session, which is being organized by the Institute, will be held in Sacramento.

Climate Change Webpages Launched

The beginnings of the Institute's effort to be of service to local agencies on the climate change issue can be viewed at www.ca-ilg.org/climatechange. The pages include links to the California Communities' "Go Solar" effort. Our fundraising for this effort continues. We hope to know more by the board meeting.

New Member of Institute Board

The Institute is delighted to welcome Sharon Jensen, County Administrator, Yolo County, to its board of directors. Sharon has been designated as the County Administrative Officers Association of California's liaison to the Institute Board.

We welcome your ideas and suggestions. Please feel encouraged to contact Institute Executive Director JoAnne Speers at jspeers@ca-ilg.org or 916.658.8233.

G:\INSTITUTE\Local Agency Association Relations\CSAC Relationship\Mar07\EdReportFormatted.doc

CSAC CORPORATE ASSOCIATES REPORT



March 16, 2007

1100 K Street
Suite 101
Sacramento
California
95814

Telephone
916.327.7500
Facsimile
916.441.5507

To: CSAC Board of Directors

From: Craig Schmidt, President
CSAC Corporate Associates
Norma Lammers, CSAC Interim Deputy Director

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

The Corporate Associates Steering Committee had their annual retreat on January 25-26. Frank Bigelow, Connie Conway, and Gary Wyatt all attended the meeting, as well as Jim Keene. Craig Schmidt from PG&E is the president of the Corporate Associates for 2007.

We had very productive discussions about what was needed to reinvigorate the program and staff shared some of the ideas they had for a recruitment portfolio. A copy of this portfolio will be given to you at your Board meeting. If you wish additional copies to provide to any private sector contacts you have, who might be interested in becoming Corporate members of CSAC, please contact Norma Lammers (916) 327-7500 x554, email nlammers@counties.org or Katrina Thompson (916) 327-7500 x512, email kthompson@counties.org.

Calendar of Events

2007

March

- 21 - 22 Regional Council of Rural Counties (RCRC) Board Meeting, Sacramento
- 28 Urban Counties Caucus (UCC) Board of Directors Meeting, Sacramento
- 28 - 29 CSAC Legislative Conference, Sacramento
- 28 - 29 CSAC Corporate Associates Spring Meeting, Sacramento
- 28 - 29 County Administrative Officers Association of California Business Meeting, Sacramento
- 29 CSAC Board of Directors Meeting, Sacramento

April

- 18 - 20 CSAC Finance Corporation Annual Meeting, Carmel, Monterey County

May

- 2 Urban Counties Caucus (UCC) Board of Directors Meeting/Teleconference
- 9 - 10 10th Anniversary Great Valley Center Conference, Sacramento
- 9 - 11 NACo Western Interstate Region Conference, Fairbanks, AK
- 10 CSAC New Supervisors Institute, Session III, Sacramento
- 16 - 17 Regional Council of Rural Counties (RCRC) Board Meeting, Sacramento
- 24 CSAC Executive Committee Meeting, Sacramento

June

- 6 Urban Counties Caucus (UCC) Board of Directors Meeting/Teleconference
- 14 CSAC Board of Directors Meeting, Sacramento
- 20 - 21 Regional Council of Rural Counties (RCRC) Board Meeting, Nevada County

July

- 11 Urban Counties Caucus (UCC) Board of Directors Meeting/Teleconference
- 13 - 17 NACo Annual Conference, Richmond, VA

August

- 1 Urban Counties Caucus (UCC) Board of Directors Meeting/Teleconference
- 15 - 16 Regional Council of Rural Counties (RCRC) Board Meeting, Sacramento
- 23 CSAC Executive Committee Meeting, Sacramento

September

- 5** Urban Counties Caucus (UCC) Board of Directors Meeting/Teleconference
- 19 - 21** Regional Council of Rural Counties (RCRC) Annual Conference, Napa County
- 21** Regional Council of Rural Counties (RCRC) Board Meeting, Napa County
- 26 - 28** CSAC Executive Committee Retreat, Monterey County

October

- 3** Urban Counties Caucus (UCC) Board of Directors Meeting/Teleconference
- 17 - 19** County Administrative Officers Association of California Annual Meeting, Carmel, Monterey County

November

- 13 - 16** CSAC 113th Annual Meeting, Oakland, Alameda County
- 14** Urban Counties Caucus (UCC) Board of Directors Meeting,

Oakland

- 15** CSAC Board of Directors Meeting, Oakland

December

- 5** Urban Counties Caucus (UCC) Board of Directors Meeting/Teleconference
- 12** Regional Council of Rural Counties (RCRC) Board Meeting, Sacramento