

CSAC EXECUTIVE COMMITTEE

BRIEFING MATERIALS

Thursday, August 10, 2023

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



Sutter Club | 1220 9th St, Sacramento, CA 95814

Zoom: <https://us02web.zoom.us/j/85686469152?pwd=Q1V1Um1zaSs2QitnZ3Zqcm9lUXhzUT09>

Conference Line: (669) 900-6833 | Meeting ID: 824 0744 0167 | Password: 962721

California State
Association of Counties



CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE MEETING
Thursday, August 10th, 2023 | 10:00 am – 1:30 pm
Sutter Club | 1220 9th St, Sacramento, CA 95814

Zoom: <https://us02web.zoom.us/j/82407440167?pwd=Nm9NS1Q1K3FiSUFwREZiNmRnQUJoUT09>
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AGENDA

Presiding: Chuck Washington, President

THURSDAY, AUGUST 10

- 10:00 AM **PROCEDURAL ITEMS**
1. Pledge of Allegiance *Page 1*

 2. Roll Call *Page 2*

 - SPECIAL PRESENTATIONS** *Page 3*
 3. CEO's Report
 - *Graham Knaus | Chief Executive Officer*

 4. Administration of Justice (AOJ) Presentation
 - *Ryan Morimune | Legislative Advocate*
 - *Stanica Boatner | Legislative Analyst*

 - ACTION ITEMS**
 5. Approval of Minutes from March 23, 2023, and June 29th, 2023 *Page 4-9*

 - DISCUSSION ITEMS**
 6. Legislative Update *Page 10-18*
 - *Graham Knaus | Chief Executive Officer*
 - *Jacqueline Wong-Hernandez | Chief Policy Officer*

 7. Minute Mics: Executive Committee Roundtable
 - What's going on in your county? (In one minute)

12:00 PM **LUNCH**

12:45 PM **INFORMATION ITEMS**

 8. Operations & Member Services Report *Page 19-20*
 - *Chastity Benson | Chief Operating Officer*
 - *Farrah McDaid Ting | Director of Public Affairs*

 9. CSAC Finance Corporation Report *Page 21-31*
 - *Supervisor Oscar Villegas, Yolo County | President, CSAC FC*
 - *Alan Fernandes | Chief Executive Officer, CSAC FC*
 - *Jim Manker | Director of Business Development, CSAC FC*
 - *Cathy Reheis-Boyd | Western States Petroleum Association*

10. California Counties Foundation Report

Page 32-35

- *Paul Danczyk | Chief Operating Officer, California Counties Foundation*
- *Brian Rutledge | Program & Grants Director*

11. INFORMATION ITEMS WITHOUT PRESENTATION

- CSAC Litigation Coordination Program
- 2023 & 2024 Calendar of Events

Page 36-43

Page 44-45

12. Closed Session

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d)
of Section 54956.9: One Potential Case

1:30 PM **ADJOURN**

If requested, this agenda will be made available in appropriate alternative formats to persons with a disability. Please contact Korina Jones kjones@counties.org or (916) 327-7500 if you require modification or accommodation in order to participate in the meeting.



United States of America
Pledge of Allegiance



California State Association of Counties®



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Chuck Washington
Riverside County

1st Vice President

Bruce Gibson
San Luis Obispo County

2nd Vice President

Jeff Griffiths
Inyo County

Past President

Ed Valenzuela
Siskiyou County



CEO

Graham Knaus

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE
2023

PRESIDENT:	Chuck Washington, Riverside County
1 ST VICE PRESIDENT:	Bruce Gibson, San Luis Obispo County
2 ND VICE PRESIDENT:	Jeff Griffiths, Inyo County
IMMEDIATE PAST PRESIDENT:	Ed Valenzuela, Siskiyou County

URBAN CAUCUS

Kathryn Barger, Los Angeles County
Keith Carson, Alameda County
Susan Ellenberg, Santa Clara County
John Gioia, Contra Costa County
Buddy Mendes, Fresno County
Nora Vargas, San Diego County
Kelly Long, Ventura County (alternate)

SUBURBAN CAUCUS

Luis Alejo, Monterey County
Bonnie Gore, Placer County
Erin Hannigan, Solano County
Scott Silveira, Merced County (alternate)

RURAL CAUCUS

Kent Boes, Colusa County
Ned Coe, Modoc County
Heidi Hall, Nevada County (alternate)

EX OFFICIO MEMBER

Vito Chiesa, Stanislaus County, Treasurer

ADVISORS

Rita Neal, County Counsel, San Luis Obispo County
Wendy Tyler, CACE President, Colusa County



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Past President

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CEO

Graham Knaus

August 10, 2023

TO: CSAC Executive Committee
FROM: Graham Knaus | Chief Executive Officer
SUBJECT: **CEO's Report**

This item provides an opportunity to discuss the state of the Association and core priorities as well as refine the strategic approach to advocacy and communications through Executive Committee input.

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE MEETING
March 23, 2023

Universal Studios | Building 1220, James Stewart Ave, North Hollywood, CA 91602
Zoom: <https://us02web.zoom.us/j/85686469152?pwd=Q1V1Um1zaSs2QitnZ3Zqcm9lUXhzUT09>
Phone: (669 444-9171 | Meeting ID: 856 8646 9152 | Passcode: 221488

MINUTES

1. Roll Call

OFFICERS

Chuck Washington | *President*
Bruce Gibson | *1st Vice President*
Jeff Griffiths | *2nd Vice President*
Ed Valenzuela | *Immediate Past President*

CSAC STAFF

Graham Knaus | *CEO*
Jacqueline Wong-Hernandez | *Chief Policy Officer*

ADVISORS

Rubin Cruse | *County Counsels' Association, Shasta County (absent)*
Wendy Tyler | *Colusa County, California Association of County Executives, President*

SUPERVISORS

Keith Carson | *Alameda County*
Susan Ellenberg | *Santa Clara County*
John Gioia | *Contra Costa County*
Kelly Long | *Ventura County (absent)*
Kathryn Barger | *Los Angeles County*
Nora Vargas | *San Diego County*
Buddy Mendes | *Fresno County*
Luis Alejo | *Monterey County (absent)*
Bonnie Gore | *Placer County*
Erin Hannigan | *Solano County*
Scott Silveira | *Merced County*
Kent Boes | *Colusa County*
Ned Coe | *Modoc County*
Heidi Hall | *Nevada County*

Treasurer

Vito Chiesa, *Stanislaus County*

2. CEO's Report

Graham Knaus, CEO, provided an update on the Association.

3. Housing, Land Use, and Transportation (HLT) Presentation

Mark Neuburger, Legislative Advocate, and Kristina Gallagher, Legislative Analyst, provided an overview of the HLT portfolio and highlighted several focus areas for 2023.

4. Approval of Minutes from January 26, 2023

A motion to approve the meeting minutes from January 26, 2023, was made by Supervisor Gibson, and seconded by Supervisor Hannigan. The motion carried unanimously.

5. Approval of Updated 2022 – 2023 Board of Director Nominations

A motion to approve the Updated 2022-2023 Board of Director Nominations was made by Supervisor Gioia and seconded by Supervisor Hannigan. The motion was carried unanimously.

6. Approval of IRS Tax Form 990 – Tax Year 2021

A motion to approve the IRS Tax Form 990 for Tax Year 2021, was made by Supervisor Hannigan and seconded by Supervisor Gore. The motion was carried unanimously.

7. Consideration of CSAC Proposed Budget and Salary Schedule for FY 2023-2024

A motion to approve the CSAC Proposed Budget and Salary Schedule FY 2023-2024, was made by Supervisor Vargas and Seconded by Supervisor Valenzuela. The motion was carried unanimously.

8. Minute Mics: Executive Committee Roundtable

Supervisor Chiesa / Stanislaus County

Stanislaus County is facing issues with river flooding. The Irrigation District reported that the Tuolumne River is currently running at 10,000 cubic feet per second and the county expects the river to run 8,000 or more cubic feet per second until July 1st. They expect continuous issues and rivers to begin flooding.

Supervisor Gioia / Contra Costa County

Contra Costa County is focusing on its "Just Transition Economic Revitalization Plan" away from fossil fuels due to their County's four oil refineries. Two have already shifted to renewable fuels. Efforts have continued on electrification, with the congressional earmark setting up a stakeholder roundtable to look at how to support new energy economy jobs. The county is still implementing programs out of their half-cent sales tax program. The county is rolling out 24/7 mental health crisis response and is currently in the hiring stage. Once this team is fully staffed and trained, they will respond to mental health calls for service in the county.

Supervisor Vargas / San Diego County

San Diego County is supporting the Governor's initiative to purchase tiny homes. San Diego will purchase 150 of these homes and put a plan together to execute it. In the last board meeting, the board advised authorization funding for a pilot program to work on data collection to provide shelter services to unhoused individuals. The county will also be providing \$4,000 to at risk seniors and families who were affected by COVID and are considered below the Federal poverty level. The money will be distributed to individuals in the program this week.

Supervisor Coe / Modoc County

The CSAC Finance Corp. presented Easy Smart Pay to the County Treasurer and Chief Administrative Officer last month and the county will be moving forward with using it. Supervisor Coe provided an update regarding their long-standing hospital debt, reporting that the county received 5 million dollars from the State of California to allocate towards the debt. They were able to use the funds provided by the state to reduce the hospital debt. Modoc County will continue to make progress towards eliminating the remaining debt.

Supervisor Hall / Nevada County

Supervisor Hall reported that Nevada County has been severely affected by the recent storms that have affected much of California. They are now having mounting challenges with PG&E, communications, and green waste leading to issues with wildfire and vegetation mitigation. On the topic of homelessness, Nevada County has made instrumental progress with its AT HOME Team, continued to build more housing and a navigation center, and has housed almost all the county's veterans. The county will continue to build off this progress and work to find more solutions. Supervisor Hall shared that she is looking to increase county IHSS workers' pay and is exploring different ways they can engage on how to move forward. The county also announced it has adopted a resilience objective to include climate change issues.

Supervisor Ellenberg / Santa Clara County

Supervisor Ellenberg reported that the county has also purchased 200 tiny homes in response to the Governor's Initiative. The Supervisor expressed her concern about the homes' ancillary expenses on the county. The county advised that they have used much of their 2016 Housing Bond Measure; they have spent \$700,000 on this bond and reported that they have successfully housed and supported over 20,000 individuals. A public/private partnership has developed in the county around excess food recovery. County officials are hoping this partnership will have an impact on local hunger.

Supervisor Gore / Placer County

The Placer County Board plans to put together a multi-agency model with CalOES to provide updates of all plans between OES and the County's emergency services. The plan will come before the county board next week.

Supervisor Hannigan / Solano County

The County of Solano is waiting on approval to purchase an elementary School to support the county's Early Learning Center Concept. The multipronged concept will aim to address early childcare and economic development. The project is estimated to cost 20 million dollars and will feature a community center which will allow childcare center providers the opportunity to expand their business. It is expected to be cost-neutral. Solano County is concerned with the Kaiser carve-out and the amount of money being offered to support the over 4000 mental health patients the county will be taking over. ARPA funding allocation has been completed, with a significant portion of the funding going toward addressing homelessness in the county.

Supervisor Carson / Alameda County

Alameda County continues working on its "East Bay Forward" flagship project. They are supporting the project by conducting a comprehensive review of data from the pandemic to clearly understand the community's needs and what present-day services need to be provided. The county is also focused on workforce development in all areas, not only on the county's current needs but understanding the community's workforce needs.

Supervisor Mendes / Fresno County

Fresno County is currently facing issues with river flooding and expects these issues to continue and impact emergency response until early July. Fresno County will continue to work on its river flood response with the county's emergency services. OES has been working with Fresno County on long term solutions to current and future river flooding.

Supervisor Boes / Colusa County

Supervisor Boes reported that Colusa County's jail project has gone through final approval allowing the county to start the project. The county has two housing projects moving forward, including permanent and subordinate housing. As budget season approaches, the county is facing challenges restructuring through county departments and overcoming how the county will be able to do more with less staff.

Wendy Tyler / CACE President

CACE is currently engaged in the conversation surrounding the Governors presentation on realigning of MHSA funds and issues with the Probation Consortium. They are engaged in the CSAC AT HOME platform.

Supervisor Griffiths / Inyo County

Inyo County has opened a joint Emergency Operations Center with Mono County to combine and provide resources to continue the response of the effects due to the storm. The State of California provided a type two instant management team. CalFire and State OES Services will continue responding to the storm damage through July.

Supervisor Gibson / San Luis Obispo County

Supervisor Gibson reported that they have a lake that is spilling into a levee creek. The county is concerned about this and will continue to monitor it. They are developing a behavioral health strategic plan and are working to address this plan and its mission to the public. The county is awaiting a draft budget proposal on homelessness based on a regional plan within the county and seven cities.

Supervisor Washington / Riverside County

Riverside County Supervisor Washington provided an update on the County of Riverside's Blue Zones project.

Supervisor Valenzuela / Siskiyou County

Supervisor Valenzuela reported that the county road department has recently purchased a new snowplow to help clear roadways during winter storms. The county is continuing recovery efforts to infrastructure affected by the most recent storm.

9. California Counties Foundation Report

Chastity Benson, Chief Operating Officer of the California Counties Foundation, gave a brief report on the Foundation and the Institute. She introduced Brian Rutledge, Grants Program Director, who participated via zoom. Brian provided an update on the CSAC Grants Initiative and what services it currently offers. Sunne Wright McPeak, CEO of the California Emerging Technology Fund, presented an update on the CETF'S partnership with the California Counties Foundation.

10. CSAC Finance Corporation Report

Rob Pierce, Vice President of CSAC Finance Corporation, gave a brief report on the CSAC Finance Corporation. Mason Smith from Hipcamp, a CSAC Corporate Partner, presented to the Executive Committee.

11. SB 43 Conservatorship Reform

Chief Policy Officer, Jacqueline Wong-Hernandez, and Senior Legislative Advocate, Jolie Onodera discussed and presented Senate Bill 43 on Conservatorship Reform.

12. Homelessness Strategy Session

Chief Executive Officer, Graham Knaus introduced Senior Legislative Advocate, Justin Garrett, and Political & Policy Consultant, Keely Bosler to present and discuss AT HOME and next steps with the Executive Committee.

Meeting was adjourned. The next Executive Committee meeting will be held on August 10, 2023.

CALIFORNIA STATE ASSOCIATION OF COUNTIES
SPECIAL EXECUTIVE COMMITTEE MEETING
June 29, 2023

Zoom: <https://us02web.zoom.us/j/81872004920?pwd=andMeFVhTOFrLzJ2Z3dYb2JHL1BXUT09>
Conference Line: (669) 900-6833 | Meeting ID: 818 7200 4920 | Password: 256745

MINUTES

1. Roll Call

OFFICERS

Chuck Washington | *President*
Bruce Gibson | *1st Vice President*
Jeff Griffiths | *2nd Vice President*
Ed Valenzuela | *Immediate Past President*

CSAC STAFF

Graham Knaus | *Chief Executive Officer*
Jacqueline Wong-Hernandez | *Chief Policy Officer*
Chastity Benson | *Chief Operating Officer*

ADVISORS

Rita Neal | *County Counsels' Association, San Luis Obispo County (absent)*
Wendy Tyler | *Colusa County, California Association of County Executives, President (absent)*

SUPERVISORS

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Scott Silveira | *Merced County*
Kent Boes | *Colusa County*
Ned Coe | *Modoc County*
Heidi Hall | *Nevada County*

Treasurer

Vito Chiesa, *Stanislaus County*

2. Action Items

Each January, the CSAC Executive Committee considers appointments as recommended by the CSAC President and Officers. These appointments include a County Supervisor to serve on the Western Interstate Region (WIR) Board of Directors. For 2023, Mono County Supervisor John Peters was appointed to this seat, but his recent election as WIR's 2nd Vice President created a vacancy on the WIR board. The CSAC Officers surveyed all County Supervisors to determine their interest in this seat. Of the seven applicants, the Officers recommended the appointment of Nevada County Supervisor Heidi Hall.

A motion to approve the appointment of Nevada County Supervisor Heidi Hall to the WIR Board of Directors was made by Supervisor Griffiths and seconded by Supervisor Washington. The motion carried unanimously.

3. AT HOME Update

Graham Knaus, CEO, and Jacqueline Wong-Hernandez, CPO, updated the Executive Committee on AB/SB 129.

4. Budget Update

Graham Knaus, CEO, and Jacqueline Wong-Hernandez, CPO, updated the Executive Committee on the current state of the budget between the Administration and both houses of the legislature and the impact it may have on counties.

Meeting was adjourned. The next Executive Committee meeting will be held on August 10, 2023.



OFFICERS

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Riverside County

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San Luis Obispo County

2nd Vice President

Jeff Griffiths
Inyo County

Past President

Ed Valenzuela
Siskiyou County



CEO

Graham Knaus

August 10, 2023

TO: CSAC Executive Committee

FROM: Graham Knaus | Chief Executive Officer
Jacqueline Wong-Hernandez | Chief Policy Officer

SUBJECT: Legislative Update

This item provides an opportunity to discuss the Governor’s Proposal to modernize the State’s Behavioral Health System and our advocacy surrounding this issue and related issues.

From: [Graham Knaus](#)
To: [Graham Knaus](#)
Subject: Update on the Governor's Proposal to Modernize the State's Behavioral Health System
Date: Friday, July 14, 2023 4:33:25 PM
Attachments: [Outline of County Priorities-Concerns - SB 326.pdf](#)

July 14, 2023

TO: All County Supervisors

FROM: Graham Knaus, Chief Executive Officer
Jacqueline Wong-Hernandez, Chief Policy Officer

SUBJECT: Governor's Proposal to Modernize the State's Behavioral Health System

Governor Newsom recently announced a proposal to "Transform the State's Behavioral Health System." The Governor's proposal has been written into a two-bill legislative package that will require voter approval, which the Governor has proposed to be placed on the March 2024 ballot. The package consists of the following:

- [SB 326 \(Eggman\)](#) seeks to "modernize" and reform the Mental Health Services Act (MHSA).
 - Restructures the MHSA funding categories, broadens fund use to include substance use disorder (SUD) services, diverts an additional 3% to statewide workforce priorities, and reduces county reserve caps.
 - Includes a provision that appears to condition operation of the amendments to the MHSA only upon voter approval of both the amendments to the MHSA and the bond measure, AB 531.
- [AB 531 \(Irwin\)](#) authorizes a \$4.68 billion General Obligation bond to build 10,000 beds to house those with the most severe mental health needs and substance use disorders.
 - Up to \$865 million of the bond funds reserved for veterans and others who are experiencing homelessness, or at risk of homelessness, and are living with a behavioral health challenge.
 - If approved by the voters, would go into effect, and is not contingent upon voter approval of the amendments to the MHSA included in SB 326.
 - Counties are broadly supportive of new funding for behavioral health infrastructure and housing. CSAC has taken a "support in concept" position on AB 531.

As part of the Governor's March [announcement](#) of the proposals, the Administration committed to work in close partnership with legislative leaders, CSAC, and other critical stakeholders to develop the bill language. Contrary to that commitment, CSAC was not consulted on the provisions of the proposal released in print on June 19. As a result, there are many outstanding questions about the proposal and the intent of various provisions. For example, it is unclear which provisions of SB 326 will be put before the voters, as SB 326 amends sections of law beyond the MHSA, and several sections of SB 326 are not contingent upon voter approval.

Since 2020, the CSAC platform has called for reforms to MHSA. Specifically, the CSAC Board adopted a [set of county priorities](#) in May 2020 supporting changes to the MHSA funding silos that would

allow for greater funding flexibility tied to outcomes and its usage for individuals living with a substance use disorder. SB 326 does broaden MHSA's eligible uses to include the provision of substance use disorder services but, as currently drafted, it also reduces county flexibility, creates new mandates for higher levels of service with no new funding, and makes it more difficult to manage this volatile funding source by further lowering reserve caps.

CSAC has convened a working group of county leaders, affiliates, and partners to review the current efforts proposed by the Governor and Legislature to transform the state's behavioral health system. Attached is a summary of county priorities and concerns related to SB 326 that this group has compiled to date. Of particular interest, the non-partisan Legislative Analyst's Office recently released a [series of reports](#) evaluating the Governor's proposal. Several of the points identified in the reports align with issues of county concern, as follows:

- Adequate reserves are particularly important for counties given extreme MHSA revenue volatility. In light of this volatility, allowable reserves under the Governor's proposal would be inadequate for managing this volatility. Further, the LAO finds that even the current-law reserve caps are too low.
- The Governor's proposal reduces overall county discretion by focusing funding on housing and full-service partnerships.
- In effect, the Governor's proposal would shift the discretion in setting MHSA funding priorities away from counties to the Administration.

WHAT'S AHEAD / NEXT STEPS

We need your feedback on the proposed language, and how it would impact your county. We are seeking impressions, data, and amendment suggestions from counties to inform our communications with the Legislature and Administration.

Prior to the policy committee hearings to consider the Governor's proposal to modernize MHSA, the Legislature is scheduling informational hearings upon their return from summer recess, as follows:

- August 16: Senate Health Committee
- August 22: Assembly Health/Housing Committees

The Assembly Health Committee has indicated they tentatively plan to hear SB 326 on the afternoon of August 22, after the conclusion of the informational hearing. We anticipate county participation in the informational hearings and will keep you informed.

AB 531, the bond measure, is currently pending hearing in the Senate Appropriations Committee, where it will be taken up in August. Earlier this month, the bill passed out of two Senate policy committees, Housing and Governance/Finance.

RECENT HISTORY OF BEHAVIORAL HEALTH FUNDING AND POLICY INITIATIVES

Behavioral health services delivered as part of the federal Medicaid program have been expanded significantly over the past decade: first, the Affordable Care Act which expanded the eligible population and benefits; then the opt-in Drug Medi-Cal Organized Delivery System; and now, CalAIM and several of its initiatives that touch upon behavioral health. These efforts yield significant opportunities for more federal funding to support county behavioral health services; however,

county funding for behavioral health services (1991 realignment, 2011 realignment and MHSA) is not keeping pace with the needs of our communities. As bottlenecks in staffing and needed infrastructure are removed, there will likely be considerable funding shortfalls in fulfilling all the needs of our communities. In addition, there are significant discrepancies in the per capita allocations for 1991 and 2011 realignment funding among counties that will result in some counties experiencing funding shortfalls sooner.

Over the past decade, additional demands have also been placed on county behavioral health services by criminal justice reform that has reduced the prison populations and allowed more offenders, often with complex behavioral health needs, to stay closer to home. The recent closure of the state Division of Juvenile Justice also contributes. In addition, counties continue their efforts to make Laura's Law work effectively for individuals in our community who need this level of treatment and care. Further, significant efforts are underway on the soon-to-be implemented CARE Court program to serve those with the most complex behavioral health conditions. However, these commitments/residential placements often come at significant cost to counties and in many cases no federal or state funding. This is also true for the ambitious conservatorship system reforms in SB 43 (Eggman) that is moving through the Legislature this year.

The Legislature is now vetting these proposals through the policy bill process. Your feedback is greatly valued and appreciated, as CSAC and our county partners engage in the legislative process. We would like to see the Administration and Legislature collaborate with counties to improve the proposal, in the spirit of improving the behavioral health system together.

SB 326 (Eggman) The Behavioral Health Services Act

Summary of County Priorities and Concerns

TOP LINE

- Counties are in alignment with the Administration and Legislature that Mental Health Services Act (MHSA) funding reform is needed to provide enhanced flexibility, including to support the provision of substance use disorder services.
- The 1 percent tax on millionaires that funds MHSA is a highly volatile fund source, subject to significant year-to-year fluctuations that are largely driven by the stock market. This unpredictability, which poses particularly acute challenges for small counties, necessitates providing flexibility within the broader framework of the program to sustain ongoing services in the community.
- Unfortunately, SB 326 as currently drafted reduces county flexibility, creates new mandates with no new funding, and makes it more difficult to manage this volatile funding source by further reducing reserve caps.

This document includes a list of concerns with SB 326 as it is currently drafted. This document does not address the broader issue of overall adequacy of county funding for behavioral health services given the significant expansions in recent years to benefits, especially as it relates to substance use disorder and the significant efforts currently underway to expand capacity in residential treatment facilities.

ADD FISCAL PROTECTIONS

- Many details in the proposed language may create new mandates or require increased services that require additional funding from the state under Proposition 30. These issues are legally complex because Medi-Cal is a federal entitlement. However, some of the prescriptive elements of this bill should be removed to provide additional fiscal protections to counties. Added fiscal protections ensuring counties' obligations under the renamed Behavioral Health Services Act (BHSA) are limited to available funding (as under the Bronzan-McCorquodale Act and the CARE Act) should also be included.
- Add clarity that funds remain under county control. For example, it is unclear whether the 30% withhold for housing interventions remains under local control given the new program is to be established by the Department of Health Care Services (DHCS), and the county-administered programs must comply with all requirements specified by DHCS, which are yet to be determined.
- Ensure sanctions/penalties are reasonable/equitable – recommend any sanctions/penalties are returned to the county in which the sanction/penalty was assessed (e.g., CARE Act).
- Eliminate or restore a higher reserve cap to help support sustainable management of this fund source. The reduced flexibility embedded in SB 326 coupled with a lower reserve cap will make it difficult for counties to sustain funding for programs ongoing even when the state is not experiencing a recession.

INCREASE COUNTY FLEXIBILITY TO MANAGE CHANGE AND OPERATE EFFECTIVELY

- Allow transfer (of up to X percent) of funds between program components (up to 10 percent is allowed under realignment) to meet county-by-county service needs, with consideration of additional flexibilities for small counties as noted below.
- Provide additional flexibilities for small counties (population < 200,000), including authorization to transfer funds between program components, streamlined reporting requirements, and/or exemptions from program requirements (such as the limitation to 2% for plan operations) where appropriate.
- Provide more flexibility in the provision of substance use disorder (SUD) services as an allowable, versus a required, use of BHSA funds. By adding SUD as a requirement rather than a flexibility, the new BHSA would add new service levels without added funding. SUD is required under Medicaid law, but this change is overly prescriptive and does not give counties flexibility if other funding sources are available.
- Broaden eligible uses under the housing interventions program to include support services and expand authorization for capital expenditures.
- Remove the strict subcategory percentage requirements to allow counties to provide consistent/stable funding for programs and successfully meet the unique needs of their communities. These requirements are as follows:
 - 50% of the housing interventions component must be used for the chronically homeless.
 - A majority of Behavioral Health Services and Support (BHSS) Funding must be utilized for early intervention programs.
 - Under the BHSS component (30% of BHSA funds), counties are required to comply with “other funding allocations specified by the DHCS.” This creates additional uncertainty regarding new prescriptive requirements.
- Increase flexibility in the Full-Service Partnership (FSP) component proposed to be added in statute. As currently drafted, the FSP component for all counties must include specified services, including SUD, Assertive Community Treatment (ACT) and Forensic Community Treatment (FACT) to fidelity, “and other evidence-based services and treatment models as specified by DHCS.”
- Revise the definition of “chronically homeless,” which is currently limited under the federal definition, to reach a broader population.
- Provide time/phase-in for transition to new component requirements, revised planning process, and reporting requirements – which will require additional staffing, training, technical assistance, and system changes.

MAINTAIN AND MODERNIZE STATE OVERSIGHT ROLE/GOVERNANCE

- Question on future changes to the BHSa – interpretation may still be unclear. Do counties wish to retain Legislative authority to amend the BHSa by 2/3 vote vs. require each future change to BHSa to go back before the voters?
- Add accountability/transparency requirements for the additional 3% BHSa going to the state for the statewide workforce initiative.
- 1991 Realignment concerns: As drafted, the bill amends several sections of the Bronzan-McCorquodale Act (1991 Realignment). Some of the proposed changes would go into effect upon enactment of the bill and are not contingent upon approval by the voters of the amendments to the MHSa. Reopening realignment is sensitive, and most agree there is a broader conversation/discussion and engagement that needs to occur to relook at realignment in its entirety.



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Siskiyou County



CEO

Graham Knaus

July 27, 2023

The Honorable Gavin Newsom, Governor
1021 O Street, Suite 9000
Sacramento, California 95814

Re: SB 326 (Eggman) The Behavioral Health Modernization Act

Dear Governor Newsom,

On behalf of the California State Association of Counties (CSAC), representing all 58 counties of the state, we write to share the county perspective on your efforts to transform and modernize the state’s behavioral health system. Counties broadly agree that Mental Health Services Act (MHSA) funding reform is needed to assist more Californians with serious mental illness and substance use disorders receive the housing and care they need.

Counties seek collaboration with your Administration and the Legislature to strengthen the proposal introduced through SB 326 (Eggman), in the spirit of improving the behavioral health system together. To that end, we request consideration of three critical county priorities outlined below as the proposal continues to be developed through the legislative process.

Since 2020, the CSAC policy platform has called for reforms to the MHSA. Specifically, the CSAC Board of Directors adopted a set of county priorities in May 2020 supporting changes to the MHSA funding silos that would allow for greater funding flexibility tied to outcomes and its usage for individuals living with a substance use disorder. SB 326 does broaden MHSA’s eligible uses to include substance use disorder services but, as currently drafted, it also reduces county flexibility, creates new mandates for higher levels of service with no new funding, and makes it more difficult to manage this volatile funding source by further lowering reserve caps. CSAC has identified the following priorities necessary to enable counties to realize the potential opportunities afforded through behavioral health system modernization changes:

- **Increase county flexibility** – MHSA is a highly volatile fund source, subject to significant year-to-year fluctuations that are largely driven by the stock market. This volatility, which poses particularly acute challenges for small counties, necessitates providing flexibility within the broader framework of the program for counties to meet the unique needs of their communities. Further, a one-size-fits-all approach to program design creates challenges for counties that vary greatly across the state. Allowing transfers between program components, restoring higher reserve caps, and removing the strict subcategory requirements within the categorical funding allocations are just a few examples that will help support sustainable program and service delivery.
- **Add fiscal protections** – the proposed language may create new mandates or require increased services that require additional funding from the state under Proposition 30. These issues are legally complex because Medi-Cal is a federal entitlement. Added fiscal protections ensuring counties’ obligations under the renamed Behavioral Health Services Act are limited to available

funding (as under the Bronzan-McCorquodale Act) must be included in recognition that no new funding is being allocated to counties to serve the added target population of those with substance use disorders or for counties to engage in additional planning and administrative activities.

- **Narrow the proposal to MHSA reform** – this proposal has been presented as reforms to MHSA to be presented to the voters for consideration. However, SB 326 amends several sections of existing law beyond the MHSA, including sections of the Bronzan-McCorquodale Act (1991 Realignment), and a new section aligning contract terms for managed care plans and Medi-Cal behavioral health delivery systems, that would become law once the bill is signed, and without voter approval. Additional sections of law proposed to be amended beyond MHSA include the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Program. We request that SB 326 be limited to the proposed changes to MHSA to go before the voters. The other provisions merit more robust discussion and analysis, and should be considered separately through the legislative process.

Thank you for your consideration of these important issues. Counties look forward to working collaboratively to strengthen this proposal to realize the opportunities it presents to improve the behavioral health system, and most importantly, best support the people it intends to serve. Should you have any questions regarding the information outlined above, please do not hesitate to contact our organization.

Sincerely,



Graham Knaus
Chief Executive Officer
CSAC

cc: Jason Elliott, Deputy Chief of Staff, Office of Governor Newsom
Richard Figueroa, Deputy Cabinet Secretary, Office of Governor Newsom
Kim McCoy Wade, Senior Advisor, Office of Governor Newsom
Jessica Devencenzi, Chief Deputy Legislative Secretary, Office of Governor Newsom
Angela Pontes, Deputy Legislative Secretary, Office of Governor Newsom
Dr. Mark Ghaly, Secretary, California Health and Human Services Agency (CalHHS)
Stephanie Welch, Deputy Secretary of Behavioral Health, CalHHS
Michelle Baass, Director, Department of Health Care Services
Marjorie Swartz, Policy Consultant, Office of Senate Pro Tempore Atkins
Liz Snow, Chief of Staff, Office of Assembly Speaker Robert Rivas
Honorable Members of the Senate Health Committee
Honorable Members of the Assembly Health Committee



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CEO

Graham Knaus

August 10, 2023

TO: CSAC Executive Committee
FROM: Chastity Benson | Chief Operating Officer
Farrah McDavid Ting | Director of Public Affairs
SUBJECT: **Operations and Member Services Report**

Our North Star is and always will be member services. The CSAC team has a deep commitment to meeting the needs of counties, regardless of the issue. This is your association, your building at 1100 K Street, your policy resource, your learning venue, and perhaps most importantly, CSAC is the thread that binds together a most precious resource: your incomparable peer network of county supervisors who are truly all in this together.

The update below outlines a few of the initiatives we are engaged in to support both the internal and external operations of the organization.

Operations

CSAC as an organization often mirrors our member counties and is not immune to the workforce challenges many local governments are currently grappling with. In the wake of the pandemic, we have experienced turnover throughout the organization. This has provided the opportunity to recruit and retain bright new talent and access their wide range of skills and experiences for the greater benefit of the County Family.

CSAC is a purpose-driven organization that strives to serve counties in everything we do. As part of this mission, we are working hard to position the Association as a premier employer of choice. Efforts toward this goal include creating robust professional development and training opportunities for all levels of staff; strategic development of collaborative protocols, processes, and policies; enhancing staff networking opportunities; and, creating internal communication methods to educate staff on our IT infrastructure capabilities. Today’s workforce demands clarity and appreciates purpose-driven work, and CSAC is poised to meet those needs.

We are especially proud of our updated protocols for onboarding and offboarding staff members, which require cross-unit collaboration and utilize real-time updates to ensure staff has the equipment, space, and tools they require to best serve counties. After an earthquake centered in Plumas County shook the CSAC building in downtown Sacramento, we are expediting our efforts to develop a Crisis and Response Team (CART) and update our disaster plan and protocols.

The CSAC building is historic and has a personality of its own. It requires close and careful maintenance, and we have completed a series of cosmetic and safety tasks. Ongoing maintenance of the climate control system continues, as well as updating our IT infrastructure to support today’s workforce needs. Our Accounting team has closed the books on the 2022-23 fiscal year and is beginning our annual independent audit process. The Executive Committee will consider the 2022-23 audited financial statements at the October retreat.

Public Affairs & Member Services

Our public affairs and communications team manages external communications, internal member communications, CSAC social media, and media relations on behalf of the Association. We serve multiple audiences including CSAC members, counties in general, the political sphere/Capitol community all forms of media, and the general public.

The public affairs team worked tirelessly on supporting the CSAC AT HOME initiative, producing high-quality content (including videos, social media posts, member communications, collation resources and press releases and statements) and driving record-breaking media engagement on the issue.

With the assistance of longtime partner of strategic public affairs firm Bicker, Castillo, Fairbanks, and Spitz, the CSAC AT HOME plan was the subject of multiple editorial board meetings with the state's leading media, including the Los Angeles Times, the San Francisco Chronicle, the San Diego Union Tribune, and the McClatchy Organization/Sacramento Bee. AT HOME has also been featured in more than 50 news pieces with direct quotes and information provided by the Association.

Our in-house video capabilities proved invaluable during the AT HOME push, and the digital media team has produced 151 original videos since January 1. Of those, 102 focused on AT HOME. The digital media team has also organized and administered four webinars this year, including producing original graphics and supporting PowerPoints for each event.

The [call for entries for the 2023 CSAC Challenge Awards is currently open](#), and all counties are encouraged to submit their innovative programs for a chance to be honored and shared as a best practice.

The project to remodel the CSAC website approved for the 2022-23 fiscal year is undergoing a review to ensure increased usability and improved user experience. The CSAC website is a highly effective tool for members and the public but requires updates to comply with disability access laws and the demands of today's digital mobile infrastructure.

The CSAC meeting planning team works across the Association and the county family to plan, host, and administer a wide variety of events from member appreciation gatherings to large-scale CSAC conferences.

The run-up to the 129th CSAC Annual Meeting in Alameda County has begun, with intense planning efforts for each event within the Annual Meeting underway. Stay tuned for registration details!

The meeting planning team also develops and maintains our registration infrastructure for other organizations such as the County Engineers Association of California and the San Joaquin Valley Regional Association of California Counties. Currently, the team is administering five registration interfaces, including the CSAC Challenge Award entry portal.



August 10, 2023

To: CSAC Executive Committee

From: Oscar Villegas, President
Alan Fernandes, Chief Executive Officer

RE: **CSAC Finance Corporation Update**

CSAC Finance Corporation Board of Directors

At its Annual Spring Meeting on May 4-5, 2023, the CSAC Finance Corporation (CSAC FC) Board of Directors held its election of Officers, approved the 2023-24 budget, received Business Partner updates and authorized Staff to enter into an agreement with a new Business Partner.

Oscar Villegas (Supervisor - Yolo County) was elected as President of the CSAC FC, Graham Knaus (Chief Executive Officer - CSAC) was reaffirmed as Vice President and Ryan Alsop (Chief Administrative Officer - Kern County) was also reaffirmed as Secretary/Treasurer. We would like to thank and acknowledge Leonard Moty for his invaluable service as a multiple year past president and for his unwavering and continuing commitment to the CSAC FC. With budgetary action, the CSAC FC is extremely proud that its 2022-23 financial contribution to CSAC represents the largest contribution in the history of the CSAC FC. Lastly, CSAC FC established a new business partner, Municipal Finance & Services Corporation, specifically for their Accelerated Municipal Payments (AMP) Program (more information provided below).

Accelerated Municipal Payments Program

The Accelerated Municipal Payment (AMP) Program, administered by Municipal Finance & Services Corporation (MFSC), is a non-third-party accounts payable program provided to local government agencies at no cost to the local agency. Through the AMP Program vendors are paid in an expedited fashion by MFSC, typically within 72 hours from invoice approval, resulting in enhanced cash flow for both the local agency and its participating vendors. Local agencies also benefit from a streamlined and efficient accounts payable system and not having to pay against the invoice themselves until typically 60 days from MFSC's payment of the invoice, allowing additional time for agency investments and/or increased cash flow. The AMP Program's accounts payable, document and data management system not only prompt expedited payments to vendors but also afford the agency improved efficiency and transparency. The Program also includes courtesy services that increase vendor diversity and participation. Vendor participation in the AMP Program is voluntary and therefore allows flexibility to vendors.

Easy Smart Pay

At the November 17, 2022, CSAC Board of Directors meeting, CSAC FC was proud to announce that the Easy Smart Pay (ESP) Corporation, a project established by the CSAC Finance Corporation, was fully formed and functional. At that time CSAC FC also announced that ten (10) counties had joined the program and since that time we are proud to announce that ESP has grown to 24 counties with additional counties set to onboard ESP in short order (please see the attached visual for more information). We would like to thank all the participating counties and those who are considering the program to assist their constituents in making affordable and timely property tax payments. ESP offers the most efficient and cost-effective way to pay local

government taxes in monthly installments. CSAC FC looks forward to additional counties utilizing this beneficial service for their taxpayers. For more information regarding ESP please visit: www.easysmartpay.net, contact Alan Fernandes (alan@csacfc.org) or Chase Broffman (chase@csacfc.org) if you have any questions or interest in learning more about this exciting program.

Corporate Associates Program

The Corporate Associates Program is beginning the 2023-24 Fiscal Year with 72 partners across all three levels. Added to the Platinum level this year are the following partners: Alaska Airlines (David Tucker), Prologis (Danielle Surdin-O’Leary), and SLS (Janna Contorno). At the Silver Level, Equifax (Marilyn Limon) has also joined. For the first time in 10 years, Staff has raised the partnership dues at each level. This change has resulted in some shifting in the number of partners at each level, but despite the changes and ensuing shifting, projections for overall revenue of the program will surpass the 2022-23 Fiscal Year. Staff is in conversation with many other potential partners and have plans to bring them into the program in the upcoming weeks and months.

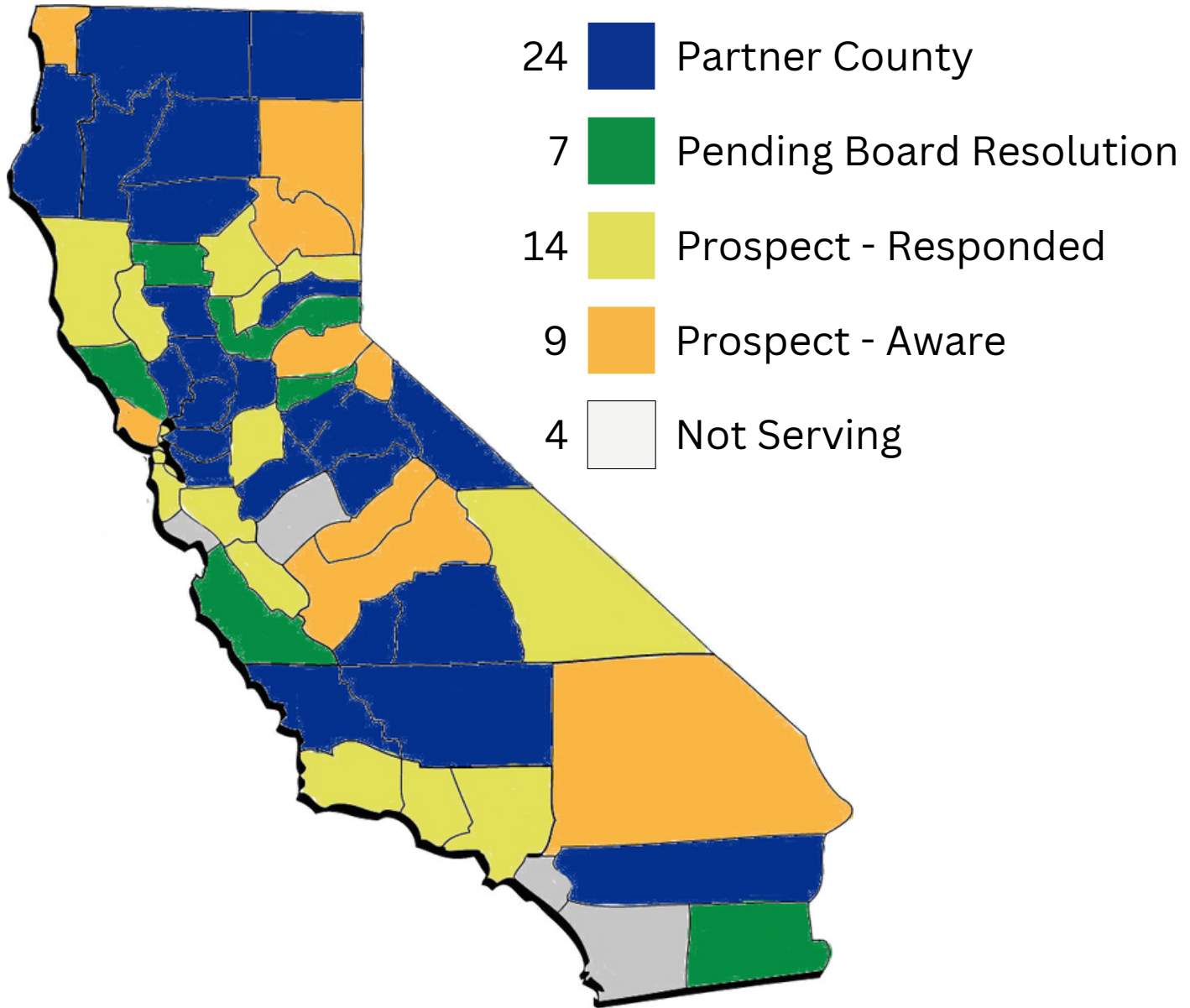
The Corporate Associates Program has gained attention within the National Association of Counties (NACo) as a formidable way for county associations to raise revenue. Currently, CSAC FC staff is consulting with Michigan Association of Counties, Missouri Association of Counties, and Nevada Association of Counties, regarding the Corporate Associates Program. Staff conversations have continued with Oregon, Colorado, and Montana as well.

Lastly, 13 of our partners recently joined us at the NACo Annual Conference, supporting events throughout the conference. Thank you again for your willingness to engage our partners at CSAC events.

The most updated partner roster is attached. For more information regarding the CSAC FC Corporate Associates Program please visit our website at: (www.csacfc.org), call us at (916) 650-8137, or email Alan Fernandes (alan@csacfc.org) or Jim Manker (jim@csacfc.org).

County Onboarding

July 2023



Modernizing the process of paying government



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3. Baron & Budd

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7. CCHI

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www.cchi4families.org

8. Coast2Coast Rx

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10. DRC Emergency Services

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11. Enterprise Fleet Management

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15. IBM

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18. Nationwide

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21. Peraton

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22. PRISM

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26. SiteLogIQ

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28. Southland Industries

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29. 211 California

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31. Vanir Construction Management, Inc.

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2. DLR Group

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3. Election Systems & Software

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5. OpenGov

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6. Paragon Government Relations

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7. Persimmony International

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15. Liebert Cassidy Whitmore

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21. Precision Civil Engineering

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23. Sierra Pacific Industries

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August 10, 2023

TO: CSAC Executive Committee

FROM: Paul Danczyk, Chief Operating Officer
Brian Rutledge, Programs & Grants Director

SUBJECT: California Counties Foundation Report

The California Counties Foundation (Foundation) oversees the CSAC William “Bill” Chiat Institute for Excellence in County Government (CSAC Institute), special programs, and grants and contributions. Our mission is to support educational opportunities for county supervisors, executives, administrators, and senior staff, and our more notable recent and forthcoming activities include:

CSAC Institute

Enrollment Is Strong for Summer-Fall Term – During a trip to Shasta County as the Foundation’s new COO, Paul Danczyk launched the Summer-Fall Term ([watch the 1-minute video here](#)). We have achieved:

- 20 courses – about half on-site in Fresno, Humboldt, Sacramento, Shasta, & Ventura—half virtual
- 500 slots filled, as of late July, including 8 courses with 40 or more registrants

New Programs Are Coming Together – We are planning to add more courses, such as one on realignment in October, and to create new programs, including:

- An on-site program in Riverside (for 2023-24) and Orange (for 2024-25), this is a joint county initiative
- On-site programs in Monterey (2023-2024) and Fresno (2024)
- Exploring a joint program with Glenn, Colusa, and Butte counties for 2024
- A partnership with the California County Information Services Directors Association (CCISDA)
- A partnership with the County Personnel Administration Association of California (CPAAC)

Organizational Shifts Will Enhance Services – The Foundation is changing and growing to build on the strong infrastructure that Bill Chiat and Chastity Benson created. Two big items to look for this Fall:

- We plan to hire an Institute Manager and an Institute Training Program Coordinator.
- We plan to pilot a series of informational and promotional videos to engage with the CSAC community and increase event participation. ([Watch another example here.](#))

New Supervisors Was Successful – The 2022-23 cohort ended a 3rd and final session July 27-28, 2023 in Sacramento. The first session took place in Anaheim on November 14 and on zoom, December 1; the second session was in Sacramento February 23-24.

Content sessions included CSAC Membership 101. Labor Relations, Effective Public Meetings, When the Unexpected Occurs, and Intergovernmental Collaboration. The CSAC Finance Corp hosted evening and networking receptions with corporate and business partners. Supervisors had great experiences networking with each other, gaining insights from their peers, and learning new information.

Session III included presentations from:

Siskiyou County Supervisor Ed Valenzuela
Napa County Supervisor Belia Ramos
Yuba County Supervisor Gary Bradford
Nevada County Supervisor Heidi Hall
El Dorado County Supervisor Wendy Thomas
Secretary Amy Tong, California Government Operations Agency
Tami Douglas-Schatz, Human Resources Director, San Luis Obispo
Jeff Sloan, Partner, Sloan Sakai Attorneys at Law
Robert Bendorf, Retired Yuba County CAO
Graham Knaus, CEO, CSAC
Paul Danczyk, COO, California Counties Foundation

Supervisors who successfully completed the program received the Supervisors Credential certificate.



CSAC Grants Initiative

The Program Nears First Birthday – Immediate Past President Ed Valenzuela and CEO Graham Knaus announced the CSAC Grants Initiative in August 2022, and we launched it with our external partners at The Ferguson Group a month later. Looking back our major achievements have included:

- Building a suite of free member resources (Fall 2022) – In September, for example, we launched our Weekly Grants Newsletter that now provides 570+ subscribers with timely information.

- [Launching a suite of premium consulting services \(Spring 2023\)](#) – In March, we signed a Master Services Agreement with our partners at The Ferguson Group, making discounted grant consulting services available to counties.
- [Initial Grants Partnerships \(Summer 2023\)](#) – In June and July Imperial, Ventura, and San Luis Obispo became the first 3 counties partnering to expand grant expertise and capacity.

The Program Looks Forward – We are developing strategic plans to ensure we track and meet shifting county needs in the immediate and medium term. By our second birthday we are striving to:

- [Develop and begin implementing a multi-year strategy \(Summer and Fall 2023\)](#) – We are moving to refine our analysis of county needs—via focus groups, an annual grant survey, and evaluations of grant trends—to best meet county needs.
- [Add and expand premium cohorts \(Full Year\)](#) –We are prepared to sign up another small group of counties during late Summer/ Fall and a third in Winter/Spring.
- [Add and improve free member resources \(Full Year\)](#) – We are planning to regularly refine our suite of member resources as needs shift and we learn more. For example, in July we recast [our website](#) after counties suggested a simplified lists of resources. The new style looks like this:

CSAC Grants Initiative

UNLOCKING EXTERNAL FUNDING

Member Resources for Free Grant Assistance

 **Office Hours**

[Click here](#) to schedule a half-hour appointment and receive no-cost consulting support. Our grant experts will use the call to clarify your county's strategic goals, program challenges, and/or funding gaps and follow up with expert advice, grant guides, and successful applications, if available and relevant.

 **Successful Applications**

[Click here](#) to email our grant experts. Tell them about the specific grant or type of grant you're targeting and they'll share successful application from our catalogue of 1,500 examples, if available and relevant.

 **Weekly Grant Updates**

[Click here](#) to join the more than 550 other county leaders by subscribing to our weekly list of new grant opportunities.

 **Grant Application Webinars**

Watch our training webinars to help you better understand and effectively seek funding opportunities.

Archived webinars:
[Grants 101](#) – tips on the federal grant process – [watch here](#) and [view slides here](#)
[Grants 102](#) – deeper dives into federal applications and strategies – [watch here](#) and [view slides here](#).
[Homelessness and Housing Grants](#) – covering federal funding from DOJ, HUD, HHS, USDA, and other agencies – [watch here](#), [view slides here](#).
[Water and Transportation Infrastructure Grants](#) – covering federal grants and loans for infrastructure projects – [watch the transportation section here](#), [watch the water section here](#), [watch the infrastructure grant strategy section here](#), or [watch in full here](#) or [view slides here](#).

Additional Efforts

The Foundation is also supporting the CSAC community in other program areas:

- CETF Partnership – We are currently implementing a 13-month contract with the California Emerging Technology Fund (CETF) that will last until Spring 2024. We have completed the first piece: conducting outreach for regional digital equity workshops. We’re still finalizing the second piece: organizing 4 webinars to boost Affordability Connectivity Program (ACP) enrollment. We held one in May, scheduled another for August; and the final two will occur in Winter.
- Sacramento Internships – CSAC hosted a UC Berkeley Cal-in-Sac Fellow and UC Riverside Loveridge Fellow this summer, through the Foundation. Both gained professional skills, new connections, and a better sense of their career goals, while also helping the Foundation with core workload. For example, Cal student Deborah Alagbada helped research strategic plans for the CSAC Grants Initiative. She ended the summer by receiving an Institute certificate for her internship:





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MEMORANDUM

To: Supervisor Chuck Washington, President, and
Members of the CSAC Executive Committee

From: Jennifer Bacon Henning, Litigation Coordinator

Date: August 10, 2023

Re: Litigation Coordination Program Update

This memorandum will provide you with information on the Litigation Coordination Program's new case activity since your March 23, 2023 Executive Committee meeting. Recent CSAC court filings are available on CSAC's website at: <http://www.csac.counties.org/csac-litigation-coordination-program>.

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

COUNTIES	CITIES	OTHER AGENCIES
Los Angeles San Bernardino	Berkeley Chula Vista Culver City Oakland Palo Alto Stockton Vallejo	Alameda Health System UC Regents

California Restaurant Association v. City of Berkeley

65 F.4th 1045 (9th Cir. Apr. 17, 2023)(21-16278), *petition for rehearing en banc pending* (filed May 31, 2023)

Status: Amicus Brief Filed June 9, 2023; Case Pending

The City Berkeley adopted an ordinance prohibiting natural gas infrastructure in any new building applying for permits after January 1, 2020. The California Restaurant Association (CRA) challenged the ordinance as preempted by the federal Energy Policy and Conservation Act (EPCA), which concerns the energy use and efficiency standards for specified appliances. CRA alleged that the Ordinance improperly regulates EPCA-covered appliances by essentially requiring EPCA-covered appliances to consume zero natural gas. The trial court upheld the ordinance. On appeal, the Ninth Circuit reversed, holding that the EPCA preempts the ordinance. The court noted that the EPCA expressly preempts

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State and local regulations concerning the energy use of many natural gas appliances. It then determined that the City’s ordinance “took a more circuitous route to the same result” by prohibiting natural gas piping into those buildings, rendering the gas appliances useless. Thus, “by its plain text and structure, the Act’s preemption provision encompasses building codes that regulate natural gas use by covered products. By preventing such appliances from using natural gas, the Berkeley building code did exactly that.” The City is seeking rehearing en banc, which CSAC is supporting on the limited issue of the proper application of federal preemption principles.

Castañares v. Superior Court (City of Chula Vista)

Pending in the Fourth Appellate District, Division One (filed May 4, 2023)(D082048)

Status: Amicus Brief Due September 4, 2023

This case involves a Public Records Act request for one month of video footage obtained during use of the City of Chula Vista’s “drones as first responders” program, which dispatches drones to emergency calls for service, providing incident commanders and responding officers real-time footage of the scene of the call so officers can more effectively and safely respond. The requested records amount to over 300 flights with 537 videos running almost 92 hours long. The City provided a preliminary response citing the investigatory record exemption and was attempting to engage with the requester to narrow his request. During that process, the requester initiated this litigation. While the litigation was moving forward, the City finalized its response, citing the “public interest” and “investigatory records” exemptions. The trial court authorized extensive discovery over a two-year period, but ultimately agreed that the City’s drone footage was legally exempt from disclosure under the investigatory and public interest exemptions. The trial court rejected the argument that the public interest was served by requiring the City to redact the requested footage, and found instead that the information already publicly available (date, times, case/incident numbers, flightpath data, and descriptions of the calls for service) was sufficient to meet the requester’s needs. The requester has appealed, and CSAC will file a brief on two issues: (1) extensive civil discovery in PRA cases is not proper; and (2) the burdens of redacting material contain extensive private information (i.e., private rights of victims, accused, witnesses, bystanders, and others) must be considered against benefits of disclosing the remaining information).

Crescent Trust v. City of Oakland

90 Cal.App.5th 805 (1st Dist. Mar. 23, 2023)(A162465), *petition for review granted* (July 12, 2023)(S280234)

Status: Amicus Brief Due November 1, 2023

In this Antiquated Subdivision Map Act case, the Court of Appeal rejected existing case law and held instead that antiquated parcels of five or less created prior to 1839 do not have to be separately conveyed in order to be a legal separate lot. As such, the Court concluded that plaintiff, which owed a lot created in 1854 that had never been conveyed as a separate lot, was entitled to a certificate of compliance that would allow him to sell or develop the parcel as a matter of right. The Supreme Court has granted the City’s Petition for Review, which CSAC supported. CSAC will now file an amicus brief on the merits in this case.

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Duarte v. City of Stockton

60 F.4th 566 (9th Cir. Feb. 16, 2023)(21-16929), *petition for certiorari pending* (filed May 8, 2023)(22-1080)

Status: Amicus Brief Filed June 5, 2023; Case Pending

Plaintiff was arrested by City of Stockton police officers who allegedly pushed him to the ground and treated him roughly during the arrest. He pled no contest to willfully resisting arrest. In lieu of immediately entering the plea, the state court held the plea in abeyance for six months and offered him a diversion program instead. Ultimately he completed the diversion and the charges against him were dismissed. He then filed this civil action alleging false arrest and excessive force. The trial court held that the claims were barred by *Heck v. Humphrey*, which prohibits a would-be plaintiff from filing a civil action against law enforcement related to an event for which they pled guilty or were convicted. The Ninth Circuit reversed. The panel held that the *Heck* bar does not apply in a situation where criminal charges are dismissed after entry of a plea that was held in abeyance pending the defendant's compliance with certain conditions. The panel rejected the City's argument that by pleading no contest and completing the conditions of his agreement with the prosecution, plaintiff was functionally convicted and sentenced, holding instead that the *Heck* bar requires an actual judgment of conviction, not its functional equivalent. The City is seeking US Supreme Court review, and CSAC has filed a brief in support.

Hamilton and High v. City of Palo Alto

89 Cal.App.5th 528 (6th Dist. Mar. 20, 2023)(H049425), *petition for review denied* (July 19, 2023)(S279718)

Status: Petition for Review Denied; Case Closed

A developer of a mixed use project in downtown Palo Alto opted to provide only 24 of 40 required parking spaces to avoid the cost of subgrade parking below the groundwater table. It paid about \$900k in in-lieu fees 2013. The City did not treat the in lieu fee as a Mitigation Fee Act (AB 1600) fee and therefore did not consistently prepare annual and 5-year reports on the use of the money and the continued need for it after 5 years had run. In 2020, the developer demanded a refund of fees paid in 2013 and brought this action when the City denied the request. The trial court ruled for the City, finding that the claim was time-barred and because the Mitigation Fee Act does not apply since the fees were voluntary. The Court of Appeal reversed in a lengthy, detailed, and published opinion. The court rejected the City's argument that a fee which a developer voluntarily elects to pay in exchange for being relieved of a statutory requirement is not an AB 1600 fee, and then determined that the statute of limitations did not begin to run until the City denied the request for a refund of the unexpended in-lieu parking fees. The court further found that since the Mitigation Fee Act applies, the City was required to issue reports every five years, and that its failure to do so triggered the remedy of refunding all of the unspent funds to the developer. The City sought Supreme Court review, which CSAC supported, but review was denied.

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In re W.M. (City of Vallejo v. Superior Court)

Unpublished Opinion of the First Appellate District, 2023 Cal.App.Unpub.LEXIS 1917 (1st Dist. Mar. 29, 2023)(A166116), *request for publication denied* (July 12, 2023)(S279584)

Status: Publication Request Denied; Case Closed

W.M. was shot and killed by City of Vallejo police officers. He was an adult at the time of the shooting. The City discovered that he had been subject to juvenile delinquency proceedings under Welfare and Institutions Code section 600 and sought access to those records, arguing they were relevant to defend plaintiff's loss of enjoyment of life claims and the officers' claims of self-defense. The juvenile court denied the petition, holding that the City is not an entity authorized to review case files. In an unpublished opinion, the First District disagreed, holding instead that the City may be able to access the files if they can show good cause and the court finds the need for access outweighs the policy considerations favoring confidentiality of juvenile case files. Here, the juvenile court erred in summarily denying the petition without instead of engaging in this analysis, so the Court of Appeal sent the case back to the juvenile court. CSAC requested that the opinion be published, but the request was denied.

Make UC a Good Neighbor v. Regents of the University of California

88 Cal.App.5th 656 (1st Dist. Feb. 24, 2023)(A165451), *petition for review granted* (May 17, 2023)(S279242)

Status: Amicus Brief Due September 7

This case concerns the adequacy of an EIR for the long range development plan for UC Berkeley and the university's immediate plan to build student housing on the current site of People's Park, a historic landmark and the well-known locus of political activity and protest. The Court of Appeal held: (1) the university was not required to analyze an alternative to the long range development plan that would limit student enrollment; (2) there was no CEQA violation in restricting the geographic scope of the plan to the campus and nearby properties, excluding several more distant properties; (3) the EIR adequately assessed and mitigated environmental impacts related to population growth and displacement of existing residents; (4) the EIR failed to justify the decision not to consider alternative locations to the People's Park project; and (5) the EIR failed to assess potential noise impacts from loud student parties in residential neighborhoods near the campus (a long-standing problem that the court determined the EIR erroneously found to be speculative). The Regents sought California Supreme Court review, which CSAC supported, and review has been granted. CSAC will now file an amicus brief on the merits in this case.

Morgan v. Ygrene Energy Fund

84 Cal.App.5th 394 (4th Dist. Div. 1 Nov. 1, 2022)(D079364), *petition for review granted* (Feb. 22, 2022)(S277628)

Status: Amicus Brief Due October 16, 2023

Plaintiffs participated in a "PACE" program to finance energy and water conservation improvements to their homes. Under the program, the cost of the improvements is billed on an owner's real estate tax bill. Plaintiffs claimed that the loans should be subject to the rules for home improvement loans and that Defendants (lenders

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and loan administrators) engaged in unfair and deceptive business practices by violating consumer protection laws. The Court of Appeal found the liability theories “intriguing,” but ultimately upheld a trial court decision sustaining a demurrer in defendants’ favor, agreeing with defendants that plaintiffs failed to exhaust their administrative remedy. The court determined that because the PACE program is billed on the property tax bill, the appropriate administrative remedy was the filing of an application for reduced assessment with the County assessment appeals board (AAB). The California Supreme Court has granted review and CSAC will file an amicus brief emphasizing the legal and practical problems with the Court of Appeal’s opinion.

Olympic and Georgia Partners v. County of Los Angeles

90 Cal.App.5th 100 (2d Dist. Apr. 7, 2023)(B312862), *petition for review granted* (July 12, 2023)(S280000)

Status: Amicus Brief Due November 1, 2023

This case involves property taxation of hotels, and in particular, the 1,001 room Ritz-Carlton and Marriott luxury hotels at the LA Live entertainment district in downtown Los Angeles. For these properties, the City of Los Angeles needed a convention hotel to lodge visitors to its very nearby Convention Center, and therefore it agreed to rebate its 14% hotel tax to the hotel developer in exchange for the developer's agreement to set aside big a part (up to 75%) of the rooms for Convention Center visitors and keep the property a hotel for 40 years. In essence, the hotel provides lower rates to convention groups and forgoes turning the property into condos, which would be more economically valuable to the property owner. The value of the rebate is about \$1 million per year for each hotel for a total of about \$80 million over the 40 year deal. In assessing the property, the Los Angeles County Assessor treated those rebated taxes as income from the operation of the hotels. This valuation was upheld by the AAB and the superior court. However, the Second District disagreed, holding: (1) the payments were a "subsidy;" and (2) government subsidies cannot be included as income from use of real estate. The court also addressed a one time \$36 million payment the hotel owner received from the hotel operators (Ritz Carlton and Marriott) in exchange for a percentage of the profits, which is known as “key money.” The Assessor treated this key money as income from the real estate, which was upheld by the AAB and the superior court. Again, the Court of Appeal reversed and directed that the key money be excluded from the property assessment. The Supreme Court has granted LA County’s petition for review, and CSAC will file a brief in support.

San Bernardino County Board of Supervisors v. Monell

91 Cal.App.5th 1248 (4th Dist. Div. 2 May 25, 2023)(E077772), *petition for rehearing denied* (July 16, 2023), *petition for review pending* (filed July 5, 2023)(S280838)

Status: Petition for Review Pending

At the November 2020 election, the voters in San Bernardino County adopted Measure K, which amended the County Charter in two ways: (1) it limited compensation for members of the Board of Supervisors to \$5,000 per month, which includes the actual costs to the County for all benefits, namely salary, allowances, credit cards, health insurance, life insurance, leave, retirement, membership, portable communications devices, and vehicle licenses; and (2) imposed a one-term limit for members of the Board. The Board challenged the measure on several grounds. On the compensation piece, the Board

argued that the matter of Board salaries is exclusively delegated to the Board and cannot be set by initiative. As to the one term limit, the Board argued that while term limits generally are permissible, the short duration of this term limit violated the First and Fourteenth Amendments by creating an unreasonable burden on the voters' right to vote and an incumbent's right to seek office. Specifically, the Board argued that the initiative is an unconstitutionally severe restriction on the right of the electorate to vote for the candidate of their choice and the right of an incumbent to run for office again.

The trial court agreed with the Board that the one term limit is unconstitutional. Applying a strict scrutiny analysis, the one term limit failed since less restrictive means were available to achieve the initiative's objectives without precluding the candidate from ever being able to seek re-election and never allowing a voter to re-elect a candidate they believe is performing competently. As to the salary limit, however, the court concluded that the constitution "gives the right of amending charters by the initiative power thereby indicating the initiative process may also amend the compensation provisions within a charter." Nevertheless, the trial court granted the Board's writ petition and concluded the initiative could not be implemented because the salary provision could not be severed from the unconstitutional term limit provision. Though there is a severability provision in the measure and the court found the two provisions are grammatically and functionally severable, it held that the initiative proponents failed to show that the two provisions are volitionally severable (i.e., that voters would have voted for the salary cap if they knew that the term limit would be invalid).

After concluding that the trial court order is appealable and the case was not rendered moot by a subsequently adopted initiative that has superseded Measure K (currently subject to legal challenge in the Court of Appeal), the court went on to uphold a one-term term limit. The court compared the one-term limit to the limits imposed on the State Assembly and Senate and concluded that "difference between the six or eight years there and the four years here is not sufficient to be constitutionally significant — particularly when the term limits here are similarly neutral and nondiscriminatory and do not preclude an incumbent from holding any other office. Four years is ample time for a supervisor to at least attempt to tick off all the boxes on his or her legislative to-do list. In this respect, the Board, with only five members, is very different from the California Senate, with 40 members, or the California Assembly, with 80 members. In the latter bodies, seniority and a cursus honorum of committee memberships both play a role. By contrast, a newly elected supervisor can hit the ground running. The Board does not point to anything that a supervisor could accomplish in six or eight years but not in four." The court also found that limiting a Supervisor to one term does not unduly infringe on the rights of the voter or the office holder.

The court also upheld the compensation limit, agreeing with the trial court that there is "no clear indication that the Legislature intended the governing body to exclusively hold the right to set their salary within the charter and exclude the use of the initiative power to amend the charter associated with the governing body's compensation." The court concluded that while Boards in general law counties may have exclusive rights to set Board compensation, in charter counties the constitution leaves that up to the charter, which can be amended by the voters. The court further found that because this case is a facial challenge, arguments that the salary "may" violate minimum wage laws were not sufficient to invalidate the measure. Justice Menetrez dissented, concluding that the subsequently

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adopted ballot initiative that superseded Measure K rendered nearly every issue in the case moot. Litigation challenging that ballot measure (Measure D) is currently pending in the Court of Appeal following a trial court ruling in the County's favor. The San Bernardino County Board of Supervisors is seeking California Supreme Court review. CSAC will file a letter in support, and will also seek depublication of the Court of Appeal's opinion.

Stone v. Alameda Health System

88 Cal.App.5th 84 (1st Dist. Feb. 3, 2023)(A164021), *petition for review granted* (May 17, 2023)(S279137)

Status: Amicus Brief Due October 5, 2023

Plaintiffs are employees of the Alameda Health System, a public hospital authority created by the County of Alameda under Health and Safety Code section 101850. As relevant to this amicus request, plaintiffs alleged class action claims related to alleged wage and hour violations. The trial court ruled in favor of the health system, concluding that it is a "statutorily created public agency" beyond the reach of the Labor Code sections and Industrial Welfare Commission (IWC) Wage Orders invoked in the complaint. The Court of Appeal reversed. The court applied the "sovereign powers doctrine" to conclude that application of the state's wage and hours laws and IWC Wage Orders to the health system would not infringe on any sovereign powers. The court also found that the health system is not a "municipal corporation" for purposes of the municipal corporation exemptions from the Labor Code because it lacks essential municipal functions (power of eminent domain, elected board, ability to impose taxes, independent regulatory or police powers). However, the court did find that where the Labor Code provides an exception for public agencies, including "other governmental entities," the health system qualifies for that exemption because that is an expansive term that encompasses the health system. The health system sought Supreme Court review, which CSAC supported, and review has been granted. CSAC will file an amicus brief on the merits in support of the health system.

Yes in My Backyard v. City of Culver City

Pending in the Second Appellate District (filed July 8, 2022)(B321477)

Status: Amicus Brief Filed July 28, 2023

This case involves interpretation of Government Code Section 66300(b)(1)(A) (commonly referred to as "SB 330"), which prohibits a city or county from:

Changing the general plan land use designation, specific plan land use designation, or zoning of a parcel or parcels of property **to a less intensive use or reducing the intensity of land use** within an existing general plan land use designation, specific plan land use designation, or zoning district in effect at the time of the proposed change, below what was allowed under the land use designation or zoning ordinances of the affected county or affected city, as applicable, as in effect on January 1, 2018, except as otherwise provided in clause (ii) of subparagraph (B) or subdivision (i). For purposes of this subparagraph, "reducing the intensity of land use" includes, but is not limited to, reductions to height, density, or floor area ratio, new or increased open space or lot size requirements, new

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or increased setback requirements, minimum frontage requirements, or maximum lot coverage limitations, or **any other action that would individually or cumulatively reduce the site's residential development capacity.**

The Los Angeles County Superior Court interpreted this language very broadly to preclude Culver City from regulating the size of large, single-family homes. The court found that “reducing the intensity of land use” includes reducing the size of single-family homes and struck down Culver City’s limits on the Floor Area Ratio of single-family homes. The City has appealed, and CSAC has filed a brief in support explaining how YIMBY’s position would actually result in less housing contrary to the intent of the statute.

California State Association of Counties 2023 Calendar of Events

JANUARY

- 2 New Year's Day (observed)
- 16 Martin Luther King, Jr. Day
- 26 CSAC Executive Committee Meeting | Sacramento

FEBRUARY

- 1 - 3 Executive Committee Leadership Forum | Torrey Pines, San Diego County
- 11 - 14 NACo Legislative Conference | Washington DC
- 20 Presidents Day

MARCH

- 2 CSAC Board of Directors Meeting | Sacramento
- 23 CSAC Executive Committee Meeting | Los Angeles
- 31 Cesar Chavez Day

APRIL

- 12 - 13 CSAC Legislative Conference | Sacramento
- 13 CSAC Board of Directors Meeting | Sacramento

MAY

- 3 - 5 CSAC Finance Corp. Spring Meeting | Half Moon Bay, San Mateo County
- 17 - 19 Western Interstate Region (WIR) Conference | St. George, Utah
- 29 Memorial Day

JUNE

- 19 Juneteenth
- TBD CSAC Regional Meeting | TBD

JULY

- 4 Independence Day
- 21 - 24 NACo Annual Conference | Travis County – Austin, Texas

AUGUST

- 10 CSAC Executive Committee Meeting | Sacramento
- 31 CSAC Board of Directors Meeting | Sacramento

SEPTEMBER

- 4 Labor Day

OCTOBER

- 4 - 6 Executive Committee Retreat | Riverside County
- 9 Indigenous Peoples Day
- 18 - 20 CSAC Finance Corp. Fall Meeting

NOVEMBER

- 10 Veterans Day
- 14 - 16 CSAC 129th Annual Meeting | Alameda County
- 16 CSAC Board of Directors Meeting | Alameda County
- 23 - 24 Thanksgiving Holiday
- 29 - Dec. 1 CSAC Officers Retreat | TBD

DECEMBER

- 25 Christmas Day

California State Association of Counties 2024 Calendar of Events

JANUARY

- 1 New Year's Day (observed)
- 15 Martin Luther King, Jr. Day
- 18 CSAC Executive Committee Meeting | Sacramento
- 1/31-2/2 Executive Committee Leadership Forum | Torrey Pines, San Diego County

FEBRUARY

- 9-13 NACo Legislative Conference | Washington DC
- 19 Presidents Day

MARCH

- 7 CSAC Board of Directors Meeting | Sacramento
- TBD CSAC Regional Meeting | TBD
- 28 CSAC Executive Committee Meeting | Los Angeles

APRIL

- 1 Cesar Chavez Day (observed)
- 17-19 CSAC Legislative Conference | Sacramento
- 18 CSAC Board of Directors Meeting | Sacramento

MAY

- TBD CSAC Finance Corp. Spring Meeting | TBD
- 8-10 Western Interstate Region (WIR) Conference | Mariposa County
- 27 Memorial Day

JUNE

- 19 Juneteenth
- TBD CSAC Regional Meeting | TBD

JULY

- 4 Independence Day
- 12-15 NACo Annual Conference | Hillsborough County, Tampa, Florida

AUGUST

- 8 CSAC Executive Committee Meeting | Sacramento
- 29 CSAC Board of Directors Meeting | Sacramento

SEPTEMBER

- 2 Labor Day
- TBD CSAC Regional Meeting | TBD

OCTOBER

- 9-11 Executive Committee Retreat | TBD
- 14 Indigenous Peoples Day
- TBD CSAC Finance Corp. Fall Meeting

NOVEMBER

- 11 Veterans Day
- 18-22 CSAC 130th Annual Meeting | Los Angeles County
- 21 CSAC Board of Directors Meeting | Los Angeles County
- 28 Thanksgiving Day
- 29 Day after Thanksgiving

DECEMBER

- 4-6 CSAC Officers Retreat | TBD
- 25 Christmas Day