



California State Association of Counties®

CSAC 2017 STATE AND FEDERAL ADVOCACY PRIORITIES

(As Approved by the CSAC Board of Directors February 16, 2017)

Each year, CSAC’s Board of Directors sets the Association’s state and federal advocacy priorities. These priorities, adopted with the input of policy committees, the CSAC Officers, the Executive Committee, and our affiliates, will guide CSAC’s advocacy efforts in 2017 both in Sacramento and Washington DC.

California continues to outpace the rest of the country in many measures as the nation enters its eighth year of economic growth, but there are signs that the expansion could soon end. Counties and the vital services they provide will be at the forefront of a changing economy, so CSAC will collaborate with the Legislature and Administration to advocate for continued investment in vital infrastructure and healthy communities, protecting counties’ abilities to provide services and govern the state’s diverse communities. Moreover, CSAC’s work doesn’t end when major laws are enacted; in 2017 we will continue our vital role helping counties implement recent statewide reforms, legislation and ballot measures.

Accordingly, the CSAC 2017 state advocacy priorities are organized around three concepts, including: **Investing in Infrastructure and Creating Healthy Communities, Implementing and Improving Statewide Policies and Defending County Interests.**

STATE PRIORITIES AT A GLANCE

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INVESTING IN INFRASTRUCTURE AND CREATING HEALTHY COMMUNITIES

Local policy, budgetary, and fiscal decisions that spur the economy and improve the quality of life in communities are most successful when complemented by incentives and resources provided by state and federal governments. Investing in infrastructure and other policies and programs that create healthy, sustainable, vibrant, and safe communities is essential to quality of life and economic prosperity throughout California. CSAC is committed to working with the Legislature and Administration to ensure that state resources for infrastructure and programs are invested in a way to create and support healthy, sustainable communities within our counties.

Transportation Funding (Housing, Land Use and Transportation). The Special Session on Transportation and Infrastructure Development came to a close on November 30 without action by the Legislature on a comprehensive, sustainable and robust transportation funding and reform deal. While extremely disappointing that the Legislature and Governor were unable to use the unique opportunity that a special session provides – singular focus on an issue without distraction by other policy matters – legislative leaders and Governor Brown recently penned a letter committing to taking up the issue first thing in the 2017 legislative session. CSAC is already working with our partners in the Fix Our Roads Coalition to reassess the political landscape and reevaluate our strategy moving forward. With a number of new members in the 2017 legislative class, CSAC will continue to rely on the California Statewide Local Streets and Roads Needs Assessment Report to educate members on the importance of the county road system and the deleterious impacts of waiting to pass comprehensive funding and reform to reinvest in our surface transportation infrastructure. CSAC staff will also continue to engage the CSAC Board of Directors, County Supervisors and public works officials for direct advocacy and outreach efforts to keep the pressure on until final resolution of this long-sought goal.

Homelessness and Poverty Issues (Health and Human Services). Homelessness issues will remain at the top of the Legislature’s agenda, partly based on the fact that California’s poverty and homelessness rates remain among the highest in the nation, affecting all Californians including children, adults, veterans, and seniors. CSAC will continue to leverage the policy expertise of the health and human services, housing, land use, and transportation, and administration of justice policy committees and staff, as well as continue our collaboration with the League of California Cities on the Joint City-County Homelessness Task Force to examine issues and solutions for housing and homelessness, with a goal of offering a comprehensive solution that will help local jurisdictions address the issue at the root of the problem.

CSAC will also continue to work hand-in-hand with the California Department of Housing and Community Development on the new No Place Like Home Program, which will provide \$2 billion in bond funding to counties for building or refurbishing permanent supportive housing for those who are homeless and living with mental illness. CSAC will also work to minimize the local effects of the Mental Health Services Act diversions, which are used to pay for the debt service on the bonds. Lastly, CSAC will continue working with all counties on communication and education efforts related to homelessness issues, including featuring CSAC issue videos, CSAC Institute for Excellence in County Government courses, workshops, regional meetings, and social and web media to ensure the best outcomes for counties and the people we serve.

Supporting the Development of Housing Affordable to All Californians (Housing, Land Use and Transportation). The lack of housing that is affordable to households at all income levels in California has

reached a new pinnacle and the Legislature and Governor considered a wide array of policy and fiscal proposals to address the crisis in 2016. Given the lack of significant progress on either funding or regulatory streamlining, CSAC's HLT Policy Committee staff is prepared to work on this vital issue again in 2017 and is currently exploring a state budget proposal that would provide \$100-\$200 million in one-time grant funds and the creation of a revolving fund to support local planning that complements statewide housing and climate goals. CSAC staff is also part of a number of coalitions working to develop policy proposals to better align state law with our housing goals. These efforts include reviewing changes to development fees and other local financing structures that could further incentivize affordable housing construction at the local level. CSAC continues to support efforts to establish a permanent source of funding for affordable housing, recognizing that policy changes alone cannot replace the need for subsidies to build, maintain and operate affordable housing in California. CSAC will continue to focus on enhancing the supply of affordable housing, through funding and regulatory reform, to alleviate pressures that can contribute to homelessness.

Climate Change (Agriculture, Environment and Natural Resources; Housing, Land Use and Transportation). The Legislature, in 2006, passed Assembly Bill 32, the California Global Warming Solutions Act which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. AB 32 required the California Air Resources Board (CARB) to develop a Scoping Plan that describes the approach California will take to reduce GHG emissions to achieve the goal of reducing emissions to 1990 levels by 2020. Since its passage, AB 32 targets have been updated for 2030 with the new goal of reducing GHG emissions to at least 40 percent below the 1990 level by 2030. As a result, CARB is moving forward with a second update to the Scoping Plan to reflect these new targets. Staff will work in coordination to comment on and participate in the Scoping Plan update process. In addition, CSAC will continue to advocate for additional cap and trade resources to help reduce GHG emissions at the local level. Early draft documents suggest that the Administration continues to focus on unfunded mandates so CSAC must be vigilant in ensuring needed resources for transportation and housing to meet our statewide climate goals. Finally, CSAC will continue to lobby both the Administration and Legislature for additional cap and trade resources to help reduce GHG emissions from the transportation sector.

Forest Health and Land Management (Agriculture, Environment and Natural Resources). CSAC will continue to work with the Administration and stakeholders to implement the Governor's Executive Order on tree mortality. Staff will advocate for local assistance, financial resources, regulatory relief and assistance with outreach and coordination efforts in order to effectively limit the public health and safety risk from dead and dying trees. In addition, CSAC will continue to advocate for funding of on-going Payment-In-Lieu of Taxes (PILT) payments as well as look for future opportunities to ensure the stability of the program.

Bail Reform (Administration of Justice). The nationwide movement toward bail reform is advancing, with several California legislators already declaring plans to introduce legislation in 2017. CSAC will engage in the conversation to ensure that any reforms include a system that utilizes evidence-based risk assessment tools to create a uniform bail decision process with public safety as its highest priority.

Resource Recovery and Waste Management (Agriculture, Environment and Natural Resources). The Administration suspended their efforts to seek an increase to the state's solid waste disposal fee (tipping fee) this year as focus turned to increasing the amount of organic material diverted from our landfills, and the reduction of methane gas – a short lived climate pollutant. This issue will remain critical along with the need for resources to fund additional infrastructure to manage the organics portion of

the waste stream. CSAC staff will focus on working to assist counties with the implementation of organic diversion requirements as well as continue to advocate for resources to assist with this effort.

Water Resources (Agriculture, Environment and Natural Resources). Water issues, including stormwater infrastructure, groundwater management and drought impacts will remain priorities as on-going work and implementation efforts continue into 2017. CSAC remains committed to finding a funding solution for local stormwater programs. Staff will work in coordination with county public works departments to build local political support with County Boards of Supervisors and state legislators, and work to increase public awareness of this critical issue until a successful statewide solution is identified. CSAC will continue to represent county interests throughout the Sustainable Groundwater Management Act (SGMA) regulatory processes in collaboration with the Rural County Representatives of California (RCRC) and in consultation with our joint County SGMA Working Group. Finally, staff will continue to work with the Administration and participate in efforts to implement Governor's Executive Order on drought preparedness, water conservation, and water supply emergency response.

Native American Affairs (Housing, Land Use and Transportation). CSAC staff will continue to use the results of our 2014 tribal gaming survey to influence the renegotiation of the remaining 44 tribal-state gaming compacts from 1999 which are set to expire in 2020 (although they may be extended until mid-2022). CSAC's priorities for the revised compacts, which were reflected in the 13 compacts from 2015-16, include requiring judicially enforceable local mitigation agreements for any new or expanded gaming or related facilities and a more comprehensive tribal environmental review process. Additionally, CSAC will continue to look for opportunities to fund the Special Distribution Fund, which is the only source of mitigation for off-reservation impacts for many counties where tribes operate casinos under 1999 compacts. SDF must be funded or another mechanism developed to mitigate impact existing impacts of gaming enterprises already operating in these counties. Unfortunately, CSAC staff anticipate continued reluctance to doing so until all 1999 compacts have been renegotiated.

IMPLEMENTING AND IMPROVING STATEWIDE POLICIES

The work of the Association does not end when the state enacts new, or reforms existing, laws, ballot measures and programs; it is then that CSAC must ensure counties have the knowledge, resources and tools to implement new laws, ballot measures and programs in the most effective and efficient manner possible. To this end, in addition to continuing legislative and budget work to advance our Association's goals and refine new or existing laws and programs, CSAC is dedicated to providing necessary information and guidance to counties on the myriad programs and policies prescribed by the state and to work with the Administration and Legislature to be the voice of California's 58 counties as implementation moves forward.

Cannabis (Agriculture, Environment and Natural Resources). The passage of Proposition 64, the Adult Use of Marijuana Act (AUMA), legalized the consumption and cultivation of marijuana for recreational use in California. CSAC will work closely with the Administration and the Legislature to ensure that local governments have the information and resources they need to effectively regulate and tax marijuana, if they so choose. In addition, CSAC staff will continue to work on any legislative clean-up efforts relative to medical and recreational marijuana, working to preserve and protect local control and provide adequate funding for environmental and other impacts. Further, education efforts will continue in earnest to ensure elected officials are prepared to make informed decisions regarding implementation of both Proposition 64 and recently passed laws governing medical marijuana.

Continuum of Care (AB 403) Reform Implementation (Health and Human Services). CSAC will continue to focus on the wholesale reform of the group home system in California under AB 403, which requires counties to implement the new system on January 1, 2017. CSAC will continue working closely with county child welfare services, behavioral health, and juvenile probation systems to ensure they are adequately resourced to implement this massive new policy change to improve outcomes for foster and probation youth. CSAC will also continue to convene county affiliates in discussions to ensure coordinated and strategic advocacy efforts and continue the work of ascertaining the fiscal and Proposition 30 implications of the reforms.

Domestic Violence Batterer Intervention Programs (Administration of Justice). CSAC convened a task force to comprehensively review California's Batterer Intervention Program statute in 2016. California's statute lays out a 52-week mandatory program for all domestic violence batterers, but does not provide structure or guidance about what cognitive behavioral treatments need to be provided to reduce recidivism among this population. The task force has convened several experts to discuss key issues like the length of the batterer intervention programs, and statutory clarity to address the criminogenic needs of offenders and improve the outcomes of domestic violence batterers, thereby reducing cases of domestic violence. CSAC plans to sponsor legislation in the 2017-18 legislative session that will reflect the work of the task force and its recommendations on how best to reform the program.

In Home Supportive Services Maintenance of Effort (Government Finance and Administration – Employee Relations and Administrative Services, Health and Human Services). In 2016, CSAC was successful in helping develop a new three-year Managed Care Organization (MCO) fix that prevented a \$1.1 billion loss in state funding and preserved the Coordinated Care Initiative (CCI) pilot project. Our role in 2017 requires CSAC to make strategic decisions calculated to preserve the CCI and effectuate the expansion of the pilot to the remaining 51 counties, which is the first step in eventually transferring collective bargaining for IHHS workers from each county to the state.

Foster Youth Services (Health and Human Services). Foster youth are among the most at-risk populations in California, but recent state law changes, such as expanding eligibility for foster care services from age 18 to age 21, have resulted in additional local costs beyond the cap on county expenditures in current statute. CSAC will work with state and county social services, the Department of Finance, and county counsels on this cost issue, as well as working to assess costs within individual counties. CSAC will also work to ensure that these vulnerable youth have timely access to child welfare and behavioral health services and that their medical and other records are updated and accessible to all youth, the professionals who are serving them, and the youth's caregiver. CSAC will also work to ensure transparency within all systems that serve foster youth.

Body Cameras (Government Finance and Administration – Employee Relations and Administrative Services). The discussion of the expansion of the Public Records Act cannot take place without the inclusion of what will continue to be a trending topic next year: the implementation within public agencies of public safety officer-worn body cameras. CSAC engaged in 2016 on bills that would permit the sharing of footage with the public as well as prescribing employment rights policies on local governments by the state. CSAC will work to ensure that county interests are retained regarding how and when such footage is made publicly available, as well as, seek clarity regarding management of those employees wearing the body cameras.

Redevelopment Agency Dissolution (Government Finance and Administration – Finance and Operations). Counties are key players in the ongoing dissolution of community redevelopment agencies.

CSAC is committed to assisting counties in their multiple roles as successor agencies, oversight board participants and administrators, tax administrators, and property tax increment recipients to ensure consistent and timely communication and coordination among counties, local stakeholders, and the state. This year will be important as oversight board consolidations take place in preparation for the 2018 deadline.

Proposition 57 (Administration of Justice). On November 8, 2016 California voters approved Proposition 57 which amended the California Constitution to give parole consideration to individuals sent to prison for a non-violent felony once they have completed the full term of their primary offense. The initiative defines primary offense as the longest term imposed excluding any additional terms that are added to an offender's sentence such as enhancements, consecutive sentences, or alternative sentences. In addition, Proposition 57 amends the California Constitution to specify that the California Department of Corrections and Rehabilitation (CDCR) has the authority to award credits to inmates for good behavior and approved rehabilitative and educational achievements. Both of these provisions require the Secretary of CDCR to certify that they protect and enhance public safety. Proposition 57's intent is to give offenders an incentive to participate in rehabilitative programs in prison and earn an opportunity to go before the Board of Parole Hearings. CSAC will engage in the development of regulations and the implementation of the initiative with the Administration and CDCR.

DEFENDING COUNTY INTERESTS

CSAC is committed to engaging on policy issues to avoid unnecessary costs and administrative burdens that would make it more difficult to balance our local budgets and provide ongoing services to our constituents. This is particularly, and more acutely true, during times of economic uncertainty. A number of policy, budgetary, and fiscal issues relevant to maintaining an appropriate level of control over local budgets, program, and services occurs outside the legislative arena. As such, in addition to our legislative advocacy, CSAC will engage on the following priorities on behalf of counties by working with stakeholders, the Administration, the executive branch, and the federal government.

Potential Changes to the Affordable Care Act (Health and Human Services). With the election of President-Elect Trump, California's counties must engage on any proposals to repeal or alter the Affordable Care Act (ACA). California draws down about \$16 billion in federal funds – including a large proportion of dollars associated with the ACA – within a total Medi-Cal budget of \$19.1 billion. Further, counties spent between \$1.5 and \$2 billion annually on medical services for the medically indigent before the ACA expanded Medicaid eligibility – a portion of which has been transferred to the state due to county savings as a result of this population transferring to Medi-Cal. The County response will depend on how President-Elect Trump and the new Congress proceed in potentially repealing the ACA in its entirety, or retain parts of it, or develop additional proposals to replace it. CSAC will work with our Washington representatives, county affiliates, and the Brown Administration to respond to any county impacts associated with changes to the ACA.

CalPERS' Healthcare Issues (Government Finance and Administration - Employee Relations and Administrative Services). Many counties contracting with the California Public Employees' Retirement System (CalPERS) for employee health benefits have voiced concerns with the costs and lack of data provided by the System to help counties analyze these costs. In an environment of rising health care costs across the nation, this lack of information is troubling for counties desiring to ensure their employees continue to receive comprehensive health benefits at costs that are fair to the county providing them. CSAC will work with CalPERS and contracting counties to address these concerns.

CalPERS' Risk Mitigation Discussion. (Government Finance and Administration – Employee Relations and Administrative Services). The CalPERS Board of Administration adopted a risk mitigation strategy last November to incrementally lower the discount rate in years of good investment returns, help pay down the fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. Specifically, if investment returns exceed the discount rate (currently 7.5 percent) by four points in any fiscal year, the discount rate will be lowered by a minimum of 0.5 percentage points to a maximum 0.25 percentage points. That excess gain will then offset the employer contribution rates that would usually increase when the discount rate is lowered. CalPERS' staff has projected that the discount rate would most likely decrease to 6.5 percent in 21 years. CSAC will closely monitor the discussion and ensure that the county perspective is heard.

Collective Bargaining (Government Finance and Administration – Employee Relations and Administrative Services) CSAC, in 2016, led a coalition of public employers and education management advocates to defeat AB 2835, which would have required specific union orientations for all new employees. It is expected that this legislation will be reintroduced in 2017 and, as per the usual after major election years and the beginning of another two-year legislative session, public employers will see many bills introduced that threaten the balance between the rights of employees and the inherent management rights of public agency employers. CSAC will fully engage again this upcoming year to ensure that counties as employers maintain the ability to effectively manage their workforces while also maintaining the exemplary benefits provided to their employees.

Court Security Funding (Administration of Justice). CSAC will continue to advocate for trial court security funding for new court facilities built by the state and opened after October 9, 2011. After the passage of the 2011 Public Safety Realignment, court security costs became a state responsibility, and as new court facilities come online many require additional security staffing. CSAC will remain engaged on this issue and work with the Administration to approve the appropriate ongoing funding levels for new court security costs.

Elections Administration Investment and One-Time Funding (Government Finance and Administration – Finance and Operations). The 2016 election cycle was unlike any other in recent history with surging voter registration and numerous statewide and local measures on the ballot. Given the attention to elections administration in this unprecedented election cycle, there may be a narrow window of opportunity to request additional one-time funding for ... pursuant to conversations in the Legislative Budget Committees when AB 120 (which allocated \$16 million to counties) was passed in early 2016. Attention will also be given to the potential chain of special elections called to fill various state and federal vacancies resulting from the new federal Administration or successful bids for new seats by current office holders. At the same time that administrative costs were highlighted, elections equipment and technology are drawing closer to the end of their useful shelf-life in many counties. CSAC will work through partnerships with county elections officials and the Secretary of State's Office to seek an investment plan to ensure current equipment and modern methods are available for elections administration through the next decade.

Electronic Jail Visiting (Administration of Justice). Last year, the Legislature passed but the Governor vetoed legislation that would have mandated counties to provide in-person visiting for all offenders in county jail. While CSAC supports and appreciates the importance of in-person visiting, there were clear issues with the bill and Governor Brown vetoed the legislation stating that it did not provide adequate flexibility to counties and created a strict mandate. CSAC will actively work with the Board of State and

Community Corrections and our local partners on policies that protect counties' flexibility while addressing the needs posed by the Legislature.

Local Tax Authority Protection (Government Finance and Administration –Finance and Operations). As in previous years, CSAC expects numerous bills will be introduced to create tax carve-outs that undermine important revenue streams for counties, including property tax and sales and use tax exemptions. A slowing economy can intensify these efforts especially for proposals that benefit seniors and others living on fixed incomes. In addition, different rules may be sought to give special treatment for online retailers as it relates to transient occupancy tax remittance and remote sales. CSAC will advocate for the protection of current tax revenue streams, including the state sales tax rate portion dedicated to county public safety and health services. Further, CSAC will engage in the developing dialogue regarding the state's tax system with legislators, the Administration, State Controller, Board of Equalization, State Treasurer, and third party stakeholders in an effort to ensure that local revenue authority adequately reflects county service responsibilities under any reform proposal.

Mandates Reimbursement Reform and Debt Repayment (Government Finance and Administration – Finance and Operations). CSAC will actively work with the Administration and local government stakeholders to review the current mandate reimbursement system and identify potential alternatives to establish greater payment security and reduce the potential for payment backlogs on services already rendered. This may include streamlining the approval of reasonable reimbursement methodologies and seeking legislatively-determined reimbursement status, amongst other solutions. In addition, CSAC will maintain the dialogue on efforts to secure repayment of the remaining debt owed to counties for services already rendered due to new or expanded program or service mandates. The previously secured reimbursement for pre-2004 mandated services still leaves approximately \$1.1 billion in unpaid state mandate debt for local agencies statewide.

Open Data and Public Records (Government Finance and Administration –Employee Relations and Administrative Services). CSAC was heavily engaged this year on legislation affecting the Public Records Act (PRA) and the sharing of public data on our county websites. It is expected that the introduction of bills attempting to expand the PRA and provide transparency in county government will not slow down in 2017. CSAC will continue to ensure that county interests on the administrative ability to implement such legislation, as well as working with the Legislature and proponents to determine how to reach these goals, is at the forefront of such endeavors.

Protecting County Governance Authority (Government Finance and Administration –Finance and Operations). Recent legislative interest in local governance models for cities, counties and special districts has increasingly put Board of Supervisors' authority in the spotlight for questions related to board structure, district size and general decision-making powers. This has been the case for charter and general law counties alike. CSAC will advocate for maintaining local authority for budget approval, redistricting, and the existing mechanisms that reflect local voter will for changes to board size, districts, or funding levels to reflect community service needs.

FEDERAL PRIORITIES

CSAC staff, in consultation with Waterman & Associates, developed the following list of federal issues of significance to California's counties. These issues will represent the association's top lobbying priorities in Washington DC for 2017.

As the new administration prepares to begin its tenure, a number of major policy debates are expected to occur early in the first session of the 115th Congress. For example, the Republican-controlled House and Senate are expected to employ an expedited legislative process that would allow for the repeal and replacement of the Affordable Care Act (ACA). The Trump administration also is expected to seek congressional approval of an ambitious infrastructure spending plan, propose significant tax and immigration reforms, and roll back certain environmental regulations. CSAC staff and Waterman & Associates will work collaboratively to address these issues, as well as other emerging topics, throughout the year.

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

Native American Affairs/Fee-to-Trust Reform (Housing, Land Use and Transportation). CSAC will continue to lead local government efforts aimed at securing a comprehensive legislative overhaul of the Department of the Interior's fee-to-trust process. A number of CSAC-spearheaded reforms were included in legislation that was approved in 2016 by the Senate Committee on Indian Affairs. CSAC will look to build on those reform efforts in 2017.

CSAC will continue to advocate for a number of additional key amendments to S.1879 from the 114th Congress and will work with the House to promote a similar, comprehensive reform package.

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

Secure Rural Schools (SRS) Act Reauthorization/Federal Land Management Reform (Agriculture, Environment and Natural Resources). CSAC will maintain efforts aimed at securing a multi-year reauthorization of the SRS program. Absent a long-term program renewal, CSAC will continue to support short-term extensions of the Act. In addition, CSAC will continue to advocate for responsible reforms to federal land management. Such reform efforts should promote healthy forests, protect endangered species habitat, safeguard downstream water quality, improve California's water supply, and reduce the risk of wildfires.

Temporary Assistance for Needy Families (TANF) Reauthorization (Health and Human Services). CSAC will continue to promote TANF reauthorization legislation that would restore state and county flexibility to tailor work and family stabilization activities to families' individual needs. CSAC also supports

maintaining the focus on work activities under TANF, while recognizing that “work first” does not mean “work only.”

Child Welfare Services (Health and Human Services). CSAC will support increased federal funding for services and income support needed by parents seeking to reunify with children who are in foster care. CSAC also supports increased financial support for programs that assist foster youth in the transition to self-sufficiency, including post-emancipation assistance such as secondary education, job training, and access to health care.

In addition, CSAC will work to protect and retain the entitlement nature of the Title IV-E Foster Care and Adoption Assistance programs while seeking the elimination of outdated rules that base a child's eligibility for funds on parental income and circumstances. Finally, CSAC supports federal funding to address the service needs of youth who are victims of commercial sexual exploitation.

Affordable Care Act (Health and Human Services, Government Finance and Administration – Employee Relations and Administrative Services). With the election of President-Elect Trump, California’s counties must engage on any proposals to repeal or alter the Affordable Care Act (ACA). California draws down about \$16 billion in federal funds – including a large proportion of dollars associated with the ACA – within a total Medi-Cal budget of \$19.1 billion. Further, counties spent between \$1.5 and \$2 billion annually on medical services for the medically indigent before the ACA expanded Medicaid eligibility – a portion of which has been transferred to the state due to county savings as a result of this population transferring to Medi-Cal. The County response will depend on how President-Elect Trump and the new Congress proceed in potentially repealing the ACA in its entirety, or retain parts of it, or develop additional proposals to replace it. CSAC will work with our Washington representatives, county affiliates, and the Brown Administration to respond to any county impacts associated with changes to the ACA.

Additionally, CSAC will continue to support bipartisan efforts to eliminate the ACA excise tax, should the ACA remain in place. A number of California counties offer health insurance plans and related programs that will be subjected to the tax on high-cost plans.

Medicaid (Health and Human Services). CSAC will closely monitor potential efforts to block grant or otherwise provide states per-capita payments based on their historical Medicaid spending patterns in return for increased administrative flexibility in designing and administering the program. California continues to be one of the lowest Medicaid spending states based on a per-capita basis, potentially locking the state in to a very low federal allotment. Moreover, to the extent that state administrative and benefit costs exceed what is covered by the block grant, counties are at risk of assuming the financial liability for those costs.

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

Water Resources (Agriculture, Environment and Natural Resources). CSAC will monitor legislative proposals to ensure consistency with CSAC’s comprehensive policy direction on water. Given the ongoing drought, various interests continue to pressure California’s congressional delegation and the administration to address the state’s chronic water shortage. A range of proposals have been floated

that would address water transfers, endangered species laws, water quality, and California Bay-Delta protections, amongst others.

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

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

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

CSAC also will oppose legislative efforts that would prohibit state and local governments from imposing taxes on digital goods and services that are taxable under current law. Digital goods and services are online purchases that are downloaded directly by consumers, including music downloads, movies, and newspaper subscriptions.

Victims of Crime Act Funding (VOCA) (Administration of Justice). The Victims of Crime Act (VOCA) Fund is supported by federal criminal fines and penalties. While dollars from fines/penalties comprise the entirety of the fund, congressional appropriators can adjust the cap. While most of the funding is allocated in the form of competitive grants, Cal OES recently established a \$40 million County Victim Services (XC) Program for fiscal years 2016/2017 and 2017/2018, with funds going directly to all 58 counties based on population and violent crime statistics. CSAC will continue to advocate for increased VOCA funding, which helps support domestic violence shelters, services for victims of human trafficking, and other services for victims of violent crimes.

Violence Against Women Act (VAWA) (Administration of Justice). Federal VAWA grants fund direct services to women who are the victims of violent crime. Counties depend on VAWA funds for the community-based organizations that provide services, which include housing, treatment, and other direct-victim services. CSAC supports the highest possible funding level for VAWA grants.

Tree Mortality Emergency Response and Preparedness (Agriculture, Environment and Natural Resources). CSAC will continue to urge the federal government to provide assistance through the Department of Agriculture (USDA) and the Federal Emergency Management Agency to help California address its tree mortality crisis.

Children's Health Insurance Program (CHIP) (Health and Human Services). Current funding for CHIP expires at the end of fiscal year 2016. CSAC supports full funding of CHIP and continuing the 23 percentage point boost in the federal contribution over the normal 65 percent federal match for CHIP. CSAC further supports action on CHIP early in 2017 to allow the State and counties to budget for the upcoming state fiscal year.

Marijuana Policy (Agriculture, Environment and Natural Resources). With the passage of Proposition 64 in November 2016, California has joined seven other states that have legalized marijuana for recreational purposes. As this change in law is not consistent with federal policy on marijuana, there will

be several issues, primarily in the areas of banking, finance and taxation that will need to be addressed. It is also unclear how the new administration will respond to legalization efforts, and if there will be attempts to amend or rescind guidance issued by the Department of Justice, known as the “Cole Memo” that outlines how the federal government prioritizes enforcement of the Controlled Substance Act. CSAC will work with the Governor’s office in seeking guidance to address this emerging issue.

Wildfire Funding Reforms. The U.S. Forest Service spends more than half of its budget putting out fires, which leaves significantly reduced funding for much needed fire prevention activities, including funding for projects related to tree mortality. This system has created a large backlog of needed prevention and forest health projects that have gone and continue to go unfunded. There has been a concerted effort to reform the USFS budget in recent years and end the practice of “fire borrowing” within the USFS budget, and to treat wildfires like other disasters. CSAC will continue to support these efforts.

FAA Reauthorization (Government Finance and Administration – Finance and Operations; Administration of Justice; Housing, Land Use and Transportation). The upcoming reauthorization of the Federal Aviation Administration offers an opportunity to shape several key policies of interest to California’s counties. CSAC will continue to support legislative efforts designed to clarify that local voter-approved sales tax revenues derived from the sale of aviation fuel are not subject to provisions of federal law that require the proceeds of certain taxes to be spent on airport capital and operating costs.

CSAC also will closely monitor legislative and regulatory efforts – including the activities of the Drone Advisory Committee (DAC) – to ensure that federal drone policy does not preempt local authority, including local land use, zoning, privacy, trespass and law enforcement operations.

Finally, CSAC will support legislative efforts to increase federal funding for local airports, including funding for the Airport Improvement Program (AIP), which is supported by revenue from the federal Passenger Facility Charge (PFC). CSAC also supports flexibility to allow local governments to invest in airport projects that best meet community needs.

Transportation Revenues and FAST Act Implementation (Housing, Land Use and Transportation). The Fixing America’s Surface Transportation Act (FAST Act) ensured solvency of the Highway Trust Fund (HTF) through 2020. However, the federal gas tax has lost its purchasing power much like California’s state gas tax since it was last increased in 1991. CSAC will continue to educate the California congressional delegation and administration on the importance of the county road system with respect to federal transportation policy and advocate at the federal level for new revenues to ensure federal programs of importance to counties, such as safety and bridge projects, are more robustly funded. CSAC will also continue to work with our federal partners to ensure implementation of the FAST Act and its processor, the Moving Ahead for Progress in the 21st Century Act (MAP-21) to ensure regulations allow flexibility and are not overly burdensome.