



California State Association of Counties®

CSAC 2016 STATE ADVOCACY PRIORITIES

As Adopted by the CSAC Board of Directors

California continues to outpace the rest of the country in all measures of growth as the nation enters its seventh year of economic recovery. However, within the state, progress has been uneven with many counties that are still not realizing the same level of economic stability compared to pre-recession standards. This is the stage for California's counties as we begin to prepare for the next inevitable downturn.

The CSAC 2016 policy priorities, therefore, are organized around three concepts where our partnerships with the state and federal governments can be strengthened to serve all Californians: **Local Budget Stability; Economic Development and Healthy Communities; and Infrastructure Investment.**

LOCAL BUDGET STABILITY. Some counties are sharing in the stronger state and national economy while others are lagging, especially in geographic areas where residents are in need of more economic opportunities and supportive services. As counties continue to take on more responsibility than ever for providing state programs, we look forward to a strong partnership with the state and continued funding for programs in which we share responsibility, including public safety grants, jail health costs, Payment in Lieu of Taxes (PILT), debts owed for past local government mandates, and Affordable Care Act eligibility administration.

ECONOMIC DEVELOPMENT AND HEALTHY COMMUNITIES. Local decisions about policies that spur the economy and improve the quality of life in local communities are often more successful when complemented by incentives and resources provided by state and federal governments. While local flexibility is critical for successful implementation of policy, clear and consistent state policy direction where applicable is also essential. This includes policies related to ensuring affordable housing, dedicating cap and trade revenue for local greenhouse gas reduction projects, and implementing universal broadband, election reforms, and foster care reforms, as well as addressing the state's still-persistent poverty issue.

INFRASTRUCTURE INVESTMENT. Safe, efficient, and sustainable infrastructure is essential to quality of life and economic prosperity. In some regions, critical components that underpin California's civic and economic life, including roads, bridges, flood protection, an adequate and safe water supply, and jail facilities, are not meeting basic standards because of deferred maintenance and inadequate revenue. County leaders' support for new, ongoing, and dependable funding, in combination with relieving unnecessary restrictions that hinder innovation and resourcefulness, will secure the needed resources for sound infrastructure investments.

LOCAL BUDGET STABILITY

- **Payment in Lieu of Taxes (PILT).** CSAC will advocate for the current year payment of PILT totaling approximately \$644,000 as well as ongoing future payments and look for future opportunities to secure back payment of PILT. (Agriculture, Environment and Natural Resources)
- **IHSS MOE/Coordinated Care Initiative/Managed Care Organization Tax.** CSAC is mindful of the potential impact to counties should the Legislature fail to secure a new managed care organization (MCO) tax – a \$1.1 billion loss in funding – and should the Administration not realize the anticipated savings from the Coordinated Care Initiative (CCI). CSAC supports the CCI and remains committed to its success and eventual expansion of the pilot to all counties. CSAC will also work to protect the county in-home supportive services (IHSS) MOE and support a reasonable MCO tax. (Health and Human Services)
- **Medi-Cal Eligibility Administration Costs.** CSAC will continue to advocate for sufficient funding for county costs related to Medi-Cal eligibility workload and support efforts to undertake a work- and time-study project to better determine funding levels in the future. An estimated \$200 - \$300 million will be needed to adequately support county activities. (Health and Human Services)
- **Vital Records Paper Shortage.** CSAC will advocate for a solution that ensures counties can issue certified copies of birth, death and marriage certificates, despite the abrupt closure of the only authorized provider of banknote paper that met the statutorily required security standards. While temporary solutions are in place, a long-term approach to ensuring that counties are prepared to serve residents' needs for vital records with an adequate inventory of secure banknote paper is necessary. (Employee Relations and Administrative Services)
- **Court Security Supplemental Funding.** CSAC, in collaboration with the California State Sheriffs' Association, was successful for the last two years in securing additional funding for county supplemental court security staffing associated with the activation of a new court facility. This year CSAC, through continued collaboration, will advocate for sustained baseline funding for those counties awarded resources in FY 2015-16, will work to identify potential future needs, and conduct individual county outreach where needed. In FY 2016-17, the funding level for the supplemental court security line item must be calibrated to cover ongoing approved county costs from the current year along with an estimate of the potential new costs in the budget year. (Administration of Justice)
- **Community Correctional Partnership (CCP) Planning Grants.** CSAC will advocate for \$7.9 million in CCP planning grants to ensure counties may dedicate training and resources to their CCPs at a time when they are addressing significant reforms in the criminal justice system. The grants allow the CCPs the opportunity to discuss how to continue investing in their local systems and address public safety needs. (Administration of Justice)
- **Jail Health Costs.** For Medi-Cal eligible inmates who have a 24 hour or longer hospital stay, CSAC will continue to work with county affiliates and the Administration to determine the process for counties to claim federal financial participation. This includes working with the Administration to secure finalized and streamlined claiming protocols. (Administration of Justice; Health and Human Services)

- ***Sales and Use Tax Revenue Protections.*** CSAC strongly advocates for the protection of local sales and use tax revenue and, in addition, will oppose efforts to erode the state sales and use tax base that could impact allocations to county-designated revenue shares for services including public health, safety and transportation. (Finance and Operations)
- ***AB 85 Health Realignment Implementation.*** In 2016, the Administration will complete for the first time its final determinations of each county's 1991 Health Realignment AB 85 diversion amounts for fiscal year 2013-14. CSAC will continue to engage the Administration and monitor the integrity of the determinations, as well as work to establish an efficient payment or recoupment process. (Health and Human Services)
- ***Affordable Care Act Excise Tax.*** CSAC will engage state and federal resources to ensure a minimal fiscal impact to county employers. In addition, CSAC will ensure that county officials receive timely education on the imposition of the Affordable Care Act (ACA) Excise Tax, which will be imposed on employers beginning with taxable year 2020. This means employers could be required to pay an annual 40 percent tax on the cost of employee health coverage that exceeds a predetermined threshold amount. (Employee Relations and Administrative Services)
- ***Post-2004 Mandate Repayment Plan.*** The secured, full reimbursement of pre-2004 mandate debt still leaves over \$1.1 billion in post-2004 mandate debt owed to local agencies statewide. Although this debt is not officially included in the so-called "wall of debt," CSAC will work with the Administration to develop a pay-down plan to secure funding for those services already rendered by local agencies. (Finance and Operations)
- ***Mandate Reform Working Group.*** In addition to seeking mandate debt reimbursement, CSAC will actively engage with the Administration and stakeholders to study the current state mandate reimbursement system and identify potential alternatives to establish greater repayment certainty and reduce the potential for payment backlogs. (Finance and Operations)
- ***CalPERS' Actuarial Separation of Court Employees.*** SB 2140 (Burton; 2000) enacted the Trial Court Employment Protection and Governance Act that requires a trial court and county participate under a joint PERS contract if the trial court is located within a county contracting with PERS for retirement benefits. This results in pooled assets and liabilities, a single employer contribution rate, and a single benefit package. Following the implementation of GASB Statement 68, full pension liabilities are required to be disclosed on county balance sheets. As such, the pooling of assets and liabilities with state trial court employees has resulted in the overstatement of those liabilities. It has also resulted in additional administrative work and barriers for counties practicing fiscal prudence when addressing unfunded liabilities. CSAC will work with the Judicial Council of California, counties and CalPERS to investigate a solution that will result in counties having the option of separating assets and liabilities from the trial courts. (Employee Relations and Administrative Services)
- ***Tribal-State Gaming Compacts.*** CSAC will continue to work with counties and the Administration to ensure new and renegotiated tribal-state gaming compacts still include judicially-enforceable local agreements and the other positive components that mitigate the impacts of casinos on local government services and the environment. (Housing, Land Use and Transportation)

- **Indian Gaming Special Distribution Fund.** CSAC will explore ways to improve the Special Distribution Fund (SDF), which provides grants to counties and other local agencies to mitigate impacts from gaming. The 2015 compacts signed by the Governor maintained the SDF program, but counties have consistently found the program difficult to implement. Although the program has been unfunded for the last two budget cycles due to a structural deficit, the Legislature has continued to create new and more onerous requirements on the use of grant funds. (Housing, Land Use and Transportation)

ECONOMIC DEVELOPMENT AND HEALTHY COMMUNITIES

- **Tree Mortality Emergency Response and Preparedness.** CSAC will work with the Administration on the Executive Order on tree mortality while advocating for local assistance and financial resources in order to limit the public health and safety risk from dead and dying trees. (Agriculture, Environment and Natural Resources)
- **Traffic Fine Amnesty Program.** CSAC will focus on future legislation that could extend the current Traffic Tickets/Infractions Amnesty Program that is authorized from October 1, 2015, to March 31, 2017. The Legislature and program advocates are interested in extending the temporary program into long-term reforms and reductions to the current fine and penalty system. CSAC will continue work with the Judicial Council, advocates, the Administration, Legislature, and the Legislative Analyst's Office on any proposals to ensure that county responsibilities and costs are contained should program expansion be pursued. (Administration of Justice)
- **Marijuana.** CSAC will continue to work on any legislative clean-up relative to the recently chaptered medical marijuana legislation as well as provide comments and input into legalization efforts ensuring local control, taxation and funding for environmental impacts. Should a measure qualify for the ballot, CSAC will review the proposal and provide a thorough analysis to the Agriculture, Environment and Natural Resource Policy Committee to ultimately provide a recommendation to the Board of Directors. (Agriculture, Environment and Natural Resources)
- **Elections Reform Funding.** California is undergoing major changes to the statewide election system to bring the costly, antiquated process into the 21st century. Last year significant strides were made to adopt automatic voter registration, implement a centralized voter information database, and expand voting opportunities. Because counties serve as elections administrators for the state and other local government entities, CSAC will advocate for flexibility and financial assistance in the adoption of new voting systems and practices. In addition, CSAC will continue to advocate for fully funded elections mandates and support appropriate election cost-reduction proposals. (Finance and Operations)
- **Proposition 47 Implementation.** The impact of Proposition 47 on county criminal justice systems has been difficult to calibrate. CSAC will continue working closely with counties, criminal justice system partners, the Administration, Legislature, the Board of State and Community Corrections, and other key stakeholders on the process of allocating any potential savings to the state as a result of Proposition 47. (Administration of Justice)
- **Cap and Trade.** CSAC will continue to advocate before the Administration and Legislature for additional resources to help reduce greenhouse gas (GHG) emissions at the local level. CSAC will

continue to engage in Administration-led efforts that include the Forestry Climate Action Team, the update of the 2016 Investment Plan, and the update and use of the California Communities Environmental Health Screening Tool (CalEnviroScreen) in the allocation of cap and trade auction proceeds to disadvantaged communities across all sectors. CSAC will also continue to engage with the Strategic Growth Council to ensure that the Affordable Housing and Sustainable Communities Program funds transportation and housing projects that result in significant GHG reductions while not being overly prescriptive and thereby limiting innovative projects. In addition, CSAC will engage in legislative efforts to influence the appropriation of the remaining of FY 2015-16 auction revenues as well as work to influence the distribution of FY 2016-17 funds. (Agriculture, Environment and Natural Resources; Housing, Land Use, and Transportation)

- **Groundwater.** CSAC will continue to represent county interests in the Sustainable Groundwater Management Act (SGMA) regulatory processes working with our joint County SGMA Working Group. (Agriculture, Environment and Natural Resources)
- **Broadband Access and Adoption.** There have been recent and increasing legislative and regulatory actions related to broadband infrastructure development, funding resources, and definitions of this technology. CSAC will continue to advocate for policies that recognize the diversity of county resources and needs to maximize economic development, service delivery, and future investment opportunities in all 58 counties in the promotion of broadband access and adoption. (Finance and Operations)
- **Behavioral Health Funding.** The 2011 Realignment Behavioral Health Sub- and Growth Accounts have been of interest to the mental health advocate community, the Legislature, and Administration. CSAC remains engaged in discussions with the County Behavioral Health Directors Association and the Administration to determine equitable distributions and in initial discussions related to setting a behavioral health base. CSAC will also continue to oppose any legislation that reduces local flexibility or otherwise adversely impacts the obligations of county behavioral health systems. (Health and Human Services)
- **California Inmate Identification Card Pilot Program Expansion.** CSAC will continue working with the Department of Motor Vehicles to expand on the newly developed Inmate Identification Card Pilot Program. The program started in October and following several months of program implementation in San Diego County the goal is to expand this program to additional interested counties. (Administration of Justice)
- **Continuum of Care Group Home Reform.** CSAC will continue to advocate for attention to the policy and fiscal impacts of AB 403 (Stone; 2015) to ensure that county child welfare services, behavioral health, and juvenile probation systems are adequately resourced to implement this ambitious policy change. CSAC will continue to convene county affiliates in discussions to ensure a coordinated advocacy effort and lead efforts on the Proposition 30 implications of the bill. (Health and Human Services)
- **Medi-Cal 2020 Waiver Implementation.** While the Section 1115 Medi-Cal 2020 Waiver has been agreed to in concept and the Special Terms and Conditions have been finalized with the Centers for Medicare and Medicaid Services (CMS), there is still much work to be done to implement the fiscal

and policy aspects of the deal. CSAC will continue to be an active participant in that process. (Health and Human Services)

- **Drug Medi-Cal Implementation.** CSAC will remain engaged as the Drug Medi-Cal Organized Delivery System Waiver continues to be phased into the various regions throughout the state. A key interest for CSAC will be the development of the financing mechanisms, the rate development process, and ensuring access to care and services for beneficiaries. (Health and Human Services)
- **Poverty Working Group.** California's poverty and homelessness rates remain amongst the highest in the nation and affect all Californians, including children, adults, and seniors. CSAC will continue to convene Poverty Working Group meetings to explore policies and serve as a hub for sharing innovative local programs and initiatives addressing poverty and homeless issues. (Health and Human Services)
- **Pew/MacArthur Results First Program.** CSAC will develop and expand on a new partnership with the Pew-MacArthur Results First Initiative in an effort to support county leaders as they engage in evidence-based policymaking. The goal of the CSAC-Results First partnership is to develop in-state capacity to support California county leaders who seek to invest in programs that will produce the best outcomes for residents and the highest rate of return on the counties' criminal justice investments. (Administration of Justice)
- **2-1-1 Referral Systems.** CSAC actively supports both state and federal legislation to help build and fund a statewide 2-1-1 referral system. 2-1-1 is a free, easy-to-remember telephone number that connects people to essential community information and services. More than one million Californians call existing 2-1-1 systems for help finding needed community services such as rent and mortgage assistance, food and shelter, health care, job training, transportation, child care, and senior care. The 2-1-1 system is also a critical component of emergency and disaster communications, relieving pressure on the 9-1-1 system. (Health and Human Services)

INFRASTRUCTURE INVESTMENT

- **Transportation Funding.** CSAC staff and coalition partners will keep pressure on the Legislature and Governor to develop a feasible transportation funding package through continued advocacy and a public education and outreach campaign. Consistent with long-standing CSAC policy, the funding package may include new tax revenue, additional cap and trade auction proceeds, and redirecting existing revenues for transportation infrastructure. Staff will work closely with the County Engineers Association of California (CEAC) to highlight the significant infrastructure challenges facing the local streets and road. With continued effort in 2016, we will be poised to take up the funding issue in 2017 if a package does not materialize during this session. CSAC will also collaborate with the Board of Equalization to bring greater stability to the transportation tax swap rate setting process through the existing statutory authority. (Housing, Land Use and Transportation)
- **Water and Flood Control Infrastructure Funding - Article X Amendment.** CSAC will support an amendment to Article X of the California Constitution that would 1) enhance the ability of local agencies to finance stormwater capture and flood control infrastructure; 2) provide more flexibility for the voluntary establishment of conservation-based water rates; and 3) allow agencies, at their

discretion, to implement lifelines rates for low-income households. Central to this effort, CSAC will continue to represent county interests on the coalition of statewide organizations that came together last year to develop a ballot measure to fund stormwater services. (Agriculture, Environment, and Natural Resources)

- **Jail Construction Bond Allocations.** CSAC will continue to advocate for, in collaboration with the California State Sheriff's Association, additional jail construction funding. As the Board of State and Community Corrections is working on allocating SB 863 funding, only 12 of the 32 counties that applied have been recommended for full conditional awards. While \$500 million in grants are available, applications far exceeded that amount and total more than \$1.2 billion in need. (Administration of Justice)
- **Solid Waste Tipping Fee.** CSAC will actively engage in ongoing discussions regarding an increase to the State's solid waste disposal fee (Tipping Fee). Efforts will focus on negotiating a workable tipping fee structure, placing emphasis on the need to keep the increase reasonable, and to include the cost of the State Water Boards' Waste Discharge Requirement (WDR) fees in any tipping fee increase. (Agriculture, Environment, and Natural Resources)
- **Affordable Housing.** CSAC will continue to support affordable housing efforts in 2016, including increasing the state's affordable housing tax credit program. In addition to new funding efforts, CSAC is currently working to reduce red tape and streamline the environmental review process, and related improvements that will result in the production of new affordable housing. (Housing, Land Use, and Transportation)



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CSAC staff, in consultation with Waterman and Associates, developed the following list of federal issues of significance to California's counties. These issues will represent the association's top lobbying priorities for 2016, with CSAC staff and Waterman and Associates working together to identify other emerging topics that may necessitate action throughout the year.

State Criminal Alien Assistance Program (SCAAP). 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 (S 2395) and will continue to seek several key programmatic changes to the program.

Native American Affairs/Fee-to-Trust Reform. 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 are reflected in legislation (S 1879) that is currently pending in the Senate. CSAC will continue to advocate for a number of additional key amendments to S 1879 and will work with the House to promote a similar, comprehensive reform package.

Payments In Lieu of Taxes (PILT). 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. 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. 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. 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 Excise Tax. CSAC will monitor legislative proposals, and consider lending support to such efforts, that would eliminate the Affordable Care Act Excise Tax. Effective in 2020, a 40 percent federal excise tax will be imposed on high-cost health insurance plans that have a total cost exceeding a statutory dollar amount. The excise tax is based on the total cost of the employer and employee contribution to the plan, as well as any savings account arrangements such as health reimbursement arrangements and flexible spending accounts.

A number of California counties offer health insurance plans and related programs that will exceed the totals prescribed in the law. Existing labor agreements lock the current plans in place and negotiations of new labor contracts may have to take the tax into consideration.

Property Assessed Clean Energy (PACE) Program. 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. 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 Obama administration to address the state's chronic water shortage. A range of proposals are being discussed 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 congressional efforts aimed at overturning some of the problematic reforms of Environmental Protection Agency's "Waters of the U.S." regulation.

Remote Sales Tax Legislation. CSAC will continue to advocate for federal legislation (S 698) 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.

Victims of Crime Act Funding (VOCA). Victims of Crime Act (VOCA) funding was increased as part of the fiscal year 2016 omnibus appropriations Act. The VOCA Fund, which is supported by federal criminal fines and penalties, currently stands at \$3.04 billion (up from \$2.36 billion in FY 2015). While dollars

from fines/penalties comprise the entirety of the fund, congressional appropriators can adjust the cap, which is what has been done in recent budget action. In the past, California has received on average \$58 million for the victims assistance VOCA funds. In 2015, California received over \$232 million. While most of the \$232 million will be in competitive grants, for the first time ever \$40 million is going directly to all 58 counties based on population and violent crime statistics. CSAC will continue to advocate for increased funding, which helps support domestic violence shelters, services for victims of human trafficking, and other services for victims of violent crimes.

Tree Mortality Emergency Response and Preparedness. CSAC will work with the Administration 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.

CSAC INTERNAL MONITORING

In addition, CSAC will continue to provide internal monitoring on a number of issues that are of significance to California's counties.

U.S. Army Corps of Engineers' Levee Vegetation Removal Policy. In 2014, Congress approved a major water resources reform bill known as the *Water Resources Reform and Development Act* (WRRDA, PL 113-121). Among other things, the legislation includes language championed by CSAC that requires the U.S. Army Corps of Engineers to undertake a comprehensive reexamination of its controversial levee vegetation removal policy. CSAC will actively monitor the Corps' review process .

In 2016, Congress may look to reauthorize and update the recently enacted WRRDA law. CSAC will closely monitor the development of the potential legislation for any water reform policies that are of direct interest to California's counties.

Health Reform Implementation. CSAC will support continued federal funding for the Affordable Care Act, including measures supporting state and county administration of the law.

Pension Tier Changes - Conflict with IRS Requirements. CSAC will continue to support legislative changes that would clarify the authority of local governments to propose and implement creative solutions to rising pension costs. At the same time, the association will urge the Internal Revenue Service (IRS) to remove regulatory barriers that prevent local governments from implementing their own local pension reforms.

Tax-Exempt Status of Municipal Bonds. CSAC will oppose any proposal that seeks to limit or eliminate the tax treatment of municipal bonds. Under current law, investors are not required to pay federal income taxes on interest earned from most bonds issued by state and local governments. The tax exempt status of municipal bonds therefore provides counties with a cost-effective tool to finance public infrastructure projects and capital improvements.

National Flood Insurance Program (NFIP). CSAC supports the creation of a new agricultural flood hazard area under the National Flood Insurance Program (NFIP). Specifically, Congress should establish a FEMA flood zone for agriculturally-based communities to allow replacement or reinvestment development in historically agricultural floodplains. This program would not require expensive elevation of structures or

dry flood proofing, but would still have requirements for wet flood proofing certain structures. Congress should instruct FEMA - for these special agricultural zones - to adjust the NFIP rate to be more actuarially structured in order to evaluate the actual flood risk based on levees providing historical protection, as opposed to assuming that no protection exists.

Community Development Block Grant. CSAC will promote increased funding for the CDBG program to allow localities to continue to provide a wide variety of economic and community development activities, such as home rehabilitation loans, public works and infrastructure projects, and various youth-related services. CDBG funds have been targeted for cuts in recent budget cycles, making it increasingly challenging to maintain adequate funding for the block grant.

Eliminate Inmate Exception. CSAC supports the elimination of the federal health benefits "inmate exception" for persons in county jails and detention centers who are in custody pending disposition of charges. Counties are prohibited from billing federal programs for the health services provided to jail inmates prior to adjudication.

Digital Goods and Services Tax Fairness Act. CSAC will oppose legislation 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.

Byrne Grant Funding. CSAC strongly supports prioritizing Byrne funding in the annual appropriations process and will work collaboratively with the California congressional delegation and others to secure and promote increased funding for the program and the positive local outcomes it helps achieve.

Federal Geothermal Royalties. CSAC opposes any legislative effort that would discontinue geothermal royalty payments to county governments. The Geothermal Steam Act of 1970 specifies a formula for the distribution of geothermal revenues to federal, state, and county governments. Under the formula, the federal government retains 25 percent of the revenue, the States receive 50 percent, and county governments receive 25 percent. Several recent attempts have been made to permanently repeal the sharing of geothermal revenues with counties.

Transient Occupancy Tax. CSAC will work to ensure counties' continued authority to assess and collect transient occupancy taxes on the full rate paid by the consumer for all appropriate transient lodging, regardless of whether the consumer pays through a hotel or any other vendor.

2-1-1 Statewide. CSAC has actively supported both state and federal legislation to help build and fund a statewide 2-1-1 referral system. 2-1-1 is a free, easy-to-remember telephone number that connects people to essential community information and services. In 2009, over 1.6 million Californians called 2-1-1 to find needed community services such as rent and mortgage assistance, food and shelter, health care, job training, transportation, child care, and senior care. 2-1-1 also plays an informational role during emergencies and disasters and relieves pressure on the 9-1-1 system at these critical times. The value of this service was evident during the 2007 San Diego wildfires when 2-1-1 call centers provided information and support to more than 130,000 callers in five days. Currently, just 27 of California's 58 counties have 2-1-1 service covering 92 percent of the population. CSAC will continue to work at both the state and federal levels to promote the need for a comprehensive statewide 2-1-1 system.

Medical and Long-Term Care Premiums. CSAC supports federal legislation to extend to all retirees the option to use tax free distribution from qualified retirement plans to pay for medical and long-term care premiums. In the Pension Protection Act of 2006, Congress granted specified public safety officers the ability to use up to \$3,000 per year of tax-free dollars from their qualified retirement plans to pay for medical and long-term care premiums. Extension of this benefit to all retirees who participate in a qualified retirement plan could encourage people to save more while lessening the burden on government budgets to cover rising health care costs.

Municipal Bankruptcy. CSAC will monitor the progress of legislation (H.R. 95, Conyers), which would, among other provisions, modify conditions for confirming a Chapter 9 municipality bankruptcy plan to provide special protection for employees protected by a collective bargaining agreement and for retirees whose benefits would be modified under the Chapter 9 plan.