



California State Association of Counties®

CSAC 2018 STATE AND FEDERAL ADVOCACY PRIORITIES

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 2018 both in Sacramento and Washington DC.

Despite the many distractions and challenges ahead, CSAC is determined to focus on the critical business of counties including implementing recent legislative changes and reforms, responding to the increasing number of climate-induced natural disasters, and protecting the fiscal health of our communities.

In the last year of Governor Brown's Administration, CSAC will continue to partner with his Administration to invest in vital infrastructure and protect the ability of counties to provide services and govern the state's diverse communities. CSAC will also begin meeting with gubernatorial candidates to educate them on the critical role counties play in making California successful.

While CSAC advocates on a multitude of issues each year, the following 2018 state and federal priorities are expected to be in the spotlight in 2018. Our priorities are organized around three concepts: **Defending County Interests and Fiscal Health, Resiliency and Preparedness, and Innovation.**

STATE ADVOCACY PRIORITIES

Defending County Interests and Fiscal Health

County Contracting Authority. County authority to provide services in the most efficient, effective way to their residents was jeopardized in 2017 by AB 1250 (Jones-Sawyer), which would have created a de facto ban on service contracts between counties and nonprofits, community based organizations, and private provider partners in nearly all service areas, including health care, behavioral health, public safety, housing, environmental stewardship, and even basic county administration. This is part of a broader effort to restrict counties' contracting authority. CSAC staff will continue to fight AB 1250 and any other legislation that would restrict a county's authority to contract out.

In-Home Supportive Services. In 2018, counties will need to sustain their commitment to implementing the new IHSS provisions enacted by SB 90 and AB 130. This will include working with the Administration to adjust the MOE, allocate offsetting revenue, and several other issues, as well as continuing education efforts. Finally, CSAC will need to track the impact of this new MOE and engage with policy makers to

reexamine this new structure within the context of the reopener provision to ensure long-term sustainability for counties.

Affordable Care Act. California's counties must continue to engage on any proposal to repeal or alter the Affordable Care Act (ACA). Of California's total Medi-Cal budget of \$19.1 billion, about \$15 billion are federal funds, a large proportion of which are associated with the ACA. CSAC will continue to work with our Washington DC representatives, county affiliates, and the Brown Administration to respond to any county impacts.

Local Tax Authority and Revenue Protection. CSAC actively and successfully lobbied on over a dozen measures that sought to create sales and use tax exemptions for products ranging from diapers to electric vehicles to feminine hygiene products. While often well-intended, these proposals would erode tens of millions of dollars annually in local revenue and dedicated state funding for public safety and human services programs, including 1991 and 2011 Realignment. CSAC will continue to protect the local share of these revenues.

Secure and Sustainable Employee Benefits. Decisions pending before the CalPERS Board of Administration in late 2017 could greatly improve the health of the pension system but at some substantial cost to employers in the near- and long-term. CSAC will work closely with CalPERS to address the need for fiscal stability while acknowledging the impacts of rate increases on public employers.

In addition, retirement trends benefit levels make the entire system less sustainable. System-wide changes may be required to keep CalPERS from terminating contracts with more agencies or even stopping payments to current retirees. Pension difficulties create uncertainty for current employees and can impede counties' ability to recruit and retain well-qualified employees. CSAC will continue working with CalPERS and other stakeholders to ensure the intended outcomes can be fully realized without unintended consequences.

Equitable Deployment of Telecommunications and Broadband Infrastructure. Counties have an interest in incentivizing and streamlining wireless telecommunications and other broadband infrastructure deployment in their communities. Urban, suburban, and rural counties have different challenges with respect to wireless and broadband infrastructure deployment and efforts such as SB 649 in 2017 must balance the wide ranging needs across California and ensure counties can negotiate on behalf of the public interest in exchange for a streamlined permitting process. CSAC will be proactive in 2018 and continue to work with our local government partners to find a solution that strikes an appropriate balance for all of California's counties and the people we serve.

Resiliency and Preparedness

Emergency/Disaster Response. The 2017 wildfire season was devastating in California. In October and December, Governor Brown declared a state of emergency in 13 counties hit by major wildfires in both northern and southern California. He also secured Presidential Disaster Declarations allowing federal

agencies to help coordinate efforts in disaster relief. The aftermath and recovery from these fires will be a focus of the effected counties, CSAC, state regulatory agencies, and the Legislature. CSAC will continue work with impacted counties to ensure effective communication and coordination with state and federal agencies and partner with the Legislature to assist counties with fiscal relief and any regulatory assistance they need.

Climate Change. The state’s climate goals and cap and trade program have been reauthorized through 2030 by a super majority vote of the Legislature. Legislation established a new local air quality program that focuses on areas of the state most burdened by pollution and requires a new statewide strategy to combat air pollution from both mobile and stationary sources. CSAC will work with the California Air Resources Board (CARB) and local air districts on the implementation of this measure and the development of local community plans aimed at reducing air pollution in disadvantaged communities. In addition, CSAC will continue to advocate for cap and trade resources to address a number of local government priority issues, including waste diversion, forest health and tree mortality, and local government action. CSAC will also focus on climate adaptation and resiliency and advocate for resources to help prepare counties for our changing climate.

Natural Resources. SB 5 (de León) was signed by the Governor this year and placed a \$4 billion water and parks bond on the June 2018 ballot. CSAC will work to direct new financial resources to help fund critical water issues. In addition, CSAC will continue to focus on the implementation of several key water issues, including the Sustainable Groundwater Management Act (SGMA), the development of additional stormwater funding tools, and ongoing negotiations about water quality funding and conservation issues.

Transportation Infrastructure. With the support of CSAC, the Legislature and Governor enacted the Road Repair and Accountability Act (SB 1) in April 2017 – a long-sought, comprehensive transportation funding package. SB 1 is expected to generate \$5.2 billion annually for state highways, local streets and roads, bridges, transit, goods movement, and active transportation infrastructure. Counties and cities will equally share \$1.5 billion annually for maintenance, rehabilitation, and safety improvements to local roads.

Unfortunately, SB 1 is the target of at least two repeal attempts, one of which is gaining momentum. While CSAC, along with the Fix Our Roads Coalition, has been advocating for repeal proponents to abandon their efforts early indications are that we may face a ballot initiative in November 2018. Given how critical this funding is to counties in order to maintain and improve the local transportation network, protecting SB 1 is a top priority for CSAC.

Innovation

Cannabis. The process of licensing commercial medical and adult use cannabis businesses began in California on January 1, 2018, although local governments are not held to any particular timeframe. CSAC will work closely with counties to ensure that they have the information they need to develop local

regulations, should they choose to allow cannabis businesses in their jurisdictions. CSAC will continue to work with the CSAC Finance Corporation on the development of a Joint Powers Authority for the purpose of developing and managing a statewide data platform that will gather, collect, and analyze information from a myriad of data sources into one resource, to help local governments ensure cannabis regulatory compliance and also provide necessary information to financial institutions that wish to work with the cannabis industry.

Support Development of Affordable Housing. The Legislature and Governor also achieved success on another long-standing priority for CSAC – a permanent source of funding for affordable housing. SB 2 (Atkins) levies a \$75 recorded document fee effective January 1. In 2018, CSAC will focus on implementing SB 2 and a number of other policy measures that were passed alongside it. At the same time, the Legislature will likely continue to focus on innovative ways to spur housing development and counties must be ready to respond with innovative ways in which to achieve our mutual housing goals. CSAC will work hand in hand with our affiliates, housing advocates, and the state to identify opportunities to increase housing development and avoid additional new unfunded mandates on local government.

Homelessness. CSAC partnered with the League of California Cities to establish the Joint Homelessness Task Force, which met over the last year to explore ways cities and counties can partner together to address homelessness. The task force will release their report in early 2018. CSAC will work with the League of Cities and the Institute for Local Government on the release of the report and continued educational opportunities for local governments. Homelessness will remain at the top of the Legislature’s agenda and CSAC will need to continue to leverage the policy expertise of the health and human services, housing and land use, and administration of justice policy committees to identify the appropriate opportunities to engage and advocate for counties.

FEDERAL ADVOCACY PRIORITIES

Overview

The second session of the 115th Congress, much like the first, is expected to present California’s counties with a number of challenges and opportunities alike. After the collapse of GOP efforts aimed at a comprehensive repeal and replacement of the ACA, congressional Republicans are expected to make another run at dismantling the landmark healthcare reform law. Additionally, the Trump administration is expected to seek congressional approval of an ambitious infrastructure spending plan, as well as seek changes to key entitlement programs. While we anticipate these issues moving into 2018, the Trump administration presents a different political paradigm, and we will remain nimble in our approach.

CSAC staff and Paragon Government Relations (formerly Waterman & Associates) will work collaboratively to address these issues, as well as advocate on our long-standing priorities and respond other emerging topics, throughout the year.

PRIORITY LEGISLATIVE AND BUDGET POLICY ISSUES (2018)

Affordable Care Act (ACA) Repeal and Replacement. CSAC will continue to monitor legislative proposals to repeal and replace the ACA. California, its counties, and the residents they serve have benefitted greatly from the expansion of Medicaid (Medi-Cal) and the insurance subsidies provided to those individuals and families whose incomes do not qualify them for Medicaid. In the wake of the tax reform bill's (HR 1) repeal of the individual mandate, Medicaid and other key reform components of the ACA are also at risk of being dismantled. CSAC will work to protect the financing of coverage under the ACA and will consider other options to replace the Act that continue coverage and access to care.

Additionally, CSAC will continue to support bipartisan efforts to eliminate the ACA excise tax, which is slated to go into effect in 2020. A number of California counties offer health insurance plans and related programs that will be subjected to the tax on high-cost plans.

Medicaid Financing. CSAC will closely monitor potential efforts to block grant or otherwise provide states per-capita Medicaid payments based on their historical 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.

Infrastructure Spending Plan. On the heels of enactment of the tax reform bill, the White House and GOP congressional leaders have indicated that an ambitious public works package is likely to be a major focus during the second session of the 115th Congress. As part of ongoing infrastructure discussions, CSAC has been active in urging members of the California congressional delegation to prioritize the significant infrastructure investment needs at the local level. In particular, the association is advocating for direct federal funding to local governments for the improvement and maintenance of existing transportation assets.

Changes to Entitlement Programs (TANF). Congressional Republicans have publicly stated that a TANF overhaul and restructuring bill will be a top legislative priority in 2018. CSAC will work to protect California county interests as part of any TANF reauthorization legislation and will be working to restore state and county flexibility to tailor work and family stabilization activities to families' individual needs. CSAC also will support maintaining the focus on work activities under TANF, while recognizing that "work first" does not mean "work only."

Child Welfare Financing Reform (*Family First Prevention Services Act (FFPSA)*). 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. CSAC also supports federal funding to address the service needs of youth who are victims of commercial sexual exploitation.

Finally, CSAC will continue to oppose the FFPSA (HR 253) in its current form, which, if approved, would either undo or severely hamper California's ongoing child welfare reform efforts, including implementation of the Continuum of Care Reform bill (AB 403). CSAC has continued to push amendments to HR 253 that would allow CCR implementation efforts to continue unimpeded.

Fee-to-Trust Reform / *Carcieri v. Salazar*. 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 the 114th Congress by the Senate Committee on Indian Affairs, and CSAC will look to continue to build on those efforts. CSAC also will be closely monitoring administrative actions by the Department of the Interior designed to modify current fee-to-trust regulations (found at 25 CFR Part 151).

Key Public Lands Funding Sources – PILT/SRS/Federal Land Management Reform/Tree Mortality. CSAC will continue to advocate for a long-term reauthorization of mandatory entitlement funding for the Payments-in-lieu-of-Taxes (PILT) program, as well as the Secure Rural Schools (SRS) program. Absent long-term renewals of these critical funding sources, CSAC will continue to support short-term programmatic extensions. 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.

Finally, 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.

Justice Funding – SCAAP/VOCA/VAWA. CSAC will continue to serve as a lead advocate in efforts to protect, as well as enhance, the State Criminal Alien Assistance (SCAAP) program, which is a key source of federal funding for a significant number of California's counties. CSAC also will continue to advocate for a long-term reauthorization of SCAAP and will continue to seek several key reimbursement-criteria changes to the program.

With regard to the *Victims of Crime Act* (VOCA) and the *Violence Against Women Act* (VAWA), CSAC will continue to urge Congress to provide adequate funding for these important victim services programs. Locally, these funds support domestic violence shelters, services for victims of human trafficking, and other services for victims of violent crimes.

Transportation Issues (FAA Reauthorization, FAST Act Implementation). The upcoming reauthorization of the Federal Aviation Administration (FAA) provides an opportunity to shape several policies of interest to California's counties. For starters, 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. Additionally, the association will support legislative efforts to increase federal funding for local airports, including funding for the Airport Improvement Program (AIP).

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.

With regard to the *Fixing America's Surface Transportation Act* (FAST Act), CSAC will continue to closely monitor all pertinent implementation issues. CSAC also 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 for new revenues for programs of importance to counties, such as safety and bridge projects.

Disaster Assistance. In the aftermath of one of the most destructive and costly wildfire seasons in state history, CSAC will continue to advocate for federal disaster assistance to help those communities impacted by the devastating effects of the fires. While Congress, to date, has approved a series of disaster relief bills to deal with the devastation caused by the 2017 hurricanes, lawmakers have yet to approve any direct funding to the state of California to assist the state and local communities in their wildfire recovery efforts.

MONITORING EXECUTIVE AND ADMINISTRATIVE ACTIONS

Repeal and Potential Replacement of Existing Environmental Regulations. With the Trump administration taking a series of actions in 2017 aimed at dismantling Obama-era environmental regulations – such as the Clean Power Plan and the Waters of the United States (WOTUS) rule – CSAC will continue to monitor other executive and administrative actions in 2018 that could impact California's counties.

Immigration-Related Actions, i.e. "Sanctuary Jurisdiction" Policies. The Trump administration's executive and administrative actions aimed at withholding federal funds from so-called sanctuary jurisdictions remain the subject of a number of lawsuits across the country. Accordingly, CSAC will continue to closely monitor the outcome of these judicial proceedings. Likewise, CSAC is closely monitoring legislation (HR 3003) in Congress that, if enacted, would seek to compel states and localities to carry out federal immigration enforcement activities by withholding federal grant program funds from noncompliant jurisdictions.

Marijuana Enforcement. While 28 states and the District of Columbia have legalized the use of marijuana for medicinal or recreational purposes, it is still classified as a Schedule 1 narcotic under the *Controlled Substances Act*. As a result, the use, possession, and sale of cannabis remains a federal crime, which has created significant issues for states that have legalized cannabis use. In an effort to address the conflict between federal and state law, CSAC supports the continuation of the Rohrabacher-Blumenauer amendment, which expressly prohibits DOJ from using federal resources to prosecute individuals or businesses that are acting in compliance with state *medical* marijuana laws. CSAC also supports efforts to expand these protections to state-legal *recreational* cannabis laws. In addition, CSAC supports federal legislation that would ensure greater access to banking for marijuana-related businesses and allow proper medical research on the effects of cannabis use.