



## California State Association of Counties

# CSAC 2014 STATE ADVOCACY PRIORITIES

**\*\*\* DRAFT \*\*\* approved by CSAC Executive Committee – Jan. 2014**

*California counties are in the midst of dramatic change. Fundamental shifts of responsibilities in the public safety and health arenas, an erratic economic recovery, and growing demand for public services require flexible and efficient solutions that allow all counties the opportunity to succeed. CSAC is leading efforts to ensure that counties can effectively manage new responsibilities in an ever-changing environment. From working to protect existing revenues and avoiding new costs to encouraging innovation and collaborative problem solving, CSAC remains at the forefront of significant statewide issues, fighting for counties and the Californians we serve.*

*The 2014 CSAC State Legislative Priorities reflect an ongoing commitment to successful implementation of 2011 realignment and implementation of the Affordable Care Act, as well as a focus on retaining and securing financial resources for counties. Additionally, CSAC will advance county interests within a diverse array of key county issues.*

## CROSS-CUTTING PRIORITIES

### Protecting Vital County Resources

*Day-by-day, year over year, CSAC works to protect billions of dollars in financial resources that support locally delivered services. For 2014-15, CSAC has compiled priority funding areas that will serve as the focus of our advocacy efforts. While there are additional significant resources that require ongoing, permanent vigilance, the list below represents opportunities where CSAC will be leading the charge to protect existing resources and secure new or renewed funding for California counties.*

2011 Realignment (proper distribution of funds) <i>Ensuring proper distribution of 2011 realignment, including \$1B AB 109 allocation and allocation of Mental Health funds</i>	\$6B
AB 85/Affordable Care Act Implementation <i>Ensuring proper distribution of 1991 realignment funds, including retaining funds for public health and returning savings associated with indigent health</i>	\$1.3B
Water bond <i>Secure portion of funding for flood control, stormwater, etc.</i>	\$6B
Transportation initiative <i>Ensure historic share of transportation funding for counties for the local street and road system</i>	\$3B
Gas tax swap clean-up <i>Return portion of transportation tax swap revenue associated with off-highway vehicles being diverted to the General Fund to transportation projects</i>	\$128M

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Cap and trade funds <i>Secure portion of funding for local government and transportation GHG reduction projects</i>	\$0.5B - \$1B
Williamson Act restoration <i>Includes restoration of Williamson Act subvention funds to counties</i>	\$34M
Medi-Cal Administration <i>Ensure adequate funding for county outreach, eligibility and enrollment functions</i>	\$350M
In-home Supportive Services (IHSS) Maintenance of Effort (MOE) <i>Monitor the mechanics of the 2012 IHSS MOE deal</i>	\$1B
Department of Fish and Game Payment In-Lieu of Taxes (PILT) <i>Includes payment of past due monies owed to counties since the late 1990s</i>	\$17M
Property tax allocation issues <i>Includes funding for counties with insufficient ERAF and resolving "stranded" supplemental property tax revenues</i>	\$5M
Mandate backlog <i>Local agencies are owed funds from pre-2004 mandate reimbursements and suspended mandates</i>	\$2B
County Fairs <i>Restoration of State General Fund support for the network of county fairs</i>	\$42M
<b>TOTAL</b>	<b>About \$20B</b>

### **Promoting Smart Prevention and Intervention Investments**

Given counties' role in delivering vital services across a vast array of policy areas, CSAC will highlight the need for and value of investing in robust prevention and intervention programs to avoid more expensive criminal justice, health, and social services system interactions downstream. Areas of priority will include:

- Gang violence prevention
- Leveraging resources and opportunities presented by the Affordable Care Act (ACA) in the criminal justice system context to ensure improved health and offender outcomes
- Addressing the needs of the forensic population, with a view toward avoidance of criminal justice system involvement
- Highlighting the benefits of quality early education benefits in reducing crime and improving health
- Supporting reinvestment in the Mentally Ill Offender Crime Reduction Grant program
- Working to reduce human trafficking
- Exploring effective programs and services to address homelessness and veterans' issues

## **ISSUE-AREA PRIORITIES**

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### **Administration of Justice**

**AB 109 Implementation.** CSAC will continue in a strong advocacy role to preserve counties' individual and collective ability to innovate locally and oppose efforts to limit county flexibility. We will continue to build and deploy a robust training and education program to support ongoing implementation efforts; provide technical support to the Realignment Allocation Committee with an eye toward securing a consensus approach to a long-term allocation formula; and serve as an ongoing technical resource for

counties across realigned programs. CSAC will engage on behalf of counties to design long-term solutions to ensure system stability and durable solutions, including: capacity needs and implications of long-term jail sentences; litigation avoidance; increased use of split sentencing, community corrections approaches, and other evidence-based solutions; maximizing criminal system opportunities in the context of ACA implementation; and designing balanced system incentives to ensure offenders receive the best and most economic placement in the corrections continuum.

**Court Security.** CSAC is engaging on behalf of counties on an issue that has emerged as a priority need in recent months. The realignment of the court security function – which shifted the financial responsibility for covering court security costs from the state trial court system to the counties while keeping intact the sheriffs’ responsibility to provide the service — did not include a mechanism to address increased costs or service levels necessitated by new court facility construction. CSAC will work with the California State Sheriffs’ Association, Department of Finance, and the Administrative Office of the Courts to quantify the problem and develop a solution to cover these “stranded” costs.

### **Agriculture, Environment and Natural Resources**

**Agriculture and Farmland Protection.** CSAC anticipates focusing on efforts to help advance farmland conservation and protection in California next year. Discussions are currently underway in the Legislature that would set forth minimum statewide mitigation requirement for projects that convert agricultural land to a permanent or long-term non-agricultural use, including residential, commercial, civic, industrial, infrastructure, or other similar land development projects. CSAC will continue to advocate for agricultural land protection policies that respect the unique characteristics of each county.

**Cap and Trade.** California’s Cap and Trade program is slated to generate billions of dollars in revenue that must be invested in programs and projects for the reduction of greenhouse gas emissions (GHG) statewide. In Fiscal Year 2014-15, it is anticipated that up to \$1 billion will be available to invest in GHG reducing programs. However, the Legislature and Governor have yet to agree upon the suite of investments. CSAC has two active proposals for the investment of cap and trade funds at the local level which would dedicate a portion of revenues to local competitive grant programs geared at GHG reducing investments in the local transportation network, energy efficiency, water resource conservation, and solid waste diversion, to name a few.

**Solid Waste – Advancing Waste to Energy Policies and Alternatives to Landfills.** Building off momentum achieved through SB 804 (Lara), the CSAC/ LA County co-sponsored measure on biomass and conversion technology that was approved by the Legislature in 2013 but ultimately vetoed by the Governor, CSAC will continue to work on legislative changes that would provide incentives and a permitting path for solid waste conversion technologies as an alternative to landfills. In addition to conversion technology, we also anticipate engaging in conversations related to the implementation of AB 341 (Chesbro, 2011), the statewide goal of diverting 75% of our solid waste from landfill disposal and the diversion of organic materials from landfills.

**Regulatory Issues – Water Board and Delta Issues.** CSAC continues to engage in the regulatory process on a number of different fronts with particular focus on proposed rulemakings before the State Water

Resources Control Board, California Environmental Protection Agency and various other regulatory agencies. At the State Water Board, CSAC focus will continue to center around storm water permit requirements, groundwater management and proposed state wetlands and trash policies. In addition, CSAC staff will remain engaged in the discussions surrounding the Delta using CSAC's policy as a foundation to advocate for county interests, including support for area of origin rights, affected counties' land use authority; special recognition of Delta legacy communities; flood and ecosystem protection and regional self-sufficiency.

**Flood Control.** CSAC continues to advocate for statutory and administrative solutions that would resolve outstanding implementation issues regarding the application of SB 5 (Machado, Chapter 364, Statutes of 2007) one of the six-bill 2007 flood protection package. SB 5 requires each city and county in the Sacramento-San Joaquin Valley to comprehensively address flood management and flood risk issues within their general plans and zoning ordinances following the adoption of the Central Valley Flood Protection Plan (CVFPP). Remaining implementation issues include unrealistic flood risk finding requirements for all types of discretionary permits, geographic scope of the SB 5 requirements, and the impact of requirements on infill development.

### **Government Finance and Operations**

**Employee Benefits/Pension Reform.** The Public Employees' Pension Reform Act (PEPRA) was supported by CSAC after months of negotiation between public employers, labor, the Legislature and the Administration; the intent was to provide fair benefits to public employees while retaining fiscal security for public employers. As such, CSAC staff will concentrate on preserving the original intent of PEPRA to ensure the ability of counties to negotiate benefits that are both fair to employees while ensuring the protection of county budgets, as well as responding to county concerns related to various legal challenges to PEPRA.

**Workers' Compensation Reform Implementation.** CSAC supported the workers' compensation system reform effort in 2012, after working with the Legislature and Administration to ensure the needs of employers were reflected in the resulting law signed by Governor Brown. CSAC will need to continue its work to ensure the original intent of that law is upheld both by the Legislature and in regulatory efforts at the Department of Industrial Relations.

**Public Records.** Efforts to embed the requirements of the Ralph M. Brown (Brown) Act and the California Public Records Act in the state Constitution are underway and expected to succeed. As such, it will be a priority for CSAC to ensure future amendments to the Acts do not place a heavy fiscal burden upon counties. If necessary, CSAC may wish to move forward with legislation requiring that legislation containing amendments to expand either of the Acts be subject to some type of fiscal review when moving through the legislative process.

**Vote Thresholds for Locally-Approved Taxes.** CSAC has long-supported greater revenue raising authority at the local level and will support legislative constitutional amendments to reduce vote thresholds for local taxes. The Legislature will likely consider a number of measures that reduce voter approval requirements for a variety of specific purposes; as such a change requires a constitutional

amendment, the challenge ahead is to determine the approach that has the best chance for voter support.

**Redevelopment Dissolution/Resurrection.** Counties remain critical players in the ongoing dissolution of community redevelopment agencies. CSAC is committed to assisting counties in their multiple roles as successor agency, oversight board participants, and tax administrators to ensure consistent and timely communication and coordination among the county, local stakeholders, and the state.

Legislators continue to have a strong interest in developing a new tool for local economic development. CSAC will work to ensure any new local economic development authority is available to counties and protects county revenues.

**Mandate Reform.** The current process for identifying reimbursable mandates and securing payments owed to local agencies for mandated programs and services is arcane and oftentimes biased against local agencies. Further, the state owes an estimated \$2 billion to local agencies for past due mandate reimbursements. CSAC will convene a task force to assist in identifying options for reforming the process by which new mandates are established and will also work to secure subventions for money the state owes to counties for current and past mandates.

## **Health and Human Services**

**Affordable Care Act Implementation.** CSAC will continue to engage the Brown Administration, the Legislature, Counties and county affiliates in the many facets of Affordable Care Act (ACA) implementation. Significant topics include devising and monitoring the integrity of the mechanics associated with the fiscal transaction of 1991 Health Realignment funds to the state and ensuring adequate funding for increased eligibility and enrollment functions at the local level.

**2011 Realignment Implementation.** Efforts to implement portions of the 2011 Realignment deal are also ongoing and 2014 promises to be yet another labor-intensive year as CSAC works with counties to determine stable county-by-county Mental Health funding and growth allocations and potentially significant changes to the Drug Medi-Cal program to ensure program integrity and outcomes. CSAC will also work to strengthen collaborations and leverage opportunities at the intersection of the health and human services and administration of justice policy areas.

**In Home Supportive Services Issues.** The In Home Supportive Services (IHSS) program continues to present challenges for counties as we work to implement the 2012 IHSS Maintenance of Effort (MOE) legislation and monitor the state's progress in erecting the Cal Medi-Connect (formerly known as the Duals Demonstration Project or Care Coordination Initiative [CCI]) and the impacts of that project on the transfer of collective bargaining for IHSS providers from counties to the state.

## **Housing, Land Use and Transportation**

**SB 375 Implementation.** In 2008, Senate President Pro Tempore Darrell Steinberg sponsored one of the most significant land use bills in recent history (SB 375, Chapter No. 728, Statutes of 2008). Implementation is in full swing with several urban regions having completed the process of adopting new regional plans, which include a Sustainable Communities Strategy (SCS) to guide future

transportation investments and growth. CSAC remains very engaged in these efforts as counties struggle to shape these plans at the regional level and seek the tools to ensure successful implementation (i.e. CEQA streamlining for infill, adequate transportation revenues, relief from the California Department of Housing and Community Development's default densities, etc.).

**Housing Element Reform.** Housing element law has resulted in one of the most contentious state-local relationships in existence. Staff is once again engaged in reform discussions with counties, legislative staff and the Housing and Community Development Department (HCD). HCD has significant authority to review local planning and zoning for regional housing needs required by state law but many counties experience frustration with the specific detailed level of review that is not required by law. We expect numerous bills to deal with county issues related to required density levels, HCD discretion, and the regional housing needs process.

**State and Federal Indian Gaming.** CSAC is the lead local government interest involved in Indian gaming and Tribal Compacts negotiated between the Governor and California's Native American tribes. With 60 casinos in 26 of our counties, mitigation of off-reservation impacts and other service costs, including public safety, remain a priority for CSAC. Further, CSAC remains proactive in seeking reforms to the federal fee-to-trust process, federal acknowledgement process, and other federal regulatory efforts to ensure counties have a meaningful voice. Staff is reactivating the CSAC Indian Gaming Working Group to update CSAC's existing policy to ensure we can effectively and proactively advocate on behalf of counties.



California State Association of Counties

## **CSAC 2014 FEDERAL ADVOCACY PRIORITIES**

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**\*\*\* DRAFT \*\*\* presented to Executive Committee – Jan. 2014**

*CSAC's contract for federal affairs services with Waterman and Associates provides for a nine-issue agenda. CSAC staff, in consultation with Waterman and Associates, developed the following list of federal issues of significance to California's counties. These nine issues will represent the association's top lobbying priorities for 2014, with CSAC staff and Waterman and Associates working together to identify other emerging topics that may necessitate action throughout the year.*

### **MAP-21 Reauthorization**

CSAC will promote a number of key surface transportation priorities as part of the upcoming reauthorization of MAP-21, which is set to expire on September 30, 2014. Among other things, the association strongly supports a dedicated federal funding stream for local bridges, both on- and off-system. Federal bridge program funds are used for critical repairs and replacements to ensure the safety of the traveling public. Additionally, CSAC will seek opportunities to further streamline the regulatory and project delivery processes; promote programs that increase safety on the existing transportation system; and, advocate for initiatives that protect previous and future investments via system maintenance and preservation.

### **State Criminal Alien Assistance Program**

CSAC will continue to serve as a lead advocate in efforts to protect the SCAAP program, which is a key source of federal funding for 50 of California's counties. With regard to the appropriations process, CSAC will advocate for the highest possible SCAAP reimbursement level. On a related matter, the association will fight to prevent the continuance of statutory language that authorizes the U.S. Department of Justice to transfer up to 10 percent of SCAAP funding to other justice accounts.

In addition, CSAC will continue to advocate for a long-term reauthorization of SCAAP and will continue to seek several key programmatic changes to the program. The association has taken the lead role in securing important statutory changes to SCAAP in the House and Senate immigration reform bills, which are pending in Congress. Finally, CSAC will oppose any potential harmful administrative changes to SCAAP, including those aimed at eliminating payments to jurisdictions for the costs of incarcerating inmates whose immigration statuses are "unknown."

### **Native American Affairs/Fee-to-Trust Reform**

CSAC will continue to lead local government efforts in opposition to a so-called clean *Carcieri* "fix," which would restore the Secretary of the Interior's authority to take land into trust for all tribes absent

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concomitant reforms in the Indian fee-to-trust process. CSAC also will continue to advocate for the association's comprehensive fee-to-trust package.

### **Secure Rural Schools Act Reauthorization**

CSAC will maintain efforts aimed at securing a multi-year reauthorization of the SRS program. In the absence of a long-term renewal, CSAC supports a short-term extension of the Act. The SRS program was extended for one-year (through fiscal year 2013) as part of the recently enacted *Helium Stewardship Act* (PL 113-40). Unless the program is reauthorized, final payments will be distributed to eligible jurisdictions between November 2013 and February 2014.

### **Clean Water Act Section 404 Permitting**

CSAC will continue to promote and build support for legislation (HR 1296) that would provide a permitting exemption for maintenance removal of sediment, debris, and vegetation from local flood control channels and basins. HR 1296, which CSAC helped to develop and build support for in the current legislative session, may see committee action late in 2013, with the potential for additional movement in 2014.

### **Remote Sales Tax Legislation**

CSAC supports federal legislation - the *Marketplace Fairness Act* (S 743; HR 684) - that would authorize state and local governments to require tax collection and remittance by remote sellers. The Senate approved S 743 in 2013, and the House is expected to act on its own measure in 2014.

Under current law, online retailers are exempt from collecting sales taxes in states where they have no physical presence, or "nexus." In these situations, the consumer is responsible for calculating the use tax and remitting the payment to the relevant jurisdictions, but compliance is low. As online sales continue to grow, local governments are losing billions of dollars in uncollected sales tax revenue.

### **Payments-in-lieu-of-Taxes**

CSAC will support efforts to convert the temporary nature of mandatory PILT spending into a permanent feature of the program. Pursuant to PL 110-343, all counties received 100 percent of authorized PILT payments in fiscal years 2008 through 2012. Prior to fiscal year 2008, PILT payments were subject to the annual appropriations process. As part of MAP-21, Congress approved an additional one-year PILT extension (through fiscal year 2013).

### **Property Assessed Clean Energy Program**

CSAC supports legislative and administrative remedies that would help restart stalled 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 (HR 2599) that would prevent FHFA from adopting policies that contravene established state and local PACE laws will likely be reintroduced in 2014. Such a measure would also establish best-practice underwriting standards.

### **Child Welfare Financing Reform**

CSAC supports legislation to reform the child welfare financing system, as well as provide additional resources to stabilize families and train and retain child welfare staff. CSAC supports additional programmatic flexibility, along with an updated foster care payment methodology.

### **CSAC INTERNAL MONITORING**

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*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**

Congress is likely to approve a Water Resources Development Act (WRDA) reauthorization measure in the coming months that would require the Corps to undertake a comprehensive review of its levee vegetation removal policy. However, if Congress fails to act before the end of the year, CSAC will continue in 2014 to seek changes to the Corps' policy, which generally requires local flood control agencies to remove woody vegetation from levees in order to allow for easier inspections and to reduce any potential weakening of levees from root growth and overturned trees.

### **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 legislation (HR 205) 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.

### **Temporary Assistance for Needy Families Reauthorization**

CSAC will promote TANF reauthorization legislation that would restore state and county flexibility to tailor work and family stabilization activities to families' individual needs. The association also supports maintaining the focus on work activities under TANF, while recognizing that "work first" does not mean "work only."

### **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.

It should be noted that Congressman John Garamendi (D-CA) introduced such legislation - the *Flood Insurance for Farmers Act of 2012* (HR 4020) - in the 112th Congress. The congressman is expected to reintroduce the bill in the 113th Congress.

### **Farm Bill Reauthorization**

CSAC supports congressional efforts to reauthorize the federal Farm Bill, including provisions protecting funding for the Supplemental Nutrition Assistance Program (SNAP), rural development programs, and renewable energy development. The current Farm Bill, which provides subsidies and other aid to farmers nationwide, expired on September 30, 2012. Most programs authorized by the Act will continue to be funded through March 27, 2013 as part of the current Continuing Resolution (PL 112-175).

It should be noted that Congress recently convened a House and Senate conference committee, which is charged with reconciling differences between the two chambers' Farm Bill reauthorization bills (HR 2642/S 954).

### **Workforce Investment Act Reauthorization**

CSAC supports a reauthorization of the Workforce Investment Act (WIA) that maintains the leadership role of elected officials on local Workforce Investment Boards. Additionally, federal legislation should protect the current funding streams and percentage allotments for local areas and the populations they serve.

### **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 (S 1364) 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. House Judiciary Chairman Bob Goodlatte (R-VA) may seek to package such a proposal with remote sales tax legislation.

### **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.

### **State's Water Crisis**

CSAC will monitor any legislative proposals to ensure consistency with the association's comprehensive policy direction on water. California's political leaders and various state and local water interests continue to pressure California's congressional delegation and the Obama administration to address the state's chronic water shortage. A wide range of proposals are being discussed that would address water transfers, endangered species laws, water quality and California Bay-Delta protections, to name a few.

### **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.

### **Waters of the U.S.**

CSAC will continue to monitor congressional efforts to block EPA's administrative actions aimed at expanding regulatory authority over certain bodies of water. In 2011, the Obama administration announced that it was updating draft guidance on the scope of waters that would be regulated under the Clean Water Act (CWA). According to EPA, the number of waters identified as protected by the CWA

under revised “Waters of the U.S.” guidance will increase compared to current practice. The expansion of federal jurisdictional authority over state and local waters has elicited concern from state and local resource agencies, as well as federal lawmakers.

### **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.



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To: CSAC Board of Directors

From: Faith Conley, Legislative Representative, Employee Relations, Veterans Issues  
Kiana Buss, Legislative Representative, Housing, Land Use and Transportation

Re: **Proposition 41 – ACTION ITEM**

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**Recommendation.** CSAC staff recommends the CSAC Board of Directors reaffirm existing CSAC policy related to affordable housing and veterans affairs by adopting a position of “support” on Proposition 41, a June 2014 ballot measure that would enact the Veterans Housing and Homeless Prevention Bond Act of 2014.

**Background.**

**CalVet Home Loan Program.** The California Veteran Farm and Home Purchase Program (Home Loan Program), administered by the California Department of Veterans’ Affairs (CalVet), was established in 1921, and reauthorized in 1943 and 1974. Providing loans to veterans for single-family residences, it is funded primarily by tax-exempt general obligation bonds and is fully self-supporting, with principal and interest on the bonds and all administrative costs repaid from interest charged to veteran loan holders. California voters have approved 23 veterans bonds since 1943 to fund the program, the most recent of which was Proposition 12 (Veterans’ Bond Act of 2008) that authorized \$900 million in bonding authority. The CalVet Home Loan Program has experienced a sharp decline in activity in the last decade, with no issuance of bonds approved under Proposition 12 and over \$200 million in bond authority still existing from previously approved ballot measures.

**Homeless Veterans Issue.** The rate of homelessness among veterans has experienced major growth, especially in the last two decades. In fact, 15 percent to 20 percent of the country’s homeless population is identified as veterans, and California is home to roughly 25 percent of those identified. Currently, no California housing programs are directed at the homeless veteran population and funding from voter-approved Propositions 46 (Housing and Emergency Shelter Trust Fund Act of 2002) and 1C (Housing and Emergency Shelter Trust Fund Act of 2006) are nearly exhausted and it is unclear as to whether additional funds will be available for these programs.

**Assembly Bill 639.** Assembly Bill 639 (Chapter 727, Statutes of 2013), authored by Assembly Speaker John A. Pérez, placed a measure on the June 2014 ballot to establish the Veterans Housing and Homeless Prevention Bond Act of 2014 (Act). The act would restructure \$600 million of the \$900 million in bonds approved by the voters for the CalVet Home Loan Program through Proposition 12 in 2008 and use them to fund the acquisition, construction, rehabilitation, and preservation of multifamily supportive housing, affordable transitional housing, affordable rental housing, and related facilities for veterans and their families. The Act will focus on veterans that are at risk for homelessness or are homeless and in need of services such as mental health counseling, substance abuse treatment, job training, and/or struggling with unemployment, and would leave CalVet with \$530 million in bonds for its existing home loan program.