

**ALAMEDA COUNTY  
BOARD OF SUPERVISORS'  
PERSONNEL/ADMINISTRATION/LEGISLATION  
COMMITTEE**

Monday, January 23, 2017  
1:30 p.m.

Supervisor Keith Carson, Chair  
Supervisor Wilma Chan

Location: *Board of Supervisors Chambers – Room 512 5<sup>th</sup> floor*  
County Administration Building  
1221 Oak Street, Oakland, CA 94612

**Summary/Action Minutes**

**I. Federal Legislative Update – CJ Lake**

The House and Senate are in session this week. The Senate will continue hearings for President Trump's cabinet nominees. Congress will also begin to hold hearings related to repealing and replacing the Affordable Care Act. The legislative week will be cut short as both House and Senate Republicans are scheduled to travel Wednesday to Philadelphia for a legislative retreat that runs through Friday. President Trump and Vice President Pence have been invited to attend. Senate Democrats will also hold their own legislative retreat in Shepherdstown, West Virginia, on Wednesday.

**Confirmation Hearings**

Over the weekend, the Senate confirmed General James Mattis to serve as the Secretary of Defense. Additionally, General John Kelly was confirmed to serve as the Secretary of Homeland Security. The Senate will continue to hold Committee confirmation hearings as well as floor votes on President Trump's nominees in the coming days and weeks ahead.

Today, the Senate will hold a confirmation vote on Rep. Mike Pompeo's nomination to be the Director of the Central Intelligence Agency.

*Next floor action*

CIA Director: Reo, Mike Pompeo, R-Kan.  
Floor Vote: Planned for later today

*Upcoming Committee action*

Secretary of State Rex Tillerson  
Foreign Relations Committee Business Meeting: Today

Attorney General: Jeff Sessions  
Judiciary Committee Business Meeting: Jan. 24

Transportation Secretary: Elaine Chao  
Commerce, Science and Transportation Committee Business Meeting: Jan. 24

HUD Secretary: Ben Carson  
Banking, Housing and Urban Affairs Business Meeting: Jan. 24

Commerce Secretary: Wilbur Ross  
Commerce, Science and Transportation Business Meeting: Jan. 24

Health and Human Services Secretary: Rep. Tom Price, R-Ga.  
Finance Committee Hearing Date: Jan. 24

OMB Director: Rep. Mick Mulvaney, R-S.C.  
Budget Committee Hearing Date: Jan. 24  
Homeland Security and Governmental Reform Committee Hearing Date: Jan. 24

Small Business Administrator: Linda McMahon  
Small Business Committee Hearing Date: Jan. 24

Education Secretary: Betsy DeVos  
Health, Education, Labor and Pensions Committee Business Meeting: Jan. 31

Labor Secretary: Andrew Puzder  
Health, Education, Labor and Pensions Committee Hearing Date: Feb. 2

### **Executive Actions**

President Trump began his presidency by rolling back initiatives pursued by the Obama Administration and signed an executive order Friday declaring that his administration will seek a “prompt repeal” of the Affordable Care Act (ACA). The order directed federal agencies to try to “waive, defer, delay or grant exemptions from” requirements of the ACA that impose economic or regulatory burdens on states, families, the health-care industry and others. President Trump continued Monday with executive orders that put a freeze on federal hiring, barred U.S. aid to groups that provide or promote abortion practices overseas, and began the formal withdrawal from the Trans-Pacific Partnership.

### **ACA Repeal & Replace Legislation**

Senators Cassidy and Collins are introducing legislation today to replace the Affordable Care Act with the Patient Freedom Act. Senator Cassidy introduced replacement legislation in the last Congress and we anticipate this bill will be very similar. Cassidy is a physician from Louisiana who practiced for years in the state's charity system and is very well respected in terms of his ideas for potential replacement.

The legislation would give states flexibility to keep the ACA in place, get rid of it, or transition to a new system of health savings accounts and automatic health plan enrollment. This is a way to pick up Dem support that they will ultimately need and to keep enough Republicans supporting the replacement plan as well.

Senator Cassidy has said he would not touch the changes the ACA made to Medicare, nor would he eliminate the Medicaid expansion or the law's taxes, at least not right away. However, the federal mandates would be rescinded.

It is worth noting his bill from the 114th Congress did have the support of Leader McConnell when they thought the Supreme Court was set to invalidate subsidies in many states in the King v. Burwell case.

A key feature of Cassidy's plan is a provision allowing states to automatically enroll eligible people in health plans unless they opt out. Cassidy said this could get more people insured than the ACA's approach of taxing people who fail to get insurance, citing studies showing people are far more likely to participate in benefits like 401(k) retirement savings plans under such an opt-out model. He said he envisions a multi-year transition to his plan -- a new law this year, a year for states to decide which option to choose, and implementation in 2019.

### **FY18 Budget**

Last week, press reports were issued related to an FY18 budget request that would reduce federal spending by \$10.5 trillion over ten years and is modeled off of an FY17 Heritage Foundation blue print.

The Trump Administration may be working on an initial document that would likely come out in mid-March (the goal is 45 days from January 20). The full budget would be released toward the end of Trump's first 100 days in office, or by the end of April.

**Purpose:**

- Report progress
- Advocacy or Education
- Request PAL Committee Recommendation or Position
- Other: Federal legislative update**

This item was informational only and required no Committee action.

## **II. State Legislative Update – Brownstein Hyatt Farber Schreck**

### **California Attorney General**

Last week, the Senate Rules Committee held a confirmation hearing on U.S. Congressman Xavier Becerra's nomination to be California Attorney General. Today, the Senate will vote on his nomination, and if approved by the Senate, the Governor plans to swear Becerra in at his State of the State Address tomorrow morning. The Assembly has already confirmed Becerra's nomination.

The deadline to submit bill requests to the Office of Legislative Counsel was Friday, January 20, 2017. The next legislative deadline is the bill introduction deadline on Friday, February 17, 2017. In December 2016, Assembly Speaker Anthony Rendon announced his Assembly Leadership Team and Committee Chairs. On Friday, he announced the full committee memberships for the 2017-18 Session.

### **Governor's Budget**

On January 10, 2017 Governor Brown released his proposed 2017-18 Budget. In his summary, he expressed the need to be cautious with spending heading into budget negotiations, as the state faces a \$1.6 billion deficit if action is not taken. The deficit is caused by two main factors – the revenue forecast is \$5.8 billion lower than expected and there is a current year shortfall, caused by additional expenses and overestimating of cost savings, in the Medi-Cal program. The budget proposes \$3.2 billion in spending cuts to help balance the budget and build up state reserves for future downturns.

### **Transportation Funding**

The Governor's budget includes an updated version of his 2015 transportation funding proposal, providing \$4.3 billion on an annual, ongoing basis, for the improvement of the maintenance of highways and local roads, expansion of public transit, and improvement of trade routes. In his budget summary, the Governor highlighted a \$6 billion annual funding gap for maintenance and highway system repair – with an estimated backlog of deferred maintenance of local roads, streets and bridges that exceeds \$90 billion over the next 10 years.

Although this proposal will secure significant improvements in funding for local streets and roads, the funding package alone will not be sufficient to fund both the backlog of deferred maintenance and ongoing routine maintenance that California's roads greatly need. In addition to the Governor's proposal, there are two bills pending in the Legislature, AB 1 (Frazier) and SB 1 (Beall). These bills provide more funding for local streets and roads than the Governor's proposal.

The Administration and leaders in both the Senate and Assembly remain committed to passing a funding package that addresses the state's urgent transportation needs.

### **Coordinated Care Initiative Discontinued**

The Governor's budget discontinues the Coordinated Care Initiative (CCI), as the Department of Finance has determined that it has not realized its cost-saving benefits.

As such, the budget proposes the following changes to the CCI: removal of In-Home Support Services (IHSS) benefits from plan capitation rates, elimination of statewide authority for bargaining IHSS workers' wages and benefits; and re-establishment of the state-county cost share arrangement for the IHSS program that existed prior to the implementation of the CCI. By reverting back to the cost share agreement model for IHSS program, Alameda County will be responsible for 35% of the nonfederal portion of program costs. The budget does, however, propose to extend Cal MediConnect, a component of CCI that requires mandatory enrollment of dual eligibles and integrates long-term services and support, except IHSS, into managed care.

### **Statewide Housing Plan**

The California Department of Housing and Community Development released a Draft Statewide Housing Assessment. As stated in the report, California faces many challenges including decreasing production of new homes, lack of supply and rising costs, continued sprawl decreasing affordability, and more. The report adds context to discussions about the current state of housing affordability, and provides possible options to address housing affordability.

### **Board of State and Community Corrections**

The Board of State and Community Corrections (BSCC) released its final Proposition 47 Grant Program Request for Proposals (RFP) providing key information necessary in preparing a proposal. The 2016 Budget Act appropriated \$25.6 million and a supplemental legislative augmentation of \$10 million, to be distributed as Proposition 47 recidivism-reduction grants that will support substance abuse treatment, diversion, and mental health using a portion of the annual state savings generated by its implementation. Approximately \$103.6 million total will be available over the 38-month grant period beginning June 16, 2017 through August 15, 2020. All public agencies are eligible to receive funding. Notices of Intent to Apply were due January 20, 2017 and proposals are due February 21, 2017. Additionally, the BSCC is currently developing an RFP to distribute federal criminal justice funding. Justice Assistance Grants (JAG) provide funding for areas including law enforcement, prosecution, indigent defense, crime prevention and education, corrections and community corrections, drug treatment and enforcement, planning, evaluation, technology improvement, crime victim and witness initiatives and more. The JAG Executive Steering Committee will begin developing proposals and ratings at upcoming public meetings. The next meeting will be held on Thursday, January 26, 2017 in Sacramento.

### **State Controller's December Cash Report**

The State Controller reports California revenues of \$12.85 billion for the month of December, missing projections in the 2016-17 Budget Act by \$1.87 billion – a shortfall of 12.7%. As the Governor stressed in his proposed 2017-18 budget, the State Controller also notes that given the state's revenue shortfall and unpredictable federal funding under the Trump Administration, it is prudent that the state remain cautious with spending going forward.

#### **Purpose:**

- Report progress
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- Request PAL\_Committee Recommendation or Position
- Other: State legislative update**

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### **PUBLIC COMMENT**

None.

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