

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

Monday, January 5, 2015
1:30 P.m.

Supervisor Keith Carson, Chair
Supervisor Wilma Chan

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

Summary/Action Minutes

I. Federal Legislative Update – CJ Lake

114th Congress

The House and Senate will convene the 114th Congress on Tuesday, January 6. All House Members and newly elected senators will be sworn in on Tuesday. There are 13 new Senators and 58 new Members of the House.

The State of the Union has been scheduled for Tuesday, January 20th.

Keystone Pipeline

Both incoming Majority Leader Mitch McConnell and Speaker John Boehner have said one of their top priorities for the new Congress is the passage of legislation to approve construction of the Keystone Oil Pipeline. The House has scheduled a vote for later this week, while the Senate Energy & Natural Resources Committee will hold a hearing and a mark-up later this week. The Administration has not yet issued a veto threat.

Affordable Care Act

The House will also take up legislation this week to change the Affordable Care Act definition of full time workers to those working 40 hours instead of 30 hours each week. The proposal does have bipartisan support. We expect the Senate to take up the legislation shortly after the House.

Nominations

On December 5, 2014, President Obama announced Ashton Carter would be nominated to be the next Secretary of Defense. He is seen as a noncontroversial pick and has spent the majority of his career at the Department of Defense. We expect the Senate to take up his nomination before it takes up the nomination of Loretta Lynch to become the Attorney General.

Attorney General

President Obama formally nominated Loretta Lynch to become the next Attorney General of the United States on November 8th, 2014. Since her nomination, Loretta Lynch has garnered support across the aisle.

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 –Platinum Advisors

State of the State

Governor Jerry Brown gave his inaugural and State-of-the-State speech. The speech was also an introduction to the 2015-2016 budget proposal, to be released on Friday, January 9, 2015. The Governor provided an overview of the last four years, including eliminating a \$26 billion budget deficit, drop in the unemployment rate, the passage of the water bond and Rainy Day Fund and repayment of billions of dollars.

The following summarizes the priorities set by the Governor:

- 1) Make the final payments on \$15 billion in borrowing made to cover deficits dating back to 2002. This includes \$533 million in payments to local governments;
- 2) Plans to ask State employees to help start pre-funding retiree health obligations. A recent report from the Controller John Chiang showed an unfunded liability of almost \$72 billion;
- 3) Recognizes the need to address the \$59 billion in needed maintenance of the State's transportation system; and
- 4) Proposed ambitious new goals to reduce greenhouse gas emissions. Over the next 15 years the Governor has set the following goals:
 - a. Increase from 1/3 to 50 percent of electricity derived from renewable source;
 - b. Reduce petroleum use in trucks and cars by fifty percent; and
 - c. Double the efficiency of existing buildings and make heating fuels cleaner.

Health Care Enrollment

Covered California's open enrollment period runs from November 15, 2014 through February 15, 2015. In the first month, the Exchange received over 300,000 applications for coverage with over 140,000 of those applicants selecting a health plan and 72,000 enrollees paying their first month's premium. The Department of Health Care Services announced that as of December 11, 2014, their backlog of individuals waiting to be enrolled in Medi-Cal was reduced to about 44,000. Due to the high workload caused by the expansion of Medi-Cal and the Affordable Care Act on county eligibility workers, the County Welfare Directors have been working with the Administration and are requesting additional funding in the current year (\$150 million) and budget year (\$300 million). It is possible the Governor will at least partially address that request in his budget proposal on Friday.

Medi-Cal Provider Rates

California's provider rates have been reduced as of January 1, 2015. The first reduction results from the expiration of the federal rate increase that was part of the implementation of the Affordable care Act. DHCS is estimating that backfilling that increase would cost the State \$700 million annually (\$1.8 billion total). The second reduction comes from the implementation of the 10% provider rate reduction for primary care providers approved in the 2011 budget act, enjoined in court until 2013, and rolled out since that time.

Taxing Services

SB 8 (Hertzberg) was introduced December 1, 2014 to extend the State sales tax to services. Small businesses with under \$100,000 in sales would be exempt. If enough money be raised, personal income taxes would be lowered. The proposal is in its beginning phases, but aims to keep California's revenue more steady than the current reliance on high income earners. Hertzberg would distribute the funds between education (50%) local governments (30%) and a new earned income tax credit for poor families (20%). The legislation requires a 2/3 vote of the Legislature.

Election Note

One result of the low turnout for the November election will be a significantly decreased number of signatures need to place initiatives on the ballot. The requirement is that signatures equal 5% of the number of people voting in a gubernatorial election. SB 1253 signed into law last year, increases the number of days to gather signatures from 150 to 180. This will likely mean an increased number of initiatives on the November 2016 ballot.

Purpose:

- Report progress
- Advocacy or Education
- Request PAL_Committee Recommendation or Position
- Other: State legislative update**

This item was informational only and required no Committee action.

PUBLIC COMMENT

None.

Board of Supervisors' Committees agendas are available via Internet at: www.acgov.org