

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

Monday, March 13, 2017
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

The House and Senate are in session this week. The House will continue its work to repeal and replace the Affordable Care Act with a markup in the House Budget Committee. The Senate will continue working through the confirmation process for Trump Administration nominees as well as utilizing the Congressional Review Act on resolutions of disapproval that would overturn Obama Administration rules.

FY17 Appropriations

The House overwhelmingly passed the bipartisan and bicameral FY17 Defense Appropriations bill on March 8, 2017. The bill totals \$584 billion and the Senate could use it as the vehicle to pass the remaining FY17 appropriations bills. However, the legislation will likely remain on hold until the Senate takes up legislation to repeal and replace the Affordable Care Act. Senate Republican leadership has said the Senate would likely take up the appropriations bill after the spring recess. Recall the current Continuing Resolution runs through April 28, 2017.

President Trump is also expected to forward a \$30 billion supplement bill to Congress that seeks more federal money for the Pentagon and increased security along the U.S.-Mexico border by March 16, 2017. The supplemental is likely to be folded into the regular appropriations bills that Congress has to finish before the current continuing resolution expires at the end of April.

FY18 Budget

On Thursday, President Trump is set to release the topline numbers for the administration's "skinny budget." The Office of Management and Budget is not expected to detail the Trump Administration's full budget request for FY18 until sometime in early May. As a reminder, the administration announced their plans last week for a 10% (\$54 billion) increase in FY18 defense spending and corresponding cuts from domestic programs and the State Department.

American Health Care Act

Last Monday, House Republicans released their health care legislation, called the American Health Care Act (AHCA). The House Ways & Means and Energy & Commerce Committees both approved their sections of the bill on party-line votes. Under budget reconciliation procedures, once both Committees have reported out their finalized bills covering their sections, the respective reports are then sent to the Budget Committee. The Budget Committee would then combine the two sections and send the completed package to the House floor for consideration. The Budget Committee is expected to act on Wednesday morning pending any disruptions with inclement weather.

There is a lot of uncertainty surrounding the AHCA in its current form. As of now, conservative members of the House Republican Caucus and Senators from states that have expanded Medicaid have threatened to not support the bill as it is currently drafted. Specifically, conservatives are objecting to the tax credits and subsidized insurance included in the bill while moderates are concerned about the Medicaid provisions. There are seven potential Senate Republicans who could oppose the legislation due to the Medicaid provisions, but the GOP can only afford to lose two votes if a repeal and replace law is to be successful in the Senate.

Democrats' objections have focused on the House Republicans' choice to advance the AHCA bill prior to the release of a score from the Congressional Budget Office (CBO). The CBO score will determine the cost of the proposal as well as how many people will be covered under the legislation. The CBO score was announced today and will likely have an impact going forward. CBO projects that 14 million would lose coverage by 2018 and 24 million by 2026 under GOP healthcare plan.

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

The Legislature has begun work on bills and with more substantive amendments replacing spot bills. Policy committees are beginning to hear bills, however the house of origin deadline is over a month away. Below are some of the important upcoming dates:

- April 6 – April 17 – Spring Recess
- April 28 – Policy committee deadline for fiscal bills
- May 12 – Policy committee deadline for non-fiscal bills
- May 26 – Fiscal committee deadline
- June 2 – Deadline to pass bills out of house of origin
- June 15 – Budget must be passed by midnight

Update on County Sponsored Bills

Alameda County's sponsored bill, AB 333 (Quirk), which will transfer ownership of a portion of State Route 185 at East 14th Street and Mission Boulevard within unincorporated Alameda County, has been set for hearing in the Assembly Transportation Committee on March 20, 2017. Amendments are still outstanding for AB 435 (Thurmond) to include the changes to Alameda's Child Care Pilot Program.

Coordinated Care Initiative Update

Advocates are actively engaged in the opposition to the discontinuation of the Coordinated Care Initiative (CCI) due to the impact on the County's budget if the Maintenance of Effort (MOE) is returned to the County from the State. Advocates are working with colleagues at the California State Association of Counties (CSAC) and the Urban Counties Caucus (UCC) to coordinate opposition efforts.

Last week the Assembly Budget Subcommittee #1 on Health and Human Services held a hearing on the repeal of the CCI. Brownstein was present and provided opposition testimony with a list of other counties, labor unions and IHSS providers. Budget Committee staff had proposed an alternative that would mitigate the gap between the cost shift and '91 realignment revenues. The proposal would also keep the collective bargaining responsibility at the state. Members of the Subcommittee pushed the Department of Finance very hard on when they would be meeting with the Counties. The Subcommittee held the item open, just like the Senate Subcommittee did a couple weeks ago. This issue, and specifically the staff proposal, is expected to be brought back up in the Assembly Subcommittee on March 22, 2017.

Last week, the Governor agreed to waive legal defenses related to timeliness if any county chooses to sue the state over the CCI calculation, the deadline to file the lawsuit is today. This will buy everyone more time to negotiate a compromise prior to getting into litigation.

Additionally, as a follow up to an offer made by Assemblymember Quirk at the County's Legislative Day to send an opposition letter to his colleagues on the Budget Subcommittees, advocates are working with Assemblymember Quirk to get members of the Alameda County Legislative Delegation to sign the opposition letter.

Affordable Housing

The Senate Transportation and Housing Committee approved two major components of the Senate's "California Rebuild" package: SB 3 (Beall) which authorizes a \$3 billion general obligation bond to fund existing affordable housing programs, and SB 2 (Atkins) which imposes a \$75 fee on real estate documents and allocates 50% of the proceeds to local governments to address local housing needs. Both of these measures will create long term sources of funding to improve California's affordable housing landscape.

Legislative Analyst's Office Analysis of the Medi-Cal Budget

The Legislative Analyst's Office released an analysis of the Governor's proposed 2017-18 Medi-Cal budget, concluding the following major points: 1) the Governor's Affordable Care Act (ACA) Medicaid optional expansion caseload projections of 14.3 million seems reasonable but is still subject to uncertainty; 2) the proposed transition of New Qualified Immigrants (NQIs) into Covered California raises concerns and suggests reporting requirements or the procedure for reenrolling NQIs should Covered California become inoperative; 3) given the uncertainty of congressional action surrounding the ACA, the Governor's budget rightfully assumes sixty-five percent (65%) federal assistance for Children's Health Insurance as opposed to the current eighty-eight percent (88%) authorized by the ACA; 4) and the Governor's proposal to abolish the Major Risk Medical Insurance Fund is substantiated by the large balance remaining in the fund that will go unused.

Oversight Hearing on the Evolution of Health Care Districts

On March 8, 2017, the Assembly Local Government Committee held an oversight hearing on the Evolution of Health Care Districts. The goal of the hearing was to provide oversight of health care districts in California and to educate committee members about their history and evolution, while also examining the complex relationship between health care districts and local agency formation commissions (LAFCOs). Assemblymember Caballero stated her disappointment in the invited health care districts who failed to be present at the hearing, while noting her faith in LAFCOs oversight processes going forward.

State Controller's February Cash Report

The State Controller reports February revenues of \$6.52 billion, falling short of the Governor's proposed 2017-18 budget by \$772.7 million, or 10.6 percent. The report notes that the fluctuations between shortfalls and surpluses in recent monthly budget projections are not consistent enough to reflect a long-term trend.

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.

Request for Legislation position – Action Items

- i. **S. 103 and H.R. 482** (Lee, Rubio, Gosar) **Local Zoning Decisions Protection Act of 2017**
*Recommendation: **Oppose:*** Rebecca Gebhart, Interim Director, Health Care Services Agency
- ii. **AB 501** (Ridley-Thomas) **Mental health: community care facilities**
*Recommendation: **Support:*** Rebecca Gebhart, Interim Director, Health Care Services Agency
- iii. **AB 1316** (Quirk) **Public Health: Childhood Lead Poisoning: Prevention**
*Recommendation: **Support:*** Chris Bazar, Director, Community Development Agency
- iv. **SB 2** (Atkins) **Building Homes and Jobs Act**
*Recommendation: **Support:*** Rebecca Gebhart, Interim Director, Health Care Services Agency and Chris Bazar, Director, Community Development Agency
- v. **SB 3** (Beall) **Affordable Housing Bond Act of 2018**
*Recommendation: **Support:*** Rebecca Gebhart, Interim Director, Health Care Services Agency and Chris Bazar, Director, Community Development Agency
- vi. **SB 377** (Monning) **Lead-based paint**
*Recommendation: **Support:*** Chris Bazar, Director, Community Development Agency
- vii. **SB 6** (Hueso) **Due Process For All Act** ([Attachment](#))
*Recommendation: **Support:*** Richard Valle, District 2, Board of Supervisors

Purpose:

- Report progress
 Advocacy or Education
 Request PAL_Committee Recommendation or Position
 Other:

Recommendation from PAL Committee: Support. Move to the full Board of Supervisors.

PUBLIC COMMENT

None.

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