

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

**Monday, March 17, 2014  
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**

Supervisor Keith Carson called the meeting to order.

**I. Federal Legislative Update**

The House and Senate are both in recess this week.

**FY15 Appropriations**

The House Appropriations Committee held a several hearings last week on the FY15 budget. Appropriations Chairman Hal Rodgers announced that the House Appropriations Committee would adhere to the bipartisan budget agreement, which passed in December. Chairman Rodgers plans to move appropriations bills based on the \$1.014 trillion cap for discretionary spending.

**Unemployment Insurance Extension**

Ten Senate Democrats and Republicans announced last Thursday a bipartisan agreement to extend unemployment benefits for the long-term jobless. The agreement is a five-month extension and will retroactively provide benefits to December 28, 2013. The \$10 billion benefits package would be paid for by pension smoothing, which would give companies more time to make payments to pension funds. The benefits would also be paid for by extending custom user fees through 2024 and allowing single-employer pensions plans to prepay their flat-rate premiums to the Pension Benefit Guaranty Corp.

The bill will likely have the 60 votes to pass through the Senate however it is unclear if the Speaker of the House John Boehner will bring the legislation up for a vote.

**House passes “doc fix”**

The House of Representatives passed legislation on Friday to permanently repeal and replace the Medicare physician payment system with a new system that was worked out between House and Senate committees that had jurisdiction over the matter. Although the new system has support from both Democrats and Republicans, House Republican leadership attached a provision to the bill that would delay implementation of the individual mandate under the Affordable Care Act (ACA) for five years. In turn, House Democrats did not support the legislation and it will not likely come up for a vote in the Senate. If Congress fails to enact a new physician payment system or extend the existing pay rates by March 31, physicians and other providers would face cuts in Medicare reimbursement rates of about 24 percent.

**Purpose:**

- Report progress
- Advocacy or Education
- Request PAL Committee Recommendation or Position

**Other: Federal legislative update**

## **II. State Legislative Update**

### **New Speaker**

This afternoon, the Assembly unanimously voted to make Assemblywoman Toni Atkins (D -San Diego) the next Speaker of the Assembly. While a specific date transferring leadership has not been determined, she will likely succeed Assembly Speaker John Pérez as leader of the House in late May or early June.

### **Revenues**

According to the State Controller, income tax receipts for February surpassed the estimates set in January by 45.7%, or \$722 million above projections. Total revenues for the month exceeded projections by \$969 million. In April, the Controller will be able to determine how far actual receipts exceed projections.

### **Covered California Enrollment**

Covered California announced that they officially exceeded 1 million enrollees in the Health Care Exchange on Friday afternoon. California currently leads the nation in enrollees, coming in at more than 20% of the total. Open enrollment ends March 31st. Last week the board also released details about enrollees through February, which exceeded expectations by more than 300,000.

### **LAO Review of the Governor's IFD Proposal**

The Legislative Analysts' Office (LAO) released its review of the Governor's proposal to expand the use of Infrastructure Financing 7 Districts (IFDs) for local economic development purposes. The Governor proposes to allow cities and counties to create an IFD with the approval of 55% of the residents within the proposed district, and the District may fund projects ranging from housing to commercial facilities and projects aimed at meeting sustainable communities' goals. The LAO recommends that the Legislature consider the following variations to the Governor's proposal:

- Reject the authority for the Department of Finance to audit the new IFDs, and instead adopt independent audit requirements.
- Reject the Governor's proposed 55% voter approval of the project area residents and instead, require a 55% voter approval of the entire city. Or, establish a process that eliminates the need for a public vote by creating IFDs that are separate legal entities that are substantially similar to a JPA in terms of issuing debt.
- Reject the Governor's proposal to require cities and counties to meet specific requirements before creating an IFD. The Governor's proposal would require every city or county to have been issued a finding of completion for its RDA dissolution process, have implemented all findings in the State Controller's audit of the RDA dissolution process, and have no RDA dissolution lawsuits pending against the state.

### **LAO Review of Transportation Proposals**

The LAO released its analysis of the Governor's proposed transportation budget. The findings and recommendation made by the LAO include the following:

**Loan Repayment:** The Governor's budget includes a \$337 million payment, which represents a portion of the general fund loans owed the State Highway Account. Of the amount repaid, \$100 million is directed to cities and counties for local streets and roads projects. The LAO urges the Legislature to consider whether the \$100 million dedicated to cities and counties would be better spent on repairs to the state highway system.

High-Speed Rail: The LAO recommends withholding funding on High-Speed Rail until the Administration provides a funding plan that identifies all funding sources that will be used to close the \$21 billion shortfall facing the initial operating segment. In addition, the LAO urges the Legislature to consider a full array of options for the Cap & Trade funds.

### **Senate Budget Subcommittee 2 on Transportation**

The Senate Budget Subcommittee #2, reviewed and took action on the non-controversial transportation items included in the Governor's budget. This included approving the appropriation of the remaining \$963 million in Prop 1B bond funds and the transfer of \$4 million from the Local Airport Loan Account to the local airport grant program.

An item held open from the Governor's proposal was an early repayment of \$349 million in loans to transportation programs. The Governor's budget proposes to allocate the bulk of these funds to the SHOPP (\$110 million), traffic management (\$100 million), and local streets and roads (\$100 million). CSAC is advocating for a greater share of the funds based on the formula the funds were taken. Under the gas tax swap formula these funds should allocate 44% to STIP, 44% local streets and roads, and 22% to SHOPP. Under this calculation, cities and counties should receive at least \$150 million of the repaid funds.

#### **Purpose:**

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

#### **Request for Legislation Position – Action Items**

- i. SB 1132 (Mitchell) Oil and Gas: Well Stimulation Treatments  
*Recommendation: Support: Keith Carson, District 5, Board of Supervisors*
- ii. AB 2703 (Quirk-Silva) County Veterans Service Officers  
*Recommendation: Support: Lori Cox, Director, Social Services Agency*
- iii. SB 899 (Mitchell) Repeal CALWORKs Maximum Family Grant Rule  
*Recommendation: Support: Lori Cox, Director, Social Services Agency*
- iv. SB 1029 (Hancock) Repeal Drug Felony Restrictions for CalWORKs and CalFresh  
*Recommendation: Support: Lori Cox, Director, Social Services Agency*

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

**PUBLIC COMMENT:** None.

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