

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

Monday, April 17, 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 remain adjourned for the Spring recess and two-week district work period. Congress will reconvene next week to address the FY17 Appropriations bills as the current continuing resolution (CR) expires on April 28.

FY17 Appropriations

House and Senate appropriators need to finalize the FY17 bills and pass an omnibus appropriations measure by next Friday, April 28. As you may recall, the House overwhelmingly passed the FY17 Defense Appropriations bill on March 8 by a vote of 371-48. The bill is currently awaiting Senate action. Leadership is trying to close out the remaining FY17 bills and attach them to the Defense bill. Republican and Democrat Appropriators have said they will not include any of the \$18 billion in proposed FY17 cuts the Administration sent to Congress with the skinny budget. The Trump administration is also pushing for Congress to include a provision in the FY17 omnibus bill that would withhold federal funding from states and localities that protect undocumented immigrants from deportation. Democrats have said this provision is a non-starter as the appropriations bills are essentially finalized. Republican appropriators are not making the sanctuary cities rider a priority because they already believe the administration has the tools it needs to make states and localities comply with legal requirements to report undocumented immigrants.

It is likely that the House and Senate will pass the appropriations package next week after returning from the Spring recess before the current CR expires on April 28, 2017. If Congress is not able to finalize the omnibus negotiations prior to April 28th, they may need to pass one more week-long CR in order to give themselves enough time. Regardless, we anticipate Congress finalizing FY17 in late April or early May.

Health Care Update

Republicans seem to be sending mixed signals regarding next steps and continue to face angry constituents at town halls during this district work period. President Trump has said he is willing to work with Democrats while House Republicans said that they are considering scheduling another vote (date TBD) on the American Health Care Act, but it is unclear what changes would be made to the legislation.

Cost Sharing Reduction Payments

Republican appropriators are currently debating whether to appropriate funds to continue the cost-sharing payments as they work to finalize the FY17 appropriations bills. These cost sharing payments to insurers essentially subsidize insurers to remain in the exchange markets and provide lower premiums. The House challenged the legality of the payments in court, arguing that the necessary funds were never appropriated by Congress. Members refused to appropriate the necessary funds in 2011 and HHS resorted to the tax account to fund the Cost Sharing Reduction Payments (CSRs) in subsequent years.

The court sided with the House last May, and the Obama Administration appealed. If the appeal is abandoned, the \$9 billion in payments to insurance companies will cease and the insurance companies will withdraw, crashing the exchanges and leaving policyholders in a lurch.

ICE Detainer Report

The U.S. Immigration and Customs Enforcement (ICE) recently said they will temporarily suspend the newly issued "Declined Detainer Outcome Report (DDOR)." The report was tasked with tracking declined "detainer" requests, which ask local jurisdictions to hold a suspected undocumented immigrant for up to 48 hours. Sheriffs and elected officials around the country were critical of the report as some jurisdictions were listed as uncooperative when in fact they weren't (ICE issued a lengthy "corrections tab" after the first edition).

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

Today, the Legislature returns from Spring Recess and will begin to pass all fiscal bills out of policy committees by April 28, 2017. Prior to the break, the Legislature passed the long awaited transportation deal, which is still awaiting the Governor's signature. The phasing in of the new fees and taxes will take place over several years, and counties can expect to receive double their current figures.

Update on County Sponsored Bills

AB 333 (Quirk), Alameda County's sponsored bill to transfer ownership of a portion of State Route 185 at East 14th Street and Mission Boulevard within unincorporated Alameda County, is currently on the Appropriations Suspense File, where it will be weighed for its fiscal impacts at a later date. Advocates are still awaiting the amendments to AB 435 (Thurmond) to include the changes to Alameda's Child Care Pilot Program but expect the bill, as amended, to be heard in Assembly Human Services on April 25, 2017.

Coordinated Care Initiative Update

The California Association of Counties (CSAC) continues to meet with the Department of Finance (DOF) to discuss the Coordinated Care Initiative and negotiations on the cost shift to Counties that will be incurred by its discontinuation. A core group of County Administrative Officers from various Counties, including Susan Muranishi from Alameda County, met with the DOF to provide greater context to the predicament counties may be in if a complete negotiation is not reached. CSAC remains optimistic that they will reach a solution with the DOF that is better than what is currently being proposed – although they expressed concern that they may not reach a fully negotiated deal before DOF makes a decision.

Additionally, CSAC is exploring mitigating costs for small Counties to bring the total cost down for others, while still protecting County costs. This will likely come after a larger framework is decided upon. The Senate has remained very quiet on the issue and the Assembly has proposed a "patch" that is not to the DOF's liking. CSAC and stakeholders will continue meetings with the DOF all of this week – their primary focus remains on protecting County General Funds.

Transportation Funding Update

On April 6, the evening before Spring Recess, the Legislature passed SB 1 (Beall) – the long awaited transportation plan that came out of negotiations with the Governor, to increase California's transportation infrastructure support through a gas tax.

The bill will generate \$5.2 billion a year in new revenue and allocates \$3 billion per year to be split evenly between state and local governments for highway and road maintenance. SB 1 passed 27-11 in the Senate and 54-26 in the Assembly. In a last minute change, the constitutional protections accompanying the bill were amended into ACA 5 (Frazier) and the bill is now on the Governor's Desk along with SB 1 awaiting signature.

It is expected that Governor Brown will wait until all bills accompanying the transportation package pass until he signs anything. When enacted, the revenues will be phased-in over several years as follows:

- New fuel taxes begin in November 2017
- The value-based transportation improvement fee begins in Spring 2018
- The price-based excise tax will be reset in July 2019
- New Zero Emissions Vehicles will begin to pay an additional registration fee for road maintenance for the first time in 2020

Sanctuary Cities

SB 54 (de León), also known as the California Values Act, regarding the role of law enforcement in immigration proceedings, passed out of the Senate on a 27-12 vote on April 3, 2017, after hours of debate. The bill's most significant provisions include prohibiting state and local law enforcement from engaging in immigration enforcement, requiring the review of confidentiality policies to ensure that eligible individuals are not deterred from seeking essential services from state agencies, and requires that all California schools, health facilities and courthouses remain safe spaces for California residents by limiting immigration enforcement on their premises. The bill is now on the Assembly Desk awaiting committee assignment. In a similar vein, a self-proclaimed "Caravan Against Fear" convened by the Global Exchange, an international human rights organization, began a march on April 10 that will lead from the front steps of the Federal Building in Sacramento all the way to Texas, in opposition to President Trump's immigration orders. The advocacy group and its supporters are calling on the Legislature to pass SB 54. The group is reportedly building momentum for May 1, where they will organize a National Strike. Meanwhile, U.S. Attorney General Jeff Sessions remains highly opposed to sanctuary communities and was quoted as having called the border a "warzone" during a speech in Arizona just last week.

Housing Bills

There are currently 130 bills related to housing before the Legislature, ranging from affordability to streamlining permitting processes, to eliminating mortgage interest deductions for second homes. Today, Chairs of the Assembly Housing and Community Development Committee, Assembly Speaker Anthony Rendon and Assemblymember David Chiu, held a news conference at an affordable housing complex in Sacramento, to draw attention to the growing issue.

No Place Like Home Technical Assistance – Notice of Funding Availability

The No Place Like Home (NPLH) program dedicates \$2 billion for the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness. On April 10, the Department of Housing and Community Development released a Notice of Funding Availability (NOFA) of approximately \$6.2 million, from the Mental Health Services Fund, to provide Technical Assistance Grants for NPLH.

Eligible uses of funds include assistance in the following areas: 1) Applying for NPLH funds; 2) Implementing NPLH activities, including the development of supportive housing; 3) Coordinating funded activities with local homelessness systems, including Coordinated Entry Systems; and 4) Planning for delivering a range of supportive services to tenants.

Grant amounts will be awarded to counties based on population and will be divided as follows: \$150,000 to large counties with populations over 750,000; \$100,000 to medium counties with populations between 200,000 and 750,000; and \$75,000 to small counties with populations of less than 200,000. Applications are due no later than September 30, 2017.

Cap and Trade

On April 6, 2017, the 3rd District Court of Appeal upheld the California Air Resources Board's Cap and Trade Program – a key element of the state's climate plan which requires California to return to 1990 levels of greenhouse gas emissions by 2020 – ruling that its auction sales are not representative of an illegal tax. The legality of the program has long been in question and has faced widespread scrutiny since its enactment. This new affirmation is a victory for Governor Brown and others working on a plan to extend the program beyond 2020, and gives them the legal grounds to move forward.

LAO Analysis of Proposition 57

Proposition 57, passed by voters on November 8, increases parole chances for felons convicted of certain non-violent crimes and provides opportunities to earn credits for good behavior. As part of the Governor's proposed 2017-18 Budget, the administration outlined its plan to implement Proposition 57. On March 24, the California Department of Corrections and Rehabilitation (CDCR) slightly revised the plan, and submitted the proposed regulations to the Office of Administrative Law for approval. The LAO released an analysis of the Proposition 57 implementation plan. Given the uncertainty surrounding the population impacts of the proposal, as well as the uncertainty in the workload and timing requirements of the plan, the LAO recommended that the Legislature withhold action until the May Revise.

Governor Brown Declares Drought is Over

On April 7, 2017, Governor Brown lifted the drought emergency in most of California, following the severe winter storms the state endured and unprecedented water conservation throughout periods of heavy rainfall and snow. Although the current drought is over, Governor Brown warns that the next could be just around the corner and urges the state to continue its water conservation efforts. In a related action, the Department of Water Resources (DWR) and others released a public review draft to implement Executive Order B-37-16 "Making Water Conservation a California Way of Life." The long term plan includes requirement that the state's 410 urban water suppliers meet new water use targets with full compliance by 2025. Additionally, the framework requires new legislation to establish long-term water conservation measures and improved planning for more frequent and severe droughts.

Governor Brown Freezes the Board of Equalization

Following the Department of Finance's recent audit of the Board of Equalization – California's tax collection agency responsible for collecting \$60 billion in taxes annually – it was discovered that the agency had been improperly handling its budget and state resources. Governor Brown announced last Thursday that he would have state prosecutors investigate the allegations and temporarily put a freeze on the board's ability to approve new contracts, hires and promotions, delegating that authority to other state agencies. He called upon the Legislature to come up with solutions to solve the serious problems discovered in the audit, which found the agency to be mismanaged. The audit will be discussed in an oversight hearing by the Senate Budget and Fiscal Review Subcommittee 4 on State Administration and General Government on April 20.

State Controller's March Cash Report

The State Controller reports March revenues of \$7.63 billion for March – \$1.73 billion, or 29.2%, above the Governors 2017-18 budget projections. March revenues were just \$56.5 million above estimates in the 2016-17 Budget Act.

Purpose:

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- 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. AB 60 (Santiago, Gonzalez) Subsidized child care and development services: eligibility periods

Recommendation: Support: Willie A. Hopkins, Jr., Director, General Services Agency

ii. AB 71 (Chiu) Income taxes: credits: low-income housing: farmworker housing

Recommendation: Support: Rebecca Gebhart, Interim Director, Health Care Services Agency and Chris Bazar, Director, Community Development Agency

iii. AB 74 (Chiu) Housing

Recommendation: Support: Rebecca Gebhart, Interim Director, Health Care Services Agency and Chris Bazar, Director, Community Development Agency

iv. AB 160 (Stone) CalWORKs: eligibility

Recommendation: Support: Lori A. Cox, Director, Social Services Agency

v. AB 273 (Aguiar-Curry) Childcare services: eligibility

Recommendation: Support: Willie A. Hopkins, Jr., Director, General Services Agency and Lori A. Cox, Director, Social Services Agency

vi. AB 796 (Kalra) Public social services: SSI/SSP

Recommendation: Support: Keith Carson, District 5, Board of Supervisors and Lori A. Cox, Director, Social Services Agency

vii. AB 1506 (Bloom, Bonta, Chiu) Residential rent control: Costa-Hawkins Rental Housing Act

Recommendation: Support: Rebecca Gebhart, Interim Director, Health Care Services Agency and Chris Bazar, Director, Community Development Agency

viii. SB 249 (Allen) Off highway motor vehicle recreation

Recommendation: Support: Scott Haggerty, District 1, Board of Supervisors

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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/>