

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

Monday, June 12, 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 and will continue to be in session until the July 4 recess. The House will consider a variety of bills under suspension. The Senate is expected to vote on various nominations as well as a measure of disapproval of the arms deal with Saudi Arabia. The arms deal measure will likely include an amendment that would call for sanctions on Russia for interfering in the 2016 presidential election.

FY18 Appropriations

The FY18 appropriations process began last week with numerous hearings on President Trump's budget request that was submitted to Congress on May 23, 2017. Last week, Secretaries Price (HHS), DeVos (Education), Carson (HUD), Acosta (DOL), and Kelly (DHS) testified before appropriations and authorizing committees. Another wave of Cabinet secretaries is set to testify this week on their respective budgets including, Secretaries Mnuchin (Treasury), Tillerson (State), Mattis (DoD), Chao (DOT), Price (HHS), and Deputy Attorney General Rod Rosenstein.

The House Appropriations Military Construction-Veterans Affairs Subcommittee is marking up its draft bill this week, the first of the FY18 appropriations cycle. The draft bill will include \$6 billion more than was provided in FY17. Because the House Budget Committee has not yet scheduled a mark-up of its budget resolution, the Subcommittee is moving forward with a bill even though they have not been given a top line budget number.

Health Care Update

Senate Republicans were hoping to finalize draft legislation tonight but we have now heard that has slipped. They do not intend to release any draft language, but will wait until the bill text has been finalized. Staff still has a goal of sending legislative text to the Congressional Budget Office (CBO) this week in order to hold a vote before the July 4 recess. Unlike the House, the Senate needs to have the CBO score before its members vote on the bill because they are required to come up with \$133 billion in savings.

Below are a few of the contentious issues that Republicans are trying to work through:

- Medicaid expansion -- it has been reported that there is disagreement about the length of the phase out. Majority Leader McConnell initially recommended a 3-year phase out, but moderates like Senators Dean Heller and Rob Portman want a 7 year phase out. It is possible that the two groups compromise at 5 years.
- State Flexibility -- we are hearing there will be some provisions included that would give states more flexibility related to Medicaid but it is unclear what these provisions would look like.
- Medicaid per-person funding cap – there remains disagreement over whether to grow at the same rate as the House or at a slower rate. Moderates have said they can't accept anything lower.

- Tax credits -- Most members seem ok with the general idea of providing tax credits to help people pay their premiums, but there is nothing definitive about whether and how to adjust those payments for age or geography.
- State waiver – last week the state waiver recommendation made by Majority Leader McConnell did not include pre-existing conditions regulations, to the relief of moderates, but this was a loss for conservatives.
- Cost Sharing Subsidies -- we are hearing Senators want to include some funding for the subsidies and they may also appropriate several months of funding in the interim but haven't quite figured out what form that will take.
- ACA Taxes -- at least partial repeal but could be delayed to help pay for additional stability funding.
- Planned Parenthood – question of whether the \$555 million in federal funding Planned Parenthood receives would be cut as part of the legislation and whether insurance subsidies would be prevented from covering abortions.

Hearings

The House Energy and Commerce Health Subcommittee is holding a hearing on Wednesday entitled, “Examining the Extension of Safety Net Health Programs.” The hearing will focus on the extension of funding for the Community Health Center Fund and the State Children’s Health Insurance Program (CHIP). The CHIP program authorization currently expires at the end of September.

Apprenticeship Week

President Trump will travel Tuesday to Wisconsin to visit a technical school as part of the push to highlight apprenticeship programs and vocational training. The president will then give a speech on Wednesday at the Department of Labor (DOL) outlining administrative actions and any congressional action that is needed moving forward to bolster apprenticeship programs. The Trump administration will also host separate roundtable discussions with business leaders and state governors at the White House.

This afternoon, Labor Secretary Alexander Acosta presented a memo to the first full meeting of President Trump’s Cabinet. His memo asks federal agencies to recommend new executive actions to remove regulations that could be present obstacles to apprenticeship programs.

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 Budget Conference Committee wrapped up their work last week. Given the 72-hour in print rule, any changes to the budget bill must be submitted before the end of the day today so that the final 2017-18 Budget Act can be passed on Thursday, June 15, the constitutional deadline.

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 now in the Senate Transportation and Housing Committee and will be heard on June 20.

AB 435 (Thurmond), Alameda County’s Child Care Pilot Program cleanup bill, is now in the Senate Education Committee and will be heard on June 21, 2017.

SB 703 (Skinner), Alameda County's bill, to enable the County to impose a transactions and use tax at a rate of no more than 0.5% above the combined statutory rate limit of 2%, given voter approval, has been double referred in the Assembly to the Assembly Local Government Committee and the Assembly Revenue and Taxation Committee. The bill will first be heard in the Assembly Local Government Committee on June 24.

IHSS Trailer Bill Language

On June 6, the Department of Finance released another draft of the proposed IHSS trailer bill language, which will implement the deal reached between counties and the Governor to mitigate the cost-shift to counties due to the discontinuation of the CCI. The trailer bill now includes the Public Employee Relations Board language that was missing from the initial draft released last week.

SB 90 was amended yesterday to include this language and the companion bill, AB 106, is expected to be in print today.

Board of Equalization

Following a dismal audit conducted by the Department of Finance, which found the Board of Equalization (BOE) to be mismanaged, State Controller Betty Yee, Senate President pro Tem Kevin de León, and Assembly Speaker Anthony Rendon, with support from Governor Brown, have developed a budget proposal that would strip the BOE of its oversight of over 30 tax and fee programs and diminish its authority as California's tax court - instead creating a new revenue department in which administrative law judges would oversee tax disputes.

The plan does not eliminate the BOE, however, given the board has few responsibilities embedded in the state Constitution that would require a constitutional amendment with voter approval to completely eliminate. If this budget plan passes, the new revenue department would be developed starting July 1, when the 2017-18 budget goes into effect. The budget proposal is expected to be released today by Democratic leadership. 2

Transportation Funding Update

In order to implement SB 1 (Beall), the Road Repair and Accountability Act of 2017, the California Transportation Commission has begun a series of workshops aimed at providing a high-level overview of SB 1 programs, receiving input from state and local stakeholders on implementation issues, and providing specific implementation feedback and recommendations. Additionally, CSAC has provided updated SB 1 revenue estimates, broken down by County.

Climate Change

Governor Brown made significant progress while on his trip to China. In a meeting with Chinese President Xi Jinping, a pledge was made to expand trade between California and China, focusing on green technologies that help address climate change and have announced a partnership to develop the California-China Clean Technology Funds.

The Legislature also continues to work on climate change goals. On June 15, the Senate and Assembly Joint Legislative Committee on Climate Change Policies will meet to discuss the 2030 Target Scoping Plan – a framework for California to meet aggressive climate targets: a 40 percent reduction in greenhouse gases by 2030 compared to 1990 levels.

Opioid Crisis – Federal Grants Available

The U.S. Department of Health and Human Services (HHS) announced over \$70 million in grants available to help communities and healthcare providers address the current opioid epidemic. According to HHS, opioid overdose was the cause of more than 33,000 deaths in 2015. The two grant funding opportunities, authorized by the Comprehensive Addiction and Recovery Act (CARA), will expand access to critical overdose reversal medications and training for healthcare providers on appropriate follow-up drug treatment. Funds from the third grant funding opportunity will provide for medication-assisted treatment of opioid use disorders:

- Medication-Assisted Treatment and Prescription Drugs Opioid Addiction: Up to \$28 million to 5 grantees to increase access of medication-assisted treatment for opioid use disorder. Medication-assisted treatment combines behavioral therapy and FDA-approved medication.
- First Responders: Up to \$41.7 million over 4 years available to approximately 30 grantees to train and provide resources for first responders and members of other key community sectors on carrying and administering an FDA approved product for emergency treatment of known or suspected opioid overdose.
- Improving Access to Overdose Treatment: Up to \$1 million over 5 years to one grantee to expand availability to overdose reversal medications in healthcare settings and to establish protocols to connect patients who have experienced a drug overdose with appropriate treatment.

The deadline to apply may differ depending on the funding announcement.

State Controller's May Cash Report

The State Controller reports state revenues of \$8.39 billion, exceeding expectations laid out in the Governor's May Revise, by \$133.4 million. Total year-to-date revenues of \$105.27 billion fall \$1.29 billion below 2016-17 budget projections.

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 Item

i. SB 213 (Mitchell) Placement of children: criminal records check

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

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/>