

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

Monday, June 5, 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 back in session this week and will be through the end of the month. The House will vote on the CHOICE Act, legislation to repeal the 2010 Dodd-Frank law that Congress enacted in response to the 2008 financial crisis. The Senate will continue to vote on sub-cabinet level nominations as well as other possible legislative items to include: sanctions on Iran, a resolution of disapproval of the arms deal with Saudi Arabia, a Coast Guard Reauthorization, and FDA User Fees legislation.

House and Senate Republican Leaders will meet with President Trump tomorrow to discuss upcoming agenda priorities for the summer and fall. President Trump will then meet with rank-and-file Republicans to discuss these efforts related to repealing and replacing Obamacare, tax reform, and a potential infrastructure package.

FY18 Budget and Appropriations

The House and Senate will likely be delayed in marking up their respective FY18 budget resolutions as the debate over healthcare and tax reform slows down the process. According to House Republicans, floor action on the FY18 budget resolution will likely occur later in June as opposed to the second week of June timeline as we originally anticipated. The House Budget Committee generally tries to act a week before floor action, so a delay would point to a markup the week of June 19, 2017, and then a full-chamber vote just before the July 4th recess.

In the Senate, Republicans are now aiming for July as the goal for action on the FY18 budget resolution. Under the current plan, the FY17 budget resolution would remain in effect until a healthcare bill is enacted. The timing for Senate action on healthcare has shifted to July at the earliest. Slow negotiations on the healthcare legislation will have an impact on both the budget resolution and on the appropriations bills process and make it more likely that appropriators will schedule markups before there's a budget framework in place. Both the House and Senate Appropriations Committees will hold hearings this week related to the FY18 budget.

AHCA Update

The Senate now faces a tight calendar if they want to get a bill through the chamber before the August recess, in part because the non-partisan Congressional Budget Office (CBO) needs time to analyze the cost of any proposal before a vote.

Majority Leader Mitch McConnell has acknowledged that Republicans do not have the votes needed to pass a healthcare bill, and other members of the Conference have openly doubted the chances of success as well.

However, Senate staff continued discussions over the Memorial Day recess and Senate Majority Whip John Cornyn said he is hopeful the full Senate could take up healthcare related legislation by the end of July prior to the August recess.

Some of the areas the Senate may address differently than the House-passed AHCA bill include:

- Basing subsidies that make premiums more affordable on income as well as on age. The House proposal allows insurers greater freedom to raise rates on the elderly, potentially leaving older, poorer Americans with much higher payments.
- Increasing flexibility for the states that expanded Medicaid under Obamacare. The House bill winds down the expansion in 2020.
- Decreasing tax breaks for the wealthy and for industry, such as pharmaceutical companies and health insurers, to help pay for some of the proposed changes.

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

Last Friday, June 2, 2017, was the house of origin deadline, meaning all bills must be passed out of the house that they were introduced in or they are dead for the year. Following both the fiscal deadline and the subsequent house of origin deadline, the County currently has 38 bills still active and 12 2-year bills that became inactive for various reasons.

The 72-hour print rule, which requires all bills to be in print for at least 72 hours before passage, approved by voters in November, caused a stir on the Assembly Floor last Thursday, as the rule put a freeze on bills being amended or introduced three days prior to the critical house of origin deadline. Assemblymember Travis Allen attempted to rescind all amended bills that had been passed out of the Assembly prior to being in print for at least 72 hours, but his effort was not well taken. Starting this week, committee meetings may resume and bills still moving through the legislature will begin the same committee process in the second house. Bills will be referred to their respective policy committees in the coming weeks.

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, passed out of the Assembly on May 30 and is now in the Senate awaiting committee referral.

AB 435 (Thurmond), Alameda County's Child Care Pilot Program cleanup bill, also passed out of the Assembly on May 30 and is now in the Senate awaiting committee referral.

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, passed out of the Senate and has been double referred in the Assembly – the bill will be heard in Assembly Local Government Committee, followed by Assembly Revenue and Taxation committee. Hearing dates have not yet been set.

IHSS Trailer Bill

Over the weekend, a majority of the IHSS trailer bill was released, 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. Some of the key provisions included in the draft trailer bill language, as outlined by CSAC, are as follows:

- New County MOE with annual inflator that begins in year two;
- Redirects VLF growth from Health, Mental Health, and CMSP for 5 years (3 years at 100%, 2 years at 50%);

- Re-opener to evaluate how Realignment revenues relate to realigned program costs, impact of IHSS MOE and inflator, and impacts to Health, Mental Health, CMSP, and non-IHSS Social Services programs;
- Real-time caseload funding for IHSS that provides \$140 million in the first year to mitigate impacts on counties;
- Hold harmless for Board of Equalization error through 2015-16 saving counties \$100-300 million;
- County loans totaling \$75 million over the first three years for those in financial hardship. Interest bearing loans at PMIA rate (currently 0.72%);
- IHSS Administration included in MOE but with an annually adjusted cap based on State budgeting methodology. State required to work with counties to update the methodology this Fall;
- Bargaining at the local level with a number of “incentives” that increase State participation on locally bargained wages and benefits; and
- Institutes of Mental Disease rate freeze for five years to avoid \$15 million in annual increased county mental health costs funded through Realignment.
- There are two outstanding issues that are not included in the trailer bill that was released this weekend:
- Public Employee Relations Board (PERB) language – Negotiating final agreement with the Administration and labor.
- Lawsuit nullification – The Administration has drafted language that nullifies the potential lawsuit that counties were considering earlier this year regarding the pulling of the trigger to discontinue the CCI.

Budget Update

Conference Committee began their work last week to reconcile the differences between the Senate and Assembly versions of the budget. Conference worked over the weekend and will meet again today. So far, they have taken action on very few items and have left most items open, meaning they will have to come back to them and take action. The main budget bill, not trailer bills, must be passed by June 15, 2017.

Climate Change

President Trump recently announced a decision to pull the United States out of the Paris Agreement – an agreement which aims to bring nations together and strengthen global response in a fight against climate change. Following this action, on June 1, Governor Brown, New York Governor Andrew Cuomo, and Washington State Governor Jay Inslee, announced the formation of the United States Climate Alliance. This coalition will bring together states that are committed to upholding the Paris Agreement and reducing greenhouse-gas emissions. On June 5, 10 new members joined the alliance: Connecticut, Delaware, Hawaii, Massachusetts, Minnesota, Oregon, Puerto Rico, Rhode Island, Vermont and Virginia.

Reaffirming his commitment to taking climate action, Governor Brown is currently in China on a week-long trip, to attend the Clean Energy Ministerial and the Under2 Clean Energy Forum. He will also hold meetings with regional and national Chinese officials in an effort to strengthen California’s clean energy, climate, and economic ties with China.

Proposition 47 Grants

The Board of State and Community Corrections Executive Steering Committee (ESC), responsible for ranking proposals and making recommendations on funding Proposition 47 grants, revealed its final recommendation list last week. The board will meet next week to consider the recommendations made. Included in the list of proposals is Alameda County Health Care Service Agency (HCSA). HCSA requested \$6 million in funding, and a recommendation was made to fully fund this request.

Cap and Trade Auction

On May 24, the Air Resources Board presented the results from the May 2017 Cap and Trade Auction, which announced having sold over \$1 billion worth of carbon credits – 90% of the available credits for sale. This is a significant increase from the last quarterly auction in February, which only generated about \$8 million.

Purpose:

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Request for Legislation position – Action Items

i. [AB 523](#) (Reyes) Electrical Program Investment Charge: Allocation

Recommendation: Support: Rebecca Gebhart, Interim Director, Health Care Services Agency

ii. [AB 1008](#) (McCarty) Employment discrimination: prior criminal history

Recommendation: Support: Rebecca Gebhart, Interim Director, Health Care Services Agency; Brendon Woods, Public Defender, Public Defender’s Office; and Kathy Mount, Interim Director, Human Resource Services and Wendy Still, Chief, Probation Department

iii. [SB 366](#) (Leyva) Electrical corporations: Green Tariff Shared Renewables Program

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

iv. [SCA 12](#) (Mendoza) Counties: governing body: county executive

Recommendation: Oppose: Keith Carson, District 5, Board of Supervisors

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

II. Information item: Letter requesting support for CALWORKs Single Allocation

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

[Attachment 1](#)

[Attachment 2](#)

Myrna Lopez, Principal Analyst, Intergovernmental Affairs & Civic Engagement, County Administrator’s Office reported that a letter was sent to the state Budget Conference Committee to request support for the Assembly version of the FY 2017-2018 budget to provide \$140 million in one-time funding for the CalWORKs Single Allocation and to adopt trailer bill language that would require development of a revised budgeting methodology for the Single Allocation.

PUBLIC COMMENT

None.

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