

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

Monday, July 10, 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 after the July 4th recess. Congress will begin a three-week legislative push before they adjourn again for the August recess. The House will focus on authorizing defense programs this week as well as a possible markup of the FY18 budget resolution. In addition, the House will consider three trafficking-related bills under suspension of the rules (H.R. 2664, H.R. 2480, and H.R. 2200). The Senate will continue negotiations on healthcare legislation and will also hold confirmation hearings/votes for various sub-cabinet level nominees until they are ready to take up a healthcare bill.

Health Care Update

Senate Republicans are hoping to unveil an updated draft of the Better Care Reconciliation Act (BCRA) to repeal and replace the Affordable Care Act by the end of this week. There continues to be major concerns from both the moderate and conservative wings of the caucus about how the legislation will address the various disagreements. We expect new bill text to be made available as soon as Thursday. A Congressional Budget Office (CBO) score is likely to follow as soon as next Monday and a potential vote could come by the end of next week.

Leader McConnell's initial proposal would have repealed most of the taxes created by the ACA and scale back subsidies that help people buy insurance. It also would make major cuts to the Medicaid program, and allow insurance companies to charge older people more for coverage. The CBO score showed that over 22 million people would lose insurance.

After that discussion draft failed to get enough support among Senate Republicans, the Republican leadership asked the CBO to weigh proposals that would leave in place Obamacare's taxes on Medicare and wealthy individuals, revise the Medicaid cuts, allow pre-tax money to pay for premiums and supply \$45 billion to fight the opioid crisis. Additionally, the CBO is looking at a proposal from Senators Mike Lee (R-UT) and Ted Cruz (R-TX) that would allow insurers who offer ACA-regulated plans on the exchanges to also offer cheap insurance plans outside of the ACA's regulatory structure.

One note: the House-passed bill would cut the deficit by \$119 billion over ten years. The initial Senate draft would have cut the deficit by \$321 billion over ten years, even though it only needed to reduce the deficit by as much as the House bill. As a result, Senate Republicans had \$202 billion available to make potential changes.

There is now \$45 billion that has been included to address the opioid crisis and \$60 billion was used to enable premium payments through HSA funds, but approximately \$100 billion is still available to make more changes. Additionally, if the ACA net investment tax is not repealed an additional \$172 billion would be available. Senate Majority Leader McConnell is expected to brief the caucus tomorrow at their weekly luncheon.

FY18 Budget

The House Budget Committee has still not been able to reach a deal on an FY18 Budget Resolution. Although there have been years in which Congress has not passed a budget resolution, this year, Congressional Republicans want to use reconciliation instructions within the FY18 budget to pass tax reform.

The challenge is the amount of mandatory spending cuts being requested in return for the increase in defense spending by the many Freedom Caucus/Republican Study Committee (RSC) members (12 total) who sit on the Budget Committee. Chairman Black is trying to reach a compromise with the defense hawks who want an increase above the President's budget request, the Freedom Caucus/RSC members, and the Committee Chairmen who have said it will be tough to find the amount of cuts in mandatory spending the Freedom Caucus wants. As of now, we are hearing the compromise level will likely be around \$200 billion in cuts to mandatory spending. On top of concerns of actually finding savings, some Republicans worry that linking welfare, food stamp, and Medicaid cuts to tax cuts could complicate passage of a tax bill.

As of now, Chairman Black is hoping to pass a budget that imposes a \$511 billion cap on non-defense spending (slightly lower than the Budget Control Act cap of \$516 billion) and defense spending would increase to about \$621.5 billion (the budget cap level for FY18 is currently \$549 billion). Recall that President Trump's budget request called for \$603 billion for defense, but defense hawks are wanting close to \$650 billion, so the \$621 billion level is seen as a good compromise.

It is expected that the Budget Committee will hold a markup of the FY18 budget resolution as early as this Thursday, but it could possibly slip into next week.

FY18 Appropriations

Despite the lack of a budget resolution, the FY18 appropriations process is well underway with markups scheduled in both the House and Senate appropriations committees this week. The Senate Appropriations Military Construction-VA Subcommittee will hold a markup on Wednesday, to be followed by a full committee vote on Thursday. House appropriators already approved an \$88.8 billion MilCon-VA bill, marking a \$6 billion increase over FY17 enacted levels.

The full House Appropriations Committee has passed the following bills: Military Construction-VA, Defense, and the Legislative Branch. In addition, the Agriculture-FDA, Commerce-Justice-Science, Energy & Water, and the Financial Services appropriations bills have all passed out of their respective subcommittees. Below you will find more information on what the Appropriations Committees will be considering this week.

The full House Appropriations Committee plans to mark up the Agriculture-FDA and Energy and Water Development appropriations bills on Wednesday. The House Appropriations Interior-Environment Subcommittee and the House Appropriations Homeland Security Subcommittee have markups scheduled for Wednesday. The House Appropriations Transportation-HUD Subcommittee will hold a markup tomorrow. Transportation Secretary Elaine Chao is scheduled to testify Thursday at a Senate Appropriations T-HUD Subcommittee hearing.

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 Thursday, Governor Brown announced that California will convene the Global Climate Action Summit in September 2017 in San Francisco, which will bring together notable world leaders in climate action. This decision comes after discussion with Christiana Figueres, former United Nations Framework Convention on Climate Change (UNFCCC) Executive Secretary and currently the convener of Mission 2020 and Global Ambassador for the Under2 Coalition.

This summit will mark the first time a U.S. state has hosted an international climate change conference in supporting the Paris Agreement.

Update on County Sponsored Bills

AB 333 (Quirk), Alameda County's sponsored bill to transfer ownership of a portion of State Route 1895 at East 14th Street and Mission Boulevard within unincorporated Alameda County, was heard this morning in the Senate Appropriations Committee and referred to the suspense file.

AB 435 (Thurmond), Alameda County's Child Care Pilot Program cleanup bill, will be heard on Tuesday in the Senate Human Services Committee.

ACR 108 (Bonta), Alameda County's "Food as Medicine" Resolution, is now in print and pending referral in the Assembly.

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, will be heard this afternoon in the Assembly Revenue and Taxation Committee.

Budget

On June 27, 2017, Governor Brown signed the 2017-18 Budget and the accompanying trailer bills that were passed by the Legislature. The Governor refrained from using his line-item veto power and signed the budget as presented to him by the Legislature. Upon signing, Governor Brown issued the following statement: "California is taking decisive action by enacting a balanced State Budget. This budget provides money to repair roads and bridges, pay down debt, invest in schools, fund the earned income tax credit and provide Medi-Cal health care for millions of Californians."

There are still several outstanding trailer bills remaining. One of which is SB 102, which seeks to address the short-term stabilization of the California Beverage Container Recycling Program, otherwise known as the "Bottle Bill" program. The program has endured a significant decrease in a recycling rate below 80%, the lowest rate since 2008.

The Legislature also sent AB 126, the Health and Human Services budget trailer bill, to the Governor for signature after he signed the budget. This bill is still awaiting signature.

Cap and Trade/Air Quality Proposals

On July 3, 2017, the Legislature put forward a new climate change proposal, in two trailer bills, to extend the Cap and Trade Program and improve air quality. Some of the key components of the proposals as outlined by the Urban County Caucus are as follows:

Cap and Trade

- Air Resources Board (ARB) required to establish a hard price ceiling
- ARB would issue non-tradable allowances that would allow additional GHGs emissions and the revenues from new allowances would be used to achieve additional GHG emission reductions
- The program would utilize unsold or reserved allowances to slow potential price increases
- The use of offsets would be reduced to 4% from 2021-2025 and 6% from 2026-2030, with half of the allowable offsets required to have direct California environmental benefits.
- Allowances allocation assistance factors would be extended at existing levels through at least 2025.
- Establishes an independent committee, would also be required to report to the Legislature when prices exceed the speed bumps to give time for Legislative reaction.
- Preempt ARM from adopting new regulations on oil and gas facilities to reduce GHGs aside from Cap and Trade unless it is necessary to reach the 2030 goals.
- Preempt local air districts from regulating carbon dioxide on stationary sources to avoid duplicative regulations.

Air Quality

- Establishes the New Community Emissions Reductions Program.
- The program will direct the air districts to develop and implement plans for the communities that have high cumulative emission burdens.
- The plans will be required to have reduction targets, specific reduction measures, and an implementation schedule – all which will be informed by better community air quality monitoring.
- Industrial sources regulated under Cap and Trade must be retrofitted to a standard that is reflective of current advancements in control technology.
- Penalties are adjusted for inflation, giving bad actors a competitive disadvantage over those sources that are following law.
- Improved uniformity across the state when it comes to reporting, verifying and technology standards.

California Transportation Commission

On June 30, 2017, the California Transportation Commission (CTC) released draft guidelines for the implementation of SB 1 (Beall), the Road Repair and Accountability Act of 2017. Beginning November 1, 2017, the State Controller will deposit various portions of the new funding into the Road Maintenance and Rehabilitation Account (RMRA). The guidelines set forth by the CTC describe the general policies and procedures for carrying out the RMRA project reporting requirements, the program objectives, and other statutory requirements. Public comment on the guidelines will be accepted until July 14, 2017.

California Single-Payer Healthcare Bill

While President Trump and the Republican Congress are working appeal and replace the Affordable Care Act, California's Legislators were working towards advancing a statewide single-payer healthcare system. Senator Ricardo Lara is leading this effort with his bill SB 562. The plan put forth by Senator Lara was estimated to cost the state \$400 billion, and seeks to guarantee health care coverage for all Californians without out-of-pocket costs by replacing private insurance companies with a government run system.

However, on June 23, 2017, Assembly Speaker Anthony Rendon announced that he would stop the bill from moving forward on the grounds that it is underdeveloped, had no funding attached and no service delivery mechanism. Supporters of the bill have since waged organized protests in the Capitol against Rendon's decision.

Human Trafficking Grants Available

The California Governor's Office of Emergency Services (CalOES) is offering \$4 million through the 2017-18 Victim Legal Assistance Program, with each project awarded up to \$400,000. This grant is aimed at helping adult and youth human trafficking victims receive legal assistance and aid in matters relating to the crime, at no cost to the victim. Eligible applicants include publicly funded organizations, Indian Tribal Governments or legal aid or statewide legal services agencies. Applications are due no later than August 7, 2017.

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. **AB 1404 (Berman) California Environmental Quality Act: categorical exemption: infill development**
*Recommendation: **Support:** Chris Bazar, Director, Community Development Agency*
- ii. **SB 649 (Hueso) Wireless Telecommunications Facilities**
*Recommendation: **Oppose:** Daniel Woldesenbet, Directory, Public Works Agency and Chris Bazar, Director, Community Development 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/>