

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

Monday, July 24, 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. The House will focus on passing a package of FY18 appropriations bills before heading home for the five-week August recess. The Senate will spend this week trying to jump-start legislation related to health care.

FY18 Appropriations

The House Appropriations Committee has now marked up all twelve appropriations bills at the full committee level. House leadership plans to vote this week on a minibuss of four appropriations bills: Defense, Energy & Water, Legislative Branch, and Military Construction-Veterans Affairs. In addition to those bills, the minibuss will include \$1.6 billion for construction of the border wall that was originally included in the FY18 Homeland Security appropriations bill. There will likely be numerous amendments to the minibuss that provoke partisan responses on both sides of the aisle. Although House Republicans will be able to point to this minibuss (if it passes) as a sign of progress, it is almost certain that Congress will rely on a CR when the new fiscal year begins on October 1, at least through the end of the calendar year.

Last week, the Senate Appropriations Committee approved funding allocations for its 12 subcommittees, setting the stage for conflicts with the House over spending priorities. While the House is using spending levels from its draft budget resolution, the Senate has decided to work from current-year levels in the hope of a bipartisan budget deal with Democrats in the fall. (See chart below)

The Senate will begin moving some of their appropriations bills prior to the August recess as well. The Senate Transportation-HUD and Commerce-Justice-Science Appropriations Subcommittees plan to mark up their respective spending bills tomorrow while the full committee is scheduled to take up those measures as well as the Legislative Branch bill on Thursday.

Senate Health Care Update

Senate Majority Leader Mitch McConnell (R-KY) has scheduled a vote tomorrow on the motion to proceed to debate. However, he has not yet announced if the procedural vote will be on the Senate Better Care Reconciliation Act or a version of the 2015 “repeal only” bill.

On Friday, the Senate parliamentarian issued a preliminary finding that key parts of the Republicans’ health care proposal do not qualify for reconciliation because they violate the Byrd Rule. Recall, the Byrd Rule is designed to make certain that policies passed under budget reconciliation directly affect the federal budget, either by decreasing spending or increasing revenue. The parliamentarian concluded two anti-abortion provisions would require 60 votes rather than the simple majority vote of 51. One provision prohibits Planned Parenthood from receiving Medicaid funds for one year, and the other would prevent tax credits for insurance premiums from being used to buy policies that cover abortion.

The parliamentarian found that the provisions were viewed as targeting a specific group.

Another provision that would be stricken from the bill include a New York-specific clause that was key to passing the American Health Care Act (HR 1628) in the House in May (for the same reason as the Planned Parenthood provision targeting a specific group). The inclusion of continuing the controversial cost-sharing subsidies for two years was also put in doubt by the parliamentarian, who said the language duplicated current law.

Also put in doubt is the Republican replacement for the individual mandate which would ban people from buying coverage for at least six months if they drop their coverage for more than a month. The waiting period provision is crucial to the overall working of the bill. Because the legislation would end the ACA's mandate that requires most Americans to have health insurance, the waiting period was designed to ensure that people could not simply wait to get sick before they purchased a policy.

The parliamentarian has not yet made findings on some provisions in the legislation that could still be crucial. They include providing states with more flexibility to run their own insurance markets and a change in setting insurance premiums that would make them cheaper for young people and more expensive for older people.

The parliamentarian also still has to rule on a provision creating a new type of small business plan, and another that would allow state Medicaid funds to be provided as a block grant.

Democratic Agenda/Messaging – “A Better Deal”

This afternoon, Democrats unveiled an economic agenda that leadership hopes will unify the progressive wing of the party and those Democrats who voted for President Donald Trump ahead of the 2018 midterm elections. The three-step plan is entitled, "A Better Deal: Better Jobs, Better Wages, Better Future" that focuses on improving wages, lowering costs of everyday expenses and boosting job-training opportunities.

Based on the new plan, Democrats will begin focusing on issues including, infrastructure, trade and outsourcing of jobs. Democrats will also focus on child care, education and more access to the Internet as a way to connect with voters prior to the 2018 midterms. The first three policy proposals of the new plan will put emphasis on lowering prescription drug prices, reforming corporate merger policies and creating jobs for 10 million Americans.

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 Legislature is now on Summer Recess as of July 21, 2017 and will return on August 21, 2017. When the Legislature reconvenes, the focus will be to for each house to pass bills and meet the September 15th deadline. Below are some of the important upcoming deadlines:

- September 1 – Last day for fiscal committees to meet and report bills to the Floor
- September 8 – Last day to amend bills on the floor
- September 5-8- Floor session only
- September 15 – Last day for each house to send bills to the Governor – Interim recess begins upon adjournment
- October 15 – Last day for Governor to sign or veto bills passed by Legislature before September 15

On July 17, 2017, the Legislature passed legislation to combat air pollution and extend the state's Cap and Trade program beyond 2020. The legislative package includes the following: AB 617 (C. Garcia) which requires the Air Resources Board (ARB) to develop a uniform statewide system of annual reporting of emissions of criteria air pollutants and toxic air contaminants, AB 398 (E. Garcia), which sets forth the Cap and Trade Extension Plan through 2030, and ACA 1 (Mayes), that establishes the Greenhouse Gas Reduction Reserve Fund for the deposit of all monies collected by the ARB and requires the Legislature to adopt the spending plan with a two-thirds vote in 2024.

Governor Brown issued a statement on the passage of the legislative package, announcing that "California stood tall and once again, boldly confronted the existential threat of our time," and that "Republicans and Democrats set aside their differences, came together and took courageous action."

ACA 1 will head directly to the November 2018 statewide ballot for approval. Governor Brown will hold a signing ceremony for AB 617 and AB 398 on Tuesday, July 25, 2017.

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 in the Senate Appropriations Suspense File.

AB 435 (Thurmond), Alameda County's Child Care Pilot Program cleanup bill, will be heard in the Senate Appropriations Committee on August 21, 2017.

ACR 108 (Bonta), Alameda County's "Food as Medicine" Resolution, has been referred to the Assembly Health Committee, but will not be dealt with until the Legislature returns from summer recess.

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 head to the Assembly Floor when the Legislature returns from summer recess.

Housing Package

On the evening of July 17, 2017, Governor Brown, Senate President Pro Tempore Kevin de León and Assembly Speaker Anthony Rendon issued a statement on their shared commitment to address California's housing crisis, also announcing that a vote on the package would be delayed until the Legislature returns from summer recess. There are a number of possible funding, streamlining, and regulatory reform proposals that could be a part of the housing package, but the details have not yet been announced.

Proposition 57 Regulations

Proposition 57, the Public Safety and Rehabilitation Act of 2016, overwhelming passed by the voters last November, incentivizes inmate rehabilitation with credit-earning opportunities for continued good behavior and in-prisons program and activities participation. Prop. 57 also speeds up parole consideration of non-violent offenders who have served the full-term of the sentence for their primary offense and who demonstrate that they would not pose a risk of violence to the community.

On July 14, 2017, the California Department of Corrections and Rehabilitation (CDCR) opened the 45 day public comment period on the regulations that will implement Prop. 57. Comments may be submitted by mail, fax or e-mail. CDCR will also hold a public hearing to receive oral comments on September 1, 2017, in Sacramento.

Proposition 13 Initiative in Progress

On July 20, 2017, Alexander Creel, Senior Vice President of Governmental Affairs, with the California Association of Realtors, submitted three versions of a proposed initiative, entitled the "People's Initiative to Protect Proposition 13 Savings," to the Office of the Attorney General. The initiative seeks to extend Proposition 13 tax breaks to homeowners who sell their home and buy a new one. Under existing law,

homeowners over the age of 55 can transfer existing property tax rates to a new home of equal or lesser value. One version of the initiative retains this age restriction and expands the program statewide. The other two versions of the initiative remove the age limit, aimed at encouraging young homeowners to sell and buy homes. The California Association of Realtors will not decide until the Fall if they will go forward with placing one of the three versions on the 2018 ballot.

State Controller's June Cash Report

The State Controller's reports that the state's June revenues of \$16.63 billion fell short of what was projected in the Governor's May Revision by 2.5 percent.

Total revenues in the 2016-17 fiscal year that ended on June 30, 2017, came in at \$12.91 billion, falling short of the Governor's May Revision estimates by \$295.7 million or 0.2 percent and was \$2.68 billion lower than anticipated in the 2016-17 enacted budget. The 2017-18 fiscal year began on July 1, 2017.

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PUBLIC COMMENT

None.

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