

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

**Monday, September 18, 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 Senate will have a short week as they will recess on Wednesday for a State Work Period. The House is not in session this week. The Senate will focus on passing the FY18 Defense authorization bill.

FY18 Appropriations

Although the House approved its FY18 appropriations package last week, the Senate is moving at a much slower pace and has not taken up any of its FY18 appropriations bills. As a result, negotiations on spending are expected to go well into the fall. The Harvey relief bill Congress approved included a continuing resolution (CR) funding the government through December 8, 21017.

Health Care

Congress was busy last week with the introduction of Senator Bernie Sanders' (I-VT) plan for "Medicare for All", the introduction of the Graham-Cassidy-Heller-Johnson (Graham-Cassidy) plan to repeal and replace the Affordable Care Act, bipartisan hearings in the HELP Committee in hopes of stabilizing the individual health insurance market, and the Senate Finance Committee agreement on a five-year extension of the Children's Health Insurance Program.

Senators Bill Cassidy and Lindsay Graham are hoping they can find 50 votes on their legislation and hold a vote next week prior to the September 30th deadline when reconciliation will expire. Senator Ron Johnson, a cosponsor of the Graham/Cassidy bill and Chair of the Senate Homeland Security Committee announced this morning that his committee will hold a hearing on the bill on September 26, 2017. The notice lists the hearing as "Block Grants: How States Can Reduce Health Care Costs," but provides no additional information. The legislation would provide states with block grants instead of the ACA's tax credits, Medicaid expansion and cost-sharing payments. It would also repeal the ACA's individual and employer mandates and the medical device tax. Specifically, it authorizes \$1.2 trillion to be provided to states in a block grant process rather than the per enrollee stipend provided now. We expect a preliminary score from CBO early next week, but do not expect a full score from CBO that includes estimates of the effects on the deficit, health insurance coverage, or premiums until after the September 30, 2017 deadline.

In a crucial boost of support for the Graham-Cassidy legislation, Republican Governor of Arizona, Doug Ducey, offered his support saying, "it's time to get the job done." Ducey's support is important because Senator John McCain has said that the Governor's position would be an important factor in how he ultimately votes on the bill. Additionally, this morning, sixteen patient and provider groups came out in opposition to the Graham-Cassidy legislation criticizing the bill for its limitations on Medicaid funding, potentially rolling back consumer protections and opening the door to annual and lifetime coverage caps. The groups instead announced their support for the bipartisan talks between Senate Health, Education, Labor and Pensions Committee Chairman Lamar Alexander and Ranking Member Patty Murray.

Senators Alexander and Murray are trying to reach a bipartisan deal on legislation to stabilize the individual insurance markets by the end of this week so they can offer Majority Leader McConnell and Minority Leader Schumer a path forward by the end of the month. A deal could include the following:

- Payment of the cost-sharing reduction subsidies through 2018 and possibly longer.
- Some sort of reinsurance for states which would send money directly to insurers, to offset the cost of their sickest and most expensive patients. Panelist agreed that a federal reinsurance program is necessary (similar to the one created under the first few years of ACA implementation). However, Chairman Alexander is opposed to any federal funding for reinsurance.
- Expanded regulatory waivers for states. Republicans are hoping to tweak the actuarial value requirements in the ACA's 1332 waivers. Under the latest idea, states would be able to waive the actuarial requirements in health plans by a limited amount to be determined.
- Expanded access to catastrophic plans so everyone, not just those 29 and under, could purchase a lower premium, higher deductible plan.

SNAP Hearing

Last Thursday, the Senate Agriculture Committee held its eighth hearing related to the 2018 farm bill entitled, "Nutrition Programs: Perspectives for the 2018 Farm Bill." The Committee focused on fraud in the SNAP program and specifically highlighted program payment error rates and misreporting of program costs by some states. Chairman Pat Roberts stated that SNAP "accounts for over 75 percent of Farm Bill spending" and the Committee would work to ensure the program is held accountable and ensure that the right amount of assistance is going to those that need it. SNAP is crucial to the passage of the next farm bill because it attracts votes from members representing both urban and rural areas. Although we should expect changes to the SNAP program in the next farm bill, the Agriculture Committee noted that costs for SNAP have declined substantially, almost 40 percent from FY14 to FY17.

Children's Health Insurance Program

The Senate Finance Committee announced a deal last week on a five-year extension of the Children's Health Insurance Program. The proposed legislation would maintain the ACA's 23 percent increase in the federal matching rate to states for 2018 and 2019 and begin to ratchet it down in 2020. The increase is set at 11.5 percent in 2020 and would be totally eliminated starting in 2021. The cost of the bill would be \$8 billion; the Finance Committee is currently working on finding offsets. The Committee also needs to find a legislative vehicle for the deal to move on before September 30, 2017.

Deferred Action for Childhood Arrivals (DACA)

Democratic Leaders Nancy Pelosi and Chuck Schumer had dinner with President Trump last week at the White House regarding DACA. After the dinner, a vague agreement was announced that focused on protection for DACA recipients and border security measures. President Trump tweeted the following day saying that he and the Democratic leaders were close to a deal, but that the final agreement would depend on "massive border security." He also said funding for the border wall would come later. A final deal is expected to be reached by December.

Sanctuary Cities

A federal judge blocked the Trump Administration's attempt to use Justice Department public-safety grant programs to discourage sanctuary city policies aimed at protecting undocumented immigrants. The opinion specifically blocks the new "notice" and "inspection" requirements for Byrne-JAG grants, but upheld the requirement to certify 1373 compliance. The lawsuit was brought by the City of Chicago and on Friday U.S. District Court Judge Harry Leinenweber issued a nationwide preliminary injunction, prohibiting the Justice Department from adding new grant conditions requiring cities to allow immigration agents access to local jails and insisting that local authorities give advance notice when suspected illegal immigrants are about to be released from custody. His opinion states that DOJ's order to add new grant requirements violates the separation of powers doctrine.

Purpose:

- Report progress
- Advocacy or Education
- Request PAL Committee Recommendation or Position
- Other: Federal legislative update**

II. State Legislative Update – Brownstein Hyatt Farber Schreck

The Legislature adjourned for Interim Recess in the early morning hours of Saturday, September 16, 2017, and will not return until January 3, 2018. All bills that did not pass out of the Legislature prior to adjournment, became 2-year bills and will have a second chance to be acted on again next year. The Governor now has until October 15, 2017 to sign or veto bills that were presented to him by the Legislature.

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 Governors' desk awaiting action.

AB 435 (Thurmond), Alameda County's Child Care Pilot Program cleanup bill, is currently on the Governor's desk awaiting action.

ACR 108 (Bonta), Alameda County's "Food as Medicine" Resolution, was adopted by both house and does not require the Governor's signature.

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%, is currently on the Governor's desk awaiting action.

End-of-Session Highlights

Late Thursday night, the Assembly passed six critical pieces of the housing package: SB 2 (Atkins), SB 3 (Beall), SB 35 (Wiener), SB 166 (Skinner), SB 167 (Skinner) and SB 540 (Roth). The next day the measure were sent back to the Senate and passed as expected. The bills aim to address the state's affordable housing crisis, by honing in on key issues such as generating funding for low-income housing development, funding critical housing programs and streamlining the approval process for new housing projects. Additional measures that were passed by the Legislature as part of the housing package are the following: AB 72 (Santiago), AB 73 (Chiu), AB 571 (E. Garcia), AB 678 (Bocanegra), AB 879 (Grayson), AB 01397 (Low), AB 1515 (Daly) and AB 1521 (Bloom). The bills will now be sent to the Governor for action.

The Legislature also passed provisions through AB 130, which will provide \$20 million in immigration services funding to the Department of Social Services for payment to existing entities under contract for work on behalf of clients involved in applying for or subject to federal Deferred Action for Childhood Arrivals (DACA) status. Additionally, AB 134 includes \$10 million for financial aid assistance for Community College, California State University and University of California students participating in the California DREAM program. This \$30 million surge of funding spearheaded by Governor Brown and legislative leaders, was prioritized as a response to President Trump's recent decision to end the DACA program.

Additionally, the \$1.5 billion cap and trade spending plan was also approved by the Legislature on Friday. The Governor signed the cap and trade spending plan and the additional revenues for DACA participants on Saturday afternoon.

SB 54, Senate President pro Tempore de León's sanctuary state bill, which will provide essential safeguards to Californians by prohibiting state and local law enforcement agencies from engaging in federal

immigration enforcement, supported by Alameda County, was also passed by the Legislature on Friday. The measure is currently on the Governor's desk awaiting action.

Senator de León's \$4 billion parks and water bond also passed the Legislature. This measure will place the bond on the June 2018 ballot, in order to provide critical funding for parks, water recreation and wildlife conservation. The measure is currently on the Governor's desk awaiting action.

AB 1250 (Jones-Sawyer) related to county contracts, strongly opposed by Alameda County, did not move out of the Senate Rules Committee, making it a 2-year bill.

CalOES Human Trafficking Grants

The California Governor's Office of Emergency Services (Cal OES), Victim Services and Public Safety Branch has announced that there is a total of \$983,856 available to provide funding for Victim/Witness Assistance Centers that have been in collaboration with an Anti-Human Trafficking Task Force within county, in order to provide services to human trafficking victims. Applications for the Human Trafficking Advocacy Program are due by October 6, 2017.

IHSS MOE Webinar

On September 7, 2017, the CSAC Board of Directors unanimously approved the IHSS MOE methodology. The methodology will determine how additional IHSS costs of offset revenue will be distributed among California counties. The approved methodology was presented to the Governor's administration for adoption and implementation. On September 7, 2017, the California State Association of Counties will be hosting a webinar to discuss the new IHSS MOE.

State Controller's August Cash Report

The State Controller reports August revenues of \$8.90 billion, exceeding projections in the state budget by \$343.7 million or 4%. The state's total fiscal year-to-date revenues are \$14.99 billion, \$532.5 million higher than projected in the enacted budget.

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PUBLIC COMMENT

None.

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