Summary/Action Minutes

I. Federal Legislative Update – CJ Lake

Impeachment

Speaker of the House Nancy Pelosi said on Friday that she would be sending articles of impeachment to the Senate this week. Judiciary Committee Chairman Nadler will be tasked with preparing a resolution that will appoint managers and transmit the articles of impeachment to the Senate. Senate leaders will then adopt a resolution to establish rules for the trial. It is still unknown whether there will be witnesses during the Senate proceedings. The trial will likely begin in earnest the week of January 20.

United States-Mexico-Canada Agreement

Several Senate committees are slated to vote on the new US-Mexico-Canada agreement. Budget and Environment and Public Works Committees will mark up the legislation tomorrow, while Commerce, Science, Transportation, and Health, Education, Labor, will be on Wednesday, followed by Foreign Relations on Thursday. The full Senate will likely not take up the legislation this week.

Budget

The President is scheduled to release his FY21 budget request on Monday, February 10, 2020. Major increases are not expected based on levels negotiated last summer in the Bipartisan Budget Act.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Non-Defense Spending</th>
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<tbody>
<tr>
<td>FY2020</td>
<td>$621.5 billion</td>
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<tr>
<td>FY2021</td>
<td>$626.5 billion</td>
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Fair Housing Rule

The Department of Housing & Urban Development (HUD) will publish a Notice of Proposed Rule Making (NPRM) to roll back and replace the “Affirmatively Furthering Fair Housing” (AFFH) rule, a 2015 rule that was intended to address discrimination in public housing. HUD identified flaws in the program’s online assessment tool as well as an unexpected administrative burden on HUD and local governments. HUD indefinitely suspended the rule in May of 2018. This NPRM is the formal action taken to remove the 2015 rule. There will be a 60-day comment period, and CJ Lake will plan to assist in the drafting and submission of comments.
Hearings

House Committee on Financial Services: “On the Brink of Homelessness: How the Affordable Housing Crisis and the Gentrification of America Is Leaving Families Vulnerable,” on Tuesday, January 14, 2020 at 10:00 a.m.

Purpose:
☐ Report progress
☐ Advocacy or Education
☐ Request PAL Committee Recommendation or Position
☒ Other: Federal Update

This item was informational only and required no Committee action.

II. State Legislative Update – Political Solutions

The Legislature has reconvened for the second year of the 2019 – 2020 legislative session. With the two-year bill deadline upcoming, bills are being amended to garner the necessary votes to move them out of their house of origin.

Budget committees and sub-committees in each house can begin meeting to work on their versions of the budget now that it has been released.

Last week Senator Glazer and 17 other members of the Legislature sent a letter to legislative Leadership and the Governor requesting $20 million in one-time funds to purchase the N3 Ranch property. This would be in partnership with the Nature Conservancy and the Trust for Public Land.

Governor Gavin Newsom

On Sunday, January 12, 2020, Governor Newsom announced the kickoff of a weeklong homelessness tour which includes a stop in the Bay Area.

On Friday, January 10, 2020, Governor Newsom issued a press release to highlight Governor’s office staffing for 2020, including a senior point person on housing and homelessness, a senior point person on business and economic development, and a senior point person on strategy and advocacy.

On Wednesday, January 8, 2020, the Governor announced the creation of a new California Access to Housing and Services fund by executive order and provided a preview of his 2020/2021 budget.

Council of Regional Homeless Advisors

On Monday, January 13, 2020, Governor Newsom’s homelessness task force proposed 40 strategies to address California’s homeless crisis. A letter to the Governor accompanied the recommendations.

Medi-Cal Healthier California For All (Formally CalAIM)

CalAIM was renamed last week by the Administration to Medi-Cal Healthier California For All to better reflect the goals of the proposed new waiver. The five working groups continue to meet on a regular basis to discuss how the waiver should look, these work groups are open to the public and public testimony is taken at the end of each meeting.
Budget

Governor Gavin Newsom submitted his initial 2020-2021, $222.2 billion state budget to the Legislature last Friday morning, banking billions in a fund for an impending economic downturn on the horizon.

The Rainy-Day Fund balance is projected to be $18 billion in 2020-21 and $19.4 billion by 2023-24. Overall, the Budget has $21 billion set aside in reserves.

Housing and Homelessness

Housing production and affordability remains a major priority for the Administration. On Friday, Newsom declared himself the state's “homeless czar,” one year after promising to appoint one. As in 2019, Newsom plans to allocate another $500 million annually for the state’s housing tax credit program. The Administration will continue to seek private philanthropy to assist in offsetting the cost of development in the state.

Newsom signed an executive earlier this week creating a $750 million fund that providers could use to fund affordable housing, pay rents, or help care homes. The main goal is to “reduce homelessness by moving individuals and families into stable housing” both for those who are homeless and at risk of becoming homeless. The fund, dubbed the “California Access to Housing and Services Fund,” will be administered by the Department of Social Services. The spending plan also incorporates $695 million to renovate Medi-Cal to tackle health needs for California’s chronically unsheltered homeless population.

Health

Newsom’s spending plan includes a total of $167.9 for all health and human services programs. To make further progress towards universal coverage under the ACA, the budget proposes to expand eligibility for full-scope Medi-Cal benefits to all persons aged 65 years and older, regardless of immigration status, no sooner than January 1, 2021.

The governor is proposing to allocate $168 million to the DHHS, with close to 62% of that being allocated to Medi-Cal. $695 million, increasing to $1.4 billion by 2023, is allotted toward the Medi-Cal “Healthier California for All” initiative, an endeavor to firm up the numerous Medi-Cal systems patients must traverse to receive services, and to efficiently manage the care provided to enrollees.

The governor asked the Legislature to sign off on a first in the nation plan to market and sell generic prescription drugs to California residents under a government-run operation. In addition, the governor is creating a new Office of Health Equity.

Education and Early Learning

A large portion of state government expenditures is aimed at education services. Newsom’s budget envisions $84 billion in general fund spending on K-12 education and community colleges. When fused with other state and federal funds, per-pupil spending in K-12 schools would increase to $17,964.

The Budget also proposes to inaugurate the Department of Early Childhood Development under the California Health and Human Services, effective July 1, 2021. The budget maintains commitment to full-day, full-year access to State Preschool for all eligible low-income four-year old children.

Paid Family Leave

The 2019 Budget Act expanded Paid Family Leave from six to eight weeks, moving two-thirds towards the goal of six months of paid family leave for two parents to bond with a new child. The Budget adds to this expansion by proposing to spread job protections to more employees, thus expanding the number of families that can utilize this benefit.
Climate

Newsom’s climate budget includes $12 billion over the next five years for three core areas of the climate budget: a climate resilience bond, a cap-and-trade expenditure plan ($965 million) to continue the transition to a carbon-neutral economy, and a new Climate Catalyst Fund ($1 billion) to promote the deployment of new technologies, largely by small businesses and developing industries. The $4.75 climate resilience bond will be for the November 2020 ballot to bolster investments over the next several years to lessen certain climate risks across the state. 80% of the funds will be allocated to immediate, near-term risks.

Wildfires

Newsom is recommending $1 billion to enhance firefighter capacity (adding 555 full-time firefighters over five years, a 12% increase over the 4,800 currently employed), increase the number of year-round engines, and to advance technology to wildfire risk data analysis.

Jobs and the Economy

Newsom’s budget incorporates funding to institute a new Department of Better Jobs and Higher Wages to amalgamate the workforce tasks presently scattered across the Labor and Workforce Development Agency. Further, it funds the next $1 dollar increase in CA’s minimum wage ($13 per hour for most employees as of January 1, 2020).

Next Steps

Friday’s budget introduction is the initial step in approving a spending plan for the state. In May, the governor will revise his plan once state officials have an updated estimate of how much money the state will accumulate in taxes this year. The Legislature has until June 15 to vote on the budget proposal and send it to Newsom for his approval, which will be implemented in July, at the start of the fiscal year.

Key Upcoming Dates

- January 17 – Policy Committee deadline for two-year bills tagged fiscal
- January 24 – Deadline for two-year bills in their house of origin to be sent to the Floor
- January 24 – Deadline to submit bill drafting requests to Legislative Counsel
- January 31 – Deadline for all two-year bills to pass off the Floor in their house of origin
- February 21 – Bill introduction deadline

Purpose:
- [ ] Report progress
- [ ] Advocacy or Education
- [ ] Request PAL_Committee Recommendation or Position
- [x] Other: State update

Informational Item

i. N3 Ranch – Update PAL regarding the legislative coalitions request for $20 million in State funding to complete a funding package along with several non-profits to purchase the N3 Ranch located in four counties including Alameda

Attachment

PUBLIC COMMENT

None.

Board of Supervisors’ Committees agendas are available via Internet at: http://www.acgov.org/