

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

Monday, May 18, 2020

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

Congressional Schedule

The Senate is in session today. The House is not in session, but was in Washington DC on Friday, May 15, 2020 to take up the HEROES Act.

HEROES Act

State and Local Coronavirus Relief Fund

The House package includes additional funding for state and local governments. The CARES Act provided \$1 billion for state and local governments, with aid only going directly to local governments with populations above 500,000. The HEROES Act ensures funding will go to all cities and counties regardless of population. States would receive \$500 billion while \$375 billion would be split evenly between cities and counties. Additionally, the bill text includes language allowing the funds to address both lost revenue and increased expenditures as the result of the coronavirus pandemic and retroactive for CARES Act funding.

Essential Workers Fund

The bill includes a \$200 billion HEROES fund to ensure essential workers will receive pandemic hazard pay. The funding would go to “workers at businesses which states have determined must stay open to serve the public during the COVID 19 emergency.”

Payments to Individuals

The bill provides a second round of \$1,200 direct payments to individuals, as was provided in the CARES Act. The bill provides for \$1,200 per family member, up to \$6,000 per household.

Unemployment & Workers

The bill extends the \$600/week FPUC supplement to state and federal unemployment benefits and provides nine months of full health premium subsidies to allow workers to maintain their employer-sponsored coverage if eligible for COBRA or if they have been furloughed.

Nutrition and Related Programs

The package provides \$10 billion for SNAP to support anticipated increases in participation and to cover program cost increases related to flexibilities provided in the Families First Act. Democrats pushed for an increase of the SNAP benefit by 15% in the Paycheck Protection Program and Health Care Enhancement Act, but it was ultimately left out of the bill. The HEROES Act also provides additional funding for WIC, TEFAP, and Child Nutrition Programs.

Health

Congress has provided a total of \$175 billion to date for the Public Health and Social Services Emergency Fund. The House bill would provide an additional \$175 billion for the fund: \$100 billion in grants for hospital and health care providers to be reimbursed health care related expenses or lost revenue directly attributable to the public health emergency resulting from coronavirus; and \$75 billion for activities such as testing and contact tracing.

The package also includes several Medicare and Medicaid provisions including a 14% FMAP increase between July 1, 2020, and June 30, 2021; preventing MFAR finalization until the end of the public health emergency; and increasing disproportionate share hospital (DSH) payments by a total of 2.5% (to 102.5%) during FY2020 and FY2021. The bill also allows inmates to access Medicaid 30 days prior to release.

Census

The legislation addresses the request from the Census Bureau to delay the publication of apportionment and state redistricting data by 120 days as a result of the coronavirus crisis, but it would couple this extension with a requirement for the Census Bureau to provide monthly detailed operational reports to Congress.

Housing & Rental Assistance

The package includes funding for several housing and rental assistance programs:

- \$4 billion for tenant-based rental assistance
- \$1 billion for temporary, new vouchers for individuals and families who are homeless or at risk of homelessness
- \$5 billion for CDBG funding
- \$11.5 billion for Emergency Solution Grants
- \$100 billion for emergency rental assistance

Immigration

The legislation includes work authorization and deferred immigration enforcement action for undocumented workers in the US engaged in essential critical infrastructure work (as defined by DHS guidance; includes agriculture) during the emergency. It also includes expansion of immigration for medical providers, and extension of stay and work authorization for noncitizens and green-card applicants lawfully present in the US, as well as no immigration enforcement against individuals unable to return home.

Tax Provisions

The bill makes the child tax credit fully refundable for 2020 and increases the amount to \$3,000 per child (\$3,600 for a child under age 6). The bill also eliminates the limitation on the deduction for state and local taxes for taxable years beginning on or after January 1, 2020 and on or before December 31, 2021. The legislation would also make county employers eligible for payroll tax deductions that were included in the Families First legislation.

FEMA Cost Share

The bill waives the 25 percent local match requirement for FEMA funding under the Emergency Disaster Declaration.

Menendez-Cassidy SMART Act and House Companion Bill

Today, Senators Cassidy and Menendez introduced bipartisan legislation to provide assistance to state and local governments. The State and Municipal Assistance for Recovery and Transition (SMART) Act targets \$500 billion in emergency funding to every state, county and community in the country, while prioritizing assistance to the areas with the greatest need. This bill is seen as an alternative to the HEROES Act funding for state and local governments. The total funding for the SMART Act (\$500 billion) is much less than the amount provided by the HEROES Act (\$875 billion), yet the bill has continued to gain bipartisan support in the House and Senate.

The bill includes language similar to the HEROES Act, that would allow funds allocated by the CARES Act to be used retroactively to cover lost revenues. The bill also prohibits the use of funds for deposit into any state or state-affiliated pension fund.

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 and the Administration remain focused on COVID-19 management and response. With the release of the Governor’s May Revise last Thursday, the budget subcommittees in both houses will begin meeting this week. The budget subcommittees, DOF, and the LAO will be grappling with a very different budget than what the Governor introduced back in January given the economic impact of the COVID-19 pandemic. Due to the truncated schedule, the Senate budget subcommittees will be meeting over Memorial Day weekend.

Policy committee hearings continue in both houses utilizing the Assembly and Senate Chambers and the largest committee rooms to allow for physical distancing. The PS team will work with your staff to determine the impacts on Alameda County’s priorities related to Vision 2026 and its 10X goals.

LAO Initial Comments on the Governor’s May Revision

The LAO provided initial comments on the May Revise, concluding that “the Governor has presented a budget to the Legislature that addresses a \$54.3 billion budget problem. Nonetheless, the budget plan has some weaknesses, which we suggest the Legislature address as it adopts the fiscal plan for the state.

However, perhaps more importantly, in a number of areas across the budget, the administration asks that the Legislature delegate significant authority to the executive branch.

Budget

Governor Newsom presented his May Revise budget proposal last Thursday, May 14, highlighting the stark contrast between where the state began the year in January, with a projected surplus, and where our economic outlook stands today, mid-pandemic, with a \$54.3 billion budget shortfall.

The 2020-21 May Revision to the Governor’s Budget proposes spending of \$203 billion in total state funds, consisting of approximately \$134 billion from the General Fund, \$63 billion from special funds, and \$6 billion from bond funds.

Overall, the Governor proposes to stay true to California's core values with his \$203 billion budget, focusing on public education, health, safety, and supporting the people hit hardest by COVID-19. Closing the budget gap will be done through a multitude of avenues over the next few years including pulling down reserves, pulling back on January budget proposals/enhancements, utilizing CARES Act dollars, deferrals, and cuts.

The cuts, however, have a trigger mechanism and, as the Governor indicated, could be halted if the Federal Government approves the HEROES Act, as proposed by House Speaker Nancy Pelosi.

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However, perhaps more importantly, in a number of areas across the budget, the administration asks that the Legislature delegate significant authority to the executive branch. In these cases, we urge the Legislature to jealously guard its constitutional role and authority.

Governor Gavin Newsom

On Friday, May 15, 2020 Governor Newsom “met with Senate President pro Tempore Toni Atkins, Assembly Speaker Anthony Rendon, Senate Budget Chair Holly Mitchell, and Assembly Budget Chair Labor, business and civic leaders from throughout California joined Governor Newsom and state legislative leaders’ call for the federal government to provide relief to states and cities.

Governor Newsom issued a statement following the House’s vote on the HEROES Act. He stated that the COVID-19 global pandemic has caused a national recession, and cities and states across the country cannot weather this storm alone. States like California that boasted record reserves after years of prudent spending decisions are facing deep revenue shortfalls that put core government services at risk.

Additionally, the Governor announced to the press that he will be suspending his daily noon briefings in favor of occasional updates on an as-needed basis.

Purpose:

- Report progress
- Advocacy or Education
- Request PAL_Committee Recommendation or Position
- Other: State update**

This item was informational only and required no Committee action.

PUBLIC COMMENT

None.

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