

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

Monday, October 19, 2015
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 both return this week after the Columbus Day recess. The Senate will focus on sanctuary cities and criminal justice reform legislation this week. On the House side, Members will concentrate on raising the debt ceiling before the Treasury runs out of its ability to use “extraordinary measures” to continue paying its bills on November 3rd. Also, the House will hold a markup of the Transportation and Infrastructure Committee’s multi-year highway extension on Thursday.

Appropriations/Budget

House and Senate leaders are expected to take action on avoiding a government shutdown before December 11, 2015. It is unknown how long the negotiations will take. This year’s budget deal may have to wait until after Congress passes a debt-ceiling increase by November 3, 2015.

Republicans are demanding changes to entitlement programs, a request that’s already been rejected by Democrats. Democrats want to boost domestic spending without the sequestration cuts, which is a nonstarter for the GOP. Private staff-level talks are ongoing and House and Senate leadership (McConnell/Reid/Boehner/Pelosi) have not met to discuss options going forward.

House Surface Transportation Reauthorization

On Friday, October 16, 2015, the House Transportation and Infrastructure Committee released their version of a multi-year surface transportation reauthorization bill. The bill, entitled the Surface Transportation Reauthorization and Reform Act of 2015, authorizes \$325 billion in funds over six years and makes policy changes during fiscal years 2016 through 2021. However the bill only concerns the authorization of policy and levels requiring the House Ways and Means Committee to provide the funds over the six-year window of the bill.

In comparison with the Senate bill, the House bill does not have as high of funding levels but the bill is co-sponsored by the “Big Four” Members of House T&I (Chairman Shuster, Ranking Member DeFazio, Subcommittee Chairman Graves and Subcommittee Ranking Member Norton) to show that both parties are in favor of using this as the negotiating point with the Senate during any legislative conference on the multi-year bill. The T&I Committee will be marking-up this legislation on Thursday, October 22, 2015. The Committee hopes to consider the bill on the House floor the final week of October with hope that the House Ways and Means Committee will be able to mark-up a funding and financing title for the bill by that time.

As an additional reminder, transportation policy authority expires on October 30, 2015 and the Congress will need to pass a short-term extension of policy regardless of what happens with the House bill. A short-term extension would provide authority into December but no firm date has been published as of yet.

Criminal Justice Legislation

The Senate Judiciary Committee held a hearing yesterday of the Sentencing Reform and Corrections Act of 2015.

Sanctuary Cities

Senate Majority Leader Mitch McConnell announced a procedural vote would be held today on proceeding to legislation that would cut federal funds to “sanctuary cities” that refuse to cooperate with federal law-enforcement efforts to deport undocumented immigrants. Democrats are expected to have the 41 votes needed to block consideration of the bill.

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 –Platinum Advisors

The Conference Committee on Transportation Infrastructure convened to determine how to fund the maintenance needs of state highways, local roads, and mass transit systems. The Senate Democrats have promoted a \$6 billion funding proposal consisting of fuel taxes, vehicles registration fees, and accelerating the repayment of loans. The Senate and Assembly Republicans have backed proposals that rely on existing revenues, such as returning truck weight fees and directing cap & trade auction revenue to highways, and reforms within Caltrans. The Governor attempted to balance these interests with a scaled back version that includes fewer taxes and fees, while incorporating some Caltrans reforms and repaying existing transportation loans.

The hearing on Friday, October 16, 2015 started with a presentation by California State Transportation Agency Secretary Brian Kelly, who provided a more in depth presentation of the Governor’s funding plan. The Governor’s plan tries to strike that balance between the competing proposals being pushed by the Democrat and Republican Caucuses.

An academic presentation by the Legislative Analyst’s Office on the problem and potential solutions was followed by a panel discussion comprised of labor, business and local government representatives. Labor groups were represented by Jim Earp, of the California Alliance for Jobs, and Cesar Diaz of the State Building and Construction Trades Council. The business representatives that urged a sustainable funding solution included Lucy Dunn of the Orange County Business Council and Kristin Connelly, East Bay Leadership Council. Local governments were represented by Jennifer Whiting, League of California Cities.

The next meeting of the Conference Committee is scheduled for Wednesday, October 26, 2015 in Ontario, CA. The agenda for the hearing has not been finalized however it is expected to be available via webcast.

1115 Waiver

California's current 1115 waiver, known as the "Bridge to Reform," expires October 31, 2015. Over the last five years it has provided California with \$10 billion toward furthering the objectives of the Medi-Cal program in preparation for changes resulting from the Affordable Care Act. The Bridge to Reform is a demonstration project that has allowed California greater flexibility to invest in health initiatives. The Centers for Medicare and Medicaid Services (CMS) require that 1115 waivers be budget neutral – they cannot cost the federal government more money than would be incurred without a waiver. The Bridge to Reform established budget neutrality by assuming costs without the waiver will be based on a fee-for-service system where managed care did not exist.

Since last fall, stakeholder groups have been meeting with the Department of Health Care Services (DHCS) to create a proposal for a new \$17 billion waiver over the next five years. The proposal has been dramatically reduced to \$7.25 billion over five years. Remaining in the proposal is four programmatic elements and an independent assessment of California's managed care system to evaluate access and quality of care. The programmatic elements include the following:

1. Public Hospital System Incentive Program – would provide \$700 million annually for public hospitals and \$100 million annually for district and municipal hospitals. It would include initiatives around the integration of physical and behavioral health, high risk populations, outpatient delivery system innovation, and resource utilization efficiency.
2. Global Payment Program – this combines the Disproportionate Share Hospital (DSH) funding and Safety Net Care Pool (SNCP) funding to support public safety net systems. Funds would decrease over time starting at \$236 million annually going down to \$160 million in the last year of the waiver.
3. Improving Dental Care - \$150 million annually would be used to incentivize and increase dental care for children and adults.
4. Whole Person Care - \$300 million annually to fund between five and ten voluntary county or regional pilot programs targeting high health utilizers or high risk populations. The funding would be linked to outcomes which could include reduced institutionalization, stable housing, or other elements improving the overall health of that population.

Because time is short, it's possible the State's current waiver will be extended for a short period while negotiations wrap up. However, DHCS is making resolution with CMS a high priority.

Governor Signs Water-Related Bills

Governor Brown signed 24 bills to help boost water conservation, strengthen groundwater management and improve water quality, all necessary steps as the State's historic drought continues. Of the bills signed by the Governor, the following may be of interest to local government:

AB 401 (Dodd) requires the State Water Resources Control Board, no later than January 1, 2018, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program. The bill permits the board to consider existing rate assistance programs authorized by the Public Utilities Commission in developing the plan and authorizes the plan to include recommendations for other cost-effective methods of offering assistance to low-income water customers.

AB 496 (Rendon) authorizes the State Department of Education to receive funds from available state and federal sources, to be allocated to school districts for purposes of complying with the requirement for providing pupil access to free, fresh drinking water during meal times in the food service areas of schools.

AB 1164 (Gatto) prohibits a city, including a charter city, county, and city and county, from enacting or enforcing any ordinance or regulation that prohibits the installation of drought tolerant landscaping, synthetic grass, or artificial turf on residential property.

SB 555 (Wolk) requires each urban retail water supplier, on or before October 1, 2017, and on or before October 1st of each year thereafter, to submit a completed and validated water loss audit report for the previous calendar year or previous fiscal year as prescribed by rules adopted by the Department of Water Resources on or before January 1, 2017, and updated as provided. The bill requires the Department to post all validated water loss audit reports on its web site in a manner that allows for comparisons across water suppliers and to make these reports available for public viewing.

SB 664 (Hertzberg) requires an urban water supplier to include within its water management plan, beginning January 1, 2020, a seismic risk assessment and mitigation plan to assess the vulnerability of each of its various facilities of a water system and to mitigate those vulnerabilities. The bill authorizes an urban water supplier to comply with its requirement by submitting a copy of the most recent adopted local hazard mitigation plan or multi hazard mitigation plan under specified federal law that addresses seismic risk.

Governor Vetoes Unmanned Aircraft Systems Bill

The Governor vetoed all but one unmanned aircraft systems bill that reached his desk. The lone bill signed by the Governor was AB 856 (Calderon), a bill that expands the liability for physical invasion of privacy to include a person knowingly entering into the airspace above the land of another person without permission.

Workshops & Guidelines

The Governor's Office of Planning & Research (OPR) has issued a draft update to the General Plan Guidelines. The release of this extensive update starts the clock for submitting public comments during this review period. OPR is interested in reaching out to all interested parties. The comment period will last for 60 days, and the deadline to submit comments is December 18, 2015 at 5:00 p.m.

In addition, the Strategic Growth Council is holding a series of workshops on the next round of funding for the Affordable Housing & Sustainable Communities Strategies Program. The first workshop was held in Sacramento last week, and the next workshop will be held in Oakland on Friday, October 23rd at the Elihu Harris State Building from 9:00- 12:00. SGC is asking that attendees register for these workshops in order to ensure there is adequate room. The SGC is also accepting written comments on the draft guidelines that must be submitted to SGC by October 30, 2015.

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PUBLIC COMMENT

None.

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