Summary/Action Minutes

I. Federal Legislative Update – CJ Lake

The House and Senate are both in session this week after the Veteran’s Day district work period. On Wednesday, November 18, 2015 conferees will hold their first formal conference meeting regarding a long-term surface transportation reauthorization. At the same time, the House and Senate will take up a short-term MAP-21 extension that will run through December 4, 2015. The House and Senate Leadership will also appoint Members to begin a formal conference to finalize legislation reauthorizing elementary and secondary education programs and scaling back mandates in the “No Child Left Behind” law.

FY16 Omnibus Appropriations

The House and Senate Appropriations staffs continue to work out differences between their respective FY16 appropriations bills as a result of Congress passing the Bipartisan Budget Act on November 2, 2015, which raised the budget caps for discretionary spending by $50 billion. The current continuing resolution (CR) runs through December 11, 2015. Congress will need to pass a year end omnibus appropriations bill prior to the expiration of the current CR or will need to pass another short term CR.

Surface Transportation Reauthorization

The House announced today that they would take up another short-term extension while negotiating the final long-term surface transportation reauthorization. While conferees have been named, no formal conference committee meetings have occurred and the first conference meeting is expected to be held this Wednesday, November 18, 2015. The current MAP-21 extension runs through the end of this week, November 20, 2015. The conferees will not be far enough along to sign off on a final bill prior to the end of the week and as a result, the House and Senate will take up another short-term extension this week through December 4, 2015.

Both House and Senate leadership are hopeful this two-week extension will provide enough time to finalize an agreement and allow both the House and Senate to take up the bill and send to President Obama for signature.

White House Council on Women and Girls Forum

The White House Council on Women and Girls hosted a forum on Friday, November 13, 2015 to explore ways to improve the lives of women and girls of color, similar to President Obama’s My Brother’s Keeper initiative for boys and young men of color. The forum included a commitment of $118 million in assistance from public and private organizations that identified several areas of focus, including education, criminal justice, health and economic conditions.
The Ms. Foundation and Prosperity Together, a collaboration of 20 women's foundations, have pledged $100 million over five years to develop programs to lift women and girls out of poverty. The money could be used to provide job training, encourage women to open businesses or pay for child-care so that women can go to work. Another $18 million has been pledged by the Collaborative to Advance Equity through Research, which will study and collect data to help identify challenges faced by women and girls of color and solutions to those challenges.

Sanctuary Cities

This week, the Senate may take up S. 2193, which would increase penalties for immigrants who enter the U.S. after being denied admission or deported. The legislation, called Kate’s Law by its sponsor, Sen. Ted Cruz, is named after Kate Steinle, the victim of a fatal shooting in San Francisco in which police have charged a felon from Mexico who illegally entered the country. A bill to withhold federal aid to sanctuary cities was blocked by Senate Democrats last month. Senate Democrats are again expected to block the bill from moving forward.

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

Department of Finance Report

This morning, the Department of Finance issued its monthly cash report for October. Total cash receipts in October exceeded expectations by $391 million, which brings fiscal year to date revenues to $1.16 billion above projections. The strong growth for October was partially due to third quarter sales tax payments made in October rather than in November, and the fiscal year to date total includes a $300 million judgement payment that was scheduled for November. In any event, it was another strong month for cash receipts. Income tax receipts exceeded projections by $235 million, sales tax revenue was $201 million higher than expected, but corporation taxes were $93 million below projections.

Local Jail Funding

Alameda County is one of 15 counties awarded funds to improve and/or replace aging jails. Of the 15 counties winning awards based upon proposals submitted to the Board of State and Community Corrections (BSCC), six were small counties, five were medium sized counties and four were large, urban counties. Bay Area counties did very well, with San Francisco and Santa Clara Counties joining Alameda County as award recipients. Ventura County was the only other large county to receive an award. All three Bay Area counties were awarded the full amount of their respective requests, with San Francisco and Santa Clara reign in $80 million, while Alameda County is set to receive $54.3 million. Ventura County requested $55.1 million but was awarded $25.6 million. The funds were made available under the provisions of SB 863, which provides for a lease-revenue bond financing program. The BSCC awarded the grants on November 12.

Proposition 47 Steering Committee

The BSCC has appointed two of its members to lead the agency’s efforts in developing program criteria for the grant program created under Prop 47 and modified by AB 1056, the latter having been signed by Governor Brown last month. The two board members will head-up an Executive Steering Committee that will be charged with developing the aforementioned criteria.
Scott Budnick is the founder of the Anti-Recidivism Coalition, an organization that provides support and advocacy for male and female ex-offenders. The other board member is Leticia Perez, a Kern County supervisor and a former public defender. Ms. Perez is actively engaged in developing employment opportunities in her area, particularly for formerly incarcerated individuals.

In addition to appointing Mr. Budnick and Ms. Perez, the BSCC voted to begin accepting statements from members of the public who are interested in serving on the Executive Steering Committee. The process of submitting statements began today and will continue through February 15, 2016. The limited-term Executive Steering Committee will be appointed by the BSCC and will be charged with developing grant program criteria for final board approval. The BSCC is looking for individuals who are representative of California’s diverse population who can bring a variety of perspectives, backgrounds, professional expertise, life experiences and geographic representation. Persons interested in submitting a statement of interest for the Executive Steering Committee are encouraged to visit www.bssc.ca.gov and click on the Executive Steering Committee icon on the right side of the page.

Undocumented Health Care

In a document released last week, the Public Policy Institute of California (PPIC) provides an overview of the uninsured, undocumented population, while outlining the proposal to offer them full-scope Medi-Cal as well as allow them to purchase insurance through Covered California. The report may be accessed here: http://tinyurl.com/njpn6px. Continued debate and discussion is expected in 2016 about the benefits and financial burdens insuring undocumented immigrants may place on the State. The health care of undocumented immigrants is addressed very differently from county-to-county, with some providing coverage through local initiatives, and others offering only emergency coverage through hospitals and clinics. The large number of uninsured places financial pressure on both counties and local health care systems. The largest numbers of undocumented reside in Los Angeles, Orange, and Santa Clara counties, the Inland Empire and the San Joaquin Valley.

Several fairly recent changes have offered the opportunity to reduce the uninsured, undocumented, population:

The 2015-16 Budget allows income eligible undocumented children to enroll in Medi-Cal beginning May 1, 2016, insuring an estimated 170,000 children.

- In 2012, the Obama administration implemented Deferred Action for Childhood Arrivals (DACA) allowing undocumented immigrants who arrived in the United States as children and continued their education to register for protected status. The protected status meant that 195,000 of those individuals could enroll in Medi-Cal.
- At the end of 2014, the Obama administration attempted to expand DACA to adults over the age of 35 who came to the U.S. as children, and implement Deferred Action for Parents of Americans (DAPA), including parents whose children are citizens or legal residents. The changes are currently blocked by a lawsuit issued in a federal district court in the Southern District of Texas, with the support of 26 states also requesting that the changes be blocked. If the injunction is lifted, about 1.4 million undocumented immigrants in California would become eligible for Medi-Cal.

PPIC estimates the undocumented population at 2.67 million, with slightly more than half (1.36 million) meeting the income eligibility threshold for Medi-Cal. 99% of the undocumented are estimated to be eligible for either Medi-Cal or Covered California. SB 10, introduced by Senator Ricardo Lara, would allow undocumented immigrants to obtain coverage through Covered California, but would likely prove unaffordable for most of the population.

Currently, members of Covered California receive subsidies if their income is under 400% of the federal poverty level. Their share of the payment ranges from 4% to 9.5% of their income. In the case of undocumented immigrants, subsidies wouldn’t be available, meaning they would pay between 10% and 20% of their income on insurance.

Covered California
The third open enrollment period began for Covered California on November 1, 2015, continuing until January 31, 2016. The Executive Director of Covered California, Peter Lee, expressed the desire to enroll an additional 295,000-450,000 individuals by 2016. The first and second enrollment period brought the number of members up to 1.3 million, 90% of whom are eligible for subsidies to help with the cost of insurance. An estimated 2.2 million people in California are eligible for subsidies under Covered California or are eligible for Medi-Cal.

This enrollment period, Covered California is specifically focusing on the enrollment of Asian Americans, African Americans, Latinos, and those within the lesbian, gay, bisexual, and transgender community with a $50 million marketing campaign. They are taking a tour of 29 cities to help with publicity and have doubled the number of storefront enrollment opportunities across the State.

There are several hypotheses about why African Americans and Latinos in particular seem to be disproportionately declining to enroll:

- Coverage is costly for those who don’t receive subsidies or who don’t receive enough subsidies to feel comfortable with the out-of-pocket cost.
- Many are young and healthy and feel that they don’t require insurance.
- Advertising campaigns are impersonal and aren’t convincing.
- Some are concerned that undocumented family members will face deportation.
- A lack of trust in the government and government programs.

An additional motivating factor for those considering enrolling in Covered California is the increase in tax penalties beginning in 2016 for those without health insurance. The penalty for each adult will be $695 or 2.5% of their income (whichever is higher), and each child will cost $347.50, with a maximum of $2,085 per family.

**In-Home Supportive Services Overtime to be Implemented**

As previously reported, the State will implement overtime pay for IHSS workers while opponents of the policy appeal to the Supreme Court. The Administration has now directed that the payments begin February 1, 2016, with the understanding that the state budget limits weekly hours to 66. Should a worker exceed 66 hours in a week, they may be sanctioned. Estimated costs are $707.6 million annually.

As background, last year, regulations from the Department of Labor required overtime pay, compensation for wait time associated with medical accompaniment, and compensation for required provider training for IHSS workers. The Home Care Association of America filed a lawsuit to block the regulation which resulted in delayed implementation. The court has now ruled that the new payment policy will move forward until a higher court rules against the policy.

**Drought**

Governor Brown issued an Executive Order late last week to renew prior Executive Orders for continued water conservation efforts. Executive Order B-36-15 renews the Proclamations and Executive Orders issued in 2014. In addition, if drought conditions persist through January 2016, the 25% water reduction mandate would be extended until October 31, 2016.

In anticipation of heavy rainfall this winter, the Governor also directs the State Water Resources Control Board and Regional Boards to prioritize approval of projects that would use potential high water flows to recharge local groundwater supplies. The Executive Order also directs the use of $5 million to provide reliable water supplies to households that rely on domestic wells or water providers that serve less than 15 households.

**Purpose:**
☐ Report progress
☐ Advocacy or Education
☐ Request PAL Committee Recommendation or Position
☒ Other: State legislative update

This item was informational only and required no Committee action.

PUBLIC COMMENT
None.

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