

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

**Monday, January 29, 2018
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 are in session this week. It will be a short legislative week due to policy retreats. House and Senate Republicans will travel Wednesday to West Virginia for a three-day policy meeting while Senate Democrats will hold a one-day retreat in Virginia.

State of the Union

President Trump will give his first State of the Union address to the nation tomorrow. In his speech, he will urge new policy directions for infrastructure, immigration, trade, and national security issues. He also will stress his accomplishments over the past year in areas including jobs and the economy, tax cuts, deregulation, increasing wages and record stock markets.

Budget/Appropriations

Although negotiators are making progress on a two-year budget deal, it looks like an additional CR (or two) will likely be necessary in order to give appropriators enough time to finalize the FY18 bills once a deal is reached. While there seems to be agreement to raise military spending by at least \$70 billion above the caps for FY18 and \$80 billion in FY19, the main point of contention is on domestic spending. Republican leaders have proposed boosting spending by \$45 billion to \$50 billion over the caps for the next two years, but Democrats are pushing for at least \$60 billion.

Republican leaders are proposing tens of billions of dollars in additional domestic spending that wouldn't count toward the caps which would likely include billions in emergency funding to address the nation's opioid epidemic in order to have parity between defense and non-defense spending.

White House Immigration Proposal

Last week, President Trump released a proposal that would give 1.8 million undocumented immigrants brought to the U.S. as children a path to citizenship. This a larger group than those currently holding DACA status. The proposal would also include drastically reducing family-based migration, a \$25 billion trust fund for a border wall, stepped-up security at ports of entry, and stricter internal enforcement. Democrats rejected the new proposal and, in response, vowed to fill the balcony with DREAMers and other immigrants during the President's State of the Union address.

Infrastructure Proposal

The White House infrastructure proposal said they would like \$200 billion in direct federal investment with the goal of leveraging an additional \$800 billion in funds from state and local governments and the private sector.

President Trump estimated as recently as last week that the overall infrastructure investment could reach \$1.7 trillion in total spending. However, Democrats have argued for more direct federal spending, and say the plan could benefit real estate developers and leave crucial but unprofitable projects unaddressed. Further details related to the plan are expected at the State of the Union Address to Congress on January 31, 2018. Congress will ultimately be tasked with drafting and passing any infrastructure legislation.

Purpose:

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

II. State Legislative Update – Brownstein Hyatt Farber Schreck

On January 25, Governor Brown delivered his sixteenth and final State of the State Address in the Assembly Chamber of the State Capitol. We was introduced by Assembly Speaker Anthony Rendon, Senate President Kevin de León, and Lieutenant Governor Gavin Newsom. Governor Brown begun his address emphasizing that California’s economy is prospering, with 2.8 million new jobs created in just the past 8 years.

The Governor spent a great deal of time talking about climate change his goals for California’s future and alluded to a plan for cap and trade expenditures in the coming years. The following day, Governor Brown put forth a \$1.25 billion climate investment plan, using cap and trade dollars to be used for affordable housing, renewable energy, public transportation, zero-emission vehicles (ZEVs), environmental restoration, and sustainable agriculture and recycling.

During his state of the state address, he highlighted that a large portion of these investments will be made in disadvantaged and low-income communities – at least 35%. The day following his address, Governor Brown signed an executive order to increase the amount of ZEVs on the road and curb the amount of carbon pollution from cars and trucks. The executive order implements the Governor’s target of creating 5 million ZEVs in California by 2030 and will help expand vehicle charging infrastructure.

Sexual Harassment

Directly following the Governor’s State of the State address, during floor session, the Senate began a heated debate surrounding the leave of absence of one of their colleagues due to sexual harassment allegations. In a unanimous and bipartisan decision made by the Senate Rules Committee, Senator Tony Mendoza’s leave of absence was extended by up to 60 days pending the outcome of his current investigation, which has not yet been settled. This decision follows a 27-9 Senate vote for the action to be taken. Needless to say, sexual harassment will continue to be a priority of the Legislature and Leadership and reforms are already underway with a significant discussion of changing culture and instituting change within the Capitol.

Transportation Funding

The League of California Cities Fiscal Consultant has released updated figures of both city and county estimated allocations of Local Streets and Roads funds through the Highway Users Tax Account and the Road Maintenance and Rehabilitation Account for fiscal year 2017-2018 and fiscal year 2018-2019. These figures can be used to help local agencies budget for these funds.

Initiative Update

Assemblymember Travis Allen’s initiative to repeal the SB 1 gas tax recently failed to qualify for the November ballot. Allen claimed that his court battle over the misleading title and summary prevented him from getting the signatures he needed by the deadline. Allen will now join forces in the support campaign for a similar initiative, backed by gubernatorial candidate John Cox and the Howard Jarvis Taxpayers Association, which has reportedly collected 400,000 of the 580,000 signatures needed to qualify.

Additionally, an initiative to decriminalize the use, possession, sale, transport, or cultivation of psilocybin – hallucinogenic compound – by persons at least 21 years of age, has recently received 25% of the signatures needed to qualify for the ballot.

Three new initiatives have been cleared for circulation:

- **Eliminates Certain Liability for Lead-Paint Manufacturers. Authorizes Bonds to Fund Structural and Environmental Remediation Projects (Initiative Statute)** – Declares that lead paint in homes is not a public nuisance. Eliminates liability of lead-paint manufacturers – in cases pending on or after November 1, 2017 – for claims that lead paint in homes causes a public nuisance. Authorizes \$2 billion in state general obligation bonds to fund grants for certain structural and environmental remediation projects as follows: \$1.5 billion for certain residential units; \$400 million for schools; and \$100 million for senior housing facilities. Appropriates money from the General Fund to repay bonds.
- **Expands Requirement for Supermajority Approval to Enact New Revenue Measures (Initiative Constitutional Amendment)** – For new revenue measures, broadens definition of state taxes that would require approval by two-thirds supermajority vote of Legislature. For local governments, requires two-thirds approval of electorate to raise new taxes or governing body to raise new fees. Requires that state and local laws enacting new taxes specify how revenues can be spent. Heightens legal threshold for state and local governments to prove that fees passed without two-thirds approval are not taxes. Invalidates local taxes imposed in 2018, unless taxes meet criteria adopted by this measure.
- **Expands Requirement for Supermajority Approval to Enact New Local Government Revenue Measures (Initiative Constitutional Amendment)** – For local governments, requires two-thirds approval of electorate to raise new taxes or governing body to raise new fees. Requires that local laws enacting new taxes specify how revenues can be spent. Heightens legal threshold for local governments to prove that fees passed without two-thirds voter approval are not taxes. Invalidates local taxes imposed in 2018, unless taxes meet criteria adopted by this measure.

Bail Reform

Last Thursday, the First District Court of Appeal in San Francisco made a 3-0 ruling challenging the constitutionality of California’s cash bail system, declaring that a “defendant may not be imprisoned solely due to poverty,” and that setting high cash bail too high that a suspect could not afford to be released is only justified in instances where public danger is at risk. This was a case in which the defendant’s bail was set at \$350,000, which he is unable to pay. In this case, the court ruled that a trial judge must hold a new hearing to determine how much the defendant could afford and whether he would pose a risk to society upon release. Attorney General Xavier Becerra’s office agreed that the defendant is entitled to a new hearing. There have been many attempts to reform the bail system in recent years. More specifically, California Legislators have been pushing to move away from the cash bail system to a risk-based method. More on bail reform is expected in this Legislative session.

Cannabis

As of January 1, 2018, the sale and cultivation of recreational and medical marijuana became legal statewide. Along with this comes plenty of uncertainty and caution among those conducting business in the cannabis industry, given the Schedule I status of the drug at the federal level. In an industry that deals in large sums of cash, the lack of access to banking options becomes a public safety concern and puts businesses at risk of being penalized or targeted by federal enforcement entities. As such, there have been numerous discussions on how to navigate the cannabis banking process.

Although still in its early form, Senator Hertzberg introduced Legislation, SB 930, which would allow California chartered banks, credit unions and other financial institutions to open checking and savings accounts, as well as issue checks, for cannabis retailers, in an attempt to bring the cannabis industry out of the underground market and integrate it into the state’s economy.

NACo Webinar: County Roles and Opportunities in Reentry Planning

The National Association of Counties (NACo) will be holding a webinar on February 22, 2018, which will highlight strategies counties can use to assist individuals returning to their communities after incarceration, including training and workforce development and providing connections to physical and behavioral health treatment.

Purpose:

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

PUBLIC COMMENT

None.

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