I. Federal Legislative Update – CJ Lake

The House and Senate are in session this week. The House will focus on passing the American Health Care Act (AHCA) on Thursday. The Senate will continue to consider cabinet nominations and resolutions of disapproval.

FY18 Skinny Budget

President Trump submitted his first budget blueprint last week for the FY18 Budget and Appropriations process. The blueprint includes top line funding levels for major agencies and highlights major programs for reduction or elimination. The blueprint includes significant increases for the Department of Defense, the Department of Homeland Security, and the Department of Veterans Affairs. Overall, the President’s blueprint requests a total of $1.065 trillion in discretionary spending, a $5 billion reduction from FY17 and is consistent with the Budget Control Act. The budget proposes a $54 billion increase in discretionary defense spending along with a $54 billion reduction to non-defense programs. President Trump is planning to release the full details of his budget request in May.

In addition, the budget document proposes a revision to FY17. The budget calls for an unspecified $18 billion in reductions to non-defense appropriations in the pending FY17 bills as well. This unspecified $18 billion in immediate spending cuts would offset $3 billion in supplemental spending requested for Homeland Security border and immigration activities and part of a $30 billion supplemental defense increase. Ultimately, House and Senate Republicans leaders will decide whether to support President Trump’s demand for immediate offsetting cuts in order to boost defense in FY17.

As you know, the federal government is currently being funded through a continuing resolution, which expires on April 28, 2017. Recently, the House passed the FY17 appropriations bill for the Department of Defense. The Senate is expected to take up the Defense bill in the coming weeks and may attach appropriations bills from other Subcommittees. Any appropriations bills that have not completed FY17 negotiations are expected to be funded through a continuing resolution for the remainder of the fiscal year. Congress will need to decide whether to include these immediate cuts President Trump is proposing in this FY17 package.

AHCA Update

Last Wednesday, the House Budget Committee took up the AHCA bills approved by the House Ways & Means Committee and House Energy & Commerce Committee. Under Budget Reconciliation procedures, the Budget Committee could not amend those bills, and approved the combined bill by a 19-17 vote - with three conservative Republicans voting with the Democrats against the bill. By agreement with House leadership, the Budget Committee, after approving the combined bill, continued in session and debated amendments to make “nonbinding recommendations” to the House Rules Committee, where the bill heads next.
The Rules Committee is scheduled to meet on Wednesday morning to decide which amendments to include for House consideration later in the week. Rules could release a manager’s amendment as early as today. House leadership has tentatively scheduled a floor vote for Thursday, the seventh anniversary of President Obama signing the Affordable Care Act into law.

In meetings with House GOP members last week, Speaker Ryan acknowledged that the bill needs to change in order to pass the House and committed to “incorporate feedback” from rank-and-file House Republicans. With 5 vacancies in the House right now (former-Reps. Becerra, Mulvaney, Pompeo, Price, and Zinke having taken other positions), the current party breakdown is 237 Republicans to 193 Democrats. A tie vote would cause the vote to fail, so Republicans can only lose 21 votes (assuming all Democrats vote against the bill) and still pass the House. Concerns with the current bill have been raised by the Freedom Caucus, which includes roughly 30-40 House Republican members. If they vote against the bill as a bloc, it will fail. If the bill is amended to satisfy their concerns, it could potentially jeopardize passage in the Senate. The Freedom Caucus has scheduled a meeting tonight and will likely vote on an official position. If 80 percent of the group votes to oppose the bill, the group will have taken a binding position under its rules.

Late last week, President Trump and Speaker Ryan secured support of the larger Republican Study Committee. They agreed to three changes:

- Allowing states to impose work requirements for Medicaid recipients
- Blocking the use of tax credits for health care plans that pay for abortions
- Allowing states to accept smaller Medicaid funds

These changes fall short of what the Freedom Caucus is seeking, which is:

- Mandatory work requirements for Medicaid recipients
- Provisions repealing the mandate to purchase insurance and Obamacare insurance regulations to be included in reconciliation. Leadership pushing back because believe those provisions could cause Senate parliamentarian to rule (may be in violation of Byrd rule – must have a direct budget impact)
- Want to limit refundable tax credits (but this could receive pushback from Moderates in the House)

The Senate is currently waiting for the House to complete its work on the Budget Reconciliation bills before the Senate Finance Committee and Senate Health, Education, Labor, and Pensions Committee can begin their work. With a stated target of completing Senate consideration and votes before the April recess (4/10/17-4/21/17), that work would need to progress quickly if the House passes the AHCA on Thursday. Only 50 votes are needed in the Senate, but a number of Senate Republicans have already publicly stated that they would vote against the current version of the AHCA.

**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 – Brownstein Hyatt Farber Schreck**

This week, Governor Brown is in Washington, D.C. attending the Nuclear Threat Initiative’s (NTI) board of directors meeting. Governor Brown joined the board earlier this year. NTI is an organization that works to prevent catastrophic attacks by weapons of mass destruction.

On March 19, Governor Brown requested a Presidential Major Disaster Declaration to aid the state with repairs needed following the Oroville Dam Spillway disaster and in recovery efforts following severe February storms which caused major flooding, levee breches, and extensive road damage throughout California.

As the Legislature moves steadily towards spring break and April policy committee deadlines, we are beginning to see more robust policy committee hearing agendas.
Update on County Sponsored Bills

AB 333 (Quirk), Alameda County’s sponsored bill to transfer ownership of a portion of State Route 185 at East 14th Street and Mission Boulevard within unincorporated Alameda County, will be heard today in the Assembly Transportation Committee.

Advocates are still awaiting amendments to AB 435 (Thurmond) to include the changes to Alameda’s Child Care Pilot Program.

Coordinated Care Initiative Update

Last week, CSAC staff had their first meeting with the Department of Finance (DOF) staff following the meeting with Supervisor Carson, CSAC Executive Director Matt Cate and the Governor. DOF staff made it clear that they were not open to the continuation of the Coordinated Care Initiative (CCI) and stated that they wanted a long term solution, not just a solution for the 2017-18 fiscal year.

Last week it was reported that the Assembly Budget Subcommittee #1 on Health and Human Services would bring the Speaker’s proposal to mitigate the cost to counties from the repeal of the CCI back up for a vote on the 22nd of this month. That vote has now been pushed to the 29th of March and is expected to be a vote-only item, so no testimony will be allowed. Advocates remain actively engaged in the opposition to the discontinuation of CCI and are working with our colleagues at CSAC and UCC to coordinate our opposition efforts.

Transportation Funding Update

Negotiations between the Governor’s administration and legislative leadership on a sustainable transportation package took a big step forward last Friday, renewing faith that a deal may be struck by the Governor’s April 6th deadline. Details of the tentative deal may be publicly released as early as next week. Still yet to be shared is what amount will be allocated to local streets and roads, but we will keep the county posted as more details emerge. Unfortunately, given the past few poor performances of the cap and trade auction, cap and trade revenues will not be included in the plan – key staff are suggesting that the issue will be reintroduced once the cap and trade program is extended, bringing greater certainty to future revenues.

Given the condition of the state’s general fund and difficult cuts underway elsewhere, a compromise deal can be expected and will include less than SB 1 (Beall) and AB 1 (Frazier) currently call for, but possibly more than the Governor’s $4.2 billion plan put on the table in his January budget proposal.

Governor’s Child Care and Preschool Proposals in 2017-18 Budget

The Governor’s proposed 2017-18 budget includes $3.8 billion for child care and preschool programs. The proposed funding would support an estimated 437,000 child care and preschool slots. On March 16, the Legislative Analyst’s Office (LAO) released an analysis of the proposals. Some of the recommendations include to: reject the Governor’s proposal to allow part-day preschool programs to serve families exceeding the income threshold; allow all types of providers to apply for full-day preschool slots; reject the changes to licensing, staffing and program duration requirements for certain State preschool and transitional Kindergarten providers – instead pursue holistic alignment; adopt the proposal regarding TK and Kindergarten program duration.

State Audit of IHSS Payment Systems

The Joint Legislative Audit Committee requested an audit of the state’s timesheet and payment systems for In-Home Support Services (IHSS) providers. On March 16, the State Auditor released its audit findings, concluding the following: 1) The Department of Social Services (CDSS) has not provided sufficient support or direction for counties to effectively resolve provider timesheet exceptions; 2) CDSS and the Office of Systems Integration have failed to analyze key information that could aid in monitoring timesheet exceptions and payments; and 3) The complexity of time-reporting protocols hinders providers’ ability to accurately complete their timesheets.
The State Auditor’s office interviewed 10 counties, including Alameda County staff, by phone, to assess how well CMIPS II is working and to determine how new and replacement timesheets are distributed. This is included in the audit’s scope and methodology.

**Cannabis Working Group**

On March 16, the CSAC Cannabis Working Group held its first meeting to discuss the progress being made on developing regulations for medical and adult use (Proposition 64) of marijuana. The California Bureau of Medical Cannabis Regulation (Bureau), headed by Lori Ajax, expects to release draft regulations for the medical use of marijuana in April, and emergency draft regulations for the adult use will follow suit, though not likely until August. Although there are inconsistencies between the laws regulating medical and recreational marijuana use that need to be aligned, the Bureau will continue moving forward with its medical regulations independently as a safety net in the uncertainty of what is to come on January 1, 2018 when adult marijuana use takes full effect. There are currently reconciliation efforts being made in the Legislature to align the statutes through a trailer bill, but it has not yet taken shape.

**Department of Housing and Community Development (HCD) – No Place Like Home Advisory Committee**

The No Place Like Home program dedicates $2 billion for the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness. The HCD announced it’s No Place Like Home Advisory Committee, which will assist and advise HCD in the implementation of the program, review and make recommendations on program guidelines, and review the progress in distributing awards. Below are the appointees:

*Committee Members:*
- Ben Metcalf, Director of Housing and Community Development, Chair
- Mari Cantwell, Director of Health Care Services or Designee
- Karen Baylor, Department of Health Care Services Additional Representative
- Keith Boylan, Secretary of Veterans Affairs or Designee
- Alicia Sutton, Director of Social Services or Designee
- Vince Brown (Tim Schaefer – Alternate), State Treasurer or Designee
- Toby Ewing, Chair of the Mental Health Services Oversight and Accountability Commission or Designee

*Governor’s Appointees*
- Robert Bendorf, Chief Administrative Officer or Member of a County Board of Supervisors, Small County
- Patrick Kennedy, Chief Administrative Officer or Member of a County Board of Supervisors, Large County
- Alfredo Aguirre, Director of a County Behavioral Health Department
- Jaqueline “Jacky” Morales-Ferrand, Administrative Officer of a City
- Vacant, Resident of Supportive Housing
- Va Lecia Adams-Kellum, Representative of a Local or Regional Continuum of Care Organization that Coordinates Homelessness Funding

*Senate Rules Committee Appointee*
- Maggie Merritt, Representative of a Community Mental Health Organization

*Speaker of the Assembly Appointee*
- Vacant, Representative of an Affordable Housing Organization

The Advisory Committee will hold its first meeting on March 23 in Sacramento.
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.

Request for Legislation position – Action Item

i. **SB 695** (Mitchell, Lara) Sex offenders: registration: criminal offender record information systems

   Recommendation: **Support:** Brendon Woods, Public Defender, Public Defender’s Office and Nancy O’Malley, District Attorney, District Attorney’s Office

Purpose:
- Report progress
- Advocacy or Education
- Request PAL Committee Recommendation or Position
- Other:

Recommendation from PAL Committee: Support. Move to the full Board of Supervisors.

PUBLIC COMMENT
None.

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