I. Federal Legislative Update – CJ Lake

House & Senate FY16 Budget Proposals

Both the House and Senate Budget Committee chairmen introduced their respective FY16 budget resolutions last week. It is important to note that these are nonbinding, cannot be signed or vetoed by the President, cannot raise spending caps, do not have the force of law, and require follow-up legislation. Resolutions establish parameters that set the enforcement of budget policies wherein separate legislations can be proposed. If Congress adopts a joint House-Senate Budget Resolution, a reconciliation bill could result, which is used to change the amounts of revenues, budget authorities, or outlays generated by existing law. Both the House and Senate Budget Committees approved their respective resolutions along party-line votes last week.

The House budget resolution and Senate resolution are very similar, but with important nuances. Both call for the repeal of the Affordable Care Act however the Senate resolution keeps the changes made to the tax code as a result of the ACA legislation and also assumes that $2 trillion in revenues from the legislation would still be generated even after a repeal. Both budgets call for the block-granting of Medicaid and SNAP, however the House resolution assumes nearly double the savings by doing so, because it does not maintain the existing coverage requirements for the program as the Senate resolution does.

Regarding Medicare, the Senate resolution cuts $430 billion from the program, but does not provide specific policy solutions as to how this would be accomplished. The House resolution adopts Congressman Paul Ryan’s proposal to convert Medicare into a voucher program, which, it estimates will generate $148 billion in savings. Members with high populations of senior citizens along with those facing tough elections will likely oppose this plan.

Sustainable Growth Rate (‘Doc Fix’) Legislation

A bipartisan bill to repeal the Sustainable Growth Rate Formula (SGR), payments to doctors who treat Medicare patients, was introduced by Congressman Mike Burgess. The SGR has been patched 17 times since 2002. The new payment system would cost $200 billion over the next decade, which would be offset with $70 billion worth of adjustments in the budget resolution that would include government health programs, and the rest would be financed with direct spending offsets.
Children’s Health Insurance Program

The Children’s Health Insurance Program is a point of contention in the discussions over the SGR repeal. Democrats in the Senate would like to see a four-year extension and argue that the two-year extension currently being proposed as part of the SGR repeal package is insufficient. Senate Finance Committee Democrats issued a statement Saturday expressing discontent over the deal as it stands, mostly due to the question over how long CHIP funding would be extended. Advocacy groups, however, cited the prospect of even just two-years as better than the alternative—another short-term patch that only extends CHIP funding for a brief period—is acceptable for now.

Human Trafficking

Senate leaders are trying to resolve a stalemate over the Victims of Trafficking Act of 2015 (S.178). The legislation has drawn a filibuster threat from Democrats who insist on removing language that would prohibit money in the restitution fund from being spent on abortions. Democrats admitted they overlooked the language when the bill was first reintroduced. Senate Majority Leader, Mitch McConnell has schedule a cloture vote for tomorrow.

Senators Heidi Heitkamp and Susan Collins announced plans late last week to remove the reference to the Hyde Amendment that is currently in the bill and route the legislation through the appropriations process. The move would still make the money funneled through the appropriations process subject to Hyde rules—which prohibit federal funding for abortions except in instances of rape or incest, or if the mother’s life is in danger—but the direct reference in the trafficking bill would be changed.

Attorney General Confirmation

Senate Majority Leader, Mitch McConnell, indicated that Loretta Lynch would not get a confirmation vote until mid-April, following budget debates and the April recess. Ms. Lynch’s confirmation was previously stalled due to debate over the human trafficking legislation. The human trafficking legislation has been pulled from consideration as the Senate decides how to move forward to end the Democrat’s filibuster.

Hearings

- March 24: House THUD Appropriations Budget Hearing on the Department of Housing and Urban Development
- March 24: Senate Commerce, Science, & Transportation Hearing on Surface Transportation Reauthorization

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

Calendar

Spring Recess begins Friday, March 27, 2015 and the Legislature will reconvene on Monday, April 6, 2015.
Drought Legislation

Last week, Governor Brown and Leadership from both houses and parties unveiled new emergency drought legislation. The plan is to send this proposal to the Governor before the Legislature adjourns. The Senate has already scheduled a special floor session on Wednesday afternoon in order to accommodate several Legislators who will be absent for the normal Thursday session. The Senate is expected to approve the legislation on Thursday. The package appropriates a little over $1 billion and makes statutory changes aimed at accelerating the award and allocation of these funds. The proposal also creates an office to help disproportionately impacted communities address water challenges.

AB 45 Household Hazardous Waste

Assemblyman Mullin released amendments to AB 45 last week as well as a revised fact sheet, to include findings and declarations that say that previous efforts to collect and dispose of household hazardous waste have been well intended, but incomplete and ineffective.

Special Elections

Following a recent pattern of low voter turnout, there is considerable debate this year over whether the special elections process should be overhauled. Voter turnout has only reached 30 percent in the past decades stand-alone special elections. A joint Senate and Assembly Elections hearing will take place on Wednesday to explore the issue. There are several elections bills aimed at boosting voter turnout.

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

i. **SB 140** (Leno) Electronic cigarettes
   
   **Recommendation:** Support
   
   Alex Briscoe, Director, Health Care Services

ii. **SB 253** (Monning) Dependent children: psychotropic medication

   **Recommendation:** Support
   
   Alex Briscoe, Director, Health Care Services Agency

iii. **SB 319** (Beall) Child welfare services: public health nursing

   **Recommendation:** Support
   
   Alex Briscoe, Director, Health Care Services

iv. **SB 608** (Liu) Homelessness

   **Recommendation:** Support
   
   Alex Briscoe, Director, Health Care Services Agency

v. **SB 644** (Hancock) State employment: Limited Examination and Appointment Program

   **Recommendation:** Support
   
   Alex Briscoe, Director, Health Care Services Agency

vi. **AB 1347** (Chiu) Public Contracts: Claims Resolution Process

   **Recommendation:** Oppose
   
   Caroline July, Acting Director, General Services Agency
Purpose:
- [ ] Report progress
- [ ] Advocacy or Education
- [x] Request PAL Committee Recommendation or Position
- [ ] Other:

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

PUBLIC COMMENT
None.

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