Summary/Action Minutes

I. Federal Legislative Update

The House and Senate are in the second week of the spring recess and will return next Monday, April 28, 2014.

Surface Transportation Reauthorization

The House Transportation and Infrastructure and Senate Environment and Public Works Committees continue to work on a transportation reauthorization bill during the recess. Transportation Secretary Anthony Foxx has been traveling the United States to push Congress to approve a new transportation authorization bill. The Secretary has been specifically promoting transit projects in cities he visits and has asked for Congress to support President Obama’s proposal for a four-year, $302 billion transportation bill.

The Senate EPW Committee leadership continues to say they plan to mark up a bill in May.

Tax extenders

The Senate will consider a tax extenders bill that passed out of the Senate Finance Committee when they return from recess. The bill provides approximately $85 billion in tax benefits and cuts for a number of industries over a two-year time period.

Promise Zone Initiative

On April 17, 2014 the Department of Housing and Urban Developments published a Notice in the Federal Register requesting public comment on the proposed selection process and criteria for the second round of the Promise Zone initiative. The public comment period will close on June 16, 2014.

A minimum of five and up to fifteen designations will be made for the second round. The Promise Zone initiative designates 20 zones (16 urban areas and 4 rural areas) that receive grant preferences and assistance in accessing resources to help implement the communities’ economic and community development goals.

Purpose:

☐ Report progress
☐ Advocacy or Education
☐ Request PAL Committee Recommendation or Position
☒ Other: Federal legislative update
II. State Legislative Update

The Legislature returned from spring recess today to a full schedule of policy and budget hearings. There will be several committee hearings until the end of May when the focus will shift to passage of the budget.

Last week, Governor Brown called a Special Session of the Legislature to commence on April 24, 2014 for the purpose of revising ACA 4, the ballot measure pertaining to the Rainy Day Fund scheduled to be voted upon this November. The Governor’s January Budget Proposal contained revisions to the ballot measure; however changes will require a 2/3 vote of the Legislature. Because the Senate no longer holds a supermajority, negotiation with the minority party will be required to revise the measure. Originally scheduled to be voted upon in 2012, ACA 4 is the product of a budget deal made by the Schwarzenegger administration in 2010.

The main differences in the Governor’s proposal compared to ACA 4 is the creation of a Prop 98 reserve, utilizing capital gains spikes for school funding and allowing debt payments to be made in lieu of depositing funds in the Rainy Day Fund. The Governor’s proposal would also double the size of the fund from 5% to 10% of revenues and limits any withdrawal in the first year of a recession to 50% of the balance.

Republicans have expressed concern that the Governor’s proposal would make it too easy to access the funds, while advocates for the poor and many Democrats are uncomfortable moving forward following the recession without establishing some restorations in services to vulnerable populations. Both parties have pledged to work with the Governor to try to find an acceptable compromise.

CSAC Budget Priorities

Last week the CSAC Executive Committee approved three budget priorities to be pursued by CSAC staff. CSAC will be seeking the active support of Alameda County and all other counties in the lobbying effort to secure these items. These items are consistent with Alameda County’s priorities the PAL Committee should review these items.

CSAC’s summary includes the following items:

- **AB 109 Programmatic Stability** – CSAC is pursuing a one-time appropriation of $87.2 million to fill the funding gap from a one-time drop in AB 109 funds. These funds would be allocated as part of the AB 109 allocation formula.

- **AB 109 Early Intervention Funds** – CSAC is seeking a $100 million supplemental appropriation to assist with AB 109 implementation. This one-time allocation would be used to assist with early intervention and prevention programs, in particular mental health services. These funds would be allocated based on a separate and currently undetermined allocation formula.

- **Mandates Payments** – CSAC is lobbying the Administration to accelerate the payments due to counties, cities and special districts for pre-2004 mandates. The $900 million in mandates owed to local governments is not scheduled for payment in 2015-16 ($748 million) and in 2016-17 ($152 million). The budget request to repay the entire amount is in 2014-15.

Federal Three-Judge Panel Report

The State submitted the second required monthly report to the federal three-judge panel overseeing California’s prison population-reduction effort. The panel’s February 10, 2014 order requires the State to file a monthly report outlining the current state prison inmate population and the efforts being taken to implement the measures designed to reduce the prison population to 137.5% of design capacity by February 28, 2016.
The court granted the extension with the understanding that California officials will be undertaking a comprehensive program to reduce the number of state prison inmates, including:

- Contracting for additional bed space in county jails and private correctional facilities;
- Increasing credits for time served for nonviolent, second strike and minimum-security inmates;
- Granting earlier parole hearings for second strike inmates;
- Granting early parole to certain inmates who already have parole dates set;
- Expanding the parole program for medically incapacitated inmates;
- Adopting new parole provisions for inmates 60 years old and older who have served 25 years or more of their sentences;
- Expanding inmate reentry programs throughout the state; and
- Implementing a new alternative custody system for female inmates.

According to the report, the state prison population stands at 116,597, or 141% percent of design capacity. The State is also housing 8,762 inmates in private correction facilities outside the State.

California officials have done or are doing the following to effectively reduce the State’s prison population:

- Contracting with a private prison and community correctional facilities, with a projected combined capacity of 7,541;
- Activated five prison-based reentry hubs and awarded provider contracts for seven additional prison-based reentry hubs at various prisons around the State;
- Tentatively agreed on eligibility criteria for a parole process for medically incapacitated inmates (the criteria are not yet available to the public);
- Continuing to work on the development of policies and procedures for tracking eligible offenders and a systematic methodology for scheduling and tracking hearings for a parole process for inmates 60 years of age or older who have served at least 25 years of their sentences;
- Executed a contract for a San Francisco pilot reentry program but have not decided on an activation date. The Governor’s 2014-15 state budget includes $40 million for additional funding to expand pilot reentry programs to additional counties.

The State’s first population benchmark is June 30. State officials seem confident that benchmark will be met.

Cap & Trade

Senate President Pro Tem Steinberg has unveiled his proposal on expending cap & trade auction revenue. This is a counter proposal to the Governor’s cap & trade expenditure plan outlined in the January budget. This proposal is consistent with several Senate bills currently moving through the process. The proposal includes the following elements.

- Affordable Housing and Sustainable Communities (40%) – Half the funds must be used for affordable housing and half for implementing sustainable communities strategies. This includes investments in affordable housing, transit-oriented development, land use planning, active transportation, and high density mixed use development, transportation efficiency and demand management projects.
- Public Transit Funding (30%) – These funds would be distributed to operators based on GHG performance criteria to build and operate transit projects. At least 5% must be used for direct transit assistance to customers, such as transit passes.
- High Speed Rail Funding (20%) – These funds would be continuously appropriated and could be securitized.
- State Highway and Road Rehabilitation and for Complete Streets (10%) – These funds would be distributed based on GHG performance criteria and could be used for traffic management, roadway maintenance, and bikeways.
• Natural resources, water, and waste ($200 million annually) – These funds would be appropriated annually as part of the budget act and could be used to fund water efficiency infrastructure projects, forestry and landscape issues, wetland development, waste diversion and recycling, energy efficiency, clean vehicles, and “black carbon” reduction.

• Climate Dividend ($200 million annually) – Allocated as part of the annual budget act, these funds could be used to provide a rebate check on monthly fuel bills or once per year rebate with motor vehicle registrations.

• “Charge Ahead” Electric Vehicle Deployment Program ($200 million annually) – These funds would be used to fund demonstration programs and other financial assistance to expand the use of zero emission cars, trucks, buses and freight movement vehicles.

• Green Bank Funding (not less than $10 million annually) – These funds would be used to assist in financing clean energy and other environmentally sustainable projects.

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Request for Legislation Position – Action Items

i. AB 1579 (Stone) CalWORKs: Pregnant Mothers
   Recommendation: Support: Lori Cox, Director, Social Services Agency

ii. AB 1866 (Bocanegra) Pupil Attendance: California Longitudinal Pupil Achievement Data System
   Recommendation: Support: Alex Briscoe, Director, Health Care Services Agency

iii. AB 2145 (Bradford) Electricity: Community Choice Aggregation
    Recommendation: Oppose: Scott Haggerty, District 1, Board of Supervisors

iv. SB 1107 (Monning) Pupil Attendance: Attorney General Report: Truancy
    Recommendation: Support: Alex Briscoe, Director, Health Care Services Agency

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

PUBLIC COMMENT: None.