Summary/Action Minutes

I. Federal Legislative Update – CJ Lake

The House and Senate are in session this week. The House will consider various bills related to law enforcement to commemorate National Police Week. The Senate will continue to hold confirmation hearings and votes this week on sub-Cabinet level positions to include Jeff Rosen for Deputy Secretary of Transportation. There will also be multiple hearings related to infrastructure this week as Congress celebrates National Infrastructure Week.

FY18 Budget & Appropriations

The Trump Administration is set to release the FY18 budget request detailing the administration’s priorities on May 23, 2017. The budget is expected to show balance within 10 years, in part through cuts to mandatory spending and growth estimates connected to President Trump’s tax plan. Congress will then begin work on its FY18 Budget Resolution and the FY18 Appropriations bills as the next fiscal year is set to begin in five months (Oct. 1, 2017). The House budget resolution will likely be marked up after Memorial Day and contain reconciliation instructions to expedite $400 billion to $500 billion in mandatory cuts. Because President Trump has said he does not want to reform Social Security or Medicare, it is likely the House Budget Committee will look to savings from safety net programs. The programs we are most concerned about are food stamps, TANF, income assistance for the disabled, and possibly veterans’ benefits.

The push for these cuts stems from the White House being upset over Democrats claiming victory with the FY17 omnibus appropriations bill. As a result, the administration is pushing Republicans to adhere to the proposed cuts to domestic programs. However, for the cuts to actually take effect, the Senate would have to agree to the same level of cuts and provide the same reconciliation instructions in its FY18 budget resolution. Due to the budget and appropriations process beginning so late in the year, Congress may not have enough time to finish the FY18 Appropriations bills prior to the September 30, 2017, deadline as the House has only about 50 official working days remaining.

Another challenge for the FY18 appropriations process is sequestration. President Obama and former Speaker Boehner reached a Bipartisan Budget Agreement (BBA) in 2015 to raise the budget caps for FY16 and FY17. Under the agreement, the budget rose to $1.066 trillion in FY 2016, which amounted to a 5.2 percent increase from FY 2015, and split evenly between defense and nondefense. In FY 2017, spending remained nearly flat, rising to $1.070 trillion in FY 2017. Beyond FY 2017 there is no deal, and spending would presumably return to the previous sequestration baseline, unless Congress acts again. Below shows the FY16 and FY17 enacted levels as well as the FY18 levels called for in the Budget Control Act of 2011:

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<th>FY16 (BBA Levels)</th>
<th>FY17 (BBA Levels)</th>
<th>FY18 (BCA Caps)</th>
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<td>$1.066 Trillion</td>
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Every year sequestration caps have been in effect (since 2013), Congress has voted to ease the caps somewhat. Spending has decreased in those years, but the spending drop was smaller than it could have been. Congress will likely want to address the FY18 caps as well. The President’s Skinny budget request would add $50 billion to the FY18 caps for Defense and calls for $50 billion reduction in non-defense programs.

**Criminal Sentencing Directive**

On Friday, Attorney General Jeff Sessions issued a new directive to federal prosecutors to start charging criminals with "the most serious and readily provable offense."

AG Sessions also formally rescinded two "Smart on Crime" policy memos signed by his predecessor, former AG Eric Holder, marking a significant reversal from the Obama Administration’s policies on criminal sentencing. Former AG Holder asked that prosecutors ensure that the "most severe mandatory minimum penalties are reserved for serious, high-level, or violent drug traffickers." Session’s announcement follows a series of other major departures from Obama-era policies, but this memo solidifies Sessions' position on criminal justice.

If prosecutors wish to pursue lesser charges for low-level crimes, they will need to obtain approval for the exception from a U.S. attorney, assistant attorney general or another supervisor. In his speech Friday to the Sergeants’ Benevolent Association of New York, Sessions maintained that the policy change is aimed not at low-level drug users, but rather drug dealers and traffickers.

Senators Rand Paul and Mike Lee, two of the most conservative senators and biggest proponents of criminal justice reform, came out in opposition to the memorandum.

**Children’s Health Insurance Program (CHIP)**

As previously reported, the Senate Finance Committee postponed the scheduled hearing to reauthorize the Children’s Health Insurance Program (CHIP). We are hearing that the CHIP negotiations could possibly get caught up in the Senate’s deliberations on the American Health Care Act and the plan to repeal and replace Obamacare. Members from both parties see the CHIP program as bipartisan and want to secure funding and the reauthorization, but it appears unlikely to occur until Congress is on the verge of the September 30 deadline. Some key Republican leaders, including Senate Finance Chairman Orrin Hatch, want to keep CHIP reauthorization clear of the negotiations to repeal Obamacare. However, Senate Republican Whip John Cornyn, has said the CHIP funding extension could be a standalone bill, but left the door open for Republicans to use it as leverage against Democrats on other health-related proposals.

There could be plenty of debate over other issues as well including, how long the program would be reauthorized and at what funding levels. Republicans are reluctant to maintain the high funding levels for CHIP that were authorized in the Affordable Care Act. Preliminary estimates show that extending CHIP for four years at current funding levels would cost $7 billion over a decade. By contrast, extending the program for four years and eliminating the 23% funding increase from the ACA would save $1 billion.

**FBI Director**

Republicans and Democrats continue to raise their concerns this week after President Trump made the decision to fire FBI Director James Comey, especially given the FBI’s ongoing investigation into the president’s campaign. On Sunday, Senate Minority Leader Chuck Schumer said that he would support an effort to block any nominee to lead the FBI until a special prosecutor is named to oversee the investigation into Russia’s interference into last year’s presidential election, as well as the possibility of collusion between Russia and certain individuals with ties to President Donald Trump and his campaign.

The ongoing FBI situation could slow the Trump Administration’s priorities as Congress will prioritize the confirmation of an FBI Director before tackling other legislative items including, tax reform and an infrastructure package.
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

On May 11, Governor Brown presented his May Revision for the 2017-18 fiscal year. The revised $183.4 billion spending plan provides a modest concession for several key priorities including a reduction in the cost-shift to counties for In-Home Support Services from $623 million to $141 million in 2017, and full restoration of child care cuts proposed in the January Budget.

Revenue is $3.3 billion below budget forecasts from this time last year. Underscoring his historical tendencies to avoid long-term financial commitments when possible, Governor Brown continues to apply fiscal constraint heading into the 2017-18 budget negotiations, especially given the uncertainty of federal government actions. Please see the May Revision summary provided last week for additional details.

Last Friday was the deadline for policy committees to hear non-fiscal bills. The Assembly and Senate Budget Subcommittees will now begin working through budget items based on the May Revision and closing out issues left open in earlier hearings.

Governor Brown announced last week that he is planning to travel to China during the first week of June to attend the Clean Energy Ministerial and the Under2 Clean Energy Forum. While there, he will also hold meetings with regional and national Chinese officials. The goal of this week-long trip is to strengthen California’s clean energy, climate, and economic ties with China.

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, is currently on the Appropriations Suspense File and will be heard on May 26, 2017.

AB 435 (Thurmond), Alameda County’s Child Care Pilot Program cleanup bill will be heard in the Assembly Appropriations Committee this Wednesday.

SB 703 (Skinner), Alameda County’s Sponsored bill, to enable the County to impose a transactions and use tax at a rate of no more than 0.5% above the combined statutory rate limit of 2%, given voter approval, passed out of Senate Governance and Finance Committee last week by a 4-2 vote, and is expected to be taken up on the Senate Floor this afternoon.

Coordinated Care Initiative (CCI) Update

The May Revision includes a deal reached with CSAC to mitigate the cost shift to counties due to the ending of the Coordinated Care Initiative (CCI). The May Revision proposes to provide general fund assistance for counties over the next four years and is expected to be re-opened in two years to find a long-term solution that is sustainable for counties. This proposal will be heard in the Assembly Subcommittee this afternoon and in the Senate Subcommittee on Wednesday.

Changes to Committee Chairmanship

On Friday, May 12, 2017, Senator Steve Glazer announced his resignation from his Chairmanship of the Senate Governmental Organization Committee, in a letter addressed to Senate President pro Tempore Kevin de León. His replacement has not yet been announced.
Back in April, Assembly Speaker Anthony Rendon stripped Assemblymember Rudy Salas of his Chairmanship of the Assembly Business and Professions Committee and he was later replaced by Assemblymember Evan Low.

CalOES Hazard Mitigation Grant Program

Following a Presidential Disaster Declaration, the Federal Emergency Management Agency’s Hazard Mitigation Grant Program was established to fund plans and projects that reduce the effects of future natural disasters. In California, the funds will be administered by the Governor’s Office of Emergency Services’ Hazard Mitigation Grant Program Unit. Eligible applicants include state agencies, local governments, special districts, and some private non-profits. Immediate Needs Applications and Notices of Intent are due no later than June 15, 2017.

Bay Area Council Poll – Pulse of the Bay

The Bay Area Council, in cooperation with EMC Research, conducted its annual poll “Pulse of the Bay,” which provides a comprehensive look at the most pressing issues in bay area communities, from resident perspectives. The poll surveyed a range of issues including housing, transportation, mood, economic outlook, and workforce related topic. While housing remains the biggest concern of Bay Area residents, traffic, income inequality and homelessness are also major concerns.

Results showed that 40% of residents surveyed are considering leaving the Bay Area in the next few years due to high housing costs, and a staggering 78% of residents surveyed, reported that they know someone who left the bay area in the last 2 years for this reason. It also showed 83% of those polled agreed that major transportation solutions need to be implemented in the next few years, and 70% agreed that regional investment in transportation must happen, even if it means raising taxes.

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 Items

i. **AB 179** (Garcia) California Transportation Commission

   *Recommendation: Support:* Rebecca Gebhart, Interim Director, Health Care Services Agency

ii. **Budget request** – Maintain DD funding in the system

   *Recommendation: Support:* Rebecca Gebhart, Interim Director, Health Care Services Agency

iii. **SB190** (Mitchell and Lara) Ending Juvenile Administrative Fees

   *Recommendation: Support:* Supervisor Richard Valle, District 2 and Wendy Still, Chief of Probation
   
   Attachment 1
   Attachment 2

   The Social Services Agency continues to have concerns regarding SB 190.

**Recommendation from PAL Committee:** Support. Move to the full Board of Supervisors.
III. Approve the proposed revised submission deadline to County Administrator’s Office (CAO) and procedures for multi-agency/department sponsorship of all PAL items

Attachment 1

Myrna Lopez, Principal Analyst, presented a memorandum of the proposed revised submission deadline to County Administrator’s Office and procedures for multi-agency/department sponsorship of all PAL items.

The proposed new deadline and co-sponsorship policy will improve transparency of the review process of PAL items and allows for more in-depth policy analysis. The proposal facilitates follow-up discussion with specific departments by the Board of Supervisors and County agency/departments. The proposed revised deadline to submit PAL Request Forms to the CAO is at noon on Monday two weeks prior to the desired PAL Committee meeting date.

The proposed changes will be implemented within 30 days after Committee approval.

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

Recommendation from PAL Committee: Approve.

PUBLIC COMMENT
None.

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