I. Federal Legislative Update – CJ Lake

The House is not in session. This week, the Senate will focus on legislation that would require congressional review of any nuclear deal negotiated with Iran. The Senate also plans to consider the conference report on the FY2016 budget. If adopted, it would be the first joint congressional budget resolution since 2010. It would give Republicans the opportunity to bypass filibusters by Senate Democrats under reconciliation that may include provisions that would revise or repeal the 2010 Affordable Care Act.

Budget

Last week, House and Senate Republicans reconciled their differences on their respective FY16 budget resolutions. The final budget resolution would cut over $5 trillion in federal spending, and balance the budget in ten years. It maintains the $1.017 trillion sequestration-level budget caps for fiscal year 2016. The deal calls for a repeal of the Affordable Care Act and boosts defense spending. The House approved the final budget last Thursday and the Senate is expected to take up the resolution as early as tomorrow.

Although the budget resolution does not have the force of law, the main reason for having a joint resolution is to use reconciliation procedures to avoid a filibuster with future legislation in the Senate. The resolution instructs House Ways & Means, Energy & Commerce, and Education & the Workforce; and Senate Finance and HELP Committees to produce bills that would provide $1 billion in savings by July 24, 2015. Legislation produced under reconciliation cannot be filibustered; therefore Senate Democrats will not have power to block it. However, President Obama would have the power to veto any legislation coming out of the House and Senate.

House Appropriations

The House Appropriations Committee began marking up its first FY16 bills last month. The budget caps for FY16 are set at $1.017 trillion; considerably lower than the FY15 cap of $1.020 trillion. Because of the reduced funding, the overall outlook is not positive for the FY16 appropriations process if the bills are written to reflect the decreased spending levels required by the Budget Control Act (BCA) and reflected in the FY16 budget resolution.

The Administration released a policy statement last week, which said President Obama’s senior advisers would recommend he veto all of the appropriations bills under the FY16 caps. The statement continued to say the Administration is willing to work with Congress “to reverse sequestration for defense and non-defense priorities and offset the cost with common sense spending and tax expenditure cuts, as Members of Congress from both parties have urged.”
The House has approved two bills: Energy and Water & Military Construction/VA.

The Transportation HUD Subcommittee released its draft bill last week. Some of the highlights include:

Transportation:
- The Subcommittee draft was released the week of April 27th and the full Committee will take up the bill the week of May 11th.
- In total, the bill reflects an allocation of $55.3 billion in discretionary spending – an increase of $1.5 billion above fiscal year 2015 and $9.7 billion below the President’s budget request. However, given reduced offsets – primarily caused by a $1.1 billion decline in Federal Housing Administration receipts – the bill actually represents an increase of only $25 million above the current level.
- The bill includes $17.2 billion in discretionary appropriations for the Department of Transportation for fiscal year 2016. This is $1 billion below the fiscal year 2015 enacted level and $6.8 billion below the President’s request.

Housing and Urban Development:
- The legislation includes a total of $42 billion for the Department of Housing and Urban Development, an increase of $1 billion above the fiscal year 2015 enacted level and $3 billion below the request.
- Included in the bill is $26.8 billion for Section 8 and Indian Housing. This is an increase of $353 million above the fiscal year 2015 enacted level and $2 billion below the requested level. The bill would provide $18.15 billion for Section 8 voucher renewals to cover renewals of existing vouchers.
- The bill provides a program level of $461 million for Housing for the Elderly, $41 million above the fiscal year 2015 enacted level, and $152 million for Housing for Persons with Disabilities, an increase of $17 million above the fiscal year 2015 enacted level.
- The bill contains $6.4 billion for Community Planning and Development programs – $85.6 million below the fiscal year 2015 enacted level. The Community Development Block Grant formula program is funded at $3 billion – the same as last year’s level. The HOME Investment Partnerships Program is also funded at the fiscal year 2015 level of $900 million. Homeless Assistance Grants are funded at $2.2 billion, an increase of $50 million over the fiscal year 2015 enacted level – which will enable the renewal of all projects meeting performance standards.
- The bill contains $1.68 billion for the Public Housing Capital Fund – a $225 million cut from FY15 levels.
- The bill includes $20 million for the Choice Neighborhoods Program, $60 million below the current level.

Senate CJS Subcommittee
The Senate CJS Appropriations Subcommittee will hold a hearing later this week on DOJ’s FY16 budget request. Loretta Lynch will testify before the subcommittee.

Iran Legislation

Senators will vote this week on the bipartisan compromise legislation that would give Congress review power over the pending nuclear deal with Iran. Republican leaders are preparing to stop debate on various amendments in order to preserve the bipartisan coalition backing the bill. Last week, the Senate voted on just two amendments, rejecting provisions that would have required Iran to renounce terrorism and turn the nuclear deal into a treaty that must be ratified by the Senate.
**Surface Transportation**

After the House returns from recess next week, we expect both the House and Senate to focus on legislation to fund transportation projects past the May 31 deadline. The Department of Transportation has said it has enough money to cover projects for a month or two after the scheduled deadline, but DOT will begin to cut back on payments to state and local governments if a new funding measure is not passed.

House Ways and Means Committee Chairman Paul Ryan said last week that it will take $10 billion to extend the transportation funding until the end of the year and Congress still has not announced how they will find the funds.

On Friday, a group of House Democrats led by Minority Whip Steny Hoyer wrote a letter to Speaker John Boehner calling for him to bring a long-term transportation funding bill to the floor before the end of the month. The letter did not specify a funding mechanism for the proposed long-term bill, but hinted at increasing the gas tax as a way to keep the Highway Trust Fund solvent.

**My Brother’s Keeper Alliance**

President Obama announced earlier today the creation of My Brother’s Keeper Alliance, a nonprofit organization that will expand on My Brother’s Keeper initiative. Corporate donations will fund some of its early initiatives, including as much as $7 million in grants for programs to support troubled youths and $3 million to build infrastructure in local communities. More details on programs and grants will be forthcoming.

Leaders from corporations including Pepsico, American Express and BET are involved in the effort, which already has raised $80 million for the first round of grants. The alliance will be headed up by former Deloitte CEO Joe Echevarria, who grew up in the South Bronx and has served as co-chair of My Brother’s Keeper in the White House.

**Purpose:**

- [ ] Report progress
- [ ] Advocacy or Education
- [ ] Request PAL Committee Recommendation or Position
- [x] Other: Federal legislative update

This item was informational only and required no Committee action.

II. State Legislative Update – Platinum Advisors

**Revenues**

The Legislative Analyst’s Office reported personal income tax receipts for April will total about $1.8 billion above the Governor’s January predictions, totaling $14 billion for the month of April, which brings the surplus to $3.1 billion.

The majority of the surplus will fund Proposition 98 and Proposition 2. If the revenue surplus exceeds $4 billion then funding would become available for other programs.

**Green House Gas Reduction**

The Governor issued an Executive Order raising the bar on Greenhouse Gas (GHG) reduction goals. The order calls for reducing GHG emissions to 40% below 1990 levels by 2030. This interim goal will be incorporated into SB 32, which is currently pending in the Legislature. SB 32 updates AB 32 statutes to direct CARB and other state agencies to develop GHG reduction goals beyond the 2020 target set in AB 32.
Zero Emission Vehicle Summit

The Governor held his annual Zero Emission Vehicle (ZEV) Summit today, May 4, 2015. The draft 2015 ZEV Action Plan was released, which outlines the activities the State will undertake to reach the goal of having 1.5 million zero emission vehicles on the road by 2025.

Senate Transportation Plan

The Senate Transportation & Housing Committee has approved SB 16, which directs additional revenue to maintain state highways and local streets and roads without impacting the General Fund.

The Republican Vice Chairman of the Committee, Senator Anthony Cannella, withheld his vote for this bill because he believes that it does not go far enough. He expressed his preference to immediately stop the use of truck weight fees for debt service, discussed the need to increase funding for mass transportation and opined that the proposal should generate an additional $2 billion in order to close the gap facing the State’s annual highway maintenance needs.

In order to address the interests of Senator Cannella, potential changes to SB 16 include a larger increase to the excise tax than currently proposed and potentially increasing the share of Cap & Trade funds directed toward transit operations and capital programs.

Policy Deadline

Friday, May 1, 2015 was the last day for fiscal bills to pass out of the policy committees and those measures will now have their fates determined in the appropriations committees. The focus of policy committees will be non-fiscal measures, while the appropriations committees will determine by May 29, 2015 which bills will move forward this year.

Measures heard last week include: AB 833, Alameda County Child Care Pilot – passed out of the Assembly Human Services Committee; AB 1159 and AB 45 Household Hazardous Waste – both bills passed out of the Assembly Environmental Safety and Toxic Materials Committee; SB 277 Vaccines – passed out of the Senate Health, Education and Judiciary Committees.

Earned Income Tax Credits

AB 43 (Stone) co-sponsored by the County with United Way will be heard in the Assembly Revenue and Taxation Committee on May 11, 2015. The measure establishes a refundable California Earned Income Tax Credit (EITC). A federal EITC-eligible household with at least one child under the age of five would receive 35% augmentation to the federal credit, a childless EITC-eligible tax filer would receive a 60% augmentation and all other federal EITC-eligible filers would receive 15% augmentation.

SB 38 (Liu), which also addresses the EITC passed out of the Senate Governance and Finance Committee. The bill allows a refundable tax credit, upon appropriation by the Legislature, equal to 30% of the federal EITC for eligible individuals with qualifying children or 100% for individuals with no qualifying children.

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. **Resolution** Calling on Gerawan Farming to Immediately Implement the Union Contract Issued by the Neutral Mediator and the State of California
   *Recommendation: Support* Richard Valle, District 2, Board of Supervisors.

ii. **AB 35** (Chiu) Income taxes: credits: low-income housing: allocation increase
    *Recommendation: Support* Alex Briscoe, Director, Health Care Services Agency

iii. **AB 90** (Chau) Federal Housing Trust Fund
    *Recommendation: Support* Alex Briscoe, Director, Health Care Services Agency

iv. **AB 203** (Obernolte) State responsibility areas: fire prevention fees
    *Recommendation: Support* Scott Haggerty, District 1, Board of Supervisors

v. **AB 1071** (Atkins) Supplemental environmental projects
    *Recommendation: Support* Alex Briscoe, Director, Health Care Services Agency

vi. **AB 1315** (Alejo, Frazier) Stormwater Pollution Liability
    *Recommendation: Oppose* Daniel Woldesenbet, Director, Public Works Agency

vii. **AB 1335** (Atkins) Building Homes and Jobs Act
    *Recommendation: Support* Alex Briscoe, Director, Health Care Services Agency

viii. **AB 1362** (Gordon, Wolk) Local Government: Assessment, fees, and charges: stormwater definition
    *Recommendation: Support* Daniel Woldesenbet, Director, Public Works Agency

ix. **SB 350** (de León) Clean Energy and Pollution Reduction Act of 2015
    *Recommendation: Support* Alex Briscoe, Director, Health Care Services Agency

x. **SB 411** (Lara) An act to amend Sections 69 and 148 of the Penal Code, relating to Crimes
    *Recommendation: Support* Brendon D. Woods, Public Defender, Alameda County

xi. **SB 420** (Huff) Prostitution
    *Recommendation: Support* Nancy O’Malley, District Attorney, Alameda County

xii. **SB 639** (Stone) Developmental centers: closures
    *Recommendation: Support* Alex Briscoe, Director, Health Care Services Agency

xiii. **SB 792** (Mendoza) Day care facilities: immunizations: exemptions
    *Recommendation: Support* Alex Briscoe, Director, Health Care 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.

Legislative items pulled from the agenda for further discussion:

- **AB 813** (Gonzalez) Criminal procedure: post-conviction relief
  *Recommendation: Support* Brendon D. Woods, Public Defender, Alameda County

- **AB 1051** (Maienschein) Human Trafficking
  *Recommendation: Support* Nancy O’Malley, District Attorney, Alameda County
AB 1351 (Eggman) Deferred entry of judgment: pretrial diversion
Recommendation: Support: Brendon D. Woods, Public Defender, Alameda County

AB 1352 (Eggman) Deferred entry of judgment: withdrawal of plea
Recommendation: Support: Brendon D. Woods, Public Defender, Alameda County

SB 213 (Block) Juries: criminal trials: peremptory challenges
Recommendation: Oppose: Brendon D. Woods, Public Defender, Alameda County

PUBLIC COMMENT
None.

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