Summary/Action Minutes

I. Federal Legislative Update

The House is in recess this week while the Senate is in session. The Senate plans to take up several appropriations bill at the subcommittee and committee level and the full Senate plans to take up a series of nominations, including Sylvia Mathews Burwell for Health and Human Services Secretary and Sharon Bowento to join the Commodity Futures Trading Commission.

Surface Transportation

Late last week the House Republican leadership outlined a strategy to its Members stating pressing for a short-term Highway Trust Fund infusion paid for by making several changes to the USPS, including ending the six-day delivery mandate to save $10.7 billion over ten years. If Congress adopted this proposal, the House T&I Committee staff has said the Highway Trust Fund could remain solvent through May 2015.

Senator Boxer (and other Democrats) responded to the proposal with a statement over the weekend saying she was opposed.

FY15 Appropriations

Commerce Justice Science (CJS)
The House approved its FY15 CJS Appropriations bill last week. The legislation was debated under an open rule and several amendments were debated. Some key amendments include:

- Increased funding by $5 million for a total of $41 million for a new grant program focused on eliminating sexual assault kit backlog at law enforcement agencies;
- Increased by $3 million to a total of $65.5 million for the Second Chance Act program;
- Increased funding by $110 million for COPS Hiring Grants to provide level funding from FY14 of $180 million;
- A bipartisan amendment cosponsored by Representative Lee that would prevent the Drug Enforcement Administration from raiding state-legal medical marijuana dispensaries;
- An amendment prohibiting funding from SCAAP ($210 million) to reimburse “Sanctuary Cities”;

Agriculture

The House Appropriations Committee approved its FY15 Agriculture Appropriations bill last week. The House bill provides $20.8 billion in discretionary funding and $121.6 billion in mandatory spending, while the Senate provides $20.5 billion in discretionary funds and $114.9 billion in mandatory spending for FY15.
The House Agriculture-FDA bill includes legislative language requiring USDA to establish a process that will allow schools demonstrating an economic hardship to seek a temporary waiver from compliance with certain nutrition regulations during the 2014-2015 school year.

The Senate bill includes a provision, which would mandate all fresh fruits and vegetables to be included in WIC. This would allow white potatoes to be included in the WIC Program, and are the only vegetable excluded from the supplemental food program. However, the bill also includes language giving the administration the ability to take potatoes off of the list if a mandated study recommends they not be included. The House bill would allow white potatoes to be purchased by WIC participants.

**EPA Proposed Rule**

The EPA’s rule, proposed today, is aimed at reducing carbon emissions from power plants by 30 percent from 2005 levels, equal to eliminating carbon pollution from two-thirds of all cars and trucks in the U.S. Obama is casting the proposal as a step to reduce climate change, boost the economy and cut health woes such as asthma and heart attacks.

Many Republicans have come out opposed, as have some Coal-state Democrats and Democrats in tough races. The House Energy and Commerce Committee announced it will hold a hearing on the proposed rule the week of June 16, 2014.

**II. State Legislative Update**

The Budget Conference Committee is scheduled to begin work on the Assembly and Senate budgets. They will start with Health and Human Services, moving to other issues later in the week.

**Realignment-related aspects of the Budget**

Both houses of the Legislature have adopted their respective budgets, which include various items either directly or indirectly associated with public safety realignment. It should be noted that neither house augmented the Governor’s realignment budget. For consideration are:

- $11.3 million in additional funding for county probation departments to address a limited-term increase in their Post Release Community Supervision (PRCS) activities;

- $1.25 million to extend the availability of funding until June 30, 2018, to support statewide training for counties regarding the continued implementation of AB 109; Of the $2 million appropriated for training in 2011 and 2012, approximately $1.25 million is still available.

Adopted trailer bill language to amend existing law to clarify that the period of mandatory supervision begins upon an inmate’s release from custody;

**AB 109 Formula**

The Senate Subcommittee #5, chaired by Senator Hancock, included an information item on the AB 109 formula process. Senator Hancock directed the LAO to review any new formula and report back to the
Subcommittee. The LAO expressed concerns about the rationale behind the formula, the lack of transparency and the lack of incentives in the formula that drive desired outcomes.

Health and Human Services Budget

Below are items to be heard in Conference Committee:

- 7% CalWORKs grant increase
- CalWORKs Housing Funds
- CalWORKs Food Assistance
- CalWORKs Earned Income Disregards
- Foster Youth Permanency
- Ombudsman and Senior Services

Pension Obligatory Property Tax

Both the Senate and Assembly Subcommittees that cover local government issues included an informational item relating to the dissolution of RDAs and pension obligatory property tax increment in their hearings. Several cities have voter approved property taxes dedicated to funding public pensions. These property taxes were enacted prior to Proposition 13.

The issue is whether the pension taxes’ share of the former RDA increment should return to the city. In many cases the RDA passed through the pension tax growth to the city, but the dissolution process does not require the return of these funds. Neither the Senate nor the Assembly has taken any action on this issue, but a budget trailer bill might be included in the fix. The Department of Finance is open to considering any proposed solution.

The City of Oakland has a pension property tax. If a fix is enacted, it would be impact Alameda County.

Highway Users Tax Account (HUTA) Loan Repayment

Both the Senate and the Assembly Subcommittees adopted allocation formulas that increase local street and road funding. The Assembly augmented the Governor’s proposal by appropriating $163 million in the State Highway Account to fund maintenance projects. The Senate split the loan payment 60% to the State and 40% to cities and counties.

The Governor has proposed a $349 million payment toward outstanding loans made from the State Highway Account. The Governor proposed allocating $210 million to State SHOPP activities and $100 million to cities and counties for local streets and roads.

This item will be resolved by the Conference Committee.

Cap & Trade

The Senate failed to adopt a Cap & Trade funding proposal due to concerns about High Speed Rail Funding. However, the Senate Budget Committee has scheduled an informational hearing for tomorrow to review Pro Tem Steinberg’s expenditure plan. The Assembly adopted its own expenditure plan. This item will be decided in Conference Committee.

Ground Water

Assemblyman Roger Dickinson has introduced AB 1739, which would require a ground water management plan in all sub basins designated by the Department of Water Resources. The Association of California Water Agencies (ACWA) is expected to release proposed amendments to AB 1739. Many areas of the state
have adjudicated groundwater basins, with some areas being managed by special districts, there is little oversight of groundwater use.

**Purpose:**
- ☒ Report progress
- ☐ Advocacy or Education
- ☐ Request PAL Committee Recommendation or Position
- ☒ Other: State legislative update

**Request for Legislation Position – Action Items**

i. AB 1643 (Buchanan) Pupil Attendance: School Attendance Review Boards  
   *Recommendation: Support:* Alex Briscoe, Director, Health Care Services Agency

ii. AB 1672 (Holden) Pupil Attendance: Truancy  
   *Recommendation: Support:* Alex Briscoe, Director, Health Care Services Agency

iii. AB 1743 (Ting) Hypodermic Needles and Syringes  
   *Recommendation: Support:* Alex Briscoe, Director, Health Care Services Agency

iv. AB 2135 (Ting) Local Agencies: Surplus Land: Affordable Housing  
   *Recommendation: Support:* Alex Briscoe, Director, Health Care Services Agency

v. AB 2141 (Hall and Bonta) Pupil Attendance: Truancy: Referrals for Prosecution  
   *Recommendation: Support:* Alex Briscoe, Director, Health Care Services Agency

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

**PUBLIC COMMENT:** None.

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