

**ALAMEDA COUNTY
BOARD OF SUPERVISORS'
PERSONNEL/ADMINISTRATION/LEGISLATION
COMMITTEE**

Monday, June 30, 2014
1:30 p.m.

Supervisor Keith Carson, Chair
Supervisor Wilma Chan

Location: *Board of Supervisors Chambers – Room 512 5th floor*
County Administration Building
1221 Oak Street, Oakland, CA 94612

Summary/Action Minutes

I. Federal Legislative Update

The House and Senate are both in recess this week for the 4th of July weekend and will return next week.

FY15 Appropriations

House

The House appears to be stalled with its FY15 Agriculture-FDA appropriations bill. According to House Republicans, the bill was pulled from the floor earlier this month due to the primary defeat of House Majority Leader Eric Cantor (R-VA). Republican leadership said they would consider the bill following the election of the next Majority Leader.

Since the election of Kevin McCarthy (R-CA) to replace Rep. Cantor, however, House Republicans have not scheduled a time to continue consideration of the bill. This appears to be due to the controversial legislative language in the bill that requires 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.

Senate

Currently, the Senate FY15 Energy and Water bill is stalled in committee because Senate Minority Leader Mitch McConnell (R-KY) wants to offer an amendment that would suspend the EPA's proposed rule for greenhouse gas emissions. In turn, Senate Appropriations Committee Chairwoman Barbara Mikulski (D-MD) has delayed consideration of the bill in order to not put vulnerable Democrats at risk on a controversial vote.

Consequently, Senator McConnell planned to offer the amendment on the Senate floor to an FY15 minibus that includes the FY15 THUD, CJS, and Agriculture-FDA bills. Due to disagreements on the amendment process between Senator McConnell and Senate Majority Leader Harry Reid (D-NV), the minibus was stalled on the Senate floor. Senators Reid and Mikulski hope that they will be able to reach an agreement with Senate Republicans and pass the FY15 minibus sometime in July.

Surface Transportation Bill

Last week, the Senate Finance Committee postponed a vote on the Preserving America's Transit and Highways (PATH) Act, which would provide a six-month funding extension for the Highway Trust Fund (HTF). Senate Finance Committee Chairman Ron Wyden (D-OR) postponed the vote in order to allow staff to continue negotiating during the July 4th recess and achieve a bipartisan bill that has the chance to pass both chambers of Congress.

The Finance Committee plans to take up the PATH Act the week of July 7th. The committee is trying to find at least \$8.1 billion in spending cuts and revenue increases in order to fund the HTF, which is currently set to become insolvent as soon as late July. The committee will address a number of amendments that were filed for the bill. One of the amendments we expect to be taken up in July is the EXPIRE Act, a package of

tax provisions that expired in December but Congress will likely extend retroactively. The Senate Finance Committee passed the EXPIRE Act out of committee in April but the full Senate has not yet taken up the package.

One of the provisions of the EXPIRE Act includes the pre-tax transit benefit provision that would give parity to transit and parking benefits. Another amendment of note is a bipartisan amendment that would index the gas tax to inflation.

WIA Reauthorization

The Senate overwhelmingly passed its WIA Reauthorization bill last week by a vote of 95-3. The Workforce Innovation and Opportunity Act (WIOA) would reauthorize most of the programs under the Workforce Investment Act of 1998, but would make some changes in addition to eliminating 15 programs. The bill would set specific authorization levels for the reauthorized programs totaling at least \$58 billion over six years.

HUD Nomination Hearing

On June 17th, the Senate Banking, Housing and Urban Affairs Committee voted to support the nomination of San Antonio Mayor Julian Castro to be the next HUD secretary. The committee forwarded his nomination to the full Senate by a vote of 16-6. The full Senate is expected to take up Castro's nomination after the recess.

Permanent Internet Tax Freedom Act

Last week the House Judiciary Committee marked up the Permanent Internet Tax Freedom Act (H.R. 3086). The current internet tax moratorium was first enacted in 1998 and has been extended 3 times since then, but expires on November 1. The moratorium on Internet access taxes prevents most states and local governments from applying access taxes on Internet connections. NACo and the League of Cities support a shorter extension, rather than a permanent extension. They are concerned a permanent moratorium could have unintended consequences as more telecom and cable services transition to broadband, yet would be shielded from state and local taxation.

The move to extend the moratorium on access taxes creates an opportunity for senators who want to combine it with legislation to allow states to collect online sales tax from out-of-state Internet merchants (The Marketplace Fairness Act of 2013 (S. 386)). NACo and the League of Cities support this legislation, which passed the Senate last summer, but the House has yet to take up the legislation.

Immigration Reform

Much of the optimism for action on immigration reform in the House evaporated with Majority Leader Eric Cantor's primary defeat on June 10th. Rep. Cantor's primary opponent repeatedly criticized the Majority Leader for supporting "amnesty" for undocumented immigrants and being too "soft" on immigration reform efforts, based on Cantor's support of "Dream Act" legislation. The primary results were perceived in some corners as a rebuke of immigration reform in all forms - both comprehensive "path-to-citizenship" reform and even the limited "piecemeal" proposals that House leadership had considered before June 10.

House Republican leadership is saying they will not support any reform efforts until the U.S.-Mexican border is secured. They have said full border security is a precondition to any discussion of a path to citizenship for those currently without valid documentation in the United States.

The ongoing humanitarian issue of thousands of Central American children and teenagers arriving at the U.S - Mexico border has further imperiled reform efforts - both legislative efforts and potential administrative actions - by the White House. Republicans blame White House efforts like the Delayed Action for Childhood Arrivals for promising "amnesty" to these children, citing immigration reform efforts as stoking the crisis. Democrats cite the problems at the border as proof of the compelling need for immigration reform. Until the border situation is addressed in some significant manner, it will be politically difficult for the Administration to take unilateral action on immigration reform. The President addressed this issue earlier today, calling on the Departments of Justice and Homeland Security to transfer available assets to the border and calling on White House staff to recommend possible executive actions on immigration reform by the end of the summer.

Purpose:

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

II. State Legislative Update

The summer recess for the Legislature begins on Thursday, July 3, 2014 upon adjournment of the session and will they will not return until August 4, 2014. When the Legislature returns there will be a fiscal committee deadline where all bills must be out of the Appropriations Committees on August 15, 2014. The Legislature will adjourn the 2-013-14 session by midnight on August 31, 2014.

Water Bond

Last week the Senate tried and failed to secure the 27 votes needed to move a \$10.5 billion water bond to the Assembly. SB 848 included \$3 billion for safe drinking and water projects, \$3.2 billion for water quality projects, \$900 million for delta restoration and \$3 billion for storage. In response, Governor Brown outlined his preferred alternative plan for a \$6 billion water bond, which includes the following:

- \$2 billion to storage projects, which we have heard already been increase to nearly \$3 billion
- \$1.5 billion for water supply and reliability, including safe drinking water and groundwater cleanup projects;
- \$1.5 billion for watershed protection;
- \$500 million for flood control and
- \$500 million for Delta restoration and protection

Negotiations will likely continue over the Legislature recess. Governor Brown has said he would oppose the current \$11 billion bond on the November ballot if an agreement is not reached. If needed, the Legislature could push the current bond proposal to 2016 with a majority vote.

Groundwater

In an effort to regulate and manage the State's groundwater supply, Governor Brown's budget proposal included a proposition to encourage local governments to develop groundwater management plans. The Administration's plans were not adopted as part of the Budget, negotiations continue. In addition to the Governor's groundwater management proposal, there are two bills moving through the Legislature. SB 1168 requires adoption of a sustainable groundwater management plan by January 1, 2020 for all basins that are a high or medium priority as determined by the Department of Water Resources. AB 1739 would also require all high and medium priority basins to be managed under a groundwater sustainability plan.

AB 2396 – Alameda County sponsored bill was heard in the Senate Business and Professions Committee last Monday. The measure would prohibit professional licensing boards under the Department of Consumer Affairs from denying a license based solely on the basis of an expunged conviction. Four licensing boards: 1) the Board of Behavioral Sciences; 2) Contractor's Board; 3) Board of Psychology and 4) the Board of Engineers opposed the measure in Committee. The opposition stated that expungement of a conviction is not evidence of rehabilitation and passing the measure could pose a risk to public safety.

AB 2145 Community Choice Aggregation: The Board has adopted an oppose position on AB 2145 which would reverse the process on the formation of Community Choice Aggregation (CCA) program from an opt-out to an opt-in requirement. This would create an untenable burden for Alameda County's efforts to form a CCA. The bill was approved by the Committee based on amendments by Assemblyman Bradford:

- 1) Remove the opt-in provisions and revert to existing law whereby residents may opt out of the CCA at their discretion
- 2) Limit the formation of a CCA to an area that may cover up to three (3) contiguous counties.

- 3) Grandfather in all CCAs where an ordinance creating the CCA is adopted on or before December 31, 2014.

When the County's concerns have been addressed, the advocates will return to the Board to request to remove the opposition to the bill.

November Ballot

Last week was the deadline for the initiatives to qualify for the November ballot. Including the measures placed on the ballot by the Legislature, the following six propositions will appear on the November ballot:

- 1) Safe, clean and Reliable Drinking Water Supply Act of 2012 – this \$11 billion water bond measure will be replaced or moved to 2016
- 2) ACA-1 This is the new Rainy Day Fund proposal
- 3) Approval of Healthcare Insurance Rate Changes – This proposal would give the state insurance commissioner

Purpose:

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

Request for Legislation Position – Action Items

B. Request for Legislation Position – Action Items

i. SB 785 (Wolk) Design-Build

Recommendation: Support: Jim Kachik, Deputy Director, Technical Services Department, General Services Agency

ii. AB 1705 (Williams) Public Contracts: payment

Recommendation: Oppose unless amended: Jim Kachik, Deputy Director, Technical Services Department, General Services Agency

Purpose:

- Report progress
- Advocacy or Education
- Request PAL Committee Recommendation or Position
- Other:

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

PUBLIC COMMENT: None.

Board of Supervisors' Committees agendas are available via Internet at: www.acgov.org