

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM**  
2.4  
(ID # 6556)

**MEETING DATE:**

Tuesday, March 13, 2018

**FROM :** EXECUTIVE OFFICE:

**SUBJECT:** EXECUTIVE OFFICE: February 2018 Legislative Update Report , [All Districts] [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Receive and file the February 2018 Legislative Update Report.

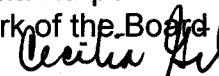
**ACTION:** Consent

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Tavaglione, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley  
Nays: None  
Absent: None  
Date: March 13, 2018  
xc: EO

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$0	\$0	\$0	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS:</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year:</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

As per Board Policy A-27, the County's Legislative Advocates provide monthly reports to the Board of Supervisors on the progress of County-sponsored legislation and issues at the forefront of discussion at State/Federal levels that may have a fiscal and/or operational impact on the County. Included in the reports are the formal positions of notable associations/organizations of elected County department heads.

**LEGISLATIVE REPORTS**

**STATE:**

Despite considerable distractions associated with ongoing sexual harassment investigations and last week's resignation of a member of the Senate, the Legislative calendar continues to move apace. With the 2018 bill introduction deadline of February 16 having passed, your advocacy team is now culling the more than 2,300 newly introduced bills (nearly 1,600 Assembly measures and just over 700 Senate bills) to identify those with County impacts. At this time, many of the measures are introduced in "spot" form, meaning they contain placeholder language. In the coming weeks, legislative rules require that substantive amendments be taken to all spot bills, so we will be in a better position to assess the bills' objectives and potential local impacts.

The Legislative Inland Empire Caucus, chaired by Assembly Member Marc Steinorth, met on February

The caucus discussed its established 2018 priorities, which include career and technical education, transportation, housing, school safety, hospital seismic retrofit, and environmental issues. Several of the caucus' priorities and positions are aligned with the County's advocacy objectives. Further, the caucus expressed a sincere interest in providing assistance, particularly where Riverside and San Bernardino County's priorities are in sync, so there may be opportunities to advance issues of mutual interest. On Riverside County's behalf, we raised concerns about ongoing funding inequities – including 1991 Realignment – and concurred with

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

San Bernardino in its support of efforts to secure additional funding for child support and cap and trade issues.

Below, we provide an update on state budget activities as well as the latest developments related to the County's sponsored legislative measures, among other topics.

**GOVERNOR'S PROPOSED 2018-19 STATE BUDGET**

As reported last month, the Governor released his initial spending plan, which revealed an estimated \$6 billion surplus. However, the Administration continues to caution the Legislature that a number of factors will likely affect the state's fiscal standing by the time of the May Revision, so despite the promise of new revenues, expectations for program expansions should remain tempered.

Areas of particular interest from the Governor's initial budget proposal for the County include the following

- **340B Drug Billing Reimbursement within the Medi-Cal Program.** The state budget proposes to eliminate the use of 340B drugs in the Medi-Cal program effective July 1, 2019. This proposed action is anticipated to impact Riverside University Medical Center and result in reduced revenues. A letter of opposition has been submitted to both budget committees and the delegation.
- **Salton Sea Restoration.** The budget provides \$30 million from SB 5 for the Natural Resources Agency to construct water management infrastructure and habitat conservation and dust mitigation projects, consistent with the Phase I ten-year plan. This funding is in addition to existing appropriations from Propositions 1, 84, and 50.
- **Court Facility Construction.** The budget renews activity on courthouse construction by making a transfer of \$32.2 million from the Immediate and Critical Needs Account to complete the design of three courthouse projects, including one in Riverside (Mid-County). Additionally, the budget commits to completing construction over the next two years for the next ten courthouse projects ready to proceed, which include both Indio and Mid-County facilities in the County.
- **Military Institute funding.** The Governor's proposed budget includes \$2.4 million General Fund to establish a Porterville Military Institute College Preparatory Academy in Tulare County to serve 500 students beginning in the fall of 2018, and \$1.2 million General Fund to provide military personnel at the California Military Institute in Riverside County.
- **Cap-and-trade.** The Governor release his proposed expenditure plan for cap-and-trade funds on January 26. It proposes to spend \$1.25 billion in available cap-and-trade auction revenues across four main initiatives: Zero-Emission Vehicle Investment Initiative; Sequestration and Resilience Initiative; California Integrated Climate Investment Program; and California Climate Change Technology and Solutions Initiative. HBE's detailed write-up of the Governor's proposed \$1.25 billion Cap and Trade Expenditure Plan was sent previously. The HBE team will continue to advocate

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

for a more equitable allocation of cap and trade resources to Riverside County during legislative debate on the Governor's proposed plan and are working collaboratively with like-minded partners to facilitate additional resources for the County.

- **Incompetent to Stand Trial Diversion Program.** The Governor's proposed budget includes a

\$100 million appropriation over three years to support local diversion programs for the court-involved population experiencing mental illness. As now contemplated, the funding would be directed to the 15 counties – which includes the County of Riverside – with the highest number of referrals to the Department of State Hospitals (DSH) for those individuals who are deemed incompetent to stand trial (IST). The Administration is open to conversations with counties as to how best construct this program. By providing treatment in a community setting to those who are diverted, the intent is to help counties keep those with mental illness out of high-cost custody settings (jails) and, as a result, to keep this same population out of the state's high-cost custody settings (DSH).

- **Funding for Voting System Replacement.** Governor's budget proposes to provide funding to assist counties in replacing voting systems and associated technology. The \$134.3 million proposed in the Governor's budget will match local investment in much-needed upgrades to county voting systems, providing an opportunity to improve voter participation and outreach across the state.

We are working with your Executive Office on vetting these proposals and pursuing appropriate advocacy activities consistent with the platform. As budget activities advance, we will keep you apprised on new developments that have the potential to affect County operations.

Further, on February 1, the Department of Finance posted trailer bill language<sup>1</sup> needed to carry out many of the Governor's budget proposals. We have highlighted particular areas of interest for further investigation by affected County departments.

The Legislative Analyst's Office (LAO) has begun its normal practice of releasing its assessments of various aspects of the Governor's budget. These analyses are taken up as part of budget subcommittee hearings that begin in earnest next week and will continue through March.

**COUNTY-SPONSORED LEGISLATION**

On behalf of the County of Riverside, we have secured four County-sponsored measures, as detailed below. Note that bills are not eligible for hearing until the bill has been in print a minimum of 30 days. March and April are very active months for the legislative policy committee process, given that all fiscal bills must clear policy committee review by April 27 and non-fiscal bills by May 11.

**AB 1946 (Cervantes) – Elder and dependent adult trafficking**

This measure is a renewed effort to AB 329, Assembly Member Cervantes's bill on the same topic introduced in 2017. The objective of the bill is to address the problem identified in

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Riverside County of elder and dependent trafficking. AB 1946 will seek to curb the troubling practice among certain community care facilities where an elderly or dependent adult is released from a hospital setting into a licensed care facility, only to be moved to an unlicensed facility (run by same provider) that is offering substandard care. AB 1946 is now a spot bill, but will be amended to give law enforcement – local agencies as well as the officials at the California Department of Justice – the authority to make unannounced inspections if there is a reasonable suspicion that an unlicensed residential care facility for the elderly is being operated. The County has been working collaboratively with the Department of Justice on investigations as well as developing potential solutions to this problem.

**Status:** AB 1946 was introduced as a spot bill on January 29; substantive amendments will be provided to the author's office this week.

**Support:** County of Riverside (sponsor); additional supporters unknown but potentially the Attorney General's Office.

**Opposition:** None known; state Department of Social Services' Community Care Licensing Division may be impacted by the bill.

**AB 2137 (Mayes) – Increase to no-bid contracting threshold for Riverside County Regional Parks and Open Space District**

This measure would increase from \$25,000 to \$50,000 the no-bid threshold for the Riverside County Regional Park and Open Space District. Previous legislative efforts made this same change for the East Bay Regional Park District, the Midpeninsula Regional Open Space District, and the Sonoma County

Agricultural Preservation and Open Space District. The most recent effort secured this authority for the Sonoma County district as a result of SB 1082 – McGuire, 2016. Previous legislative measures in this area appear to have been non-controversial.

**Status:** AB 2137 was introduced February 12 and awaits policy committee assignment.

**Support:** County of Riverside (sponsor); additional supporters unknown but, based on similar legislative efforts in prior years, potentially the California Special Districts Association

**Opposition:** None known; previous efforts for other districts did not attract opposition.

**AB 2821 (Mayes) – Spot bill for KPMG Pilot**

At the County's request, Assembly Member Chad Mayes has introduced a spot bill as a potential vehicle to seek statutory change associated with findings and recommendations coming out of the governmental efficiency assessment being undertaken in the County by KPMG.

**Status:** AB 2821 was introduced as a spot bill on February 16; substantive amendments to the measure are due February 28.

**Support:** County of Riverside (sponsor); additional supporters are unknown

**Opposition:** None known and would be dependent on the scope and reach of the measure.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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**AB 3007 (E. Garcia) – Services for Children of Incarcerated Parents**

Riverside County has designed a program to deliver a comprehensive set of services meant to boost the resiliency factors of children whose parents are incarcerated. This bill will authorize the program in the County of Riverside and specific program elements and expected outcomes. Financial support for the measure will be sought separately through a state budget appropriation.

**Status:** AB 3007 was introduced as a spot bill on February 16; substantive amendments will be provided to the author's office this week.

**Support:** County of Riverside (sponsor); additional supporters are unknown.

**Opposition:** None known.

**TWO-YEAR BILLS**

On the County's behalf, we have engaged in several two-year measures that have carried over from the 2017 legislative year. We provide a status update below.

**AB 1250 (Jones-Sawyer) – County Contracting Out Authority OPPOSE**

As of the time of this writing, there are no new developments to report on AB 1250, a measure that would considerably restrict county governments' ability to contract out for personal services. The County of Riverside – along with virtually every other county, other statewide county associations, and a significant swath of the non-profit community, among others – opposed the bill in 2017. As a result of an active and organized grassroots opposition campaign, including the County, the sponsors parked the bill at the end of the 2017 session in the Senate Rules Committee. CSAC and the county caucus in particular remain vigilant in monitoring developments on this measure. While AB 1250 in its current form may not move this year, we do anticipate the broad issue of county contracting authority remains an area of

interest and priority of employee union sponsors. We will keep the County well informed about developments with AB 1250 and any similar legislative measures that may arise this year.

**Status:** AB 1250 remains in the Senate Rules Committee.

**Support:** SEIU and AFSCME (co-sponsors), along with a number of other employee organizations

**Opposition:** County of Riverside; CSAC; Urban Counties of California; Rural County Representatives of California; Howard Jarvis Taxpayers Association; Retailers Association; American Planning Association, California Chapter; California Business Properties Association; California Chamber of Commerce; dozens of additional individual counties; and hundreds of non-profit organizations and service providers

**SB 38 (Roth) – Judgeship FundingSUPPORT**

Addressing the shortage of judicial resources – both at the trial court and appellate court level – in Riverside County has been a priority for the Board of Supervisors; the magnitude of judgeships shortfall is significant and well-documented. In 2007, 50 trial court judgeships were authorized by the Legislature (AB 159) but have yet to be funded. In its introduced version, SB 38 did the following: 1) authorized and funded one appellate court justice in the 4th District,

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

Division Two (hearing appeals from the Riverside and San Bernardino Superior Courts) and 2) funded 10 of the 50 previously authorized trial court judgeships. SB 38 was taken up by the Senate Judiciary Committee and passed unanimously earlier this month. However, the Senate Appropriations Committee stripped out the appropriations from the bill before passing it out of its committee. The sole provision that remains in the bill is the language to statutorily create the appellate court justice.

**Status:** In the Assembly awaiting policy committee referral.

**Support:** Judicial Council (sponsor), County of Riverside, California Judges Association, Greater Riverside Chambers of Commerce

**Opposition:** None

**AB 862 (Maienschein) – Pay for Success Programs SUPPORT**

The County of Riverside is supporting Assembly Member Brian Maienschein's effort to authorize and provide \$5 million in funding to support three additional counties' participation in a pay-for-success (PFS) program. AB 1837 (Atkins, 2014) authorized an initial PFS program administered by the Board of State and Community Corrections; three counties successfully competed for the funds and are currently implementing programs that focus on reducing recidivism among a targeted group of the adult criminal justice population. AB 862 would create a pay-for-success funding option for which Riverside County could compete; it is viewed as an opportunity to seek financial support for the County's efforts to establish a program to deliver wrap-around services to reduce risk factors and develop resiliency among children whose parents are incarcerated.

**Status:** AB 862 passed the Assembly Floor unanimously and is awaiting policy committee referral in the Senate.

**Support:** Sacramento Regional Builders Exchange (sponsor); County of Riverside; Californians for Safety and Justice; Federation of California Builders Exchanges; Bay Area Builders Exchange; Central California Builders Exchange; Valley Contractors Exchange

**Opposition:** None

**ADDITIONAL LEGISLATION OF INTEREST**

Over the next month, we will work with your office to refine the focus and scope of the County's legislative advocacy during the first round of policy committee and budget subcommittee hearings. We anticipate significant legislative interest in the following broad areas, which may be of particular interest to the County: revising definitions around gravely disabled; additional housing measures, including those that refine implementation of the 2017 housing package; extensive response to the 2017 wildfires and related debris flow disaster that will touch on issues as diverse as emergency notification, insurance coverage, and general disaster preparedness.

**FEDERAL:**

**Overview:**

Both the House and Senate were in session for just over two weeks in February.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

February was dominated with the rollout of the President's FY19 Budget on February 12, a two-year budget and appropriations deal and continued discussion of the infrastructure package.

***Infrastructure:***

On the last day of the month the leader of the Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) said he hopes to pass a bill before Congress leaves Washington for its August recess, and if not, an option may be to vote after the election. "We haven't passed anything in a lame-duck recently," Shuster, a Pennsylvania Republican, told reporters after speaking at a conference held by the American Association of State Highway and Transportation Officials. "Nothing is easy in Washington, D.C." Shuster's comments followed statements by second-ranking Senate Republican John Cornyn of Texas and Senate Commerce Chairman John Thune of South Dakota casting doubt on whether the chamber will have time to pass a bill this year. The legislative process is just beginning as the Senate Environment and Public Works Committee held a hearing on Trump's plan with Transportation Secretary Elaine Chao. Shuster said the Highway Trust Fund, which uses mostly federal gas taxes to help pay for road, bridge and transit projects, is set to become insolvent by 2021 without additional money. If no action is taken to increase funding -- Shuster supports raising the gas tax for the first time since 1993 -- he said lawmakers will suffer politically if projects back home are stalled as a result.

Democratic Representative Peter DeFazio of Oregon, the top Democrat on the House transportation panel, said his position is "show me the money" regarding additional federal dollars for projects and that it will take Trump to force the issue. "Unless Trump makes a very strong case and pushes the Republicans there will be no investment, and hence there will be no bill," DeFazio said at the conference. The White House released Trump's long-awaited infrastructure plan on Feb. 12, a 53-page document meant to be the outline for legislation and the starting point for negotiations with lawmakers on the details. Trump surprised a group of lawmakers on Feb. 14 by saying he would support a 25-cent-per-gallon increase in federal gasoline and diesel taxes. Some Republicans have downplayed those remarks, but White House officials have said the president hasn't ruled out the option.

***Budget/Appropriations/Debt:***

Congress still has to complete and vote on a FY18 Omnibus budget package by March 23, and the House and Senate have been tied up by debates on immigration and guns without a resolution. Lawmakers also will be turning attention to their re-election campaigns before the November congressional elections, which will decide control of Congress. On February 8 the House and Senate cleared a new, two-year budget cap, a one-year resolution of the debt limit and passed another Continuing Resolution (CR) for government funding through March 23 which also extended spending caps would by about \$300 billion over two years.



**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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The measure would also:

- Suspend the debt limit for about one year.
- Provide \$84 billion for disaster relief and provide tax relief for wildfire victims.
- Extend the Children's Health Insurance Program an additional four years.
- Repeal a Medicare cost-control panel known as the Independent Payments Advisory Board.
- Renew a litany of expired tax provisions.
- Increase support for cotton and dairy producers by modifying agriculture programs.

The Congressional Budget Office estimated that the measure's changes to mandatory spending and revenue would reduce the deficit by a net \$38.2 billion through fiscal 2027. Over an initial five-year window from fiscal 2018 through 2022, the measure would increase the deficit by \$24.3 billion, though those effects wouldn't be reflected in pay-as-you-go budget scorecards. The increased spending caps aren't reflected in that estimate because the effects will depend on future appropriations legislation.

The limit on federal borrowing would be suspended through March 1, 2019. Suspending the current limit would enable the U.S. government to continue to borrow money to pay its bills. Once the limit comes back into effect it would reflect all outstanding U.S. debt as of that date. The limit came back into effect on Dec. 8, at which point the U.S. had about \$20.5 trillion in outstanding debt.

***Disaster Aid:***

The measure would provide about \$84.3 billion in emergency supplemental funding for hurricane and wildfire relief efforts. That would be about twice as much as the White House requested in November and would omit the administration's proposed spending offsets. It would also be \$3.33 billion more than provided in a disaster aid package (H.R. 4667) that the House passed 251-169 on Dec. 21. The measure would also increase the Medicaid funding cap for Puerto Rico and the U.S. Virgin Islands by as much as \$4.94 billion from Jan. 1, 2018, through Sept. 30, 2019, and waive local cost-sharing requirements. The bill's emergency funding would be the largest standalone total ever appropriated for disaster relief. The measure would provide several forms of tax relief to individuals and businesses affected by the California wildfires, which would be similar to the relief provided to hurricane victims in Florida, Puerto Rico, Texas, and the U.S. Virgin Islands in September under Public Law 115-63. The relief would apply to any area of California where the president had declared a major wildfire disaster from Jan. 1, 2017, through Jan. 18, 2018. The measure would modify several retirement account rules for individuals in areas affected by the California wildfires. It would allow them to:

- Take temporary withdrawals or loans of as much as \$100,000 from their retirement accounts without penalty. Withdrawals would be treated as a tax-free rollover if repaid within three years.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

-Pay back loans that were already outstanding over an extra year if the repayment date was from Oct. 8, 2017, through Dec. 31, 2018.

-Recontribute withdrawals they took out for homes in the wildfire areas if they didn't ultimately buy or construct them.

***Activities Summary:***

February was focused on arranging the early March Congressional and Administrative schedule for the three County Supervisors and County Executive staff visit to DC coinciding with the NACO conference.

Explored legislative and administrative options for County's Salton Sea proposal and Pilot Project for social/health services.

Updated staff on developments in healthcare related legislative and administrative actions.

Monitored and analyzed rollout of Administration's FY19 Budget and Infrastructure plan as well as Congressional action on FY18 Appropriations/Omnibus.



## HURST+BROOKS+ESPINOSA

February 26, 2018

To: Brian Nestande, Deputy County Executive Officer  
County of Riverside

From: Hurst Brooks Espinosa, LLC

Re: **February 2018 – State Legislative Update**

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Areas of particular interest from the Governor's initial budget proposal for the County include the following:

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- **Status:** AB 1946 was introduced as a spot bill on January 29; substantive amendments will be provided to the author's office this week.
- **Support:** County of Riverside (sponsor); additional supporters unknown but potentially the Attorney General's Office.
- **Opposition:** None known; state Department of Social Services' Community Care Licensing Division may be impacted by the bill.

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<sup>1</sup> [http://www.dof.ca.gov/Budget/Trailer\\_Bill\\_Language/](http://www.dof.ca.gov/Budget/Trailer_Bill_Language/)

Agricultural Preservation and Open Space District. The most recent effort secured this authority for the Sonoma County district as a result of SB 1082 – McGuire, 2016. Previous legislative measures in this area appear to have been non-controversial.

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- **Opposition:** None known.

#### **TWO-YEAR BILLS**

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**OPPOSE**

As of the time of this writing, there are no new developments to report on AB 1250, a measure that would considerably restrict county governments' ability to contract out for personal services. The County of Riverside – along with virtually every other county, other statewide county associations, and a significant swath of the non-profit community, among others – opposed the bill in 2017. As a result of an active and organized grassroots opposition campaign, including the County, the sponsors parked the bill at the end of the 2017 session in the Senate Rules Committee. CSAC and the county caucus in particular remain vigilant in monitoring developments on this measure. While AB 1250 in its current form may not move this year, we do anticipate the broad issue of county contracting authority remains an area of

interest and priority of employee union sponsors. We will keep the County well informed about developments with AB 1250 and any similar legislative measures that may arise this year.

- **Status:** AB 1250 remains in the Senate Rules Committee.
- **Support:** SEIU and AFSCME (co-sponsors), along with a number of other employee organizations
- **Opposition:** County of Riverside; CSAC; Urban Counties of California; Rural County Representatives of California; Howard Jarvis Taxpayers Association; Retailers Association; American Planning Association, California Chapter; California Business Properties Association; California Chamber of Commerce; dozens of additional individual counties; and hundreds of non-profit organizations and service providers

#### **SB 38 (Roth) – Judgeship Funding**

#### **SUPPORT**

Addressing the shortage of judicial resources – both at the trial court and appellate court level – in Riverside County has been a priority for the Board of Supervisors; the magnitude of judgeships shortfall is significant and well-documented. In 2007, 50 trial court judgeships were authorized by the Legislature (AB 159) but have yet to be funded. In its introduced version, SB 38 did the following: 1) authorized and funded one appellate court justice in the 4<sup>th</sup> District, Division Two (hearing appeals from the Riverside and San Bernardino Superior Courts) and 2) funded 10 of the 50 previously authorized trial court judgeships. SB 38 was taken up by the Senate Judiciary Committee and passed unanimously earlier this month. However, the Senate Appropriations Committee stripped out the appropriations from the bill before passing it out of its committee. The sole provision that remains in the bill is the language to statutorily create the appellate court justice.

- **Status:** In the Assembly awaiting policy committee referral.
- **Support:** Judicial Council (sponsor), County of Riverside, California Judges Association, Greater Riverside Chambers of Commerce
- **Opposition:** None

#### **AB 862 (Maienschein) – Pay for Success Programs**

#### **SUPPORT**

The County of Riverside is supporting Assembly Member Brian Maienschein's effort to authorize and provide \$5 million in funding to support three additional counties' participation in a pay-for-success (PFS) program. AB 1837 (Atkins, 2014) authorized an initial PFS program administered by the Board of State and Community Corrections; three counties successfully competed for the funds and are currently implementing programs that focus on reducing recidivism among a targeted group of the adult criminal justice population. AB 862 would create a pay-for-success funding option for which Riverside County could compete; it is viewed as an opportunity to seek financial support for the County's efforts to establish a program to deliver wrap-around services to reduce risk factors and develop resiliency among children whose parents are incarcerated.

- **Status:** AB 862 passed the Assembly Floor unanimously and is awaiting policy committee referral in the Senate.
- **Support:** Sacramento Regional Builders Exchange (sponsor); County of Riverside; Californians for Safety and Justice; Federation of California Builders Exchanges; Bay Area Builders Exchange; Central California Builders Exchange; Valley Contractors Exchange
- **Opposition:** None

**ADDITIONAL LEGISLATION OF INTEREST**

Over the next month, we will work with your office to refine the focus and scope of the County's legislative advocacy during the first round of policy committee and budget subcommittee hearings. We anticipate significant legislative interest in the following broad areas, which may be of particular interest to the County: revising definitions around gravely disabled; additional housing measures, including those that refine implementation of the 2017 housing package; extensive response to the 2017 wildfires and related debris flow disaster that will touch on issues as diverse as emergency notification, insurance coverage, and general disaster preparedness.

Please do not hesitate to contact us with any questions on these or other topics of interest. Thank you.



*Riverside County  
February 2018 Federal Legislative Report  
Kadesh & Associates*

**Overview:**

Both the House and Senate were in session for just over two weeks in February. February was dominated with the rollout of the President's FY19 Budget on February 12, a two-year budget and appropriations deal and continued discussion of the infrastructure package.

**Infrastructure:**

On the last day of the month the leader of the Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) said he hopes to pass a bill before Congress leaves Washington for its August recess, and if not, an option may be to vote after the election. "We haven't passed anything in a lame-duck recently," Shuster, a Pennsylvania Republican, told reporters after speaking at a conference held by the American Association of State Highway and Transportation Officials. "Nothing is easy in Washington, D.C." Shuster's comments followed statements by second-ranking Senate Republican John Cornyn of Texas and Senate Commerce Chairman John Thune of South Dakota casting doubt on whether the chamber will have time to pass a bill this year. The legislative process is just beginning as the Senate Environment and Public Works Committee held a hearing on Trump's plan with Transportation Secretary Elaine Chao. Shuster said the Highway Trust Fund, which uses mostly federal gas taxes to help pay for road, bridge and transit projects, is set to become insolvent by 2021 without additional money. If no action is taken to increase funding -- Shuster supports raising the gas tax for the first time since 1993 -- he said lawmakers will suffer politically if projects back home are stalled as a result.

Democratic Representative Peter DeFazio of Oregon, the top Democrat on the House transportation panel, said his position is "show me the money" regarding additional federal dollars for projects and that it will take Trump to force the issue. "Unless Trump makes a very strong case and pushes the Republicans there will be no investment, and hence there will be no bill," DeFazio said at the conference. The White House released Trump's long-awaited infrastructure plan on Feb. 12, a 53-page document meant to be the outline for legislation and the starting point for negotiations with lawmakers on the details. Trump surprised a group of lawmakers on Feb. 14 by saying he would support a 25-cent-per-gallon increase in federal gasoline and diesel taxes. Some Republicans have downplayed those remarks, but White House officials have said the president hasn't ruled out the option.

**Budget/Appropriations/Debt:**

Congress still has to complete and vote on a FY18 Omnibus budget package by March 23, and the House and Senate have been tied up by debates on immigration and guns without a resolution. Lawmakers also will be turning attention to their re-election campaigns before the November congressional elections, which will decide control of Congress. On February 8 the House and Senate cleared a new, two-year budget cap, a one-year resolution of the debt limit and passed another Continuing Resolution (CR) for government funding through March 23 which also extended spending caps would by about \$300 billion over two years.

The measure would also:

Suspend the debt limit for about one year.

Provide \$84 billion for disaster relief and provide tax relief for wildfire victims.

Extend the Children's Health Insurance Program an additional four years.

Repeal a Medicare cost-control panel known as the Independent Payments Advisory Board.

Renew a litany of expired tax provisions.

Increase support for cotton and dairy producers by modifying agriculture programs.

The Congressional Budget Office estimated that the measure's changes to mandatory spending and revenue would reduce the deficit by a net \$38.2 billion through fiscal 2027. Over an initial five-year window from fiscal 2018 through 2022, the measure would increase the deficit by \$24.3 billion, though those effects wouldn't be reflected in pay-as-you-go budget scorecards. The increased spending caps aren't reflected in that estimate because the effects will depend on future appropriations legislation.

The limit on federal borrowing would be suspended through March 1, 2019. Suspending the current limit would enable the U.S. government to continue to borrow money to pay its bills. Once the limit comes back into effect it would reflect all outstanding U.S. debt as of that date. The limit came back into effect on Dec. 8, at which point the U.S. had about \$20.5 trillion in outstanding debt.

#### ***Disaster Aid:***

The measure would provide about \$84.3 billion in emergency supplemental funding for hurricane and wildfire relief efforts. That would be about twice as much as the White House requested in November and would omit the administration's proposed spending offsets. It would also be \$3.33 billion more than provided in a disaster aid package (H.R. 4667) that the House passed 251-169 on Dec. 21. The measure would also increase the Medicaid funding cap for Puerto Rico and the U.S. Virgin Islands by as much as \$4.94 billion from Jan. 1, 2018, through Sept. 30, 2019, and waive local cost-sharing requirements. The bill's emergency funding would be the largest standalone total ever appropriated for disaster relief. The measure would provide several forms of tax relief to individuals and businesses affected by the California wildfires, which would be similar to the relief provided to hurricane victims in Florida, Puerto Rico, Texas, and the U.S. Virgin Islands in September under Public Law 115-63. The relief would apply to any area of California where the president had declared a major wildfire disaster from Jan. 1, 2017, through Jan. 18, 2018. The measure would modify several retirement account rules for individuals in areas affected by the California wildfires. It would allow them to:

-Take temporary withdrawals or loans of as much as \$100,000 from their retirement accounts without penalty. Withdrawals would be treated as a tax-free rollover if repaid within three years.

-Pay back loans that were already outstanding over an extra year if the repayment date was from Oct. 8, 2017, through Dec. 31, 2018.

-Recontribute withdrawals they took out for homes in the wildfire areas if they didn't ultimately buy or construct them.

***Activities Summary:***

February was focused on arranging the early March Congressional and Administrative schedule for the three County Supervisors and County Executive staff visit to DC coinciding with the NACO conference.

Explored legislative and administrative options for County's Salton Sea proposal and Pilot Project for social/health services.

Updated staff on developments in healthcare related legislative and administrative actions.

Monitored and analyzed rollout of Administration's FY19 Budget and Infrastructure plan as well as Congressional action on FY18 Appropriations/Omnibus.