

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

**Monday, November 24, 2025**

**1:30 p.m.**

**Supervisor Lena Tam, Chair**  
**Supervisor Nikki Fortunato Bas**

**Location:** Susan M. Muranishi County  
Administration Building  
Board Chambers  
1221 Oak Street, 5<sup>th</sup> Floor  
Oakland, CA 94612

**Summary/Action Minutes**

**I. Federal Legislative Update – CJ Lake**

**Schedule**

The Senate and House will both be out of session this week, Monday through Friday for the Thanksgiving Holiday. They will both return to Washington the week of December 1.

**Affordable Care Act Discussions**

Negotiations on the Affordable Care Act (ACA) enhanced premium tax credits took center stage in the Senate last week as lawmakers worked to define the parameters for a year-end agreement on the expiring subsidies. During Wednesday's Senate Finance Committee hearing, members from both parties expressed that Congressional action on reforming the ACA is unlikely before the December 31 deadline. Senate Democrats continue to push for an extension of the ACA enhanced premium tax credits, arguing that any lapse would significantly increase the cost of premiums for millions of Americans. Republicans used the hearing to outline areas of concern with the ACA but acknowledged that major structural changes cannot realistically be drafted and implemented before the end of the year.

Much of Wednesday's hearing focused on a proposal to replace the ACA subsidies with financial deposits directly into health savings accounts for ACA marketplace bronze plan consumers. Many Democratic Senators rejected the proposal, arguing that redirecting subsidies into HSAs would push individuals into plans with less comprehensive coverage and would not meaningfully address premium increases. Senate Finance Committee leadership has indicated they plan to release an updated pharmacy benefit managers (PBM) reform, possibly by the end of the year. Some congressional Republicans are floating a more sweeping, GOP-only healthcare package through reconciliation next year. However, a pathway for a partisan reconciliation package remains unclear, and discussions are still at an early stage.

Last night, the White House leaked that they would release a framework to extend the expiring Affordable Care Act subsidies for two years while limiting the subsidies to people with incomes up to 700 percent of the federal poverty line. Enrollees would also pay a minimum premium payment. That plan was immediately panned by Congressional Republicans this morning, leading the White House to indefinitely delay the release of its framework and leave Republicans without a plan to coalesce around. Without White House buy-in, the House and Senate Republicans will continue to spar over how to address the looming premium increase for next year.

**FY26 Appropriations Update**

In addition to the FY26 minibus (Agriculture, Military Construction-VA, and Legislative Branch) that was included in the continuing resolution that ended the shutdown, Senate leadership has indicated that it wants to advance several additional FY 2026 appropriations bills including Transportation-Housing and Urban Development (THUD), Labor-HHS, Commerce-Justice-Science (CJS), and Defense. Senate leaders are evaluating timing to bring measures to the floor, and appropriators have expressed interest in grouping

multiple bills into another bipartisan package to maintain momentum toward full-year funding. House Appropriators have also publicly stated a willingness to push the FY26 process forward through an additional minibus.

### **Public Charge Proposed Rule Released**

The Department of Homeland Security (DHS) has issued a proposed rule seeking to change how it enforces the public charge rule, which is a government determination that can deem certain immigrants inadmissible to the U.S. or deny them lawful permanent residency (a green card) if they are considered likely to become primarily dependent on the government for subsistence.

The proposed rule gives DHS agents a short list of factors to consider when determining whether to issue or renew a visa, green card, or other admission into the country and is based on historic statutory authority for the government to prevent any person “unable to take care of himself or herself without becoming a public charge” from entering the country. Two previous rules, in 2019 and 2022, amended the public charge rule, with the latter establishing the current test that depends on whether the individual received cash benefits or long-term institutionalization from the government. Receipt of Medicaid benefits was excluded from consideration, but the proposed rule would change that.

This rule seeks to allow DHS officers to be permitted to make case-by-case decisions based on the totality of circumstances to assess “whether an alien is self-sufficient and is likely to depend on their own capabilities and the resources of their families, their sponsors, and private organizations to meet their needs” rather than the federal government. The previous 2019 and 2022 rules added regulatory factors and definitions to guide DHS decisions.

In the past, changes in the public charge rule have sometimes had the effect of discouraging individuals concerned about its implications from seeking care when they need it or seeking to renew their Medicaid eligibility; this includes many who are unquestionably and legitimately entitled to Medicaid services, and such delays in seeking care can exacerbate such individuals’ medical problems.

The deadline for submitting comments is December 19. If the rule is finalized, it will take effect immediately. DHS may issue further policies and interpretive guidelines after a final rule is issued.

#### **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 Legislation**

### **A. Legislative Update – Full Moon Strategies**

#### **California’s Fiscal Outlook**

The Legislative Analyst's Office (LAO) released its 2026-27 Budget: California's Fiscal Outlook on November 19, 2025. This marked the official beginning of the 2026-27 budget cycle. It comes on the heels of several Department of Finance bulletins that show revenues outpacing the 2025-26 Budget projections (DOF Bulletin November 2025).

The LAO is estimating an \$18 billion budget deficit for 2026-27. This is \$5 billion more than previously anticipated last June. Despite recent cash reports showing revenues trending above previous estimates, the LAO indicates that most of those additional revenues will result in increased spending obligations related to Proposition 98 (K-14 school spending) and Proposition 2 (Rainy Day Fund). The LAO also assumes other program spending is growing by around \$6 billion more than previously estimated. This is significant because the LAO has historically had lower estimates on non-Proposition 98 spending than the Administration due to different estimating methods. If the Administration’s spending estimates are in line

with the LAO's, the deficit will be slightly higher because the LAO does not assume building an operating reserve, which has become even more crucial given the reduction in critical disaster recovery funding from the federal government.

The LAO notes that revenues in recent months could be analyzed to show revenue growth across the next few fiscal years. However, their forecast provides a smaller, temporary bump based on a potential stock market downturn. They highlight that increases in income tax revenues are largely driven by enthusiasm around Artificial Intelligence, which might be a transitory overexuberance by the stock market for this new technology.

Structural Deficits of \$35B projected to persist. Consistent with the Administration's estimates, the LAO expects structural deficits to persist over the next few years. They also indicate that the overall budget position is weak because of the following three reasons:

1. Structural deficits despite revenue improvements
2. Revenue estimates do not assume a recession, which could significantly worsen the state's revenue position
3. The state has used most of its budgetary resiliency tools, including budget reserves, deferrals, and budgetary borrowing.

Key Assumptions in the LAO Deficit. The LAO does not assume any actions taken by the Administration or Legislature. They historically use a "current law" approach to this analysis. A few key assumptions include the following:

- *Reserve* Assumes \$3.4B additional deposit to the Rainy Day Fund because of the improvement in revenues.
- *K-14 Spending* The lion's share of the increased revenues will, by law, be used to fund Proposition 98. The LAO projects that of the \$11B increase in revenues (across 2024-25 through 2026-27), \$5.1B will fund K-14 constitutional funding. They also assume \$1.9B in additional funding for K-14 schools above the Proposition 98 formula due to settle up obligations.
- *Higher Spending Estimates* The LAO forecast shows that across State programs, spending is \$6B higher compared to the enacted Budget estimates. Assumes that the state will not achieve over \$3B in statewide administrative efficiencies, including corrections spending. They also note higher spending related to the passage of HR 1.
- *HR 1 Impacts* The LAO assumes only \$1.3B in increased costs in the budget year that are projected to grow to \$5B by 2029-30. Of this amount in 2029-2030, the LAO projects Medi-Cal costs will increase by \$3B and CalFresh by almost \$2B. The federal government could take actions that impact both the current year and the budget year and beyond, related to provider taxes. There are several key assumptions in this number.
  - Assumes no backfills to HR 1, reductions to health and human services.
  - Notably, their forecast does not lower the revenue amounts the State garners from provider taxes. The LAO indicates that there could be additional cost shifts due to recent guidance on provider taxes starting in the budget year. This number could be significantly higher depending on the disposition of provider taxes.
  - The main cost shifts for Medi-Cal assumed by the LAO are related to the increased state's share of costs for limited-scope coverage for immigrant populations.
  - The main cost shifts for CalFresh assumed by the LAO are the assumption of a share of benefit costs due to the error rate staying above the minimum level required by the new federal rules.

### **Attorney General Bonta Urges USDA to Correct Mistakes that Risk Denial of SNAP Benefits to Certain Eligible Noncitizens**

On November 19th, Attorney General Rob Bonta, along with 21 other Attorneys General, submitted a letter to the United States Department of Agriculture (USDA) challenging its recent guidance on the Supplemental Nutritional Assistance Program (SNAP). The Attorneys General argue that the USDA's interpretation of the "Big Beautiful Bill" is inaccurate because it permanently excludes certain humanitarian migrants—such as refugees, asylees, and parolees—from SNAP eligibility, even after these individuals adjust their status to lawful permanent residents (LPRs).

The letter explains that the USDA's guidance incorrectly suggests that these individuals either cannot gain SNAP eligibility upon becoming LPRs or must observe a five-year waiting period. In contrast, the law dictates that they should be immediately eligible once they obtain LPR status. Attorney General Rob Bonta stressed in a statement that the USDA's misinterpretation threatens to wrongfully deny food assistance to thousands of otherwise eligible legal permanent residents.

*"The USDA wants states to implement confusing and inaccurate interpretations of the law that would wrongfully deny eligibility for food assistance to thousands of lawfully residing immigrants," said Attorney General Bonta. "If USDA's guidance is not fixed, certain legal permanent residents could needlessly go hungry. I urge the USDA to take immediate action to rectify its errors."*

The Attorneys General urged the USDA to correct these errors by acknowledging that certain lawfully residing non-citizens become immediately eligible for SNAP upon adjusting their status to LPRs, rectifying the inconsistencies and errors in the eligibility instructions that are confusing state agencies, and refraining from penalizing states for any errors resulting from the federal instructions.

### **Trump Administration Moves to Resume Sharing Medicaid Data with ICE**

The Trump administration has formally indicated to a federal judge its plan to resume transferring confidential Medicaid recipient data to Immigration and Customs Enforcement (ICE) as early as next month. This data includes personal information such as phone numbers, addresses, and immigration statuses, and the administration, through the Centers for Medicare and Medicaid Services (CMS), argues the transfer is a lawful measure to combat "waste, fraud, and systemic abuse" in the Medicaid program. This announcement comes in response to a preliminary injunction issued by San Francisco-based U.S. District Judge Vince Chhabria in August, which temporarily blocked the data sharing until federal agencies completed a "reasoned decision-making process." The federal agencies believe a recent CMS notice and an ICE memo satisfy this court-imposed requirement, setting the stage for the freeze to potentially be lifted on December 9th, 14 days after the CMS notice is published on November 25th.

This resumption is strongly opposed by California, which is leading a coalition of 21 other states that sued in July to prevent the transfer. The legal team for California has already challenged the federal government's claim that its notices are adequate, with a state Deputy Attorney General, Anna Rich, asserting that they do not meet the court's requirement for reasoned decision-making. Crucially, CMS has already shared Medicaid data from California and a handful of other blue states with ICE; while the use of this information for immigration enforcement has been prohibited since the August ruling, the resumption would allow ICE to start utilizing the data. California Attorney General Rob Bonta maintains the action is illegal and designed to create a "culture of fear" that discourages undocumented immigrants from accessing necessary healthcare. A court hearing is scheduled for December 9th to determine whether the temporary order blocking the Medicaid data transfer can be extended. Judge Chhabria has suggested the federal government consider delaying the resumption until "after the holidays."

#### **Purpose:**

- Report progress
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- Other: State Legislative Update**

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#### **PUBLIC COMMENT**

None.

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