

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

Monday, May 19, 2025

1:30 p.m.

Supervisor Lena Tam, Chair
Supervisor Nikki Fortunato Bas

Location: **Board of Supervisors Chamber – 5th Floor**
County Administration Building
1221 Oak Street, Oakland, CA 94612

Summary/Action Minutes

I. Federal Legislative Update – CJ Lake

Schedule

The House and Senate are in session this week. Next week, both chambers are scheduled to be in recess in observance of Memorial Day. They will return on Monday, June 2.

Budget Reconciliation

Last night, the House Budget Committee secured the votes necessary to advance House Republicans' massive tax-and-spending bill after hard-line conservatives voted "present" in committee instead of blocking the bill. The role of the budget committee in the reconciliation process is to weave together the reconciliation portions reported by each of the 11 other House committees involved in the process. Last week the various committees to include Ways & Means and Energy & Commerce passed their portions of the package out of their committees.

House Speaker Mike Johnson continues to state that the bill will be passed before Memorial Day. The Speaker has to broker a compromise between moderates, who are seeking an increase in state and local tax deductions, and ultra-conservatives, who say they will not support larger tax cuts without more cuts to Medicaid. House Republicans can only afford to lose three votes if they hope to pass the bill, as Democrats will be united in opposition. President Trump said on Friday that Republicans must unite to pass the reconciliation bill, adding they should "stop talking, and get it done."

Next up, the House Rules Committee will consider the bill at 1:00 AM Wednesday morning. This will be the final hurdle for the bill to make it to the floor for final consideration in the House. Once the legislation passes the House, it will head to the Senate where it would likely undergo significant changes.

President's Budget

At the beginning of May, President Trump released a "skinny" version of his FY26 budget proposal earlier in May, outlining a \$163 billion reduction in non-defense discretionary spending and increased funding for national security. The proposal identifies reductions across a range of domestic programs, including environmental initiatives.

Cabinet officials have several budget hearings scheduled for this week. Those include:

Tuesday

- Homeland Security Secretary Kristi Noem in the Senate Homeland Security
- HHS Secretary Robert F. Kennedy Jr. in Senate Appropriations
- Interior Secretary Doug Burgum in House Appropriations Tuesday and Senate Appropriations

Wednesday.

- Secretary of State Marco Rubio in Senate Appropriations

Wednesday

- Interior Secretary Doug Burgum in Senate Appropriations
- Education Secretary Linda McMahon in House Appropriations
- Secretary of State Marco Rubio in House Appropriations
- Energy Secretary Chris Wright in Senate Appropriations
- SBA Administrator Kelly Loeffler in Senate Appropriations
- EPA Administrator Lee Zeldin in Senate Environment and Public Works
- Army Corps of Engineers Commanding Gen. Butch Graham Jr. in House Appropriations

Thursday

- Labor Secretary Lori Chavez-DeRemer in Senate Appropriations
- FDA Commissioner Martin Makary in Senate Appropriations

Purpose:

- ☐ Report progress
- ☐ Advocacy or Education
- ☐ Request PAL_Committee Recommendation or Position
- ☒ **Other: Federal Legislative Update**

II. State Legislative Update

Legislative Deadlines

This week, the California Legislature approaches a key deadline: Friday, May 23, 2025, Suspense Day. The Assembly and Senate Appropriations Committees will hold hearings to announce which bills on their suspense files, those with significant fiscal impacts, will move forward or be held in committee. The Senate places measures that cost \$50,000 or above from the GF or \$150,000 or more from Special Funds on their suspense file. The Assembly places any item with a cost of \$150,000 or more from any fund source on its suspense file.

Bills released from suspense will advance to the floor for debate. Bills held in the Appropriations committees are effectively dead for the session. These hearings are fast-paced and do not allow public testimony.

May Revision

On May 14, Governor Newsom released the 2025-26 May Revision, projecting a \$12 billion budget deficit, primarily driven by the economic impact of federal tariffs and rising Medi-Cal costs. DOF is projecting these tariff impacts on state revenues by cutting capital gains, corporate profits, wages, and income tax collections. The economic outlook warns of a “growth recession,” with slower GDP growth, higher unemployment, and risks tied to federal policy changes. The May Revision does not take into account any of the proposed federal actions (including proposed Medicaid cuts), nor does it recognize the full impact of the tariffs.

To close the budget gap, the Governor proposes approximately \$5 billion in spending cuts focused on Medi-Cal benefits, health provider payments, and caps on In-Home Supportive Services (IHSS) hours, alongside \$5.3 billion in new revenues and borrowing. The budget also includes \$1.7 billion in fund shifts, notably moving \$1.5 billion in CAL FIRE operations from the General Fund to the Greenhouse Gas Reduction Fund and redirecting clean energy investments.

Program reductions include a freeze on Medi-Cal expansion for undocumented adults, elimination of certain long-term care and dental benefits, and cuts to behavioral health services for undocumented

populations. Additionally, some K-12 education funding is deferred, and supplemental payments under Proposition 56 are reduced.

The plan incorporates a \$7.1 billion withdrawal from reserves while maintaining a total reserve balance of \$15.7 billion by 2026. The May Revision outlines triggers for future spending commitments contingent on fiscal conditions in 2027-28 but notably does not allocate new funding for Prop. 36 nor homelessness.

The Legislative Analyst Office (LAO) acknowledges the Governor's focus on long-term budget stability and recommends the Legislature adopt a similar approach. However, the Legislature could pursue a different mix of solutions, such as targeting other programs, adjusting the types of reductions, or balancing spending cuts with alternative revenue options.

Comments from the Governor

The Governor made strong remarks during his May Revision presentation regarding local governments. He was outspoken about his view that cities and counties are not doing enough to address homelessness, highlighting the State's Accountability website, which tracks local progress on homelessness and housing. He called out mayors and county supervisors who backed Proposition 36, saying, "This is their opportunity to step up: Fund it."

The Governor expressed support for a housing bond during his presentation, aligning with introduced legislation by Assemblymember Buffy Wicks and Senator Christopher Cabaldon. Their proposals, AB 736 and SB 417, would place a \$10 billion Affordable Housing Bond on the June 2026 ballot. The bond aims to fund over 35,000 new affordable homes, preserve and rehabilitate existing units, and expand ownership opportunities.

Full Moon Presentation on the May Revision

On Thursday, May 15, 2025, Amy Costa of Full Moon Strategies provided a budget update in light of the May Revision to the Alameda County Budget Working Group.

Proposition 1 Bond Fund Awards

Round 1 of the Proposition 1 Bond Behavioral Health Continuum Infrastructure Program (BHCIP) has awarded \$3.3 billion in grants. In Alameda County, four organizations have received funding to expand and develop behavioral health services:

- Horizon Services, Inc (Nonprofit) received \$21,176,801.52 to fund the Telegraph Recovery Center, an adult residential substance use disorder treatment facility, which will include a sobering center supported under DMC-ODS and/or Community Supports.
- Alameda Health System was awarded \$14,883,715.05 to expand behavioral health services at San Leandro Hospital, which will provide general acute care for behavioral health only.
- Bay Area Community Services Housing Corporation (Nonprofit) secured \$32,073,703.36 to develop the Waypoint Mental Health Rehabilitation Center in Hayward, a facility focused on mental health rehabilitation services.
- Alameda Health System received \$62,411,191.59 for the expansion of behavioral health services at St. Rose Hospital in Hayward, which will also provide general acute care for behavioral health only.

Little Hoover Commission (Governor's Reorganization Plan)

On May 13, 2025, the Little Hoover Commission held its first meeting to discuss the Governor's Reorganization Plan, which aims to consolidate housing and homelessness programs under a single agency. The Commission must produce its report by June 4th, with the Legislature deciding whether to reject or approve the plan by July 4th.

Most Commissioners supported, or were indifferent to supporting, the Governor's reorganization plan. This resulted in the Commission deciding to move forward with a supportive stance in their report, noting some recommended changes.

Some concerns were raised about the need for companion legislation, clear implementation timelines, budget transparency, and measurable benchmarks to track progress. On affordable housing reforms, the Commission favored streamlined application processing but rejected complex MOUs at this time. Consumer protection reforms garnered agreement, particularly around separating licensing and enforcement and avoiding General Fund reliance for board operations. Occupational licensing reciprocity was identified as an important but separate issue, warranting a future study.

Commissioners emphasized the importance of realistic, measurable outcomes and clear accountability to ensure successful implementation. The Commission will review a draft report on May 22nd and consider approval on May 29th before submitting its final recommendations.

AB 379 Crimes: Prostitution - Maggy Krell

First-year Assemblymember Maggy Krell (D–Sacramento) led a successful push to strengthen penalties for soliciting sex from 16 and 17 year olds, drawing support from moderate Democrats and Republicans and exposing divisions within the Democratic caucus. The move came after Democratic leaders stripped Krell's name from a sex crimes bill she had spent months developing, replaced her with new authors, and cast uncertainty over the policy's future. Following a weeklong negotiation with Assembly leadership, the amended measure passed the Assembly floor unanimously. The legislation allows prosecutors to charge individuals with a felony if they solicit sex from a minor more than three years younger than them, increases fines on businesses and hotels that facilitate or shield sex trafficking, and directs the Office of Emergency Services to fund up to 11 district attorneys' offices to support human trafficking prosecutions.

Hearings

Assembly Joint Hearing Business And Professions And Housing And Community Development

On May 13, the Assembly held a joint hearing of the Business and Professions and Housing and Community Development Committees to review Governor Newsom's reorganization plan proposing the creation of the California Housing and Homelessness Agency. The plan aims to divide the overly broad Business, Consumer Services, and Housing Agency into more focused entities to improve efficiency and better address California's housing crisis. Secretary Tomiquia Moss explained that the restructuring would streamline operations by centralizing housing functions and creating a new Housing Development and Finance Committee to unify fragmented funding and accelerate affordable housing production. Departments such as Consumer Affairs and Cannabis Control expressed strong support, citing benefits like faster licensing and improved enforcement.

Joint Hearing: Senate Public Safety and Senate Budget Subcommittee No. 5 on Corrections, Public Safety, Judiciary, Labor and Transportation

On May 15, 2025, local government representatives and justice stakeholders highlighted the significant fiscal and operational strains caused by Propositions 36 and 47, noting that the Department of Finance's proposed \$88.5 million for FY 2025-26, partly for increased incarceration costs and partly from Prop 47 savings for treatment, falls far short of actual needs and is unsustainably allocated. Judges and probation officers reported a sharp rise in felony cases under Prop 36, overwhelming courts already struggling with limited readiness and scarce treatment resources, especially in rural areas. Probation departments face critical staffing shortages that hamper supervision, while public defenders pointed to growing caseloads and inadequate treatment infrastructure undermining rehabilitation and fair justice. Behavioral health leaders estimate a statewide funding gap of up to \$213 million annually to expand needed treatment staff and services, emphasizing that current funding is fragmented, capped, and often restricted by Medi-Cal rules, resulting in uneven access across counties.

This patchwork funding worsens disparities in victim services and sentencing, compounded by resource imbalances between prosecutors and defenders. The Department of Finance has yet to analyze the long-term costs of underfunding Prop 36, leaving local governments to shoulder unfunded mandates. Stakeholders called for increased, stable, and coordinated funding that prioritizes local needs and ensures equitable treatment and justice, consistent with Proposition 36's original intent.

Recent & Upcoming Legislative Deadlines

- The fiscal committee deadline for Appropriations Committees to hear and report on bills assigned to their committee is May 23, 2025.

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. **AB 346 (Nguyen) In-home supportive services: licensed health care professional certification**
Recommendation: Support: Andrea Ford, Director, Social Services Agency
- ii. **AB 871 (Stefani) Mandated reporters of suspected financial abuse of an elder or dependent adult**
Recommendation: Support: Andrea Ford, Director, Social Services Agency
- iii. **State Budget Request: Sustaining the Bay Area Housing Finance Authority**
Recommendation: Support: Nate Miley, Board of Supervisors, District 4

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

AB 715 (Zbur) Educational equity: discrimination and **SB 63** (Wiener/Arreguín) San Francisco Bay area: local revenue measure: transportation funding were withdrawn.

PUBLIC COMMENT

None.

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