

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

Monday, June 2, 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

Congress returns from a week-long recess today. They will spend the next two weeks in Washington focusing on appropriations and reconciliation.

FY26 Budget Request

Friday evening, President Trump quietly released his FY26 budget request, expanding on the administration's earlier "skinny budget" and outlining a more detailed vision for funding the government, including steep cuts to non-defense discretionary spending. The full budget appendix stretches over 1,200 pages and proposes more than \$160 billion in cuts to nondefense discretionary programs, amounting to a roughly 22 percent cut, while seeking increased funding for defense.

House Appropriations subcommittees will begin consideration of funding bills this week, while Democratic leaders have already expressed strong opposition to the president's proposal. With a Republican-controlled House and a narrowly divided Senate, many of the proposed cuts are unlikely to advance in their current form. However, the request provides a clear signal of the administration's goal to reduce the size of government and limit discretionary spending outside of defense.

Appropriations

President Trump released his additional details for his FY26 budget request on Friday, providing a more robust outline of the administration's spending priorities for the upcoming fiscal year. The proposal calls for a significant reorientation of federal investments, cutting domestic discretionary spending by 22.6% while increasing defense spending by approximately 13%. Congress will ultimately determine funding levels through the annual appropriations process.

Last week, House Appropriations Committee Chairman Tom Cole (R-OK) released the markup schedule for this year's bills.

Reconciliation

The House passed the reconciliation package, the One Big Beautiful Bill Act, just before departing for the Memorial Day recess on a party-line vote of 215-214. With the House-passed bill now in hand, the Senate will take up its version of the legislation over the course of this month. Key Republican senators are signaling interest in revisiting major provisions, including Medicaid reforms and revenue-generating fees.

Some provisions may also face procedural challenges under the Byrd Rule, which limits non-budgetary measures in reconciliation bills. Senate Republicans aim to pass their version before the July 4 recess, but internal negotiations and the potential for a "vote-a-rama" of amendment votes may complicate that timeline.

Members of the Senate Finance Committee are meeting tonight to discuss items that fall within the committee's jurisdiction, namely the tax code and Medicaid. The Big Six negotiators (House and Senate Leadership, key committee chairs, and the White House) are meeting this week to chart out the bill's fate in the Senate.

This is a major test for Senate Majority Leader John Thune (R-SD). He will have to figure out what mix of changes to the House-passed bill can win 51 GOP votes, and then whatever the Senate passes will need to get back through the House.

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.

Request for Legislation position – Action items

i. **"One Big Beautiful Bill Act" Title IV – Energy and Commerce, Subtitle D – Health Providing for reconciliation pursuant to H. Con. Res. 14**

Recommendation: Oppose: Aneeka Chaudhry, Interim Director, Alameda County Health, and Andrea Ford, Director, Social Services Agency

ii. **Federal Budget Request from President – U.S. Department of Housing and Urban Development (HUD)**

Recommendation: Oppose: Sandi Rivera, Director, Community Development Agency, and Aneeka Chaudhry, Interim Director, Alameda County Health

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

II. State Legislative Update

Legislative Deadlines

The June 6th deadline marks the last day for the California State Assembly and Senate to pass bills that originated in their respective chambers. Bills not passed by this date become "two-year bills," meaning they are shelved for the remainder of the year and may be reconsidered when the Legislature reconvenes in the next session.

Suspense File Results

On May 23rd, the Assembly had 666 measures on file, comprising 663 Assembly Bills and 3 Constitutional Amendments. Of these, 65% (435) received "Do Pass" recommendations, while 35% (231) were held, including 14 two-year bills, a result consistent with last spring's results.

The Senate had 432 Bills on file, with a 71% (307) passage recommendation rate and 29% (125) held, including 11 two-year bills, slightly higher than last spring's 25.5% hold rate. Here are the Alameda County bills with Board-approved positions currently on the suspense files.

California's 2025–26 State Budget

With just over two weeks remaining before the constitutional deadline to pass California's 2025–26 state budget, budget subcommittee hearings in both the Senate and Assembly were paused mainly last week, despite ongoing concerns from lawmakers over key elements of Governor Gavin Newsom's May Revision, most notably, the proposed cuts to Medi-Cal. The Senate and Assembly are expected to reconvene some budget subcommittees this week.

In a new report, the Legislative Analyst's Office (LAO) released its preliminary analysis of the May Revision. The LAO concurred with the Administration's overall fiscal outlook, identifying rising baseline expenditures, driven primarily by Medi-Cal, and lower-than-anticipated income and corporate tax revenues as the main contributors to the state's budget deficit. The LAO noted that the Governor's approach leans heavily on spending reductions, with a significant focus on Medi-Cal, as the key strategy for closing the gap.

SB-617 California Worker Adjustment and Retraining Act

Alameda County-sponsored Senate Bill 617 has successfully passed the Senate Floor with no opposition, signaling strong support for the bill's policy goals. The measure now moves to the second house, where it will be referred to the appropriate Assembly policy committee.

1991 Realignment Revenues Update

The State is correcting a misallocation of \$619.97 million in 1991 Realignment revenues, which were initially earned in 2023-24 but distributed in 2024-25. May 2025 Realignment payments will include significant adjustments to resolve this issue. The State Controller's Office and the Department of Finance are collaborating to ensure accuracy. Final corrections will occur in June. Counties will see withheld payments in overpaid subaccounts from September 2024, which will be redirected to underpaid subaccounts for the 2023-24 period: May Remittance Advice details original payments, withheld amounts, redirection targets, and remaining adjustments. In total, \$539.59 million will be corrected in May, and an additional \$67.61 million will be resolved in June.

Joint Bay Area and Los Angeles Delegation Budget Briefing

On May 21, 2025, Full Moon Strategies presented to the Los Angeles and Bay Area legislative delegations to address concerns related to the May Revision cuts proposals put forward by Governor Newsom and potential federal cuts. One outcome of this meeting was a formal request from the Legislature to the Legislative Analyst's Office (LAO) for detailed data and analysis. The Legislature requested that the Legislative Analyst's Office provide comprehensive information on the potential impacts of the May Revision proposal, including enrollment freezes, premiums, and service reductions for undocumented Medi-Cal recipients, as well as alternative cost-saving options. This request ensures that accurate fiscal projections, disenrollment estimates, federal regulatory considerations, and county-level demographic and utilization data inform legislative decisions.

Governor Newsom Announces \$800 Million in Prop 1 Behavioral Health Grants.

On Friday, May 30, 2025, the State of California announced the availability of over \$800 million in competitive grant funding through Proposition 1's Behavioral Health Continuum Infrastructure Program (BHCIP) Round 2. Administered by the Department of Health Care Services (DHCS), this is the final round of infrastructure funding under the Behavioral Health Infrastructure Bond Act of 2022.

The program is intended to support the development, acquisition, and expansion of behavioral health facilities, with a focus on residential treatment, outpatient care, crisis services, and mobile crisis infrastructure, particularly in communities with high levels of unmet need. Applications are due by October 28, 2025, and grant awards are anticipated to be announced in the spring of 2026.

Governor and local officials on homelessness

Tensions between Governor Gavin Newsom and local governments have intensified strategies to address California's homelessness crisis. The May Revise includes no proposals for homelessness funding. The Governor emphasizes the need for swift action and accountability, proposing measures that tie state funding to demonstrable results and suggesting model ordinances for clearing encampments. Local officials argue that the State's approach, characterized by one-time funding allocations, hampers their ability to develop and sustain long-term solutions. Local officials note that the episodic nature of state funding complicates the planning and implementation of effective programs. County governments, responsible for many health and social services, highlight the challenges of coordinating with city administrations, where homelessness is most visible. This division is notably evident in Los Angeles County, where a joint city-county homelessness agency is being dismantled amid criticisms of its effectiveness.

The Little Hoover Commission (Governor's Reorganization Plan)

On May 29, 2025, the Little Hoover Commission convened to review and discuss its Draft Report on the Governor's Reorganization Plan. The meeting focused on evaluating the Administration's proposal to establish a new California Housing and Homelessness Agency, a key component of the plan to enhance the state's capacity to address the housing and homelessness crises.

The Commission expressed support for the reorganization effort, citing the potential to improve coordination, streamline housing finance processes, enhance consumer protection, and realign the current agency structure for greater efficiency. The Commission reviewed its recommendations, which include examining the placement of homeless programs, reducing administrative burdens, enhancing oversight through reporting and stakeholder engagement, unifying affordable housing finance processes, and reforming consumer protection and licensing enforcement. There was consensus on the importance of continued oversight and implementation planning to ensure the reorganization's long-term success. The Commission must submit its report to the Governor and Legislature by June 4th. Either house of the Legislature may veto the plan by a simple majority vote but must act by July 4th. Absent legislative rejection, the plan takes effect on July 5.

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PUBLIC COMMENT

None.

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