

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

Monday, July 14, 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. Both are currently scheduled to be in session for the next two weeks.

Health and Human Services (HHS) Reinterpretation of Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)

Last week, HHS put out a notice reinterpreting the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) to significantly expand what is considered a “Federal public benefit.” Under PRWORA, programs classified as “Federal public benefits” generally require that recipients be U.S. citizens or “qualified” immigrants.

Newly affected programs include:

- Substance Use and Mental Health Block Grants
- Certified Community Behavioral Health Clinics (CCBHCs)
- Projects for Assistance in Transition from Homelessness (PATH)
- Health Center Programs/FQHCs
- Community Services Block Grant (CSBG), Head Start
- Title X Family Planning
- Title IV-E Child welfare programs

Previous administrations considered such resources to be a community benefit, and therefore different from individual benefits, like food stamps, Medicaid, and unemployment or disability payments. The new interpretation will take effect immediately upon publication, with a 30-day comment period.

Rescissions Package Update

The Senate is preparing to take up President Trump’s proposed \$9.4 billion rescissions package ahead of the July 18th deadline. The package, already passed by the House in June, aims to claw back unspent funds from a range of programs, including global health, public broadcasting, and international assistance. Republican leaders face some opposition within their own ranks over proposed cuts to the global AIDS programs, child and maternal health funding, and support for organizations like the World Health Organization and UNICEF.

FY26 Appropriations Update

With the One Big Beautiful Bill having been signed into law, both the House and Senate Appropriations Committees are moving ahead with consideration of the FY2026 Appropriations bills. The House has completed full markups for five of the twelve FY26 spending bills, with additional subcommittee markups scheduled throughout July.

On the Senate side, the Appropriations Committee completed markups for the FY26 Agriculture–FDA and Legislative Branch bills on July 10th. A scheduled markup for the Commerce–Justice–Science bill recessed amid debate over funding to move the FBI headquarters. Consideration of the FY2026 spending bills is expected to be the primary focus of Congress as it heads towards the August recess.

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 Legislative Update

State Budget Update

Today, the Senate Budget and Fiscal Review Committee will meet to discuss the following budget bills and one trailer bill:

- AB 104 - Budget Act of 2025.
- AB 105 - Budget Act of 2025.
- AB 119 - Public Social Services Trailer Bill.
- AB 138 - State employment: state bargaining units.

H.R. 1's impact on the State Budget

The repercussions of H.R. 1, the federal budget package known as the “One Big Beautiful Bill Act,” in California are profound and continue to be analyzed. Most significantly, the bill slashes federal spending for Medicaid, known as Medi-Cal. The Governor spoke strongly in opposition to these cuts, noting that both changes in program eligibility and work requirements will result in a loss of federal funds and healthcare coverage. Changing redetermination from every twelve months to every six months will lead to an estimated loss of \$2.4 billion in federal funds and approximately 400,000 enrollees in California. The bill’s work requirements would result in an estimated loss of up to \$22.3 billion in federal funds and up to 3 million California enrollees. This Governor projected a total cost to California of an estimated \$28.4 billion in federal funding over the coming decade, potentially leading to a total of 3.4 million Californians losing their healthcare coverage.

H.R. 1 also significantly alters the Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California, by increasing the financial burden on states. This legislation will raise states’ responsibility for SNAP administrative costs from 50% to 75%, while simultaneously reducing federal support for the food benefit. The Governor’s Office projected the federal funding cut for SNAP would be \$2.8 to \$5.4B annually. Beyond administrative expenses, for the first time since the program's inception, states will be required to cover a share of the food benefit costs. Starting in Fiscal Year (FY) 2028, these state contributions will be linked to their SNAP payment error rates.

We were able to confirm with the State Social Services Department that California's current SNAP error rate is 10.98% (based on data from 2024), placing it in the over-10-percent error rate category. This could mean California would be responsible for up to a 15% match of food benefit costs. It's important to note that the rates dictating FY 2028 cost-sharing will be based on FY 2026 data.

The combination of mandatory cost-sharing in addition to increased administrative match requirements places significant fiscal pressure on California. The PPIC released a May 2025 Fact Sheet on California's Nutrition Safety Net, which highlights that program administration costs for FY 2024-25 are expected to be \$2.5 billion. The Governor has already stated he considers any cost shift from the Feds to be a shared State and County responsibility. He further noted, "Cost shifts in the range of \$1.35 billion to \$4 billion annually to the State and counties. This cost shift is due to a mandatory shift of 5 percent of food benefit cost to the state, and a mandatory 25 percent shift in program administrative costs to the state and county. At least 735,000 recipients would be at risk of losing their CalFresh — as SNAP is known in California — benefit."

Some are urging California's Leaders to act soon to protect Californians from the impacts of H.R. 1. The California Budget & Policy Center (Budget Center), a nonpartisan research and analysis nonprofit released a statement on July 10 calling on policymakers to "reopen the state budget" either in August or during a special session to address the devastating federal cuts. They suggest that "state leaders can start by ending costly tax breaks that benefit the wealthy and large corporations — the very groups prioritized in Trump's budget — and instead invest in the well-being of Californians."

Policymakers and the Administration are still analyzing the full impacts of HR 1. The Assembly Budget subcommittee #7 on Accountability and Oversight has announced a hearing on Wednesday, August 20th, to evaluate the Impacts of H.R. 1 on California's Budget.

California may convene a special session in response to major federal budget cuts enacted under H.R. 1. If the Governor declares a fiscal emergency under Article IV, Section 10(f) of the California State Constitution, the legislature would be required to focus solely on addressing resulting shortfalls to programs like Medicaid, housing, and public health. In such a session, lawmakers must act within 45 days or suspend all other business until emergency bills are passed. These bills would bypass regular deadlines, require only a simple majority (unless they involve taxes or urgency clauses), and must be directly tied to the emergency. Additional budget and policy actions are likely in the years ahead as California adjusts to ongoing federal disinvestment.

LAO Report on New Car Registrations May 2025 Report

New car registrations can be an indicator of California's economy because they represent a significant category of consumer spending, reflecting consumer confidence and overall economic health. Furthermore, registrations can signal the health of the credit market, as many car purchases involve loans. The sales also contribute significantly to state and local tax revenues.

The May report notes a sharp 10% decline from April, marking the lowest total since June 2024. The LAO speculates that volatility over the past six months might be due to consumers expediting purchases in anticipation of new tariffs on imported vehicles that began in April. Despite these tariffs, new car prices remained stable through May. Overall, Californians are still buying fewer cars than before the COVID-19 pandemic, with May 2025 registrations being 8 percent lower than in May 2019. It's hard to know if this decline is strictly attributable to the tariffs or could signal economic headwinds.

Bill Tracking

SB 16 Controversial Amendments Prompt Opposition; Deferred to 2026

SB 16 had controversial amendments and was brought to PAL with an opposing position recommendation. The bill, by Senator Blakespear, would have required HHAP applicants to adopt a Governor-aligned encampment ordinance and meet escalating homeless housing targets over five years, reaching 60% of the regional point-in-time count. It also expanded city and county roles in addressing unsheltered homelessness, counted interim housing toward regional housing needs, and provided a property tax exemption for qualifying interim housing sites. With no future state funding committed and growing stakeholder concerns, the bill was pulled from its final hearing and is now a two-year bill, eligible for action in 2026.

Alameda County Sponsored Bill: SB 617 (Arreguin): California Worker Adjustment and Retraining Act.

The Alameda County-sponsored measure on WARN Act notices, authored by Senator Jesse Arreguin (District 7), was scheduled for a hearing in the Assembly Labor and Employment Committee on Wednesday, July 9th. The bill received bipartisan support, passing unanimously (7-0) on the Consent Calendar. The bill was referred to the Assembly Appropriations Committee with a recommendation to place the bill on the consent calendar. The committee chair will, with concurrence from the committee vice chair, prepare for each hearing a proposed consent calendar of noncontroversial bills with no significant costs that received no dissenting votes in the Assembly.

Upcoming Legislative Deadlines

July 18th is the policy committee deadline and first day of the Summer Recess, which lasts until August 18th.

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PUBLIC COMMENT

None.

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