



Chair
Supervisor James Ramos
Executive Director
Jolena L. Voorhis

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UCC Board of Director's Meeting Summary March 9, 2017

Alameda: Amy Shrago (Alternate), Ludmyrna Lopez
Contra Costa: Supervisor Federal Glover
Los Angeles:
Orange: Kelley Jimenez (Alternate), Nicole Wordelman
Riverside: Supervisor Chuck Washington
Sacramento: Steve Cruz, Audrey Durfur
San Bernardino: Supervisor James Ramos, Nicole Wordelman
San Diego: Geoff Patnoe (Alternate)
San Francisco:
San Mateo: Connie Jurarez-Diroll (Alternate), Steve Cruz, Audrey Durfur
Santa Clara: Supervisor Ken Yeager, Danielle Christian, Michael Rattigan
Ventura: Supervisor Kelly Long, Nicole Wordelman
UCC Jolena Voorhis, Grace Childs-Ferguson
Guest Speaker: Sarah Muller

I. Call to Order

UCC Chair Supervisor James Ramos convened the meeting and called the members to order.

II. Roll Call of Counties

There were 5 Supervisors, 4 alternates and 10 counties represented at this meeting.

III. Approval of Minutes from the February 1, 2017 UCC Board Meeting – APPROVED

A motion was made to approve the February 1, 2017 minutes and was approved. Below is the vote count.

Member	County	Yes	No	Absent	Not Voting
Supervisor Ramos, Chair	San Bernardino	X			
Supervisor Carole Groom Vice-Chair (Alternate)	San Mateo	X			
Supervisor Carson (Alternate)	Alameda	X			

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Supervisor Glover	Contra Costa	X			
Supervisor Ridley-Thomas	Los Angeles			X	
Supervisor Bartlett (Alternate)	Orange	X			
Supervisor Washington	Riverside	X			
Supervisor Peters	Sacramento			X	
Supervisor Horn (Alternate)	San Diego	X			
Vacant	San Francisco			X	
Supervisor Yeager	Santa Clara	X			
Supervisor Long	Ventura	X			
Vote Total		9		3	

IV. Items for Consideration

1) Budget Update -CCI IHSS MOE Memo and Background

Staff provided a memo on the latest information on the CCI Repeal and IHSS MOE, as well as the UCC Budget Brief, which provides some background on these two issues.

Memo:

The Governor's Budget repealed the CCI and also repealed the IHSS MOE which capped county costs at the 2011-12 rates for IHSS. With the repeal, counties will revert back to the sharing ratios established before the IHSS MOE which requires counties to pay 35% share of the non-federal of costs for IHSS. It is anticipated that the fiscal impact would be \$625 million beginning in July 2017.

UCC is strongly opposed to this cost shift, and will work with our county partners to negotiate with the state on alternatives or ways to mitigate this significant cost shift.

Since the announcement on January 10th, UCC has worked with other county affiliates and partners to elevate this issue in the Capitol and has attended a meeting with the Department of Finance to begin discussions regarding the impact and our opposition to this action. During that meeting it was agreed to form two subgroups: 1) to work with CWDA to be sure that both sides were on the same page regarding the fiscal impact number, and 2) to work with county counsels to review the decision from DOF on unwinding the CCI.

The Senate Budget Subcommittee #3 on Health and Human Services is holding the first hearing on the CCI/IHSS MOE issue on March 2, 2017. In addition, the Assembly Budget Subcommittee #1 on Health and Human Services is holding a hearing on March 8, 2017.

Staff noted that the Assembly Alternative proposal was delayed by two weeks. The Assembly proposal would do the following:

- Reestablish the IHSS County MOE for 2017-18

- Establish a special fund or revolving fund to provide counties with additional funds to cover the costs of the IHSS cost in the out years. However, this revolving fund could take 14 years to pay back and is funded through the General Fund (GF), which causes concerns.

Staff noted that a few counties have been discussing filing a lawsuit on the unwinding action and the deadline to file was March 10th. Matt Cate, CSAC's Executive Director and Supervisor Keith Carson had a meeting with the Governor and he agreed to not raise issues over the deadline (which can differ depending on various court rulings), and also called a tolling agreement and directed the Department of Finance to meet with counties next week. The Tolling agreement has been drafted by the county counsels who all agreed (13 counties in total) not to file suit in order to continue negotiations. This is because the Governor's Office indicated that once we file suit they cannot negotiate. The tolling agreement has been agreed to by DOF and final signatures are being done to complete the document.

Staff is working with CSAC and other county partners to work on next steps, what our ask should be, and educational efforts in the Legislature.

Supervisor Long stated that this was a hot issue and appreciated the update. Supervisor Yeager asked UCC staff if they thought it was a good strategy to go in so aggressively regarding the lawsuit. Staff replied yes, noting that this strategy gave good leverage and also noted that the Governor commented that he didn't think counties would respond so strongly.

Transportation Funding Update

Staff provided a memo regarding the latest information on the Transportation Funding Package.

Memo:

One of UCC's priorities is to support additional funding for transportation. Specifically, UCC is in support of SB 1 (Beall), and AB 1 (Frazier), which provides \$2.4 billion for transportation funding including an equal share between the state and local roads for maintenance.

The support of these two bills is based on the adopted policy principle: UCC supports additional funding to the local transportation system and supports new sources of funding to respond to transportation needs. UCC supports continued direct subventions to local governments through existing formulas for the maintenance, operation, preservation, and safety needs of the local system. In addition, we are a part of the Fix Our Roads Coalition which is advocating for the funding package to be adopted early this year.

SB 1 (Beall) has been heard in three policy committees over the last two weeks including Senate Transportation and Housing, Senate Environmental Quality, and Senate Governance and Finance. The Governor and the Democratic leadership have announced a deadline of April 6th to pass the Transportation Funding package.

2) Other Emerging or Continuing Legislative Issues

a) ACA Repeal and Replace – Guest Speaker, Sarah Muller, CAPH

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Staff provided a memo and background materials on the Republican Plan. These may be somewhat dated because of the release last week of the Republican Plan. The background material is based on key concepts of the proposal.

Guest speaker, Sarah Muller, joined the meeting from the California Association of Public Hospitals to give an update on the latest from D.C. and the main points of the new plan that was released.

Overview of the House proposal by CAPH:

1. Medicaid expansion

- Keeps the Medicaid expansion.
- However, the bill cuts the federal reimbursement (known as the FMAP) for states. Under the ACA, states received enhanced reimbursement for the Medicaid expansion population- 100% federally funded in the first few years, ramping down to 90%.
- The proposal released on Monday would allow states to keep the higher federal reimbursement until 2020. After that, any new enrollee or an individual that had a lapse in coverage would be enrolled in Medicaid at the 50% reimbursement level.
- The reduction in federal reimbursement could result in a loss of \$8.5 billion in funding to California's Medi-Cal program.

In addition to the changes to the federal funding, there are other provisions that are concerning to counties related to the Medicaid expansion population:

- Elimination of the mental health and SUD benefit in Medicaid.
- Increased administrative hurdles: 6 month redeterminations.
- Elimination of hospital presumptive eligibility.

2. Creation of a fixed cap on federal Medicaid spending

- In addition to the changes to the Medicaid expansion population, the proposal would cap federal spending for the entire Medicaid population. In California, Medicaid (Medi-Cal) serves about 14 million people, including the majority of all kids and 2/3rd of nursing home residents.
- This new structure would create five different categories of enrollees: children, elderly, disabled, expansion population adults and other non-expansion adults.
- The federal government would look at state spending from 2016, trend those expenses forward and create per enrollee spending cap for each of the five enrollment categories.
- Federal spending would increase every year but at a growth rate that is below traditional Medicaid spending, creating an increasing gap in spending. Each year, states, counties and providers will likely absorb an even greater burden of overall Medicaid spending.
- States would also bear the burden of sudden increases in health care spending due to an epidemic or new high cost treatment for certain services.
- The Center on Budget and Policy priorities estimates states will lose \$370 billion in Medicaid funding over the next ten years.

3. Medicaid DSH cuts

- Medicaid DSH is the largest source of federal funding that public health care systems rely on to serve the uninsured. The ACA included cuts to the Medicaid DSH program but we have been successful in getting those cuts delayed, highlighting how many people remain uninsured, even in states that expanded Medicaid.
- The proposal would eliminate the DSH cuts for all states after 2020.
- However, between now and 2020, the proposal would only eliminate the DSH cuts for states that didn't expand Medicaid.
- The current federal statute stipulates DSH cuts to begin in October of this year-with a \$2billion cut this upcoming federal fiscal year and \$3billion in cuts next year. What is not clear from the proposed legislation is whether the expansion states will absorb the entire \$2billion or \$3billion cut.
- California receives about \$1.2 billion in Medicaid DSH each year, the vast majority of which goes to public health care system. (California receives about 10% of the total national DSH allotment).

Where are things now?

- The proposal was released on Monday and yesterday morning the House Energy and Commerce committee and the Ways and Means Committee held hearings and considered a number of amendments to the legislation.
- Both committee hearings went through most of the night and concluded earlier today. The bill passed on party line votes and now moves to the Budget committee early next week.
- The bill could be on the House floor for a full vote the week of the 20th or 27th of March and will then go to the Senate.
- As of today, it doesn't look like the bill has enough support in the Republican caucus to pass. Some of the loudest critics have come from the Freedom caucus and the Republican Study Committee – the two most conservative groups within the Republican caucus. Many have voiced concerns that additional changes are needed to both the tax credits and to Medicaid- so we could see additional cuts in the coming weeks in order to secure additional Republican support.
- We also haven't seen the "score" from the Congressional Budget Office that will assess how many people may lose/gain coverage and what budgetary impact the proposal will have on federal savings. That report could be out by Monday or Tuesday of next week and the findings from the CBO could also shape the negotiations.

Sarah also noted concern that there may be further cuts to the program than what was just released.

Supervisor Yeager asked where the 14 Republican Congress members are and the overall impact to California.

Response: Counties trying to share the impacts and can't say they have any firm No's with the California Republicans yet. Hard to say ACA would fall apart completely because the Republican's want something.

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Supervisor Long asked if it's not passed, can they bring it up next year?

Response: Yes.

b) Homelessness

Staff provided a memo with an update on the implementation of NPLH.

Staff Memo:

With the passage of AB 1618 and AB 1628 which provide for the creation and implementation for No Place Like Home (NPLH), HCD is in the beginning process of the implementation phase of this program. NPLH provides \$2 billion in bond funding through the Mental Health Services Act to fund permanent and supportive housing to the homeless.

HCD Advisory Committee on NPLH Announced

HCD announced the appointments for the HCD Advisory Committee which was created through the operating statute. The Advisory Committee is tasked with assisting and advising HCD on the implementation of the program, to review and make recommendations on the guidelines and provide advice and guidance more broadly on statewide homelessness issues.

Governor's Appointees:

- Patrick Kennedy, Sacramento County Supervisor
- Alfredo Aguirre, San Diego County Director of Behavioral Health
- Robert Bendorf, Yuba County Administrator
- Jacky Morales-Ferrand, City of San Jose
- Va Lecia Adams Kellum, St. Joseph Center President and CEO.

Other Members:

- Maggie Merritt, the Executive Director of the Steinberg Institute
- The Director of Housing and Community Development
- The Director of Health Care Services, or their designee
- An Additional Representative from the Department of Health Care Services
- The Secretary of Veterans Affairs, or their designee
- The Director of Social Services or their designee
- The State Treasurer or their designee
- The Chair of the Mental Health Services Oversight and Accountability Commission, or their designee.
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The first meeting of the Advisory Committee is scheduled for March 23, 2017, in Sacramento.

HCD Framing Paper on NPLH

On December 21, 2016, HCD released their draft paper on NPLH for public comment. HCD also conducted workshops to hear feedback from stakeholders beginning on January 3, 2017, and continuing on through January.

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The Framing Paper is the first draft of the guidelines that are expected to be released in draft form in the Spring of 2017. The Framing Paper includes details on how the various programs will work including the Competitive Program, the Over-the-Counter Program, and the Alternate Program. There are also details on the points to be awarded for projects and how the funding will be allocated to counties in the tiers (Los Angeles, Urban, Suburban and Rural).

The four associations submitted comments on the Framing Paper and are currently waiting for HCD to provide the next draft of the guidelines.

c) In-Person Visitation – County Jails

Staff provided some background materials on this issue. Last year, Senator Mitchell introduced SB 1157, which would have prohibited local correctional facilities and juvenile facilities from replacing in-person visits with video or other types of electronic visitation. For existing correctional facilities that did not have in-person visitation available, they would have been required to comply within 5 years. UCC was opposed to this bill based on the fiscal impact it would have on a few urban counties. This bill was vetoed by the Governor and in his veto message he stated that the bill did not provide adequate flexibility and created a strict mandate. He noted his concern over this issue and directed the Board of State and Community Corrections (BSCC) to work with stakeholders to explore ways to address these issues.

This affects four urban counties: Orange, Riverside, San Bernardino and San Mateo.

BSCC Proposed Regulations

The BSCC has approved proposed regulations which would require in-person visitation for all existing and future jails on a prospective basis. Specifically, the regulations provide that the new requirement would not apply to facilities, which prior to February 16, 2017, exclusively used video visitation or were designed without in-person visitation space and for which initial architectural planning had been submitted to BSCC.

The approval by BSCC is the first step in the regulatory process and there will be more public hearings and comment provided through the Office of Administrative Law.

There are four urban counties affected by these regulations: Orange, Riverside, San Bernardino and San Mateo. All four county facilities are already constructed or in the process of being constructed, which would make them exempt from the in-person visitation requirement. UCC is currently considering whether to support these draft regulations and are working closely with the California State Sheriffs Association to develop the appropriate position.

Informational Hearing on In-Person Visitation

The Senate and Assembly Public Safety and Budget Committees held a joint informational hearing on in-person visitation on February 21, 2017. The Committee heard from two experts on the issue, from the BSCC Executive Director regarding the regulations, and from two County Sheriffs (Alameda and Kings) as well as from a panel of family members. There were several recommendations or suggestions from the committee regarding this issue including:

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- Consider requiring those that have received funds from the state in the past to retrofit their facilities and require in-person visitation, specifically for those who are still in the design phase and have not completed construction.
- Require those facilities that have the space to be required to do in-person visitation.
- Specific request to receive documents from the BSCC to review each of the projects before they can proceed.

The BSCC testified that this was a legal issue and that they did not believe they had the authority to enact something retroactively due to the fiscal impact on counties.

d) Legislative Update

Staff provided a list of bills that UCC has taken a position on. The list is pretty short right now, with many bills being set for their first hearing.

There a couple of new bills to bring to your attention:

AB 1585 (Bloom) – Planning and zoning: affordable housing: single application

This bill would establish an affordable housing zoning board and procedures.

Status: Pending Committee assignment.

UCC Position: Pending.

SB 649 (Hueso) – Wireless Telecommunications Facilities

This bill would define the term “small cell”, as a particular type of telecommunications facilities.

Status: Scheduled to be heard in the Senate Energy, Utilities and Communications Committee on April 4, 2017.

UCC Position: Oppose.

SCA 11 (Lara) – Elections

Changes cities, counties, and school elections from non-partisan to partisan.

Status: Pending in the Senate Elections and Constitutional Amendments Committee.

UCC Position: Pending.

Staff reported on SCA 11 which would change county elections from non-partisan to partisan. Supervisors asked for background on the measure and asked about the process for passing an SCA.

Staff noted that a SCA needs 2/3 vote and county staff noted that it also needs to be placed on the ballot for voter approval. Staff noted that SCA 11 will be before the board next month for potential action.

e) UCC WorkPlan

Staff provided an updated version of the UCC WorkPlan.

VI. Proposals for Next Month's Meeting Agenda

- 1) State Budget
- 2) Homelessness
- 3) Legislative Update

VII. Public Comment

There were no public comments made.

VIII. The next meeting will be held on April 5, 2017, via conference call.