



**SAN MATEO COUNTY  
BOARD OF SUPERVISORS  
LEGISLATIVE COMMITTEE MEETING**

**Rose Jacobs Gibson, President  
Adrienne Tissier, Supervisor**

**Mary McMillan, Deputy County Manager  
John Beiers, Chief Deputy County Counsel  
400 County Center, Redwood City, CA 94063  
650-363-4123**

TO: Legislative Committee

FROM: Ross Nakasone, Legislative Coordinator

SUBJECT: Legislative Committee Meeting—Agenda for October 9, 2007

DATE: October 5, 2007

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**Meeting Date and Time:** October 9, 2007, 2:00 pm

**Place:** Board Conference Room, Office of the Board of Supervisors  
First Floor, 400 County Center, Redwood City, California

1. Call to order
2. Approval of the Minutes for the Legislative Committee Meeting of September 10, 2007
3. Update on Federal Legislative activities—**Attachment I**
4. State Legislative Extraordinary Session on health care reform—**Attachment II, III**
5. State Legislative Extraordinary Session on water management, quality and storage—**Attachment IV, V**
6. Oral Communications and Public Comment
7. Adjournment

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*MEETINGS ARE ACCESSIBLE TO PEOPLE WITH DISABILITIES. INDIVIDUALS WHO NEED SPECIAL ASSISTANCE OR A DISABILITY-RELATED MODIFICATION OR ACCOMMODATION (INCLUDING AUXILIARY AIDS OR SERVICES) TO PARTICIPATE IN THIS MEETING, OR WHO HAVE A DISABILITY AND WISH TO REQUEST AN ALTERNATIVE FORMAT FOR THE AGENDA, MEETING NOTICE, AGENDA PACKET OR OTHER WRITINGS THAT MAY BE DISTRIBUTED AT THE MEETING, SHOULD CONTACT CONNIE JUAREZ-DIROLL, INTERGOVERNMENTAL AFFAIRS ASSISTANT AT LEAST TWO (2) WORKING DAYS BEFORE THE MEETING AT (650) 363-4125 AND/OR [CJuarez-Diroll@co.sanmateo.ca.us](mailto:CJuarez-Diroll@co.sanmateo.ca.us). NOTIFICATION IN ADVANCE OF THE MEETING WILL ENABLE THE COUNTY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING AND THE MATERIALS RELATED TO IT. ATTENDEES TO THIS MEETING ARE REMINDED THAT OTHER ATTENDEES MAY BE SENSITIVE TO VARIOUS CHEMICAL BASED PRODUCTS.*

*If you wish to speak to the Committee, please fill out a speaker's slip. If you have anything that you wish distributed to the Committee and included in the official record, please hand it to the Legislative Coordinator who will distribute the information to the Supervisors and staff.*



**SAN MATEO COUNTY  
BOARD OF SUPERVISORS  
LEGISLATIVE COMMITTEE MEETING**

*Rose Jacobs Gibson, Chair  
Adrienne Tissier, Vice-Chair*

*Mary McMillan, Deputy County Manager  
John Beiers, Chief Deputy County Counsel  
400 County Center  
Redwood City, CA 94063  
650-363-1345*

TO: Legislative Committee

FROM: Ross Nakasone, Legislative Coordinator

SUBJECT: Legislative Committee Meeting—Agenda MINUTES for September 10, 2007

DATE: September 21, 2007

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**Meeting Date and Time:** September 10, 2007, 1:30 p.m.

**Place:** Chambers of the Board of Supervisors, Office of the Board of Supervisors  
First Floor, 400 County Center, Redwood City, California

**1. Call to order**

President Jacobs Gibson called the meeting to order. Supervisor Tissier was also present.

**MATTERS SET FOR SPECIFIED TIME**

**2. 1:30 p.m Update from the County's state legislative advocate, Michael Corbett and Associates—  
Attachment I**

Staff reported that AB 1491 (Benoit), Court facilities is now on the Senate floor.

The Governor and Speaker are in negotiations regarding AB 8 (Nuñez) and a veto of the bill is not certain. Senate pro Tem Perata appears to be out of the discussion loop. The main problem is that legislation alone cannot address the issue. A voter initiative will likely follow to address a proposed hospital fee and a sales tax increase. The California Hospital Association recently released a document outlining how the proposed fees would impact the private sector, but did not calculate what this would do for the counties, particularly considering the issue of federal draw downs. It is unclear, at this time, what this would mean for counties. The Governor will be calling for special session on healthcare policy in an attempt to iron out an agreement.

Staff reported that there is an active effort on the part of the Department of Mental Health to replace the money the Governor cut from AB 2034 dollars. It is not clear if there will be full restoration of the funding. The Department has identified approximately \$63-\$64 million dollars from Prop. 63, but need to determine whether of not this constitutes a supplantation of the funding, and if they can work out a formula that does not disadvantage counties.

Staff reported that the Department of Finance has been asked to look into their failure to fund the San Mateo County Pharmacy and Lab Pilot Program in the amount of \$8.7 million. The Department has acknowledged the oversight, but has not yet determined a funding source for payment. Staff is attempting to resolve the issue administratively, but warn there may be a need for an urgency statute in January 2008.

Both SB 523 (Yee) and AB 1124 (Karnette) are now on the Governor's desk awaiting signature.

**REGULAR AGENDA**

**3. Preliminary Analysis of the 2007-08 State Budget as approved by the Governor and Year-end Legislative Issues—Attachment II**

Staff reported that the San Mateo County Pharmacy and Lab Pilot Program shortfall may require contacting the San Mateo County state legislative delegation to apply political pressure to the Department of Finance, if an administrative solution cannot be met.

**4. Oral Communications and Public Comment**

No public comment.

**5. Adjournment**

The Committee adjourned.

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The next meeting of the Legislative Committee is scheduled for Monday, September 24, 2007.

**FEDERAL LEGISLATIVE UPDATE**

**FY 2008 Appropriations**

Having been unable to pass any of the 12 FY 2008 appropriations bills before the October 1<sup>st</sup> start of the new fiscal year, Congress approved a continuing resolution (HJ Res 52) last Thursday to fund all Federal programs at FY 2007 funding levels until November 16<sup>th</sup>. Substantial work remains on the 12 annual spending bills if Congress is to complete and gain the President's approval of all of the bills by that date. While the House passed all of its FY 2008 appropriations measures just before the August recess, the Senate has approved only four—Homeland Security; Military Construction-VA; State-Foreign Operations; and Transportation-Housing and Urban Development. The Senate hopes to return to work on the remaining measures this week following the completion of the FY 2008 Defense authorization bill. The Senate will then turn to the FY 2008 Commerce-Justice-Science and Defense appropriations bills. The Senate aims to approve both bills before it takes a week-long Columbus day recess beginning October 8<sup>th</sup>, and return to consider the Labor-Health and Human Services-Education appropriations bill when it returns on October 15<sup>th</sup>. The House will not break for recess during the month of October.

Completing Senate consideration and House-Senate conference negotiations on the twelve bills will be complicated by White House concerns over the funding levels in many of the measures. The President has threatened to veto nine of the 12 measures because of the \$23 billion difference between the total spending in the bills versus the White House's FY 2008 request, leaving only the Defense; Military Construction-Veterans Affairs and Legislative Branch bills with any assurance of gaining the President's signature. As such, House and Senate leadership and appropriators are still working out the details of a plan to complete the FY 2008 appropriations process by November 16<sup>th</sup>. One strategy being considered is to bundle several of the bills together into one or more larger omnibus measure in hopes of advancing the bills with enough votes to override any veto threat.

The County maintains three requests in the pending FY 2008 measures which are detailed on the chart below:

<b>SAN MATEO COUNTY FY 2008 APPROPRIATIONS PROJECTS</b>				
	<b>Project</b>	<b>Sponsor(s)</b>	<b>Status</b>	<b>Next Steps</b>
<b>CJS</b> (S 1745)	<u>San Mateo County</u> -NOAA-Gulf of Farallones-\$750,000 for Fitzgerald Marine Reserve	Eshoo/Lantos/ CA Senators	Senate \$750,000	House passed; Senate to consider week of 10/1
<b>Labor-HHS</b> (HR 3043)	<u>San Mateo County</u> -HHS/HRSA-\$755,000 for Medical Center Emergency Department Workflow Redesign project	Lantos	House \$400,000	House passed; Senate to consider week of 10/15
	<u>San Mateo County</u> -Education/FIE-\$535,000 for Preschool for All Expansion	Eshoo	House \$200,000	

### **Ryan White Care Act**

The House FY 2008 House Labor-Health and Human Services-Education appropriations bill (HR 3043) contains Ryan White Care Act fix language that would restore approximately \$6.3 million in cuts by the Bush Administration to the City's Ryan White CARE Act (RWCA) funds. The House approved its FY 2008 House Labor-Health and Human Services-Education appropriations bill on July 19<sup>th</sup>. The Senate bill (S 1710) contains no similar provision. The Senate is scheduled to consider its version of the measure during the week of October 15<sup>th</sup>, after which the House and Senate will begin discussions to resolve any differences between the two measures. The President has issued a veto threat on the measure, increasing the likelihood that the bill will be merged with a larger multi-bill appropriations package that will be voted on in November following House-Senate-White House negotiations.

### **Prisoner Reentry Legislation**

Congress aims to complete work on their respective versions of the Second Chance Act before the end of the session. The House version (HR 1593) was approved by the House Judiciary Committee in May, has been approved by the House Rules Committee and is currently awaiting a date for a floor vote. The Senate bill (S 1060) was approved by the Senate Judiciary Committee in August. MARC is working with Senator Feinstein's office to determine if an opportunity exists to develop and gain support for a gender-responsive programming amendment to the measure.

### **SCHIP**

Last week Congress approved a conference report on an expansion of SCHIP (HR 976). The measure would expand SCHIP by \$35 billion over the next five years to \$60 billion. The expansion would be paid for with tobacco tax increases, including a 61-cent increase in the cigarette tax, to \$1 per pack. The White House has threatened to veto the measure, citing the cost of the measure and policy concerns. Following the President's veto the measure would return to the House, where a vote to override the veto would take place. While Congressional leaders intend to send the bill to the President this week and expect an immediate veto, the House has not yet decided on when they will attempt a vote on the veto. House leaders will need two-thirds of the chamber to vote in favor of overriding the veto before sending the bill to the Senate for final override. However, House leaders are not expected to be able to rally the additional 19 votes necessary to achieve an override. With current law on the program having expired on September 30<sup>th</sup>, Congress added language to the continuing resolution (HJ Res 52) to extend funding for SCHIP at FY 2007 levels until November 16<sup>th</sup>.

### **Anti-Gang Legislation**

The Senate passed the Senator Feinstein-sponsored Gang Abatement and Prevention Act of 2007 (S 456) on September 21<sup>st</sup>. The House bill, originally introduced in March as HR 1582 by California Representatives Adam Schiff (D-Pasadena) and Mary Bono (R-Palm Springs), has been amended to conform more closely with the Senate legislation and renumbered HR 3547. The bill is expected to receive House Judiciary Committee consideration during the week of October 29<sup>th</sup>. The text of the redrafted measure is available at:

[http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110\\_cong\\_bills&docid=f:h3547ih.txt.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h3547ih.txt.pdf)



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

County Manager's Office

**DATE:** October 5, 2007

**COMMITTEE MEETING DATE:** October 9, 2007

**TO:** Legislative Committee Members

**FROM:** Ross Nakasone, xt. 1345

**SUBJECT:** Update on State Legislative Extraordinary Session on health care reform

**RECOMMENDATION:**

Discuss and provide direction to staff as necessary.

**VISION ALIGNMENT:**

**Commitment:** Ensure basic health and safety for all

**Goal(s):** 5—Residents have access to healthcare and preventative care.

**BACKGROUND:**

With the expected veto of AB 8 (Núñez), which was passed by the Legislature as the primary health care reform effort, Governor Schwarzenegger called for a special session of the Legislature to continue working on the issue.

While there has been little public discussion on special session activities, there have been a number of private discussions. During the weekend of September 28, CSAC staff was invited to discuss health care reform with staff from the offices of the Governor, the Speaker and the Pro Tem. According to reports from CSAC staff the primary topic of discussion was a county share of cost.

There is an effort to pass a reform package by October 15 to parallel water bond efforts. It is expected to include both a majority vote bill that would contain the substantive provisions as well as a voter-approved initiative that would provide the fiscal and revenue components. This strategy would obviate the need for a two-thirds majority vote for fiscal bills through the Legislature. However, it would also enable greater flexibility to alter Realignment restrictions, Proposition 1A protections and other issues of concern to counties.

There is some belief that the attempt to pass health care reform will coincide with the water effort. However, for next week, there are no hearings scheduled for health care and only one hearing for water. Whether the Legislature and the Governor will be able to meet an October 15 deadline is unknown. But without health care hearings during the week of October 9, it seems difficult to make an October 15 deadline.

**DISCUSSION:**

Some of the key issues for counties include:

- County share of cost. Counties would be required to pay 40 percent of health care costs for medically indigent adults (MIAs) earning less than 100 percent of the federal poverty level (FPL) as well as 40 percent of cost for anyone in the coverage pool earning less than 150 percent FPL. There is no explanation as to why counties would be required to pay 40 percent.
- Cap of county share of cost. In the draft language, there is reference to a cap for county share of cost. However the methodology is not detailed. CSAC has been tasked with developing data to establish a formula.
- IHSS Employer provision of health care. In AB 8, counties were expressly identified as the employer, which would require counties to provide health care coverage, which under AB 8 would have required counties to spend the equivalent of 7 percent of wages on health care.
- Eligibility. The draft language currently delegates establishment of the eligibility process to MRMIB and includes concepts of “no wrong door.” It is unclear what role counties would be required to play in determining eligibility.
- Counties’ 17000 obligation for health care. It is unclear what, if any, relief counties could receive, either legal or actual, from this effort. However, county advocates are considering a relationship between such relief and any additional cost to counties.
- Safety net stability. With the expansion of health care coverage to those currently served through 17000 services, there is the possibility of destabilizing safety net systems. While the San Mateo Medical Center has a history of competing with other health care provider for HPSM service recipients, this could have the potential to exacerbate the fiscal stability of safety net services in San Mateo and other counties.

**SUPPORT**

Unknown

**OPPOSITION**

Unknown

**FISCAL IMPACT:**

Unknown

**Quick Summary of Health Reform Draft Language (as of 10/01)**  
Prepared by CHEAC

*CSAC wishes to thank Judith Reigel of the County Health Executives Association of California for preparing this document on very short notice.*

Implementation date: Most provisions would be implemented July 1, 2010.

Contains various electronic prescribing and medical records provisions.

**Individual Mandate:**

- Every California resident must maintain minimum care coverage (defined as coverage for hospital and medical services with a deductible of no more than \$5,000 and maximum annual out-of-pocket limits of \$7,500 per person or \$10,000 per family).
- There is no enforcement mechanism. There is intent language that the Legislature will “establish methods to ensure uninsured individuals obtain minimum required coverage”.

The Secretary of the California Health and Human Services Agency is required to assess the effects of health care reform as set forth in this act including:

- Sustainability and solvency of the program,
- Cost and affordability of health care in CA,
- The health care coverage market,
- The effect on employers and employment,
- Change in access and availability of health care,
- The impact on county health care safety net system, including a review of the amount of uncompensated care and emergency room use,
- Capacity of various health care professions and facilities to provide care.

All health plans are required to offer a one plan with a Healthy Action and Incentives and Reward Program, which would include such things as incentives or rewards for enrollees to obtain health risk appraisals, screening services, immunizations, or to participate in health lifestyle programs and practices.

Health Plans required to meet 85% medical loss ratio (ie. no more than 15% of premium revenue used for administrative costs).

**Individual Market Reforms**

- Community rating provisions
- Guaranteed Issue - but only for the two lowest choice plans of a tiered 5 plan coverage model that health plans and insurers would offer.
- Various other provisions

The California Diabetes Program would be created, but it would be contingent on an appropriation in the state budget.

Community Makeover Grants to local health departments (for obesity prevention, etc) would also be contingent on an appropriation in the state budget.

Healthcare Quality and Transparency Act created for quality and cost control oversight.

**Public Program Expansions:**

- Expands Healthy Families to 300% FPL
- Expands Healthy Families and Medi-Cal to undocumented children

- Expands Medi-Cal for parents to 250% FPL (no asset test)
- Expands Medi-Cal to 19 and 20 year olds under 250% FPL
- Creates new Medi-Cal program for childless adults under 100% FPL.
  - More limited benefit package than regular Medi-Cal (e.g. no dental)
  - No retroactive coverage
  - Semi-annual verification

Everyone in Medi-Cal over 100% gets benchmark plan - administered by MRMIB

Eligibility - counties may do Healthy Families and Pool eligibility

New Purchasing Pool:

- Under 150% FPL no premiums or out of pocket costs
- 150 to 250% FPL premiums can't be more than 5% of income (no protection on out of pocket)
- Over 250% - no subsidies
- MRMIB decides affordability of co-pays, deductibles.
- Also provides unsubsidized products (including dental and vision)

Major Risk Medical Coverage (MRMIP) - various provisions including transition after 2010.

Section 125 plans (Health Care Cafeteria Plans) required of all employers of 2 or more employees.

County Share of Cost:

Counties would pay 40% of premium costs for all new MIA's under 100% and adults in purchasing pool under 150%. Payments from counties would be made on a quarterly basis for enrolled persons. There would be a county specific statutorily designed cap (methodology not yet determined).

Private Hospital rates: Medicare

Public Hospital rates: Ostensibly cost based, but not really (and ONLY if county Share of Cost included)

Physician rate increases: None

Tax credits for purchase of health care coverage for people between 250 and 350%FPL.

States intent of the Legislature that the provisions in the bill would be financed by

- Federal financial participation
- Revenue from counties to support indigent care
- Hospital fees
- Individual premiums
- Employer contributions
- Other revenues

The establishment of these additional revenue sources would be accomplished "through subsequent measures" (presumably an initiative that would be placed on the November 2008 through a signature gathering process.)

Physician fees are not mentioned.

All provisions would be "contingent on a finding by the Director of Finance that the financial resources necessary to implement those provisions are available. The Legislature may appropriate funds to prepare for implementation prior to this finding.



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

County Manager's Office

**DATE:** October 5, 2007

**COMMITTEE MEETING DATE:** October 9, 2007

**TO:** Legislative Committee Members

**FROM:** Ross Nakasone, xt. 1345

**SUBJECT:** Update on State Legislative Extraordinary Session on water management, quality and storage

**RECOMMENDATION:**

Discuss and provide direction to staff as necessary.

**VISION ALIGNMENT:**

**Commitment:** Preserve and provide people access to our natural environment and ensuring basic health and safety for all

**Goal(s):** 7—Maintain and enhance the public safety of all residents and visitors and 14—important natural resources are preserved and enhanced through environmental stewardship.

**BACKGROUND:**

Governor Schwarzenegger called for an extraordinary session of the Legislature to discuss water issues. The main issue is the crisis in the delta, the heart of the state's water-delivery system. Several groups, including water districts, want the state to build a canal to pipe fresh water around the delta so it can be sent directly to cities and farms. The Governor has proposed a \$9 billion water infrastructure bond proposal, which will pay half the cost of the building of three dams.

With the goal of presenting a bond package to voters during the February 2008 election, the Legislature would need to approve a package by October 15. While all parties continue to move toward the October 15 goal, it is not clear whether a compromise can be reached by that time.

The major issues include funding for dams, surface storage and conservation. Republican members generally favor dam construction, which Democrats (save some Central Valley members) oppose. The proposed dams would create the Sites

**Attachment IV**  
**Legislative Committee Meeting (2007-10-09)**

Reservoir in a valley north of Sacramento, the Temperance Flat Reservoir in the Sierra foothills above Fresno and expand the Los Vaqueros Reservoir in Contra Costa County.

Senator Perata has introduced a bill for \$5 billion in bonds that give local water agencies greater flexibility in how to spend the funds. A Senate committee will consider Perata's proposal on Monday, October 8<sup>th</sup>.

**DISCUSSION:**

While the key issues have statewide importance, there may be opportunity to insert local priorities. Included in the special session bills are opportunities for natural resource protection, environmental stewardship and fishery restoration.

**SUPPORT**

Unknown

**OPPOSITION**

Unknown

**FISCAL IMPACT:**

Unknown

September 28, 2007

## **SPECIAL SESSION ON WATER CONTINUES**

The Legislature and the Governor are continuing their special session discussions about how to ensure a safe, clean and reliable supply of water for the state of California. The key focus of the negotiations is now the \$9 billion bond package proposed by the Governor last week, which would fund three new or expanded dams and amount to an unprecedented amount of taxpayer financing for water projects. Additionally, a \$5.4 billion bond proposal by Senate President Pro Tem Don Perata, also unveiled last week, includes funding for water supply projects that could include the new dams, as well as delta and watershed projects. Legislators plan to place a water bond on the February ballot for statewide voter approval.

### **The Senate bills introduced in the special session are:**

**SBX2 1 (Perata)** Appropriates \$611 million from bonds already passed by the voters in Propositions 1E and 84 on last November's ballot for water quality, flood control, water storage and wildlife preservation. It is identical to SB 1002 (Perata) that passed during the regular session and is on the Governor's desk.

**SBX2 2 (Perata)** The Water Supply Reliability Bond Act of 2008; a \$5.4 billion bond. \$2.4 billion would go for water supply, flood protection and fisheries in the Delta. Another \$2 billion would go to improve water supply reliability throughout the state "to decentralize and decrease reliance on the delta and increase use of local groundwater supplies." And, \$1 billion would go for regional projects to improve water supply and water quality.

**SBX2 3 (Cogdill)** Also The Water Supply Reliability Bond Act of 2008; a \$9 billion water bond bill that would provide funding for delta sustainability programs and water supply and storage projects, including funding for a new conveyance system and two new dams and the expansion of an existing dam. It includes \$5.6 billion in above and below ground water storage (\$5.1 billion in surface storage and \$500 million in groundwater storage) and specifically identifies three locations for surface storage (Sites, Temperance Flat Reservoir and Los Vaqueros Expansion Project). It contains \$1.9 billion for Delta restoration and water supply reliability, and \$500 million in grants for specified watersheds throughout the state.

**SBX2 4 (Cogdill)** Appropriates \$552 million from bonds already passed by the voters for water resources. This is a competing measure to SBX2 1 by Perata.