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**MEMORANDUM**

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**To:** Mayor Libby Schaaf  
Council President Lynette Gibson McElhaney and Members of the City Council

**From:** Townsend Public Affairs, Inc.

**Date:** March 2, 2016

**Subject:** Overview of 2016-2017 State & Federal Budgets

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The purpose of this memo from Townsend Public Affairs, Inc. (TPA) is to provide the City of Oakland with updates regarding Governor Brown's Proposed Budget for 2016-17, released on January 7, 2016, and President Obama's Budget, released on February 9, 2016.

**State**

As previously reported, the Senate and Assembly Budget Subcommittees have commenced informational hearings which will lead up to larger discussions on the Governor's proposal. Below is a summary of recent and upcoming activity relevant to the City's state legislative interests.

On Tuesday March 1, Assembly Budget Subcommittee 4 on State Administration held an informational hearing focused on the issue of seismic safety. Through the efforts of TPA, and working closely with Assembly Budget committee staff, Council Member Kalb was one of three presenters on the panel focused on the seismic safety efforts of local governments. Council Member Kalb explained what Oakland has done, as well as potential future efforts on this critical public safety topic, and highlighted ways the State can further support these efforts. A point of discussion at the hearing included ways the State can help support local governments that have existing seismic programs by providing grants, low interest loans, or revolving loan programs.

With the conclusion of the Assembly Budget Subcommittee hearing, TPA's next steps include additional outreach to impacted members of the Assembly who were unable to participate in the hearing, in order to secure their support on a seismic funding proposal. Additionally, TPA will reach out to members of the Senate to garner support for a seismic safety proposal, to further facilitate an approval by both Houses of the Legislature. Seismic safety policy could further support the City's efforts to protect the existing housing stock and reduce displacement.

Several other Assembly and Senate Budget Subcommittee hearings were held in recent days that are relevant to the City of Oakland's legislative priorities. The Assembly Budget Subcommittees overseeing education, government operations, and natural resources have all conducted hearings over the past week to discuss various aspects of the Governor's proposed budget. In the Senate, Budget Subcommittees have also met to discuss elements of the Governor's proposed budget. On Thursday March 3, the Senate Budget Subcommittee on Resources, Environmental Protection, Energy and Transportation will host an informational hearing on the implementation of Medical

Cannabis laws. TPA is tracking all subcommittee activity and will update the City on hearing topics and decisions that are relevant to the City's adopted legislative agenda.

Moving forward, in May the Governor will release his revised budget proposal for the coming fiscal year. The Legislature will then hold a series of hearings after the "May Revise" to finalize the State Budget. Per the State Constitution, Legislature is required to approve a budget bill for the Governor's consideration by June 15, which would take effect July 1, 2016.

### **President's FY17 Budget Proposal**

President Obama released his final budget proposal on February 9, which begins legislative efforts to complete the budget and appropriations process before October 1, the start of the 2017 fiscal year. The proposal contains over \$4 trillion in spending, of which only one-quarter is discretionary. Key funding proposals relevant to the City include:

- **Public Safety:** President Obama's budget seeks a \$74 million increase for the Department of Justice's Community Oriented Policing Services (COPS) program, increasing FY17 funding to a total of \$286 million. The DOJ budget proposal also includes \$27.5 million for body cameras for local police departments.
- **Housing:** The budget proposes \$11 billion over the next decade for the Department of Housing and Urban Development to address family homelessness. Funding would help an estimated 550,000 families by aiding homeless assistance programs operated at the local level.
- **Transportation:** The budget proposal seeks to fund local transportation projects through a \$10 per-barrel oil tax (roughly 25 cents per gallon). Revenues would be used to support the Highway Trust Fund, TIGER grants, new transit and high speed rail projects, and other transportation programs included in the recently enacted FAST Act.

March and April will be busy months for the legislative budget and appropriations process. Hearings regarding the President's budget are underway, with administration leaders being called to provide testimony on the proposed FY17 funding levels and policy proposals. On a parallel track, House and Senate leaders are working to build consensus over their proposed budget. Freedom Caucus members are demanding House Speaker Paul Ryan to maintain commitments made last year, potentially signaling a protracted budgetary debate. Since Congress is operating under an election-year calendar, which has fewer days of session, adopting a budget early will be critical to ensure that appropriators have sufficient time to complete their work before the lengthy summer and fall recess, and the end of the fiscal year.

### **Next Steps**

Although the days of earmarks are behind us, advocating for dollars at the Federal level is very much an option. TPA recommends expressing to our federal and state leaders to continue or increase funding levels for programs that directly benefit the City.

*Please let us know your top programs and we will start crafting our message. Together we will advocate directly through Federal representatives for agencies to adopt work plans which focus on the City's needs.*