

2016 MAR 17 PM 1:56

TOWNSEND
PUBLIC AFFAIRS
EST TPA 1998

MEMORANDUM

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

From: Townsend Public Affairs, Inc.

Date: March 17, 2016

Subject: Ongoing update of the 2016-2017 State & Federal Budgets

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, current state legislative bills and activities we are following, and President Obama's Budget, released on February 9, 2016.

State Budget

TPA continues to track and monitor the Senate and Assembly Budget subcommittee hearings. All of the respective subcommittees have held informational hearings on relevant budget policy topics. TPA is specifically following progress on seismic safety funding and its impact on Oakland. Earlier in the month Council Member Kalb was one of three presenters on a 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. More recently, Council Member Kalb joined TPA to garner support for increasing funding for seismic infrastructure improvements on March 16th. TPA is continuing its outreach to impacted members of the Assembly in order to secure their support on a seismic funding proposal. TPA has also reached out to members of the Senate to garner support for the same proposal.

TPA will continue to update the City on hearing topics and decisions that are relevant to the City's adopted legislative agenda. Once the Governor releases his revised proposal, legislature will 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.

Legislative update:

Our state is very close to enacting major tobacco legislation. Senate recently followed the Assembly and approved a package of bills that will raise the legal purchase age to 21 and regulate e-cigarettes like a traditional tobacco product. As many of these bills are on the Governor's desk, TPA will continue to track their progress as they are vetoed or signed into law. In addition, below is a status summary of bills that may have implications for the city's legislative agenda:

Housing

- **AB 2031 (Bonta) Local Government: Affordable Housing: Financing.** Sponsored by the City of Oakland, this bill allows the use of boomerang funds to support an affordable housing bond without voter approval and may be heard in committee on March 18th.

Public Safety/Firearms

- **AB 1674 (Santiago) Gun Sales.** AB 1674 caps the amount of firearms that may be purchased by a person at one per month – the same restriction currently in place for handguns. The bill has been re-referred to Committee on Appropriations and we will continue to track its progress.
- **AB 1695 (Bonta) The Stop Illegal Gun Sales Act.** This bill targets straw purchases, which are instances in which a person who can pass a background check legally buys a gun and then resells it to someone who would not have otherwise been allowed to legally purchase a firearm. The bill has been re-referred to Committee on Appropriations and we will continue to track its progress.
- **SB 880 (Hall & Glazer) Firearms: Assault Weapons** – This bill will revive Senator Yee's previous bullet button loophole legislation, banning magnetic bullet buttons from firearms in California. The bill is set for hearing on April 5th and we will continue to track its progress.
- **SB 1446 (Hancock) Large Capacity Ammunition Magazines.** This measure will prohibit the possession of large capacity ammunition magazines (defined as ammunition feeding devices holding more than 10 rounds). Current and retired police officers would be exempt from the ban. The bill is set for hearing on April 5th and we will continue to track its progress.

Finally, last week the California Assembly officially welcomed Assembly Member Anthony Rendon (D – Lakewood) as their next Speaker. Rendon will be the fifth Latino Speaker of the Assembly. Rendon will not carry any legislation this year but will focus efforts on helping the Assembly to operate with efficiency. During his induction Rendon shared that the State Legislature must continue to be "thoughtful" about how it helps others and provides people with the programs they need to succeed. As such, one of his priorities for this coming year is to focus the Assembly's efforts on addressing poverty.

Since Speaker Rendon has officially assumed the leadership of the Lower House, he has appointed new committee chairs. Like the Speaker, Most new appointees are not termed out of the Legislature for the next eight or ten more years, which means they can hold their committee chairmanship for the better part of a decade. The new assignments include:

Accountability and Administrative Review: Assembly Member Cristina Garcia (D-Bell Gardens)

Appropriations: Assembly Member Lorena Gonzalez (D-San Diego)

Arts, Entertainment, Sports, Tourism and Internet Media: Assembly Member Kansen Chu (D-San Jose)

Budget: Assembly Member Phil Y. Ting (D-San Francisco)

Budget Subcommittee No. 5 on Public Safety: Assembly Member Nora Campos (D-San Jose)

Budget Subcommittee No. 6 on Budget Process, Oversight and Program Evaluation:

Assembly Member Phil Y. Ting (D-San Francisco)

Business and Professions: Assembly Member Rudy Salas, Jr. (D-Bakersfield)

Elections and Redistricting: Assembly Member Shirley N. Weber (D-San Diego)

Health: Assembly Member Jim Wood (D-Healdsburg)

Human Services: Assembly Member Susan Bonilla (D-Concord)

Local Government: Assembly Member Susan Eggman (D-Stockton)

Public Employees, Retirement and Social Security: Assembly Member Rob Bonta (D-Oakland)

Public Safety: Assembly Member Reginald Jones-Sawyer (D-South Los Angeles)
Revenue and Taxation: Assembly Member Sebastian Ridley-Thomas (D-Culver City)
Joint Legislative Audit: Assembly Member Freddie Rodriguez (D-Pomona)

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.

While the Senate is unlikely to hold a budget hearing in March, the House Budget Committee began a markup of the Fiscal Year 2017 Budget the morning of March 16th. Although Republican leadership expects the bill to pass committee, TPA is learning that many doubt that the House will be to bring this budget bill to the floor, as the Freedom Caucus has announced that they will not support it as written. Conservatives want a budget that cuts an additional \$30 billion in discretionary spending, despite the set spending levels of the existing Boehner-Obama budget deal.

As we stated in the last update, March and April will be busy months for the legislative budget and appropriations process. 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. Not passing a budget makes passing separate appropriations bills through "regular order" much more difficult, but not impossible. Still, without a budget deal the chances of a Continuous Resolution are much higher.

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.