



# Legislative Bulletin

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*A Publication of the County Executive Office/Legislative Affairs*

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December 17, 2019  
Item No. 29

## **County of Orange Positions on Proposed Legislation**

The Legislative Bulletin provides the Board of Supervisors with analyses of measures pending in Sacramento and Washington that are of interest to the County. Staff provides recommended positions that fall within the range of policies established by the Board. According to the County of Orange Legislative Affairs Procedures adopted by the Board of Supervisors on November 25, 2014, staff recommendations for formal County positions on legislation will be agendized and presented in this document for Board action at regular Board of Supervisors meetings. When the Board takes formal action on a piece of legislation, the CEO will direct the County's legislative advocates to promote the individual bills as approved by the Board. The Legislative Bulletin also provides the Board of Supervisors with informative updates on State and Federal issues.

The 2019-2020 Legislative Platform was adopted by the Board of Supervisors' on December 4, 2018.

On December 17, 2019, the Board of Supervisors will consider the following actions:

### **RECOMMENDED ACTIONS**

#### **1. Receive and File Legislative Bulletin**

## INFORMATIONAL ITEMS

### 1. County Position Matrix: CEO-LA

The tables below list bills the County has taken positions on in 2019.

State Legislation

*As of Thursday, December 12, 2019*

Bill Number	Author	Subject	Position	Date of Board Action	Status	Notes
<b><u>AB 132</u></b>	<u>Cooper</u>	Trial Costs: Joseph James DeAngelo, Jr.	<b>Support</b>	2.26.19	Assembly Public Safety – 2 Year Bill	
<b><u>AB 139</u></b>	<u>Quirk-Silva</u>	Emergency and Transitional Housing Act of 2019	<b>Support</b>	3.26.19	Chaptered #335	
<b><u>AB 141</u></b>	<u>Cooper</u>	County Reimbursement: Joseph James DeAngelo, Jr. Costs	<b>Support</b>	4.9.19	Assembly Appropriations – Suspense File: 2 Year Bill	
<b><u>AB 143</u></b>	<u>Quirk-Silva</u>	Shelter Crisis: Homeless Shelters: County of Orange	<b>Support</b>	3.12.19	Chaptered #336	
<b><u>AB 212</u></b>	<u>Bonta</u>	Counties: Recording Fees	<b>Support</b>	4.9.19	Chaptered #41	
<b><u>AB 368</u></b>	<u>Quirk-Silva</u>	Southern California Veterans Cemetery	<b>Watch</b>	6.25.19	Chaptered #284	
<b><u>AB 516</u></b>	<u>Chiu</u>	Authority to Remove Vehicle	<b>Oppose</b>	6.4.19	Senate Appropriations – Suspense File: 2 Year Bill	
<b><u>AB 517</u></b>	<u>Chen</u>	Orange County Property Crime Task Force	<b>Support</b>	3.12.19	Assembly Appropriations – Suspense File: 2 Year Bill	
<b><u>AB 563</u></b>	<u>Quirk-Silva</u>	Mental Health: Funding	<b>Support</b>	5.7.19	Assembly Appropriations – Suspense File: 2 Year Bill	
<b><u>AB 615</u></b>	<u>Brough</u>	Alcoholism or drug abuse recovery and treatment services: referral	<b>Support</b>	3.26.19	Assembly Public Safety – Failed Passage	
<b><u>AB 761</u></b>	<u>Nazarian</u>	State Armories: Homeless Shelters	<b>Support</b>	4.9.19	Chaptered #338	
<b><u>AB 919</u></b>	<u>Petrie-Norris</u>	Alcoholism and drug abuse recovery and treatment	<b>Support</b>	6.4.19	Chaptered #811	
<b><u>AB 920</u></b>	<u>Petrie-Norris</u>	Substance Use Disorder Services: Advisory Group	<b>Support</b>	7.16.19	Vetoed	
<b><u>AB 956</u></b>	<u>Diep</u>	Telecommunications: automatic dialing-announcing devices: residential subscriber information	<b>Support</b>	3.26.19	Chaptered #232	

		emergency alert notifications				
<b><u>AB 964</u></b>	<u>Medina</u>	County Jails: Visitation	<b>Oppose</b>	4.9.19	Assembly Appropriations – Suspense File: 2 Year Bill	
<b><u>AB 1568</u></b>	<u>McCarty</u>	Housing Law Compliance: Prohibition on Applying for State Grants	<b>Oppose</b>	4.23.19	Assembly Appropriations – Suspense File: 2 Year Bill	
<b><u>SB 12</u></b>	<u>Beall</u>	Mental Health Services: Youth	<b>Support</b>	5.7.19	Assembly Appropriations – Suspense File: 2 Year Bill	
<b><u>SB 40</u></b>	<u>Wiener</u>	Conservatorship: Serious Mental Illness and Substance Use Disorders	<b>Support</b>	4.23.19	Chaptered #467	
<b><u>SB 128</u></b>	<u>Beall</u>	Public contract: Best Value Construction Contracting for Counties Pilot Program	<b>Support if Amended</b>	7.30.19	Chaptered #501	
<b><u>SB 144</u></b>	<u>Mitchell</u>	Fees: Criminal Admin Fees	<b>Oppose</b>	5.7.19	Assembly Public Safety – 2 Year Bill	
<b><u>SB 161</u></b>	<u>Bates</u>	Controlled Substances: Fentanyl	<b>Support</b>	2.26.19	Senate Public Safety – Failed Passage	
<b><u>SB 258</u></b>	<u>Hertzberg</u>	California Emergency Solutions and Housing Program: grants: homeless shelters: pets and veterinary services	<b>Support</b>	5.21.19	Assembly Appropriations – Suspense File: 2 Year Bill	
<b><u>SB 450</u></b>	<u>Umberg</u>	California Environmental Quality Act exemptions: supportive and transitional housing: motel conversions	<b>Support</b>	5.21.19	Chaptered #344	
<b><u>SB 465</u></b>	<u>Bates</u>	San Onofre Nuclear Generating Station: Emergency Planning	<b>Support</b>	5.7.19	Assembly Appropriations: Suspense File	
<b><u>SB 555</u></b>	<u>Mitchell</u>	Jails and Juvenile Facilities: Telephone Services: Store	<b>Oppose</b>	6.25.19	Assembly Appropriations – Suspense File: 2 Year Bill	
<b><u>SB 573</u></b>	<u>Chang</u>	Homeless Emergency Aid Program: Funding	<b>Support</b>	3.26.19	Assembly Housing and Community Development – 2 Year Bill	
<b><u>SB 589</u></b>	<u>Bates</u>	Alcohol and other drug abuse recovery services: advertising and marketing	<b>Support</b>	3.26.19	Vetoed	

<b><u>SB 665</u></b>	<u>Umberg</u>	Mental Health Services Fund: County Jails	<b>Sponsor /Support</b>	4.23.19	Assembly Rules	
<b><u>SB 689</u></b>	<u>Moorlach</u>	Needle and Syringe Exchange Program	<b>Support</b>	3.12.19	Senate Health – Failed Passage	
<b><u>SB 736</u></b>	<u>Umberg</u>	Creative Economy Task Force	<b>Support</b>	5.21.19	Assembly Appropriations – Suspense File: 2 Year Bill	

Federal Legislation

*As of Thursday, December 12, 2019*

Bill Number	Author	Subject	Position	Date of Board Action	Status	Notes
<b><u>HR 2995</u></b>	<u>Levin</u>	Spent Fuel Prioritization Act	<b>Support</b>	6.25.19	House Committee on Energy and Commerce	
<b><u>S.923</u></b>	<u>Feinstein</u>	Fighting Homelessness Through Services and Housing Act	<b>Support</b>	5.7.19	Senate Committee on Health, Education, Labor and Pensions	

**2. Housing/Homelessness Legislation Update: CEO-LA**

The tables below list active legislation from the 2019-20 legislative session relating to housing/homelessness.

State Legislation


*As of Thursday, December 12, 2019*

Bill No.	Author	Subject	Outside Orgs.	Status	Board Position
<b><u>AB 11</u></b>	<u>Chiu</u>	Community Redevelopment Law of 2019.	CSAC – Watch	Assembly Appropriations- 2 Year Bill	
<b><u>AB 14</u></b>	<u>Rivas, Luz</u>	Multifamily Housing Program: homeless youths: homeless families.	CSAC – Watch	Assembly Housing and Community Development	
<b><u>AB 16</u></b>	<u>Rivas, Luz</u>	Homeless children and youths: reporting.	CSAC – Watch	Vetoed	
<b><u>AB 22</u></b>	<u>Burke</u>	Housing: safe and clean shelter for children.	CSAC – Watch	Assembly Housing and Community Development – 2 Year Bill	
<b><u>AB 58</u></b>	<u>Rivas, Luz</u>	Homeless Coordinating and Financing Council.	CSAC – Support if Amended	Chaptered #334	
<b><u>AB 67</u></b>	<u>Rivas, Luz</u>	Homeless integrated data warehouse	CSAC – Watch	Senate Appropriations – Suspense File: 2 Year Bill	
<b><u>AB 68</u></b>	<u>Ting</u>	Land use: accessory dwelling units.	CSAC – Concerns UCC – Concerns	Chaptered #655	
<b><u>AB 69</u></b>	<u>Ting</u>	Land use: accessory dwelling units.	CSAC – Support	Senate Floor - 2 Year Bill	
<b><u>AB 139</u></b>	<u>Quirk-Silva</u>	Emergency and Transitional Housing Act of 2019	CSAC – Watch	Chaptered #335	Support – 3/26/19
<b><u>AB 143</u></b>	<u>Quirk-Silva</u>	Shelter Crisis: Homeless	CSAC – Watch	Chaptered #336	Support – 3/12/19

		Shelters: County of Orange			
<b><u>AB 146</u></b>	<u>Quirk-Silva</u>	State highways: property leases: County of Orange.		Assembly Local Government – 2 Year Bill	
<b><u>AB 307</u></b>	<u>Reyes</u>	Homeless youth: grant program.	CSAC – Support if Amended	Senate Appropriations – Suspense File: 2 Year Bill	
<b><u>AB 531</u></b>	<u>Friedman</u>	Foster youth: housing.	CSAC – Support	Senate Appropriations – Suspense File: 2 Year Bill	
<b><u>AB 599</u></b>	<u>Maienschein</u>	Housing programs: definitions: workforce housing.	CSAC – Watch	Assembly Housing and Community Development – 2 Year Bill	
<b><u>AB 671</u></b>	<u>Friedman</u>	Accessory dwelling units: incentives.	CSAC – Concerns	Chaptered #658	
<b><u>AB 725</u></b>	<u>Wicks</u>	General plans: housing element: above moderate-income housing: suburban and metropolitan jurisdictions.		Assembly Housing and Community Development – 2 Year Bill	
<b><u>AB 728</u></b>	<u>Santiago</u>	Homeless multidisciplinary personnel teams.	CSAC – Support	Chaptered #337	
<b><u>AB 761</u></b>	<u>Nazarian</u>	State armories: homeless shelters.	CSAC – Watch	Chaptered #338	Support – 4/9/19
<b><u>AB 816</u></b>	<u>Quirk-Silva</u>	California Flexible Housing Subsidy Pool Program.	CSAC – Watch	Assembly Appropriations – Suspense: Held	
<b><u>AB 847</u></b>	<u>Grayson</u>	Housing: transportation-related impact fees grant program.	CSAC – Watch	Assembly Housing and Community Development – 2 Year Bill	
<b><u>AB 881</u></b>	<u>Bloom</u>	Accessory dwelling units.	CSAC – Pending	Chaptered #659	
<b><u>AB 995</u></b>	<u>Ting</u>	Transitional Housing Program-Plus.	CSAC – Watch	Senate Rules – 2 Year Bill	
<b><u>AB 1074</u></b>	<u>Diep</u>	Accessory Dwelling Unit Construction Bond Act of 2020.	CSAC – Watch	Assembly Housing and Community Development – 2 Year Bill	
<b><u>AB 1177</u></b>	<u>Frazier</u>	Planning and zoning: housing development: streamlined approval.	CSAC – Watch	Assembly Housing and Community Development – 2 Year Bill	
<b><u>AB 1197</u></b>	<u>Santiago</u>	California Environmental Quality Act: exemption: City of Los Angeles: Supportive Housing and Emergency Shelters	CSAC – Watch	Chaptered #340	
<b><u>AB 1235</u></b>	<u>Chu</u>	Homeless youth prevention centers.	CSAC – Pending	Chaptered #341	
<b><u>AB 1255</u></b>	<u>Rivas, Robert</u>	Surplus public land: database.	CSAC – Pending	Chaptered #661	
<b><u>AB 1279</u></b>	<u>Bloom</u>	Planning and zoning: housing development: high-resource areas.	CSAC – Concerns	Senate Housing – 2 Year Bill	
<b><u>AB 1483</u></b>	<u>Grayson</u>	Housing data: collection and reporting.	CSAC – Oppose Unless Amended	Chaptered #662	
<b><u>AB 1484</u></b>	<u>Grayson</u>	Mitigation Fee Act: housing developments.	CSAC - Concerns	Senate Rules	
<b><u>AB 1485</u></b>	<u>Wicks</u>	Housing development: incentives.	CSAC – Pending	Chaptered #663	
<b><u>AB 1561</u></b>	<u>Garcia, Cristina</u>	Planning and zoning: Housing element	CSAC – Pending	Senate Rules	

<b><u>AB 1568</u></b>	<u>McCarty</u>	Housing law compliance: prohibition on applying for state grants.	CSAC – Oppose UCC – Oppose	Assembly Appropriations – 2 Year Bill	Oppose – 4/23/19
<b><u>AB 1711</u></b>	<u>Santiago</u>	Homeless populations: disease outbreak.	CSAC – Watch	Assembly Appropriations- 2 Year Bill	
<b><u>AB 1717</u></b>	<u>Friedman</u>	Transit-Oriented Affordable Housing Funding Program Act.	CSAC – Watch	Assembly Appropriations – 2 Year Bill	
<b><u>AB 1763</u></b>	<u>Chiu</u>	Planning and zoning: density bonuses: affordable housing.	CSAC – Pending	Chaptered #666	
<b><u>SB 4</u></b>	<u>McGuire</u>	Housing.	CSAC – Pending	Senate Governance and Finance – 2 Year Bill	
<b><u>SB 5</u></b>	<u>Beall</u>	Affordable Housing and Community Development Investment Program.	CSAC – Support	Vetoed	
<b><u>SB 6</u></b>	<u>Beall</u>	Residential development: available land.	CSAC – Watch	Chaptered #667	
<b><u>SB 9</u></b>	<u>Beall</u>	Income taxes: low-income housing credits: allocation: sale of credits.	CSAC – Support	Assembly Housing and Community Development – 2 Year Bill	
<b><u>SB 13</u></b>	<u>Wieckowski</u>	Accessory dwelling units.	CSAC – Oppose Unless Amended	Chaptered #653	
<b><u>SB 18</u></b>	<u>Skinner</u>	Keep Californians Housed Act.		Chaptered #134	
<b><u>SB 48</u></b>	<u>Wiener</u>	Interim housing intervention developments.	CSAC – Watch	Senate Appropriations – 2 Year Bill	
<b><u>SB 50</u></b>	<u>Wiener</u>	Planning and zoning: housing development: incentives.	CSAC – Oppose Unless Amended	Senate Appropriations – 2 Year Bill	
<b><u>SB 191</u></b>	<u>Morrell</u>	Land use: housing element.	CSAC – Watch	Senate Rules	
<b><u>SB 258</u></b>	<u>Hertzberg</u>	California Emergency Solutions and Housing Program: grants: homeless shelters: pets and veterinary services.	CSAC- Watch	Assembly Appropriations – Suspense File: 2 Year Bill	Support – 5/21/19
<b><u>SB 282</u></b>	<u>Beall</u>	Supportive housing for parolees.	CSAC – Watch	Assembly Appropriations – Suspense File	
<b><u>SB 330</u></b>	<u>Skinner</u>	Housing Crisis Act of 2019.	CSAC – Oppose Unless Amended	Chaptered #654	
<b><u>SB 384</u></b>	<u>Morrell</u>	Housing.	CSAC – Pending	Senate Environmental Quality – Failed Passage	
<b><u>SB 450</u></b>	<u>Umberg</u>	California Environmental Quality Act exemption: supportive and transitional housing: motel conversion.	CSAC – Support	Chaptered #344	Support – 5/21/19
<b><u>SB 532</u></b>	<u>Portantino</u>	Redevelopment: bond proceeds: affordable housing.	CSAC – Neutral	Vetoed	
<b><u>SB 573</u></b>	<u>Chang</u>	Homeless Emergency Aid program: funding.	CSAC – Support If Amended	Assembly Housing and Community Development – 2 Year Bill	Support – 3/26/19
<b><u>SB 744</u></b>	<u>Caballero</u>	Planning and zoning: California Environmental	CSAC – Watch	Chaptered #346	

		Quality Act: permanent supportive housing: No Place Like Home Program.			
<b>SCA 1</b>	Allen	Public housing projects.	CSAC – Support	Assembly Rules	

 Highlighted sections symbolize a status change

### 3. Sacramento Legislative Report

*Prepared by Precision Advocacy Group LLC*

The Promise of Proposition 63 and the Future of Mental Health Funding in California. The [Assembly Budget Subcommittee on Health and Human Services](#) met to discuss Proposition 63, the Mental Health Services Act (MHSA), and its future. The [hearing](#) was broken into four panels:

1. Proposition 63: Successes and Challenges
2. Prevention and Early Intervention
3. Transformation to Outcomes-Based
4. CalAIM (Behavioral Health) Presentation

Only two legislators attended the hearing, Chairman Joaquin Arambula (D-Fresno) and Assemblymember Jim Frazier (D-Discovery Bay).

Sacramento Mayor Darrell Steinberg was given the floor after introductions and opening statements and spent a bit of time discussing his work on mental health issues as well as the genesis of Prop 63. He spoke about some of the successes of the MHSA as well as challenges – in particular, the challenge of determining specific outcomes related to MHSA funding. He emphasized that currently Prop 63 acts as the “peanut butter” in the mental health system, filling in gaps where funding is needed, and that the determination needs to be made about whether that is its permanent role. He proceeded to advocate for an MHSA refresh which would narrow uses of the funding to homelessness, the criminal justice involved population, and children. It was unclear precisely how he wants to pursue the changes – but he mentioned some of them can be made through administration, the legislative process, the budget process, and others through CalAIM.

Representatives of the County Behavioral Health Directors Association (CBHDA) spoke on the majority of the panels to provide background about how counties are utilizing funding and how we can improve the system. CBHDA noted that counties maximize MHSA funding by braiding it with other funding streams and that any diversion of MHSA funding to new state priorities risks undercutting local Medi-Cal services, prevention programs, and innovation. Counties don’t have enough flexibility in how they spend funding currently. For example, counties are unable to utilize MHSA dollars for treatment of substance use disorders without a diagnosed co-occurring disorder.

Throughout the hearing, one agreement that emerged amongst stakeholders is that the state lacks overarching data to determine how effectively the MHSA is working statewide. CBHDA recommended a body of experts, including clients, family members, representatives of county behavioral health, and data scientists come together with the state to assess available data and develop proposed statewide outcomes. The state needs to be able to flexibly respond to emergent public health needs, improvements in data collection, so that as we learn, we can adapt the outcomes to respond to changes.

In terms of homelessness, CBHDA commented that, “We need to address mental illness and substance use disorders of the homeless, but behavioral health issues are not what’s driving our homelessness crisis

today, it's mainly income inequality and there being no place for low-income people to live. If we want to get people off of the streets quick, we need to provide them with subsidies and affordable places to live."

Kelly Pfeiffer, Deputy Director of Behavioral Health at the California Department of Health Care Services said that if we are considering a change to the MHSA, "we want to make sure that in fixing what doesn't work, we don't break what works:"

- The Mental Health Services Oversight and Accountability Commission conducted an evaluation of 640,000 people in Full Service Partnerships (FSP) and found that people who participated had half the arrests as before. Those who had frequent arrests went down by 2/3, and arrests of homeless individuals went down by half. The FSP model has also been demonstrated to work for reducing hospitalization, ER visits, and homelessness.
- Prevention and early intervention assists in reducing recidivism by intervening at that critical point in time before someone loses their housing or is involved with the criminal justice system.
- Many of the programs in county plans work with high-risk families, including mothers with addiction to make sure that fewer children end up in the county welfare system.

Dr. Pfeiffer cited one major challenge of the MHSA is that while many counties are measuring programs that are impactful, we don't yet tell that story at the statewide level.

Other stakeholders, including the California State Association of Counties pointed out that the state should use caution when deliberating a MHSA refresh, especially in light of multiple moving parts including proposed federal regulations and CalAIM. Budget Subcommittee Chair Arambula stated that the hearing was only the beginning of many conversations around MHSA that will occur in the coming year.

Embracing Progress/Securing the Future. Assembly budget committee chair, Assemblymember Phil Ting (D-San Francisco), released his [budget blueprint](#) for the 2020-21 budget this week. Since his appointment as chair of the budget committee, he has provided an annual outline of high priorities and general direction in advance of the governor's January budget proposal. It's notable that although the budget blueprint highlights the need to implement homelessness solutions, it does not provide new funding in the 2020-21 budget year.

The outline reports that the economy has been strong and growing and the State has record reserves, however the federal government is not dependable. The Legislative Analyst's Office (LAO) recommends limiting new, ongoing spending to \$1 billion in 2020-21, and total additional spending to \$4 billion.

The blueprint discusses goals into the future, including protecting for fiscal uncertainty, reversing cuts remaining from the recession, and aggressive oversight in a few specified areas. Building reserves and keeping the budget balanced in out-years remains a key priority, in addition to protecting 2019 investments that are at-risk of suspension should revenues be too low in 2022. In terms of new investments, the budget outline does not provide funding amounts, however, suggests the following priorities:

- Health and Human Services
  - Improving behavioral health by enhancing fiscal incentives for counties and investments in the growing workforce.
  - Simplifying social services and aging programs' rules for vulnerable Californians.
  - Improving health care access and affordability.
  - Assisting Californians impacted by recent federal cuts to food programs.
  - Providing hearing aids for deaf children.
  - Providing earned income tax credits to all working families with children.
  - Expanding paid family leave.
  - Implementing homelessness and housing investments.
- Corrections – Reducing recidivism by focusing on rehabilitation, and consolidating and reducing the number of prisons over the next four years.



- Reducing pollution from transportation, responding to wildfires, as well as responding to emergency power disruptions.
- Education – Funding preschool facilities, expanding access to early care and education programs, improving California’s special education program, and increasing access to higher education.

Areas that have been flagged for additional aggressive oversight include the DMV, the Department of Toxic Substances Control, the protection of vulnerable recent immigrants, challenges in the legal cannabis system, ensuring safe and affordable drinking water, highlighting the needs of low performing students, and gender pay equity for state employees.

#### 4. Washington DC Legislative Report

##### *Prepared by Potomac Partners DC*

During the week of December 9<sup>th</sup>, the House and Senate were in session. Leaders in both parties have been negotiating in earnest to reach a deal on the remaining points of contention in the Fiscal Year 2020 (FY20) appropriations process. There are still more than one hundred items spread across the twelve individual appropriations bills that still need to be negotiated at the leadership levels, which include House Appropriations Chair Nita Lowey (D-NY), Senate Appropriations Chair Richard Shelby (R-AL), House Speaker Nancy Pelosi (D-CA), House Minority Leader Kevin McCarthy (R-CA), Senate Majority Leader Mitch McConnell (R-KY), and Senate Minority Leader Chuck Schumer (D-NY). Congress has until December 20<sup>th</sup> at midnight all, or some, of the individual spending bills for FY20. Any bill that is not passed by then will need to be funded by a Continuing Resolution (CR).

Some of the issues being negotiated include the President’s request for border wall funding, a San Francisco Presidio Park item supported by Speaker Pelosi (and opposed by Minority Leader McCarthy), and the Shasta Dam expansion supported by Minority Leader McCarthy (an opposed by speaker Pelosi). Leaders met on December 12<sup>th</sup> to continue negotiations and staff are expected to continue in an effort to have as many bills ready for passage the week of December 16<sup>th</sup> as possible. The new individual spending allocations have still not been released by the House or Senate Appropriations Committees.

One issue that could complicate the appropriations process was the introduction of Articles of Impeachment by House Speaker Nancy Pelosi (D-CA) regarding the President’s phone call with Ukrainian President Zelensky. The two articles of impeachment are (I) Abuse of Power and (II) Obstruction of Congress. The next step will be for the House Judiciary Committee to hold a markup of the resolution, which is scheduled for Wednesday night. The full House Judiciary Committee will need to approve the resolution ([H.Res. 755](#)) before it can be considered on the House floor. As we reported earlier this month, the full House vote on impeachment is still expected to be held next week.

On December 9<sup>th</sup> the Department of Justice (DOJ) Inspector General (IG) released a report on the Federal Bureau of Investigation’s (FBI) use of FISA warrants to surveille the Trump campaign in 2016. While the report did not document the presence of political bias in the origins of the report, it did show major errors by the FBI in submitting warrant requests to the FISA court.

On December 10<sup>th</sup>, House Speaker Nancy Pelosi announced an agreement on the United States-Mexico-Canada Agreement. During the announcement, Speaker Pelosi said that she believes the USMCA is much better than NAFTA. The pact contains provisions designed to repatriate manufacturing jobs by, among other things, requiring 40-45% of autos to eventually be made in countries that pay autoworkers at least \$16 dollars an hour (i.e. the United States). The pact also gained more support from Democrats after a pharmaceutical provision protecting manufacturers of new drugs, including biologics, was removed.

Senator Toomey (R-PA) however was one of the few Republicans to criticize the agreement, saying that the USMCA is a modernized NAFTA that restricts free trade and the free movement of capital between US trading partners. The House is expected to vote on the agreement the week of December 16<sup>th</sup>.

On December 11<sup>th</sup>, Senator John Thune (R-SD) indicated that a year-end tax extenders agreement may not be possible before the end of the calendar year. The main obstacle is House Speaker Nancy Pelosi's hardline request for an expansion of the Earned Income (EITC) and Child Tax (CTC) credits that would equate to over \$100 billion in revenue losses. However, if a deal is reached before December 20<sup>th</sup> it is expected to be attached as a "rider" to one of the appropriations bills or Continuing Resolution.

On December 12<sup>th</sup> the House is expected to consider [H.R. 3 - Elijah E. Cummings Lower Drug Costs Now Act](#), a bill that aims to lower prescription drug prices. The bill would require Medicare to negotiate the price of drugs for up to 250 prescription drugs each year, and cap Medicare prices for those drugs. It would also enact a \$2,000 out-of-pocket spending cap for seniors in Medicare's prescription drug program. Some progressive House Democrats have expressed misgivings with the bill, seeking to extend Medicare prices to uninsured individuals, expand rebates for excessive price increases to employer-sponsored insurance plans, and allow Medicare to negotiate on all drugs. Senate Finance Committee Chair Chuck Grassley (R-TN) introduced his own version of legislation to address drug pricing, however many Senate Republicans have already issued opposition to the Republican's plan.

The House is expected to vote on, and pass, the 2020 National Defense Authorization Act (NDAA), followed by the Senate. The annual defense spending and policy authorization legislation is traditionally negotiated with bipartisan cooperation, but a few provisions delayed passage earlier this year. One of these provisions which was ultimately removed was related to the use of PFAS chemicals, a key component used to make water more effective at dousing aviation, and other chemical, fires. There is also a provision related to the implementation of cybersecurity plans and infrastructure for rail rolling stock and operations. The cybersecurity provision does not include a funding component, which could increase operating costs for transit agencies.

If you or your staff have any questions or require additional information on any of the items in this bulletin, please contact Peter DeMarco at 714-834-5777.