



Legislative Update ■ February 18, 2020

UCC's Website Redesign is LIVE!

We invite you to visit UCC's newly refreshed [website](#), which highlights our 2020 advocacy priorities and helps elevate the urban county voice in Sacramento and across the state. Please feel free to take a ride around the site and share any feedback you may have. We plan to keep the site updated in real-time, so please bookmark it for future reference. Thank you to the UCC Board of Directors for its guidance and direction and to a number of county staff who helped shape the look and feel of the new site.

Tune in Tomorrow for the Governor's State of-the-State

Governor Gavin Newsom will present his second State of the State tomorrow, Wednesday, February 19, at 10:30 a.m; his address will be livestreamed [here](#).

LAO Offers Perspectives on Governor's 2020-21 Homelessness Proposal

As the Legislature digs in to the details on various proposals contained in the Governor's 2020-21 budget, the Legislative Analyst's Office (LAO) is pumping out its analyses and perspectives as well. Notable from last week was the LAO's lengthy and largely skeptical [assessment](#) of the Governor's homelessness proposal. In brief, the Governor budget proposal on homelessness would do the following: (1) create a new program – the California Access to Housing and Services Fund (CAAHS) – overseen by the Department of Social Services (DSS) and (2) make a one-time investment of \$750 million to fund various activities to curb street homelessness such as rental subsidies, the development or rehabilitation of affordable housing units, and investing in board and care facilities, to name a few. The LAO raises a number of concerns about the lack of a cohesive strategy and recommends, as an alternative, that the Legislature either (1) develop its own plan using a policy framework laid out in the LAO report or (2) take one-time action to provide grants to local governments to continue addressing the homelessness crisis, which would give more time to develop a comprehensive and coherent plan.

Based on last week's hearing convened in San Francisco by the Assembly Budget [Subcommittee No. 6](#) on Budget Process Oversight and Program Review convened, it appears that the Legislature may share some of the LAO's skepticism on the Governor's homelessness proposals. While the severity of the homelessness crisis was not in dispute during the hearing, nor was the idea of investing additional general fund support to help solve the problem in the 2020-21 budget, the committee members were not convinced that creating another new program was the most effective next step for the state. Not only were they left wanting in terms of additional details on

the Governor's proposal (what gaps does this new program fill that are not provided via existing programs, who will serve as regional administrators, why does the state need regional administrators, etc.), they were also concerned about the a lack of an overall vision for the state to comprehensively address homelessness.

At one point during the hearing, Assembly Member Phil Ting, the Chair of the Assembly Budget Committee and budget subcommittee No. 6, noted that given the lack of more detailed information from the Administration, additional hearings were in. Next up, the Assembly Budget Subcommittee No. 1 on Health and Human Services and No. 4 on State Administration meet jointly to discuss the Governor's proposal tomorrow, while the full Senate Budget and Fiscal Review Committee will meet on February 26 for an informational hearing on housing and homelessness.

Managed Care Organization Tax – Take Two

The Department of Health Care Services (DHCS) resubmitted a revised Managed Care Organization (MCO) tax to the Centers for Medicare and Medicaid Services (CMS) last week. The state believes the revised MCO tax will meet concerns raised by CMS with the first version that was submitted last fall. Please note that the revised MCO tax will raise approximately \$1.5 billion in revenue, which is about \$400 million less than the original submission.

Proposed Audit Request Seeks Details on AB 109-Related 2011 Realignment Spending

Assembly Member Sydney Kamlager, who represents portions of Los Angeles County, [announced](#) late last week that she intends to request an audit of three sheriffs departments' expenditures of AB 109 funding. Presumably, this audit request – which will be before the Joint Legislative Audit Committee at its February 26 meeting – would seek to capture details on the sheriffs' portion of the local Community Corrections Subaccount created as part of the 2011 Realignment fiscal structure. Assembly Member Kamlager has identified the Counties of Alameda, Fresno, and Los Angeles as the subjects of the requested audit. It is assumed that the audit request is an outgrowth of the joint reporting effort of the McClatchy papers and *ProPublica* that examined local detention facilities, with a specific focus on the post-Realignment era.

Board of State and Community Corrections Meets Thursday

In related news, the Board of State and Community Corrections (BSCC) approved at its February 13 meeting a plan to revise the local jail inspection process. State inspections of county jails also were a focus in the series of articles published by McClatchy and *ProPublica* in 2019. Consistent with Governor Newsom's articulated intent in his January budget proposal to "more actively engage counties regarding deficiencies identified as part of its inspections through its public board meeting process and by more frequent follow-up inspections," the BSCC is pursuing a number of refinements to its existing inspection process, including more proactive steps to engage with counties in addressing issues of noncompliance as well as a formal timeframe to correct any deficiencies. For more details on the recommended jail inspection process changes, see the BSCC staff report [here](#). Before finalizing the new procedures at its June Board meeting, BSCC staff will seek public input on the changes through noticed hearings and its [website](#).

Medi-Cal Healthier California for All Update

The Department of Health Care Services (DHCS) announced a revised schedule to its upcoming behavioral health workgroup meeting that is one of the five working groups providing feedback on the Medi-Cal Healthier California for All proposal. The behavioral health workgroup was initially slated to meet on the afternoon of February 27 to discuss the Serious Mental Illness/Serious Emotional Disturbance (SMI/SED) Institution for Mental Disease (IMD) waiver opportunity. However, the meeting to discuss that topic has been cancelled. Materials from the November 8 when the SMI/SED IMD waiver was initially discussed can be accessed [here](#). We will keep you apprised as we learn more about a new schedule.