



*Established in 1991, UCC serves as the representative voice for state legislative advocacy for high-population counties in California. Initially composed of seven counties, the association has grown to 14 today. Over 80 percent of the state's population reside in UCC counties. Consequently, urban counties carry out critical programs and services to the state's most vulnerable populations. For more information, including details on our Board of Directors, please visit [our website](#).*

## UCC News: April 23, 2021

### **It's Crunch Time: Legislature Pushes Ahead with Deliberations on Hundreds of Bills as Deadlines Loom**

The churning sound emanating from the State Capitol reflects the immense amount of work the Legislature has been doing over the last several weeks in its policy development process. Despite continued limitations on public access to in-person testimony and advocacy due to the pandemic, policy committees have been working overtime to meet upcoming bill hearing deadlines. A week from today (April 30) is the deadline for fiscal bills in relevant policy committees, meaning that all measures with a fiscal impact must have passed out of policy committee(s) and be before the appropriate (house of origin) Appropriations Committee. The following Friday, May 7, is the last day that policy committees may meet to take up non-fiscal bills. As we approach the Appropriations Committee deadline (later May), we will remind our readers about the enigmatic process that is the Suspense File.

See our write ups below in the "Bills, Bills, and More Bills" section for legislation of particular interest.

### **March Revenues Beat Budget Estimates**

The Department of Finance has released its monthly Finance Bulletin and, in what's getting to be pretty repetitive news, March state general fund revenues were almost \$2.4 billion above budget estimates. Finance notes that much of the difference is due to lower-than-expected refunds caused by the delay in enactment of the Golden State Stimulus, as well as a delayed opening date of the tax filing season by the Internal Revenue Service.

Personal income tax revenues for March were \$1.602 billion above the month's forecast of \$4.716 billion, while sales and use tax revenues for the month were \$184 million above the month's forecast of \$1.847 billion. Corporation tax revenues for March were \$655 million above the month's forecast of \$1.607 billion.

There will be no monthly bulletin next month; state revenues and estimates will be updated as part of the May Revision.

### **Newsom Announces Fracking Ban**

Governor Newsom today [directed](#) the Department of Conservation's Geologic Energy Management (CalGEM) Division to initiate regulatory action to end the issuance of new permits for hydraulic fracturing (fracking) by January 2024 and requested that the California Air Resources Board (CARB) analyze pathways to phase out oil extraction across the state by no later than 2045.

This news comes on the heels of the failure of [SB 467](#), legislation that sought to ban fracking, last week. Proponents have since announced that they will instead amend the bill to focus on 2,500-foot setbacks between new drilling and sensitive sites like homes, schools, and hospitals. For more information, check out this [article](#) from the *Los Angeles Times*.

### **Legislature Confirms Bonta as Attorney General; Swearing In Set for Later Today**

The Legislature confirmed Assembly Member Rob Bonta to be the state's next attorney general this week on a 29-6 vote in the Senate and a 62-0 vote in the Assembly. Soon-to-be Attorney General Bonta will be the state's first Filipino American statewide elected official. Mr. Bonta, who will be sworn in by the Governor today at 5 p.m., has distinguished himself as a progressive reformer during his time as a state lawmaker. He committed in his confirmation hearings this week to continue efforts to demand greater accountability on issues of excessive force and other police misconduct. Bonta's Assembly seat that covers a portion of Alameda County will now need to be filled through a special election. Among the candidates who will be vying to fill out the rest of his term is his wife, Mia Bonta.

### **LAO Report: State Appropriations Limit Becomes a Budget Issue**

The Legislative Analyst's Office (LAO) issued a [brief](#) this week suggesting that the State Appropriations Limit (commonly referred to as the "Gann" limit or SAL) would necessitate some additional budget attention in 2021-22. 1979's Proposition 4 (championed by Paul Gann of Proposition 13 fame) established an appropriations limit on the state and most types of local governments. If the state has revenues above the limit over two consecutive years, the Constitution requires the state to split the excess between taxpayer rebates and additional spending on schools. According to the LAO, the SAL is likely to limit spending growth in the budget year and in future years.

There are two primary reasons that the limit has become an issue. First, growth in personal income tax revenue has exceeded the SAL's growth rate. The state's tax rate structure combined with faster income growth among high-income earners are driving personal income tax growth. As a result, year-to-year growth in appropriations has been higher than increases in the SAL. Second, constitutionally required school spending, driven by faster state revenue growth, has increased faster than school limits. Because the state absorbs appropriations above school limits, this trend has resulted in diminished room for the state.

The LAO provides a number of options for the Legislature's consideration to address the issue, including going to voters for a constitutional change to revise the original limit or making statutory changes to the SAL. While immediate action will likely be needed to address the 2021-22 state budget, there may be an interest in a longer-term fix, given the likely ongoing pressures associated with the SAL.

### **Governor Proclaims Regional Drought Emergency**

This week, Governor Gavin Newsom [proclaimed](#) a regional drought emergency for the Russian River watershed in Sonoma and Mendocino counties and directed state agencies to take immediate action to improve the state's drought resilience and prepare for impacts on communities, businesses, and ecosystems if dry conditions are extended into a third year. The Governor made the announcement from a dry Lake Mendocino lakebed where he acknowledged that most of the West is in a drought and that local reservoirs are at historic lows. He said, however, that he didn't want to impose a "one-size-fits-all" solution, indicating he was not prepared to issue a statewide order.

### **Assembly Budget Subcommittee Holds Informational Hearing**

The Assembly Budget Subcommittee No. 5 met for an informational hearing on Monday, taking up two issues: (1) the results of a recent audit of the California District Attorneys Association and (2) an update on local recidivism reduction strategies. A video of the proceedings can be viewed [here](#). On the CDAA audit, the subcommittee discussed the findings, which revealed the association's practice over more than 15 years of using restricted funds to cover general operational costs. As for local recidivism reduction strategies, the subcommittee heard from Contra Costa County District Attorney Diana Becton, San Joaquin County District Attorney Tori Verber Salazar, as well as Judge Peter Espinoza (ret.) and Vanessa Martin from the Los Angeles County Office of Diversion and Reentry. See the hearing agenda and presenters' materials [here](#).

### **Bills, Bills, and More Bills**

#### ***PPP Tax Conformity***

This week, the Senate approved [Assembly Bill 80](#), by Assembly Member Autumn Burke, which conforms California tax law with federal law regarding treatment of entities that received a Paycheck Protection Program (PPP) loan. This measure had originally been included with a number of "early action" budget items but was delayed to ensure that provisions in the American Rescue Plan Act that preclude states from using funds for tax relief would not apply to PPP conformity. The measure will likely be taken up by the Assembly next week and sent to the Governor, in order to allow close to one million taxpayers who received a PPP loan to avoid an increased tax liability before the filing deadline of May 17.

#### ***JJCPA Redirection***

- [SB 493](#), by Senator Steven Bradford, proposes an array of changes to the Juvenile Justice Crime Prevention Act (JJCPA), including redirection of 95 percent of the program's funding to non-law enforcement local agencies and community-based organizations (CBOs). JJCPA represents a long-standing investment in local juvenile justice responses and, beginning in 2000, has helped local probation along with their CBO partners build a continuum of juvenile prevention and intervention services. It was on this foundation that the state realigned a portion of the juvenile justice system to counties in 2007. Given that JJCPA and the funding associated with the 2007 shift in juvenile justice responsibility were realigned in 2011, these programs now enjoy constitutional protections that appear to be abridged by the approach contemplated in SB 493.

This measure passed out of the Senate Public Safety Committee – a committee Senator Bradford chairs – this week and will be heard in the Senate Appropriations Committee on May 3. In addition to probation union opposition, the statewide county associations of CSAC, UCC, and RCRC along with the probation chiefs are in opposition to the bill. We will continue to keep you apprised.

### **CalAIM Bill Package**

The Senate and Assembly Health Committees will be hearing several bills next week that seek to implement various components of CalAIM. The list of measures split between the two houses includes:

- [AB 875](#) (Wood): This measure includes: 1) the transition from the PRIME program to the Quality Improvement Program, as PRIME is being phased out of the current 1115 waiver; 2) the Global Payment Program; 3) jail services; and 4) state monitoring of county performance for county eligibility work for Medi-Cal. The measure, via future amendments, will also include state monitoring of county performance for California Children's Services (CCS) and Child Health Disability Prevention (CHDP) program.
- [AB 942](#) (Wood): This measure includes the behavioral health components of CalAIM, including the funding change from certified public expenditures to Intergovernmental Transfers (IGTs).
- [AB 1132](#) (Wood): This measure includes the Medicare Advantage Dual Special Needs Plan (D-SNP) components.
- [SB 256](#) (Pan): This measure includes the Population Health Management, Enhanced Care Management and In Lieu of Services components. SB 256 also contains the authority for incentive payments to Medi-Cal managed care plans.
- [SB 279](#) (Pan): This measure includes the Health Homes sunset, dental services, and health plan accreditation.

### **Single Payer Health Care**

Assembly Member Ash Kalra announced this week that [AB 1400](#), his single-payer measure, will be a two-year bill. Single payer remains a top priority for the California Nurses Association, and they voiced disappointment over the decision to hold the bill this year, calling the move "a huge mistake." Assembly Member Kalra noted the bill would benefit from more time to evaluate funding options. "Otherwise, pursuing the bill in its current form in committee without proper time to examine a newly inserted funding source would have certainly led to it dying at the committee level."

### **Telehealth**

- [AB 32](#) (Aguiar-Curry) would extend many of the telehealth flexibilities provided during the pandemic on a permanent basis. The Assembly Health Committee will hear the bill on April 27. Specifically, AB 32 ensures parity in reimbursement for telehealth services provided through Medi-Cal managed care plans and authorizes a provider to enroll or recertify an individual in specified Medi-Cal programs remotely.

The bill also requires the Department of Health Care Services (DHCS) to convene an advisory group by January 2022, including representatives from community health centers, public hospitals, Medi-Cal managed care plans, consumer groups, labor organizations, behavioral health providers, and counties. The advisory shall provide input on the development of an evaluation and revisions to telehealth that promote the use of telehealth to achieve increased access to high-quality healthcare. AB 32 requires DHCS to complete an evaluation to assess the benefits of telehealth in Medi-Cal by December 2024, including an analysis of improved access for patients, changes in health quality outcomes and utilization, and best practices for the right mix of in-person visits and telehealth. Finally, the measure instructs DHCS to report its findings and recommendations back to the Legislature by July 1, 2025.

## ***Hospital Bills***

We provide below descriptions and a status update on a number of hospital-related measures now before the Legislature.

- [SB 379](#) (Wiener) would prohibit the University of California (UC) from entering into, amending, or renewing any contract with any health facility in which a health care practitioner employed by UC, or a UC trainee, would be limited in the practitioner's or trainee's ability to provide patients with medical information or medical services due to policy-based restrictions on care in the health facility.

The author is concerned with the contracts that UC Health has entered into with hospitals that restrict the reproductive and LGBTQ-inclusive services UC doctors and students can provide, primarily with Catholic affiliated facilities.

UC has several concerns with the measure, including impacts on medical outcomes for patients served at partnership institutions and impacts to health professional training programs. The bill is being opposed by Dignity Health, the California Hospital Association, the Greater Riverside Chamber of Commerce, Private Essential Access Hospitals. The measure passed out of Senate Health Committee this week, 9-2 on a party line vote.

- [AB 650](#) (Muratsuchi) would require specified health facilities – excluding state and county hospitals, but including district hospitals – to pay certain specified employees hazard pay retention bonuses on January 1, 2022, April 1, 2022, July 1, 2022, and October 1, 2022. The bill is broadly written and would apply to home health and hospice providers.

The measure is being sponsored by SEIU State Council, who argues that the measure is necessary to retain health workers who are burned out from the pandemic. They also argue many private hospitals have huge profits that could be spent on such bonuses. A large coalition is opposing the measure, including the California Hospital Association, the California Medical Association, California Opioid Maintenance Providers, Cal Chamber, CALTAX.

Assembly Labor and Employment Committee members asked the author and sponsor why the bill excludes public hospitals and encouraged the author and sponsor to contemplate adding public hospitals to the list of facilities to which the bill would apply. AB 650 passed out of Labor and Employment Committee 5-2.

- [AB 1422](#) (Gabriel), which is sponsored by SEIU State Council, would require the Department of Public Health (DPH) on or before July 1, 2022, to create a standardized form for any nurse-to-patient-ratio program flexibility request. The measure adds a 40-day public comment period to DPH's review and approval process of such flexibility requests.

The bill is being opposed by the California Hospital Association (CHA), the California Nurses Association, and AFSCME Local 3299. CHA strongly opposes adding a 40-day public comment period to DPH's review and approval process; such a requirement will not work in cases of emergencies. CHA argues that public opinion of the program flex application inappropriate, and it will also delay the expeditious and timely review of the hospital's application by an additional 40 days and possibly more than 100 days. CHA urges removal of the 40-day public comment period and adding an urgency option to the current 60-day time frame so that hospitals can obtain decisions on urgent requests within eight hours if necessary (which DPH currently accommodates). CHA is also arguing that the requirement that DPH



post on its website a description of how each waiver “will be implemented, including everything nurses need to know about changes in methods, procedures, techniques, equipment or personnel to be used” should be deleted. Neither DPH nor hospitals can be expected to write down everything a nurse might need to know about something.

The California Nurses Association (CNA) opposes this bill and points out that CNA was the sponsor of AB 394 which established the nurse-to-patient ratios. CNA states that this bill would have the unintended consequence of undermining California’s numerical nurse-to-patient ratios by suggesting that DPH has authority which it does not have. Specifically, the bill misinterprets existing law by implying DPH has broad authority to create exceptions to the numerical nurse-to-patient ratios through the program flexibility statute. AFSCME Local 3299 is opposed to this bill and states that this would decrease nurse-to-patient ratios and impact the ability to deliver safe patient care. AFSCME Local 3299 27,000 Service workers, Patient Care Technical workers, Skilled Craft workers, and more at UC’s ten campuses, five medical centers, numerous clinics, research laboratories.

The measure passed out of Assembly Health Committee 12-2 with several members urging the author and sponsor to work out amendments with the opposition.

### ***Human Services***

Highlighted below are several priority human services measures.

- [AB 640](#) (Cooley) seeks to address eligibility redeterminations for extended foster care. Currently, states are permitted to re-determine eligibility for Title IV-E at the time a foster youth enters the Extended Foster Care (EFC) Program, pursuant to federal policy. Under this process, it is more likely that a non-minor dependent (NMD) will meet the Title IV-E eligibility because only the NMD’s income and resources are considered for eligibility. California’s program is not currently designed to take advantage of this policy, however. AB 640 would correct that oversight and enable counties to determine eligibility at the time a youth enters EFC, without any disruption to their services or support funding. AB 640 will allow counties to draw down additional federal matching funds for EFC, which can free up funds for further reinvestment in the Child Welfare Services system. Assembly Human Services Committee passed the measure on consent. The measure heads next to Assembly Appropriations Committee.
- [AB 695](#) (Arambula) would, along with a parallel budget ask of \$100 million to fund its components, greatly enhance Adult Protective Services (APS) programs to meet the growing needs of California’s aging population. AB 695 contains two main components: 1) providing long-term case management, including for those who are homeless and have cognitive impairments, and allowing APS to serve highly vulnerable adults aged 60-65 (\$70 million General Fund in 2021-22 and ongoing); and 2) making permanent and expanding the APS Home Safe Program (\$30 million General Fund in 2021-22 and ongoing). The Assembly Aging and Long Term Care Committee passed the bill 7-0 this week. The measure heads next to Assembly Appropriations Committee.
- [AB 808](#) (Stone) would create the Children’s Crisis Continuum Pilot Program to support child welfare involved youth with complex care needs who have historically been sent out-of-state for treatment. AB 808 proposes to create integrated continuums of intensive, highly individualized treatment settings to support stabilization and step-down to home-based care across California. The

Assembly Human Services Committee passed the measure 8-0. It will be heard in Assembly Health Committee on April 27.