



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. Nearly 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](#).

March 25, 2022

Director of Finance Keely Bosler Announces Departure

California's Director of the Department of Finance, Keely Bosler, has announced her departure, effective once the 2022-23 state budget is complete in June. Keely has served Governor Newsom at Finance for the duration of his governorship and prior to that, served as Governor Jerry Brown's cabinet secretary. Keely has been an important and helpful resource to us during her tenure and has always held an open door for policy discussions. We will miss her.

Governor Releases Details on Gas Tax Rebate Proposal

The Governor released more details on Wednesday about his State of the State proposal to "do more" in terms of giving Californians a break at the pump. The proposal includes several distinct components, comprising an \$11 billion package that the Governor is urging the Legislature to act on early (meaning soon and well in advance of the mid-June budget adoption). The package, which includes the following investments, would not impact Proposition 98, and the investments would generally be exempt from the Gann Limit:

- Forgo the annual inflationary adjustment to the gasoline excise tax in 2022-23 (approximately 3-cents per gallon)
- \$400 rebate per registered car with a maximum of two cars per owner and up to four rebates per married couple if vehicles are jointly registered).
 - No income or car value limits.
 - Excludes corporate fleets.
 - Includes zero-emission vehicles (ZEVs) (intended not to be punitive to early ZEV adopters).
 - Rebate provided via a 3rd party vendor through the issuance of debit cards.
- \$750 million to local transit agencies in exchange for “Free Public Transit” for three months.
- \$500 million hit to the General Fund to suspend the state’s share of the diesel tax (approximately 3.9% reduction).
- \$1 billion for the Active Transportation Program (this is \$500 million more than the \$500 million the Governor proposed in his January 10 budget).
- Accelerate \$2.2 billion from the \$10 billion total proposed in the January 10 budget for ZEV investments.

The Legislature’s reaction thus far has been lukewarm, which is not surprising considering the joint leadership proposal takes an income-based approach to rebates and their continued steadfast opposition to a gas tax holiday. Specifically, the Assembly and Senate leadership are coalescing around the following proposal:

- A base refund amount of \$200 per tax filer and dependents with income eligibility requirements.
- There are no limits on the number of dependents so for example, the proposal would provide the following in different situations:
 - \$1,000 for a married family with three children.
 - \$600 for a single parent with two children.
 - \$400 for a married couple with no dependents.
 - \$200 for a single filer with no dependents.
- Income eligibility would include the middle class – up to \$250,000 for joint filers and up to \$125,000 for single filers.
- Approximately 90% of taxpayers would receive a refund.
- The refunds would be provided through the Franchise Tax Board.

At the time of this writing, it is unclear whether the Legislature has an appetite to take early action related to gas price relief and, if yes, which aspects of the Governor’s proposal they might consider adopting in addition to tax rebates. Considering the **pressure** Republicans continue to put on Democrats in the

Legislature, some wonder whether and to what extent it will force the majority party's hand. Stay tuned for more in the days and weeks to come.

Legislature Primed to Extend Eviction Protections

AB 2179, by Assembly Member Tim Grayson, was amended this week to extend eviction protections for Californians who have applied for rental assistance before the March 31 deadline but are still waiting for relief. Under current law, landlords can begin evicting tenants who owe on their rents starting April 1. The state estimates that more than 200,000 applicants await rental assistance.

AB 2179 would extend eviction protections through June 30 for those renters who have applied for help before the March 31 deadline. It would further preempt local eviction moratoriums and establish statewide direction for when evictions may resume. With this measure's first legislative hearing scheduled for Monday, Senate and Assembly leadership have announced that they plan to move the bill quickly to the Governor for his consideration prior to the end of the month.

New Amendments Offer Address Confidentiality for Local Officials

Assembly Member Tom Daly amended his **AB 2381** this week to authorize local officials to apply for the Secretary of State's Safe at Home program, a program that provides a substitute mailing address for first class, certified, and registered mail. The address is accepted by California state, county, and city government agencies in lieu of a residential or other mailing address whereby a home address can be determined and keeps residential addresses confidential.

Local officials, including those who work in schools, public health, elections, and code enforcement, have been subject to increased harassment and other threatening behaviors during the COVID-19 pandemic. Too often, these behaviors have followed them to their personal residences, extending the harassment and threats to their families and neighbors.

AB 2381 will be heard in the Assembly Judiciary Committee next week.

Health4All Legislation Recap

The Care4All California Coalition – a coalition of advocates, labor, providers and others focused on providing expanding and improving health care for all – held a press conference this week on their 2022 bill package. The Coalition is seeking to achieve universal health care – with steps that California can take

now – “without the need for constitutional amendments or federal approvals or Acts of Congress” (meaning not single payer).

The following provides an overview of a few bills of note in the Health4All package:

AB 1900 (Arambula): This measure updates the maintenance need level to 138 percent of the federal poverty level, making coverage more affordable for tens of thousands of low-income older adults and people with disabilities in the Medi-Cal Share of Cost program. AB 1900 passed out of Assembly Health Committee on March 22. It will be heard next in Assembly Appropriations Committee.

AB 1995 (Arambula): This measure would eliminate the monthly Medi-Cal premium required of those just about the poverty level, to ensure over 500,000 pregnant individuals, children, and people with disabilities can access health care. AB 1995 passed out of Assembly Health Committee on March 22. It will be heard next in Assembly Appropriations Committee.

AB 2402 (Rubio): This measure would allow for continuous Medi-Cal coverage for children from birth up to age 5 without requiring annual renewals. Assembly Health Committee will hear AB 2402 on March 29.

AB 2080 (Wood): This measure would extend the oversight of the California Attorney General and Department of Managed Health Care on health care mergers, acquisitions, and other transactions, and also prohibits certain anti-competitive contracting clauses. Assembly Health Committee will hear AB 2080 on April 19.

AB 2530 (Wood): This bill would provide health benefits through Covered California to workers and their families who lose health benefits due to a labor dispute. Assembly Health Committee will hear AB 2530 on April 5.

SB 858 (Wiener): This measure would update the DMHC’s financial penalties, which not been updated for decades, that can be imposed on health plans for inappropriate denial of care or delays in getting medically necessary services. Senate Health has not yet set a hearing date for this measure.

SB 967 (Hertzberg): This measure would add a check box on state forms for people to individuate if they are interested in receiving information about low-cost health care coverage options. Senate Health will hear SB 967 on March 30.

Legislature Considers Various Proposition 47 and Organized Retail Theft Measures

One of the areas of considerable bill activity this year relates to Proposition 47, a 2014 voter-approved initiative that lowered the penalty for six property and drug-related offenses. Additionally, a number of measures connected to organized retail theft – following multiple highly publicized “smash and grab” crimes – also are before the Legislature for consideration.

As noted below, many of these measures that repeal or reform Proposition 47 provisions already have been heard in the Assembly Public Safety Committee, chaired by Assembly Member Reggie Jones-Sawyer. (Notably, Assembly Member Jones-Sawyer, also authored [AB 1065](#), a 2017 measure that created the new crime of organized retail theft; he has been deeply engaged on these issues and, as committee chair, has an important perspective to offer.) In recent weeks as these measures have been presented to committee, Chair Jones-Sawyer has been explicit about his direction and preferences. He is urging interested parties, including local public safety partners, to come together to develop a comprehensive, coordinated legislative approach; he also has indicated a willingness to convene such a conversation to try to get to an agreed-upon set of changes. For the time being, here is a rundown on the content and status of the relevant measures.

[AB 1597](#) (Waldron) would reinstate the offense of petty theft with a prior as it existed before it was eliminated by Proposition 47, subject to approval by the voters. AB 1597 failed passage in the Assembly Public Safety Committee on March 15.

[AB 1599](#) (Kiley) would repeal the majority of the provisions enacted by Proposition 47, except those related to reducing the penalty for possession of concentrated cannabis. This bill would also be subject to approval of the voters. AB 1599 failed passage in the Assembly Public Safety Committee on March 8.

[AB 1603](#) (Salas) would decrease the threshold amount that constitutes grand theft and shoplifting from \$950 to \$400. If passed by the Legislature, this bill’s provisions would become effective only if approved by the voters of California. AB 1597 failed passage in the Assembly Public Safety Committee on March 22.

AB 1613 (Irwin) would reinstate Penal Code section 786.5 that permits district attorney offices to consolidate cross-jurisdictional prosecutions of organized retail theft crimes. This provision originally was enacted as part of AB 1065 (Assembly Member Jones-Sawyer's bill that created the new crime of organized retail theft) but subsequently expired. AB 1613 failed passage in Assembly Public Safety Committee on March 15.

AB 1698 (Maienschein) would create the crime of organized package theft, a misdemeanor. AB 1698 passed the Assembly Public Safety Committee on March 8 and is awaiting hearing in the Assembly Appropriations Committee.

AB 2294 (Jones-Sawyer) would, among other provisions, allow a person to be arrested on a misdemeanor if the person has been cited, arrested, or convicted of theft from a store in the past six months or if there is probable cause to believe that the person is guilty of committing organized retail theft. AB 2294 is pending hearing in Assembly Public Safety Committee.

AB 2356 (Rodriguez) would provide that grand theft occurs where money, labor, or real or personal property in an aggregate amount exceeding \$950 is taken and where other conditions related to prior arrangements being made in concert with one or more other individuals apply. AB 2356 is set for hearing on April 4 in Assembly Public Safety Committee.

AB 2543 (Fong) would amend Proposition 47 by authorizing acts of shoplifting that occur on two or more separate occasions within a 12-month period, and the aggregated value of the property taken exceeds \$950, to be punished as a wobbler. AB 2543 is pending hearing in this Committee.

AB 2718 (Cooper) would redefine the offense of shoplifting and create the crime of serial theft for the theft of property valued over \$500 where the offender has two or more prior convictions for specified theft offenses. AB 2718 is pending hearing in Assembly Public Safety Committee.

SB 1108 (Bates) would reinstate a provision of law that was repealed by Proposition 47 that provides that a person who has been convicted three or more times of petty theft, grand theft, or other specified crimes and who is subsequently convicted of petty theft may be punished as a wobbler. SB 1108 is set for hearing on March 29 in the Senate Public Safety Committee.

SB 1178 (Bradford) would permit otherwise eligible individuals to petition a court to seek resentencing and records reclassification under Proposition 47 beyond the current sunset date of November 4, 2022 by permanently eliminating the existing deadline. By eliminating the deadline, the measure would offer access to records corrections provisions without requiring a more time-consuming order to show cause process, which is what the initiative would revert to if the deadline is not extended or eliminated. This bill is set for hearing in Senate Public Safety Committee on April 19.

HHS Budget Subcommittee Hearing Updates

Assembly Budget Subcommittee No. 1 on health and human services met twice this week. On Monday, March 21, the subcommittee's **agenda** was focused on public health and emergency medical services. The subcommittee discussed the Administration's community benefits proposal, the proposed \$300 million investment in state and local public health departments, and public health infrastructure needs (laboratories and information technology), among other items.

Assembly Member Arambula was very supportive of additional investments to address the public health workforce challenges. He also asked about non-supplantation language and state oversight of local expenditures of public health funds. The California Department of Public Health (CDPH) responded that locals will have to sign expenditure plans under penalty of perjury and that the state will do routine audits.

The County Health Executives Association of California (CHEAC) discussed some of the workforce issues, including public health nurse certification costs and the small number of training programs that exist today on a small scale. CDPH noted that they would also like to expand existing public health training programs.

CDPH noted that the state's public health lab network a partnership between state and locals. Prior to the pandemic, CDPH was meeting with public health labs to discuss issues, including capacity and network. CDPH will be reconvening that group with plans to discuss several issues, including strategies to integrate the 28 local labs, improve coordination statewide, standards for testing and services. CHEAC suggested that an evaluation to examine public health lab capacity would be helpful. Such an evaluation should help identify the proper number of public labs statewide. When questioned, CDPH said they would be amenable to a public health lab assessment.

Stakeholder feedback on the community benefits proposal was more nuanced than in previous hearings. Community based organizations and public health advocates that previously voiced opposition to the community benefits proposal were much more positive at this hearing about a percentage of community benefit going to CBOs. However, they are still advocating for a state General Fund investment in addition to the funds from community benefit. A **presentation** from Dr. Kevin Barnett, DrPH, MCP, at the Center to Advance Community Health and Equity provided a framework to evaluate the proposal, as well as pros and cons.

On Wednesday March 23, the subcommittee discussed the Master Plan on Aging, In-Home Supportive Services (IHSS), Social Security Income/State Supplementary Payment (SSI/SSP), and Adult Protective Services (APS) programs. The agenda can be viewed [here](#).

The California Department of Aging (CDA) provided an overview of the areas of focus for the department, including workforce, department growth, Home and Community Based Services proposals, senior nutrition, the Multipurpose Senior Services Program (MSSP), the Technology Access program, the new Office of Long-Term Care Patient Representative, and integration of social and health programs. On the integration item, CDA thinks that the Aging and Disability Resource Centers (ADRCs) are going to be important in referring older adults to health plans and programs. The Department is engaging with different providers about how to share information across systems.

CDA is leading implementation of the HCBS waiver proposal to provide \$150 million in incentive payments to the non-IHSS workforce, focused on staff in programs such as Community Based Adult Services (CBAS), Program for All-inclusive Care for the Elderly (PACE), MSSP and other Medi-Cal HCBS services. Additionally, the budget includes funding for CDA to establish relationships with local public guardians and conservators on probate conservatorship cases. They want to integrate the work happening on probate conservatorship cases with Master Plan on Aging and Elder Justice Coordinating Council. CDA is in the process of acquiring real time data about probate conservatorship cases (public and private), including demographics of who is served by conservatorships.

The California Commission on Aging talked about their priorities, which include senior behavioral health, housing and homelessness, workforce, and nutrition. The California Association for Adult Day Services noted that many providers need to make modifications to spaces post-pandemic – examples include improving ventilation systems, modifying indoor spaces, modifying outdoor spaces, and hardening against future emergencies. The Association is

requesting one-time funds to assist adult day service providers with infrastructure improvements.

The Legislative Analyst's Office and the California Association of Area Agencies on Aging (C4A) both highlighted senior nutrition in their comments. With one-time federal funds expiring that were used to vastly expand senior nutrition programs during the pandemic, the LAO encouraged the Legislature to ask the Administration their plans to ramp down funding. The C4A suggested using state funds to replace expiring federal funds for food security.

Healthy California for All Commission Releases Draft Report on Unified Financing

On March 17, the Healthy California for All Commission released a draft **report**, *Key Design Considerations for a Unified Financing System in California*. The Healthy California for All Commission found that:

- Unified financing (UF) offers unique benefits and creates significant opportunities for improving our existing system in ways that make health care more affordable, more equitable and less complex for all Californians. It would also yield the benefits of simplification and reduced administrative burden for employers and health care providers.
- Changes in health care financing are necessary but not sufficient. Delivery system transformation to achieve care that is more comprehensive, better coordinated, culturally competent and respectful of the needs of all Californians is also required in order to achieve the health care that Californians want and deserve.
- The health care delivery system cannot in isolation address all the factors that influence health and well-being. It should partner with other systems to address social drivers of health.

A thorough assessment of the steps required to achieve UF suggests, however, that it will take time and effort to achieve system transformation. A threshold issue involves securing adequate and sustainable federal funds for use within the state system. It will also be important to overcome inertia and hesitation from Californians and health care providers who may prefer “the devil they know” to an entirely different approach. Although aggregate state health care spending is high and rising, money spent on health care today comes from diffuse sources not always subject to careful scrutiny.

As California proceeds on the path to UF, it is important to note that many improvements in access to care, health equity and quality are underway. These will yield near-term improvements and benefits while laying the foundation for a Healthy California for All. The report concludes by describing priority actions and next steps, including observations about how those actions might be sequenced.

Additionally, the report contemplates several revenue sources to pay for UF. The revenue sources and estimated revenue are detailed in this [chart](#).