



*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. Just 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](#).*

## February 24, 2023

### **2023 Legislative Session Off to a Big Start**

Last Friday, February 17, was the 2023 bill introduction deadline. The final tally of newly introduced proposals now before the Legislature is 2,744 – 1,803 Assembly bills and 941 Senate bills, for an average of just about 23 bills per member. Generally, the introduced bill count is higher in the first year of the two-year session, but the 2023 bill total is larger than we have seen in the past decade. Nearly 500 of the 2023 bill ideas were introduced on the very last day of the bill introduction period, and over 1,000 bills are “spot” bills that must be amended to incorporate substantive provisions within a matter of weeks in order to move on to subsequent phases of the deliberative process.

The topics addressed in the nearly 3,000 measures vary, but we noted numerous measures addressing housing and homelessness, health care, labor issues, energy, the environment, and various aspects of the fentanyl crisis. Your HBE team is chasing down information on bills of interest and working to determine what authors plan to do with the not-as-yet-fully-formed (spot) bill ideas. In addition to the rundown on AB 269 and a smattering of Brown Act-related measures below, we will be updating you on a flow basis about other bill proposals of note. In the meantime, do not hesitate to reach out with any questions!

### **Bill Related to Ending of Public Health Emergency Advances Quickly**

When the Governor announced the state's public health emergency would end on February 28, 2023, he noted that a few of his executive orders would need to be codified to continue. Assembly Member Berman's [AB 269](#) would codify two waivers granted by the Governor during the declared COVID-19 State of

Emergency. With the state's emergency declaration's anticipated termination approaching, AB 269 is moving rapidly through the legislative process. The measure is in the Senate and will be heard in Senate Business, Professions and Economic Development Committee on February 27. The measure includes an urgency so it can take effect immediately upon the Governor's signature.

Specifically the bill would: 1) authorize an entity approved by the California Department of Public Health (CDPH) to operate a designated COVID-19 testing and dispensing site to acquire, dispense, and store COVID-19 oral therapeutics at, or from, a designated site until January 1, 2024; 2) authorizes a person who meets the Clinical Laboratory Improvement Act (CLIA) requirements for high complexity testing to perform an analysis of samples to test for SARS-CoV-2, the virus that causes COVID-19, in either a clinical laboratory or a city or county public health laboratory; and 3) declares the act to be an urgency statute to ensure the continued ability of nurses to dispense COVID-19 therapeutics as part of the Test to Treat Program and address the technical qualifications of laboratory workers allowing them to solely process COVID-19 tests.

### **What's Next for the Brown Act?**

A number of measures have been introduced this year to address remote participation by local bodies governed by the Brown Act. We've summarized the bills as they stand today and will continue to engage in legislative debate regarding the ability of local elected and appointed officials to participate in meetings remotely. Please reach out if you have any questions or concerns about the proposals below.

**AB 557** (Hart): Sponsored by the California Special Districts Association, AB 557 would (1) eliminate the sunset provisions included in **AB 361** (R. Rivas, 2021) and (2) extend the renewal period from 30 days to 45 days.

**AB 817** (Pacheco): Jointly sponsored by the League of California Cities (CalCities) and the California Association of Recreation and Park Districts (CARPD), AB 817 is intended to authorize local boards, commissions, subcommittees, etc. (i.e., not a legislative body) to meet remotely. While AB 817 is currently in spot form, the bill will be amended with substantive language when eligible to do so.

**AB 1348** (Grayson): AB 1348 is a spot bill related to local government open meetings.

**SB 411** (Portantino): As currently drafted, SB 411 would authorize legislative bodies with appointed membership to continue to meet remotely without

providing the physical location of each appointed member. At this time, we understand that Senator Portantino's bill is intended to address remote participation for the 99 neighborhood councils, as well as boards and commissions, in the City of Los Angeles. However, the bill must be amended if it is to address that more narrow class of Brown Act entities.

**SB 537** (Becker): SB 537 is a spot bill related to expanding the ability for local governments to participate remotely in public meetings.

### **Full Senate Budget Committee Dives into CalAIM**

The Senate Budget and Fiscal Review Committee met on Wednesday for an informational hearing on California Advancing and Innovating Medi-Cal (CalAIM), the Administration's initiative to transform and strengthen Medi-Cal. The hearing focused on implementation, evaluation, and future challenges with CalAIM. The Committee heard from three panels – providing a general overview of CalAIM, an update on Enhanced Care Management (ECM) and Community Supports, and an update on the behavioral health components of CalAIM and the California Behavioral Health Community-Based Continuum Demonstration (CalBH-CBC) waiver. The [agenda and background](#) and [presentation materials](#) are available online.

Jacey Cooper, California's Medicaid Director, emphasized that CalAIM is a large and complex initiative meant to be implemented over multiple years. She acknowledged several challenges, including workforce shortages, lack of affordable housing, and scarcity of infrastructure and resources for Community Supports – which is why the Department of Health Care Services (DHCS) has provided technical assistance and funding to build infrastructure.

The Local Health Plans of California shared the following challenges associated with ECM and Community Supports: 1) workforce challenges, which in turn impact contracting; 2) rural areas with few providers and community-based organizations (CBOs); 3) time needed for ramp-up. The association emphasized that the ramp-up of new services is difficult and requires coordination across multiple systems.

Western Center on Law and Poverty noted concerns with the number of individuals receiving Community Supports, which they said was half the number of people receiving Whole Person Care services. They suspect the reasons for the lower enrollment numbers include that individuals have long waits for services and/or the eligibility for ECM and community supports are narrower than in Whole Person Care. Western Center is advocating that housing supports become a required service (not a health plan optional Community Support), have specific targets for new services, and hold plans accountable.

California Pan-Ethnic Health Network (CPEHN) raised several concerns: 1) the inadequacy of underlying networks, 2) low Medi-Cal reimbursement rates, 3) limits on the number of visits under ECM and Community Supports, 4) difficulty for CBOs to negotiate with health plans, and 5) limited outreach on Community Supports, which is likely affecting low enrollment.

Several Senators asked questions of the Department and the panelists. Senator Roth (D-Riverside) focused on behavioral health workforce and infrastructure needs, pressing DHCS for the number of acute psychiatric beds that the Behavioral Health Continuum Infrastructure Program has paid for. Senator Laird (D-Santa Cruz) asked for more explanation about how CalAIM brings additional resources to communities for homelessness. Senator Mejivar (D-Los Angeles) asked about the strategies health plans are employing to identify individuals who may be eligible for ECM and Community Supports. Senator Dahle (R-Lassen) asked whether the CalAIM dashboard will provide information about provider rates and whether they are adequate. Senator Durazo (D-Los Angeles) asked about how the state will ensure services are provided to individuals in prisons, jails, and juvenile detention facilities 90 days prior to release. Chair Skinner (D-Alameda) asked DHCS at what point the optional Community Supports will become benefits that the plans will be required to provide. Ms. Cooper explained that the reason DHCS chose to make Community Supports optional is the need to build a network of providers and establish policies. DHCS needs to see a penetration of providers across the state, but their goal is to move Community Supports to benefits across the state.

During public comments, a variety of organizations provided comments, including the California Association of Health Plans, the County Health Executives Association of California, the California Association of Public Hospitals and Health Systems, the California State Association of Counties, Children's Hospitals, and durable medical equipment providers.

### **Special Session Update: Legislature Holds First Hearing on Oil Industry Windfall Profits**

The Senate Committee on Energy, Utilities, and Communications convened on February 22 for the first informational hearing of the special session on oil industry windfall profits. The lengthy hearing brought together state administrators, academia, oil industry representatives, consumer groups, organized labor, and other stakeholders. The hearing, the agenda, background document, and several informative presentations can be accessed on the [Committee's website](#).

Recall that Governor Newsom called for a special session in the fall of 2022 after a prolonged period of extraordinarily high prices at the pump (weekly price swings of \$0.30 per gallon are not uncommon in the Golden State – [see chart](#)) and a legislative session peppered with squabbling over proposals to pause, reduce, or otherwise eliminate the gas tax and other environmental fees. Gasoline prices have always trended higher in California compared to the rest of the nation (California does in fact have higher taxes on gasoline but also higher gasoline production costs, environmental program costs, a shorter winter season, and an isolated fuels market). The goal of the initial hearing was two-fold: (1) to better understand the California gasoline fuels market and (2) to explore the underpinnings and mechanics of the Governor’s proposal for a Petroleum Windfall Profits Penalty.

Recognizing that price spikes are, to some degree, inevitable, the Governor is proposing action in four areas: reporting, oversight, assessment, and investigation; some of the specifics include:

- Reporting to the California Energy Commission (CEC) on refinery maintenance information and events, estimated decreased supply into market,
- Disclosure of spot market activity, by party and amount, to give insight into supply stressors, market responses, and participants’ behavior that will provide insight into granular market actors and broad market behavior to inform whether an entity was manipulating the market,
- Inventory holdings by type of market participant that will give the state insight into observing behavior showing who is acting to decrease upward pressure on prices,
- Establish an independent advisory committee of fuels market experts, consumers, and labor to provide the Governor, Administration, and Legislature with independent evaluation and recommendations,
- CEC and California Department of Tax and Fee Authority (CDTFA) to study gasoline distribution and retail pricing including importers, refiners, terminal rack operators, position holders, suppliers, gas station operators, and
- Provide CDTFA authority to examine books and records.

Not unlike the debate last year, the first hearing and the Governor’s proposals were met with strong opposition from the oil industry. The Western States Petroleum Industry representative testified that the Governor’s proposal “misguidedly focuses on profits, rather than the root cause of price spikes - a lack of supply. The way to address prices and provide relief at the pump is to increase a reliable and safe supply.”

Moreover, several Committee members expressed concerns with the Governor's proposals and used the hearing as an opportunity to reignite the gas tax and environmental fee issue as well as the Governor's focus on the transition away from fossil fuels. Not to be deterred, Governor Newsom issued a **press release** shortly after the hearing concluded doubling down on his perspective that "Big Oil" is to blame. We will keep you apprised as special session activities continue later this spring.