



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](#).

March 10, 2023

Assembly Budget Subcommittee Discusses Public Health Issues

Assembly Budget Subcommittee No. 1 met this week to discuss public health and emergency medical services. The subcommittee heard an update on the \$300 million in ongoing funding for state and local public health departments that was fully funded in the current year. The state and counties have exceeded hiring targets for first two quarters of this year. Local health departments have hired nearly 50% of the nearly 1,200 positions they plan to hire, with the vast majority of the new hires supporting chronic disease prevention and communicable disease control. Panelists included the representatives from the California Department of Public Health (CDPH), Public Health Advocates, the County Health Executives Association of California (CHEAC), Riverside County, and SEIU. The panel also reminded the subcommittee of recruitment and retention challenges when all local health jurisdictions and the state are hiring at the same time.

The subcommittee also discussed the Governor's proposal to cut \$49.8 million in public health workforce training and development programs enacted in the 2022-23 Budget Act. Assembly Member Arambula asked CDPH whether the \$250 million contingency budgeted for 2022-23 that was unspent or the proposed \$50 million contingency proposed for 2023-24 could be used to prevent the public health workforce cut. He also asked the department whether there are unspent federal funds that could be used for workforce. Assembly Member Jackson stated that he does not support the proposed cut. Assembly Member Wood said that he could not think of a worse way to be prepared for the next pandemic than cutting workforce investments; he also does not support the proposal. Despite the clear opposition from subcommittee members, the item was held open.

The state and local public health panel also emphasized the need for a skilled and trained workforce – and the imperative to grow the public health workforce pipeline. CHEAC reminded the subcommittee that California can't wait to grow workforce and can't pull back on investments at a time that it's needed. Additionally, Riverside County talked about the local recruitment challenges and vacancies, especially for positions like public health laboratory directors. SEIU reminded the subcommittee that the end of the public health emergency does not mean the end of public health work.

Senate Examines Governor's Transportation Budget Proposals

The Senate Budget and Fiscal Review Subcommittee No. 5 examined the Governor's 2023-24 January budget proposals related to transportation this week. Recall that the Governor is proposing to cut \$2.7 billion from last year's \$10.8 billion multiyear General Fund transportation spending package and to backfill \$500 million of the total reductions with existing funding from the State Highway Account. As reported in the [committee background document](#), the Legislative Analyst's Office (LAO) generally concurs with the Governor's overall approach to reducing prior year General Fund investments across a board range of policy areas and programs as well as holding off on tapping reserve accounts for now considering the state's continued negative fiscal performance. The LAO also offers up numerous alternatives by way other transportation and related programs to cut in order for the Legislature to ensure investments align with their priorities.

While acknowledging that the Legislature and Governor are facing hard budget decisions in the months to come, all three committee members (Senators Durazo, Newman, and Seyarto) expressed sincere concerns with the Governor's transportation budget. The impacts to transit capital projects, the lack of solutions for transit operations, and precedent-setting proposals to backfill General Fund investments with SHA funding were all in the crosshairs during the hearing. Moreover, the Subcommittee took the Administration to task for advertising upcoming grant opportunities for programs included in the 2022-23 state budget for future fiscal years that they know may not be funded going forward (e.g., the Clean California Program was slated for \$100 million in 2023-24) and therefore putting the Legislature in a precarious political position.

The items were discussion-only this week and if this first discussion is any indication of future hearings, the Governor's transportation budget has a bumpy road ahead.

First Enacted Bill of the Year Codifies Two COVID-Related Executive Orders

Acting Governor Eleni Kounalakis signed **AB 269**, by Assembly Member Marc Berman, into law last week. As we reported previously, this bill codifies two of the executive orders that expired on February 28 when California's public health emergency ended. AB 269 authorizes qualified laboratory personnel to continue solely processing COVID-19 tests and permits COVID-19 testing sites contracted with the California Department of Public Health (CDPH) to continue dispensing COVID-19 therapeutics until January 2024.

Temporary Public Employee Bill Warrants Analysis

Local agencies should take a look at **AB 1484**, by Assembly Member Rick Chavez Zbur, which would require temporary employees be added to a bargaining unit and be subject to the memorandum of understanding for that bargaining unit. Sponsored by the Service Employees International Union (SEIU) California, the measure is intended to address what SEIU suggests is egregious treatment of temporary employees in some local governments. AB 1484 applies to all public employers covered by the Meyers-Milias-Brown Act, and includes temporary, casual, seasonal, periodic, extra-help, relief, limited-term, and per diem employees, as well as any other public employee who has not been hired for a permanent position. Local agencies have been forced to utilize temporary employees during and post-pandemic due to across-the-board workforce shortages, but especially in health care, behavioral health, and public health.

AB 1484 has been referred to the Assembly Public Employment and Retirement Committee where it awaits a hearing.

Department of State Hospitals Issues Second Quarter Update on Incompetent to Stand Trial Cap

In follow up to their December 19 letter, on February 28, the Department of State Hospitals (DSH) sent a **letter** to all county Chief Administrative/Executive Officers with a second quarter update on the new Incompetent to Stand Trial (IST) commitment growth cap and penalty. Recall that the final 2022-23 Budget agreement includes \$489.3 million in 2022-23, growing to \$591.9 million in 2025-26 and ongoing, and trailer bill language to implement solutions proposed by the prior IST Workgroup to address early stabilization, care coordination, waitlist management, and increasing IST beds in community-based programs.

The accompanying trailer bill language also implemented a new cap on the number of individuals referred to DSH as incompetent to stand trial in each county per year and established a process for assessing a penalty on each county for exceeding the cap. According to the new statutory structure, assessed penalty funds are to be collected and then returned to the paying

county for the purpose of supporting county mental health services and activities.

The February 28 letter was also accompanied by a [chart](#) showing each county's first and second quarter referrals compared to the baseline cap. County baselines were established by DSH utilizing total felony IST determinations made in 2021-22. Beginning in 2022-23, if a county's total number of annual felony IST determinations exceeds the county's baseline, the county will be subject to a penalty payment. DSH will calculate the county's penalty and a county shall pay the penalty to DSH to be deposited into the Mental Health Diversion Fund. A county may make penalty payments from any local funding source, including funds received by the county through contracts issued by DSH to the county for purposes of serving the felony incompetent to stand trial population.

The year-to-date data continues to suggest current year determinations are trending above the baseline year putting individual counties at risk of penalty.

Joint Legislative Audit Committee Holds First Hearing Next Week

The Joint Legislative Audit Committee (JLAC) will be holding its first hearing on Wednesday, March 22. The committee's agenda – comprised of members' audit requests – is worth a review:

1. 2023–101 Santa Clara Valley Transportation Authority (Assembly Member Berman)
2. 2023–102 State and Local Government Homelessness Funding (Senator Cortese)
3. 2023–103 Departments of Health Care Services and Public Health–Comprehensive Perinatal Services Programs (Assembly Member Bauer-Kahan)
4. 2023–104 California Labor Commissioner's Office—Backlog of Wage Theft Cases (Senator Glazer)
5. 2023–105 Franchise Tax Board—Middle Class Tax Refunds (Assembly Member Alvarez)
6. 2023–106 University of California—Online Program Management (Assembly Member Alvarez)
7. 2023–107 Riverside and San Bernardino Counties—Proposition 47 (Assembly Member Ramos)
8. 2023–109 California Community Colleges—Transfers and Degree Attainment (Assembly Member Alvarez)
9. 2023–110 Fetal Death and Stillbirth Certificates (Senator Ashby)
10. 2023–111 Department of State Hospitals—Sexually Violent Predator Conditional Release Program (Senator Jones)

11. 2023–112 Department of Housing and Community Development—Mobilehome Residency Law Protection Program (Senator Seyarto)
12. 2023–113 State and Local Government Homelessness Programs (Senator Ochoa Bogh)
13. 2023–115 Departments of Health Care Services and Managed Health Care—Access to Behavioral Health Services for Children (Assembly Member Weber)
14. 2023–116 Local Government—Cannabis Licensing (Assembly Member Jones-Sawyer)

At the hearing, members will present to JLAC about their requested audit; materials for audit requests that are granted will be available after the hearing. We will be monitoring the deliberations and undertaking appropriate follow-up.

Newsom Takes on Walgreens Over Abortion Drug

Governor Newsom announced this week that California is taking steps to halt business with Walgreens in response to the company's decision not to dispense the abortion drug Mifepristone in states where Republican officials have threatened legal action against them – signaling his willingness to use the state's purchasing power in the national abortion battle. California will not renew a \$54 million California Department of Corrections and Rehabilitation contract with Walgreens for medications; the contract would have been renewed May 1 of this year.

The Governor indicated that this contract action is the first step in an “exhaustive review” of the state's business with Walgreens, which includes Medi-Cal and CalPERS. He indicated that he may need to work with the Legislature to terminate some of these contracts. Walgreens said in a statement Wednesday that it was disappointed by the Governor's action.

Senate Rules Committee Approves Appointment of New Surgeon General

Senate Rules Committee held Dr. Diana Ramos' confirmation hearing to become California's second Surgeon General last week. Dr. Ramos emphasized her background in state and local government, her 30 years of practice as an obstetrician/gynecologist, and her upbringing by a single mom and immigrant from Mexico. During the question-and-answer period, she made clear her vision for the Surgeon General position as a messenger of accurate information in multiple languages (Dr. Ramos is bilingual). She also noted that reproductive health care would be an emphasis of the Office, in addition to the Adverse Childhood Experiences work started by her predecessor. Senate Rules Committee voted 3-0 to send her confirmation to the Senate Floor for a full vote.

