



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](#).

April 14, 2023

Attorney General Announces Settlement with E-Cigarette Manufacturer

Earlier this week, California Attorney General Bonta announced a \$462 million multistate settlement agreement with electronic cigarette maker, JUUL, that was negotiated by the California Department of Justice (DOJ) and six other states. California will receive a total of \$175.8 million, the highest amount of any state settlement yet reached with JUUL. Colorado, New York, Massachusetts, Illinois, New Mexico, and the District of Columbia were all part of the settlement.

The settlement resolves multiple lawsuits — including one filed by DOJ, the Los Angeles County District Attorney's Office, and the County of Los Angeles — alleging JUUL violated state laws by targeting young people through its advertising and promotional campaigns. The money will help California fund research, education, and enforcement efforts related to e-cigarettes. JUUL will also be prohibited from targeting youth in its advertising and promotion under the terms of the deal.

Recent Report Highlights Hospital Financial Stresses

The California Hospital Association (CHA) hosted a press conference this week to highlight the latest [Kaufman Hall report](#), which found that 20% of California's hospitals are in such financial distress that they are at risk of closure.

Many hospitals have yet to recoup COVID-19 losses and now also are facing steep increases in the cost of goods and services even as reimbursements from Medi-Cal and Medicare have largely stagnated. CHA President Carmela Coyle said that for every dollar of care that California hospitals provide they are receiving about 75 cents from those public programs. At the press conference, she urged state leaders to provide temporary relief of \$1.5 billion to prevent hospital closures. For more, see this *Sacramento Bee* [article](#).

Legislative Update – Bills of Note; Deadlines Looming

As of today, two weeks remain until the Legislature faces its first major policy committee hearing deadline. By Friday, April 28, all measures with a fiscal impact must clear all policy committees to which they have been referred. The following Friday is the deadline for all non-fiscal measures to clear policy committees. We will continue to keep you apprised on bills of interest and consequence. In the meantime, we provided updates below on several legislative proposals and related hearing activities from this week.

SB 525 (Durazo) – Health Care Minimum Wage

The Senate Labor Committee passed [SB 525](#), by Senator Maria Elena Durazo, on a party-line 4-1 vote this week. The bill would create a health care minimum wage of \$25 per hour and set a new floor for salaried health workers of \$104,000. The sponsor, SEIU State Council, has focused their messaging on the lowest wage health care workers – who are primarily women of color – and the health care workforce shortage. Close to 100 workers, labor groups, and other individuals testified in support of the measure.

The measure was opposed by hospitals, physician groups, clinics, dialysis centers, counties, the California Chamber of Commerce, and local chambers of commerce. Senator Durazo took amendments to clarify that delivery work is exempt from the provision of the bill.

During the hearing, Senator Laird – who represents areas with distressed hospitals, including Watsonville Community Hospital and Hazel Hawkins – asked the author how she planned to address rural hospitals that would have a difficult time meeting the mandates in SB 525. He was particularly concerned that the payer mix for rural hospitals would not allow them to offer \$25 per hour. Senator Durazo acknowledged that some hospitals may have financial issues but that her bill is not intended to address those issues.

The hearing was structured to allow three witnesses in support and opposition – a move that was meant to accommodate the California Nurses Association in opposition testimony. However, a CNA representative was not present to testify at the hearing. Senator Cortese, the committee chair, asked Senator Durazo how she planned to address the nurses’ concerns that the \$25/hour rate may set a floor that could bring down nurse wages. She responded that in her experience addressing the lowest paid workers brings everyone’s wages up.

SB 525 will be heard next in Senate Appropriations Committee.

In related news, the UC Berkeley Labor Center released a [report](#) this week estimating the impacts to workers of SB 525 if it were to become law. The report estimates that over 469,000 workers would be affected by the wage increase, including over 50,000 workers who currently earn slightly above \$25 an hour but would receive a pay increase to maintain their pay premium. Affected workers would receive an average wage increase of over \$5.74 per hour, or about a 30% increase in pay. The proposed pay increase would disproportionately benefit workers of color, who represent 70% of affected workers as well as women, who make up three out of four affected workers. Most workers who would be affected by the wage increase are the primary income providers in their households, and close to half have children.

AB 1168 (Bennett) – Emergency Medical Services

[AB 1168](#), by Assembly Member Steve Bennett, received a very lengthy Assembly Health Committee discussion this week; it ultimately was passed out of committee on 12-1 vote. Assembly Member Fong voted no, while Assembly Members Arambula and Villapudua abstained.

AB 1168 seeks to abrogate unsuccessful legal action that attempted to challenge an agency’s .201 authorities – that is, the regulation that allows agencies that have continuously served a defined area since the 1980 EMS Act to continue serving that area as the sole provider. In the case of the *City of Oxnard v. County of Ventura*, the court determined that their case “would disrupt the status quo, impermissibly broaden Health and Safety Code section 1797.201’s exception in a fashion that would swallow the EMS Act itself, fragment the long-integrated emergency medical system, and undermine the purposes of the EMS Act.”

Assembly Member Wood, chair, made several comments before Assembly Member Bennett presented the bill noting the challenging issues raised by the bill. The chair was clearly frustrated that similar bills have come before the committee previously and that the underlying issues are difficult to explain. He urged supporters and opponents to solve the issues raised in AB 1168 in a more cooperative manner. Chair Wood also acknowledged unintended consequences with the language drafted by committee staff, which was intended to narrow the bill. In remarks later in the hearing, Assembly Member Wood said he was concerned about further fragmentation of an already challenged system. He urged an aye vote on the bill but reminded the author that the bill will come back to Assembly Health if it is substantively amended in the Senate.

Proponents of the bill include the League of California Cities, California Fire Chiefs Association, and the California Professional Firefighters. Nearly 100 people testified in opposition to the bill, including UCC, CSAC, RCRC, the County Health Executives Association of California, the Health Officers Association of California, ambulance providers, and the American Federation of State, County and Municipal Employees (AFSCME). AB 1168 is expected to be heard on April 17 in Assembly Emergency Management Committee.

SB 519 (Atkins) – Authority to Establish Local Corrections and Rehabilitation Department

As amended this week, [SB 519](#), by Senate President pro Tempore Toni Atkins would permit any county to establish a department of corrections and rehabilitation that would have authority over the custody, treatment, care, and rehabilitation of person in carceral settings, including fire and road camps. The measure also would require a board that wishes to exercise this authority to state its reasons in writing; various such examples are enumerated in the bill.

SB 519 also outlines the qualifications for the executive officer the Board appoints to oversee the department. Finally, the measure also contains conforming provisions to Government Code Section 26605, which – effective July 1, 1993 – gave the county sheriff the exclusive responsibility for the county jail function unless a different governance model was in place on that date. Other provisions in the measure defines various key terms and specifies that any records maintained by a local detention facility related to investigations into in-custody deaths, as defined, shall – with limited exceptions – be disclosable under the Public Records Act.

SB 519 is set for hearing in the Senate Public Safety Committee on April 25.

AB 1090 (Jones-Sawyer) – Authority to Remove Sheriff

[AB 1090](#), by Assembly Member Reggie Jones-Sawyer, would authorize county boards of supervisors to remove the sheriff, for cause as defined, by a four-fifths vote. The bill was approved in the Assembly Public Safety Committee this week on a 6-2 party-line vote. Because the bill is categorized as non-fiscal, it will move straight to the Assembly floor for consideration by the full house.

As amended this week, AB 1090 now defines specific circumstances that constitute “for cause” removal, including:

- Violation of a law related to the performance of their duties.
- Flagrant or repeated neglect of their duties.
- Misappropriation of public funds or properties committed by a sheriff or their direct reports in the course and scope of their duties.
- Willful falsification of a relevant official statement or document committed by a sheriff in the course and scope of their duties.
- Obstruction of an investigation into the conduct of a sheriff or a sheriff’s department by a governmental agency, office, or commission with jurisdiction to conduct an investigation.

Additionally, a county board could remove a sheriff with a super majority vote only after the sheriff (1) is served with a written statement of the alleged grounds for removal and (2) is provided a reasonable opportunity to be heard at a removal proceeding.

Housing Allocations, Gas Tax Replacement and Congestion Pricing Discussed at Joint Meeting

At a joint meeting of the California Transportation Commission (CTC), the California Air Resources Board (CARB), and the Department of Housing and Community Development (HCD) [last week](#), HCD staff presented on the upcoming stakeholder process to develop changes to the Regional Housing Needs Allocation (RHNA) process. Commissioners also received updates on the State’s work pilot-testing a mileage-based road charge as a potential replacement for the gas tax, as well as broader congestion pricing and tolling work being studied across California.

California's Housing Future 2040: The Next RHNA

HCD's presentation focused on the link between the state's climate goals and the five statutory objectives of RHNA: increasing the supply and mix of housing, promoting infill development, improving the balance of housing and jobs across regions, increasing equity through additional lower-income housing in wealthier communities, and taking affirmative actions to further fair housing. While HCD argued that RHNA is largely aligned with broader climate goals, such as reducing driving, they noted that there is potentially room for improved alignment between RHNA and regional sustainable communities strategies.

The Department also clarified that the current workgroup would focus strictly on regional housing needs determinations and the allocation of planning goals between jurisdictions, rather than local housing element processes. HCD has started the public engagement period, which will run through May. A progress report to the Legislature is due in July, with final recommendations by the end of the year.

Questions from Commissioner's largely focused on impediments to housing production rather than the allocation of planning targets between jurisdictions. Commissioners did ask whether there was appropriate funding to improve infrastructure to facilitate infill development, as well as observing fiscal incentives that discourage housing in favor of revenue-generating land uses, such as commercial development.

Gas Tax Replacement and Roadway Pricing

The Commissions and HCD also received a briefing on road pricing, which California is studying as a replacement for the gas tax, and congestion pricing. While the former is focused on raising revenue for road and highway system maintenance, the latter is focused on changing behavior, including reducing congestion without expanding roadway capacity.

California Transportation Commission staff updated the attendees on the current pilot program to identify issues related to the collection of road charge revenues and testing different rate-setting methodologies. SB 339 (Wiener, 2021) directed the state to conduct the pilot program, which will examine both flat-rate charges and adjusted rates that reflect varying fuel efficiency across vehicles. The pilot will also examine impacts on rural and urban communities, as well as different income groups.

Following the gas tax replacement conversation, four regional transportation agencies presented their ongoing work related to congestion pricing. For each highlighted region, implementing tolling on regional highways was identified as a strategy integral to achieving greenhouse gas emissions reduction goals under their regional sustainable communities strategies. Assembly Transportation Committee Chair Friedman joined the meeting to thank the regions for their work and to encourage California to push past planning and studies and further implement pricing projects around the state.

Comments and questions from commissioners focused heavily on equity issues, especially how to mitigate any impacts on lower-income drivers or those who are dependent on driving due to work. Several commissioners expressed an interest in offsetting tolling costs for lower-income drivers through transit subsidies or other transportation-related mitigation rather than direct cash payments. Finally, numerous commissioners expressed concerns about privacy and the political feasibility of pricing under both the road charge and congestion pricing conversations.