

Established in 1991, UCC serves as the representative voice for state legislative advocacy for highpopulation 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 <u>our website</u>.

June 30, 2023

Assembly Speaker Transition: Rivas In; Rendon Out

This morning, the full Assembly met on the floor to swear in Assembly Member Robert Rivas as the new Assembly Speaker. His takeover of this leadership role is more than a year in the making. Assembly Member Rivas' initial attempt to secure his caucus' support for his ascension to speaker failed last Spring, but he worked over last summer and fall to build a bloc of supporters – including many members newly elected in November – to secure the top seat. Ultimately an agreement was reached to cede power from Speaker Rendon to Rivas on June 30, 2023, as formally approved by the Assembly in **HR 1** when members gathered on December 5, 2022 to be sworn in to their seats for the 2023-24 legislative session. Read more on the transition in this *CalMatters* article.

Although two and a half months of the 2023 legislative year remain and there are additional negotiations to be had on the state budget before session adjourns mid-September, the transition to power will not necessarily usher in major policy or organizational changes ... at least not overnight. It is reported that Assembly Speaker Rivas will leave intact current committee composition and committee chair assignments, but changes are certainly expected in 2024. It would be reasonable to assume that early supporters of Assembly Member Rivas will be rewarded with leadership positions and those who worked against him – or, in one instance, made moves to challenge him in succeeding Speaker Rendon – will be sanctioned in some fashion. Speaker Rivas terms out in 2030, so it's conceivable he could hold the Assembly's top spot for nearly seven years.

While members were all smiles this morning during the Oath of Office for Speaker Rivas, it appears that under the surface some bitterness may linger. Just after the celebratory session wrapped up, an announcement came out that Assembly Member Rendon's office was being moved to the Legislative Office Building (LOB). The LOB houses committee and administrative offices and arguably is a less desirable and somewhat isolated location a block away from his other elected colleagues. We will keep you apprised in the months ahead about additional developments and changes resulting from the change in leadership.

Additional Work to Advance Remaining Pieces of June Budget Package; Infrastructure Bills

Last night, the Assembly held a late floor session to take up the remaining trailer bills that were not eligible for hearing under the 72-hour in-print rules when the Legislature approved the majority of the budget and trailer bills earlier this week. We have updated our table detailing 2023-24 budget and trailer bills below, reflecting action through late last night; see our summary of the key provisions of these measures here.

June Budget Package: 2023-24 Budget Bills and Trailer Bills

As of June 30, 2023

The list of budget and trailer bills below represents the 2023-24 budget agreement. As of late evening on June 29, two measures have been signed, and the remaining are with the Governor awaiting his action. All are expected to be signed. AB 124 and AB 129, highlighted below, were not eligible for hearing earlier this week but have since been enrolled to the Governor.

Please see the attached **chart**.

A Potpourri of Bill Updates

The Legislature is facing a major second-house deadline in two weeks. By July 14, the day that the houses begin their four-week summer recess, all bills must pass out of policy committees. We have highlighted various pieces of legislation of interest and consequence below.

AB 505 (Ting): Office of Youth and Community Restoration

AB 505, by Assembly Member Phil Ting, would upend several key provisions negotiated as part of SB 823, the 2020 measure that realigned the final piece of the juvenile justice continuum to county governments. Although counties – represented by CSAC, UCC, and RCRC and joined by the Chief Probation Officers of California and the California Behavioral Health Directors Association – broadly opposed the realignment legislation in 2020, these groups successfully pushed back on a range of provisions that would have further complicated

implementation and greatly weakened county authority. Regrettably, at its core, AB 505 would enact three sets of problematic provisions that would inappropriately hinder counties' diligent and responsible efforts to provide appropriate care, treatment, and housing to youth and young adults with the highest level of need.

Of primary concern are the provisions in AB 505 that would (1) condition counties' receipt of DJJ Realignment funding on the state's review and approval of a local plan and (2) grant new and inappropriately broad authority to the Office of Youth and Community Restoration (OYCR), a new state office established under SB 823. Counties would be subject to an annual plan review and approval process through OYCR; absent an approved plan, counties would not be entitled to receive funding to support the new responsibilities transferred under DJJ Realignment. Additionally, the measure also would make changes to the composition and leadership of the local planning body charged with designing the county's approach to meeting the needs of youth and young adults now in their care; it also would specify that the Board of Supervisors shall be directed by the plan in making local allocations. Finally, AB 505 transfers all juvenile justice-related responsibilities from the Board of State and Community Corrections (BSCC) to OYCR, including all regulatory and inspection authority.

AB 505 passed the Senate Public Safety Committee this week and next will be heard in the Senate Appropriations Committee. We would encourage you to examine the measure and consider its operational and fiscal impacts. It is our view that this bill inappropriately interferes with the authority and responsibilities that were expressly realigned to county governments.

SB 252 (Gonzalez): Assembly Holds CalPERS Divestment Measure

This week, Assembly Member Tina McKinnor, Chair of the Assembly Committee on Public Employment and Retirement, announced that SB 252 (Gonzalez), the Fossil Fuel Divestment Act, would be held in committee for the year. Chair McKinnor has indicated an interest in engaging with labor unions and organizations representing retirees in the California Public Employee Retirement System (CalPERS) and the California State Teachers Retirement System (CalSTRS) before moving forward with the bill. SB 252 would have prohibited CalPERS and CalSTRS from investing in the 200 largest fossil fuel companies as determined by carbon content in the companies' proven oil, gas, and coal reserves effective on January 1, 2024, and would have forced the two systems to divest existing investments in the companies on or before July 1, 2031.

SB 43 (Eggman): Behavioral Health

Senator Susan Eggman's **SB 43**, which would (1) expand the definition of "gravely disabled" under the Lanterman-Petris-Short (LPS) Act to include substance use

disorders (SUD) and (2) modifiy hearsay evidentiary standards for conservatorship hearings, passed out of Assembly Health Committee 15-0 on June 27. The Assembly Judiciary Committee will hear the measure on July 11.

The bill is co-sponsored by the Big City Mayors, the California State Association of Psychiatrists, NAMI-California, and the Psychiatric Physicians Alliance of California. SB 43 is generally being supported by cities and local NAMI chapters. The bill is being opposed Disability Rights California, California Voices, ACLU, Western Center on Law and Poverty, and various behavioral health and healthy equity organizations. The California State Association of Counties, Urban Counties of California, Rural County Representatives of California, and County Behavioral Health Directors Association have expressed concerns.

The Health Committee **analysis** indicates that the author, the Assembly Health Committee, and the Assembly Judiciary Committee have worked together extensively on amendments to address some of the concerns of opposition by narrowing the bill and providing some clarity. While agreement has been reached in concept, specific language is still being finalized and likely will be considered when SB 43 is before the Assembly Judiciary Committee. The agreed upon amendments are:

- Amend the existing "gravely disabled" definition to include Severe SUD or co-occurring mental illness and Severe SUD resulting in inability to provide for food, shelter, clothing, personal safety and necessary medical care;
- Specifically define Severe SUD to include the definition of Severe SUD in the DSM.
- Specifically define personal safety.
- Specifically define necessary medical care;
- Strike all sections/language related to a definition of gravely disabled that includes "substantial risk of serious harm";
- Delay implementation for one year. (Discussion related to a mechanism for earlier implementation by counties is ongoing.)
- Addition of specific data the counties must report to DHCS on the underlying basis of a hold. (i.e. danger to self, danger to other, mental Illness, Severe SUD, both mental illness and Severe SUD.

AB 1168 (Bennett): Emergency Medical Services

AB 1168, by Assembly Member Steve Bennett, was heard this week in Senate Health Committee; it passed out of committee on 10-0 vote, with Republican members abstaining. The ambulance providers and AFSCME removed their opposition to the measure based on the committee amendments that narrow the bill. Counties continue to oppose AB 1168 given the remaining issues in the bill. Senators Roth and Glazer asked questions about the county opposition to the measure during the Senate Health Committee hearing. Counties believe that the Court ruling was clear on the point that Oxnard never had .201 authorities (and the Chair agreed in her comments at the end of the discussion). Counties oppose "giving" .201 authorities to Oxnard, because that would open the door for other cities or fire districts wanting to become .201 entities, leading to further fragmentation of county or multi-county EMS systems. Counties are also concerned that it would be precedent-setting for the Legislature to overturn EMS litigation, which could lead to further attempts to overturn previous EMS litigation that upheld county EMS system responsibilities.

Counties also remain concerned with the intent language in Section 1797.11 (d) that distorts the findings of the *City of Oxnard v. County of Ventura* case. The appellate court concluded that Oxnard was not contracting for or providing prehospital EMS as of June 1, 1980, because under the JPA (1971), the County administered and paid for a countywide ambulance system and was the only party authorized to contract with ambulance service providers on behalf of the other JPA signatories. The proponents' attorneys have used legislative intent language in court against counties in EMS litigation. AB 1168 next will be heard in the Senate Governance and Finance Committee.

SB 770 (Wiener): Single Payer Financing

Senator Scott Wiener's SB 770 was heard on June 27 in Assembly Health Committee. The Committee passed the measure 10-4, with Republicans voting no and Assembly Member Carrillo not voting.

SB 770 would require the Secretary of the California Health and Human Services Agency (CalHHS) to pursue waiver discussions with the federal government with the objective of creating a health care system that incorporates a comprehensive package of medical, behavioral health, pharmaceutical, dental and vision benefits and a package of long-term care support and services to establish a unified financing of health care in California. The bill also would require the CalHHS Secretary to establish a Waiver Development Workgroup and to report to the Legislature, no later than June 1, 2024, on recommendations regarding the elements to be included in a formal waiver application, along with all legislative action necessary to proceed with the application and establish a unified financing system consistent with the outcomes of CalHHS's discussions with the federal government.

SB 770 continues to be a divisive issue within the labor community as the California Nurses Association (CNA) continues to oppose the bill, while a coalition

of labor organizations support, including NUHW, Unite Here, Teamsters and SEIU. The bill also has attracted significant grassroots testimony on both sides. Assembly Health Committee Chair Wood allowed four witnesses time to present opposition arguments. CNA asserted that SB 770 would delay single payer and that the bill is duplicative of the work of the Healthy California for All Commission. Black Lives Matter California and a cancer survivor made arguments similar to those offered by CNA – that the bill is a barrier to real solutions. Finally, the California Association of Health Plans relayed concerns about single payer prohibiting private coverage, eliminating Medicare, and costing over \$450 billion per year.

Members engaged in discussion on the bill – asking CNA where in the bill it says SB 770 would delay implementation of single payer. After CNA responded, Senator Wiener responded that if the bill was a delay tactic, they would have picked a date after June 1, 2024 for the report to be due. Senator Wiener was asked whether the State can fully implement CalCare (Assembly Member Kalra's single payer measure) without the federal waivers. Senator Wiener responded that he didn't want to speak for Assembly Member Kalra but that typically a state would need a waiver because funding streams are governed by federal law. Further, a Medicare waiver may require an act of Congress.

Some members seemed uncomfortable with the political rift over the measure. Assembly Member McCarty, who is a joint author on the Kalra bill, asked Senator Wiener to explain in plain English how the competing single payer measures are not mutually exclusive. Senator Wiener responded that if CalCare passes, California will go to the federal government and make the waiver application. The work prescribed in SB 770 will help figure out the scope of waivers that will be helpful to CalCare. He views the two measures as dovetailing.

State Reparations Task Force Releases Report

After months of hearings, the state's Reparations Task Force completed its mandate yesterday, capping off two years of discussions with a 1,075-page **report** that outlines the widespread impacts of enslavement in California and offers more than a dozen ways the Legislature can ease the burden on descendants — including a formal apology and recommended methods for calculating financial compensation.

This report brings California significantly closer to being the first state in the nation to enact reparations, but also highlights the profound difficulty of being a trailblazer. In recent months, as the task force wrapped up its work, lawmakers, including Governor Newsom, are non-committal about the biggest-ticket item — cash payments.

At the final hearing on Thursday, Senator Steven Bradford, who is a member of the Task Force, was blunt about the challenge ahead, saying it's way too early to know what bills will look like or who will carry them. Much of the work will likely happen next year, Bradford added, acknowledging the short time available between now and the end of the legislative session in September.