

*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 8, 2024

### **Super Tuesday: Voters Show Limited Interest in Ballot; Prop 1 Maintains Slim Margin of Victory**

Despite all the buzz around Tuesday's presidential primary, California voter turnout was rather dismal—per the Secretary of State, it was measuring 20.9 % of eligible voters as of this morning.

The latest tally on the single ballot statewide measure put to voters this week – Proposition 1, Governor Newsom's two-part plan that would (1) secure bond revenues to build out behavioral health infrastructure and (2) recast and reprioritize Mental Health Services Act resources –shows the measure passing by a narrow lead; as of this morning, Prop 1 was up by 0.8% (50.4% yes; 49.6% no). Pundits have observed that the somewhat surprisingly close vote could be attributed to several intersecting factors – voters' reluctance to borrow given the state's fiscal condition and a reflexive no vote given the complexity and length (69 pages!) of the ballot language. Hundreds of thousands of mail-in, provisional, and other ballots remain to be counted, so it is a bit too early to call the outcome on Prop 1. We will be keeping an eye on updated results as they roll in over the days and weeks ahead. Results will be certified by April 12, 2024.

On another note, Tuesday's election activities also made for a relatively quiet week in the Capitol. There were a few hearings – including a budget hearing of note below – but we expect budget and policy committee activities to really start ramping up in the two weeks that remain prior to the legislative spring break that runs March 22 through 31.



### **February State Revenues Get a Boost**

Preliminary revenue data for February 2024 indicates that personal and corporate income tax receipts exceeded the Administration's budget estimates by \$415 million. The Legislative Analyst's Office (LAO) [reported](#) this week that monthly personal income tax withholding surged on Leap Day; further, the state collected an added \$500 million on February 20, which appears to be the single-day withholding from equity compensation packages at several large California technology companies.

The withholding surge offset strong refund volume, but the income tax gains are significant enough to offset some portion of weak revenue reports from December and January. The monthly Department of Finance's *Finance Bulletin* should have more information in the next couple of weeks.

### **Public Health Items Heard in Budget Subcommittee**

Assembly Budget Subcommittee No. 1 on health and human services issues met on March 4 to discuss public health budget items and to hear from the California Department of Public Health (CDPH) on the state of public health ([agenda](#)). As required in statute, CDPH developed and submitted to the Legislature its inaugural written State of Public Health report this year. This comprehensive report provides data on key public health indicators, health disparities, leading causes of morbidity and mortality in California, and more. The summary and full report can be accessed here: [Summary Report](#) and [Full Report](#).

Assembly Member Akilah Weber engaged with Dr. Aragon, Director of CDPH, on the public health report. She asked several questions, including whether public health investments are aligned with morbidity and mortality causes, how the department is working to reduce disparities around infant mortality and early death rates, public health's work to reduce behavioral health morbidity and mortality, the reasons for the increase in syphilis cases, and the inclusion of structural racism in the public health report.

The subcommittee also engaged in a discussion of ongoing funding for the California Confidential Network for Contact Tracing (CalCONNECT), the state's information technology system for communicable disease case and outbreak investigation, contact tracing, symptom monitoring of exposed individuals, and communication with affected persons, including the dissemination of isolation and quarantine guidance for cases and contacts. The Governor's budget does not propose to continue funding (\$33.5 million) into 2024-25 and ongoing for CalCONNECT; this system is expected to become nonoperational unless new funding is identified. CDPH stated that they do not wish for the system to cease operating and are exploring alternative funding options.

The County Health Executives Association of California (CHEAC) urged the Legislature to identify existing unspent funds that can be used to continue the program. CalCONNECT has equipped local health jurisdictions (LHJs) with dynamic and modern capabilities to identify cases and exposed contacts and mitigate the spread of

infectious disease. LHJs further explained that, prior to the CalCONNECT system being established, LHJs were significantly limited in disease investigation efforts. LHJs had to rely on manual processes that required significant staff time, including tracking case numbers, use of Excel spreadsheets, and phone calls.

Since its creation, CalCONNECT has been expanded and enhanced to support additional communicable diseases, including Mpox, avian influenza, measles, Ebola, Marburg Virus, and other pathogens. According to CDPH, by June 30, 2024, CalCONNECT will support case investigation and contact tracing activities for sexually transmitted infections and HIV. The Subcommittee held all public health issues open.

Senate Budget and Fiscal Review Subcommittee No. 3 met on March 7 to discuss child care and aging and senior budget issues ([agenda](#)). The subcommittee started off the aging and senior portion of the agenda with a panel discussion on senior homelessness and the Governor's proposal to delay funding for Home Safe and the Housing and Disability Advocacy Programs.

Margot Kushel presented on her UCSF California Statewide Study of People Experiencing Homelessness study, published in June 2023, which found that the population of individuals experiencing homelessness in California is aging, and the proportion of older adults – those aged 50 and above – experiencing homelessness is increasing. Among single homeless adults in the study, 48 percent were 50 and older. Further, among single older adults, 41 percent became homeless for the first time at age 50 or older.

According to the California Department of Social Services (CDSS), in recent years an increasing number of older adults and individuals with disabilities find themselves in need of housing support services. Statewide, in 2022, over 149,000 people experiencing homelessness and reporting disabling conditions accessed the homeless response system. In the first six months of 2023, California was on track to surpass that number with over 118,000 individuals already seeking services and reporting a disabling condition, and approximately 20 percent seeking services and being over the age of 55.

The subcommittee also heard from Nevada County and the City and County of San Francisco on their Home Safe and Housing and Disability Advocacy Programs. CDSS noted that they are working with the County Welfare Directors Association to look at spending and options for structuring the funding delays.

The subcommittee also included in the CWDA request for \$51 million one-time General Fund for administration of the IHSS Program for 2024-25 and associated budget trailer bill language requiring CDSS to work with CWDA and county IHSS worker representatives during the 2024-25 fiscal year to update the existing IHSS administration budget methodology. Administrative underfunding is contributing to higher worker caseloads in many counties, which in turn contributes to counties' inability to recruit and retain staff and meet the needs of an increasing elderly and vulnerable population.

Caseloads of 300 and 400 consumers per social worker are not uncommon in some counties. This hampers counties' ability to timely and accurately administer the program and respond to the needs of recipients and providers. Current IHSS consumers may face longer wait times to reach their social worker between assessments when they have changes in their health or other needs that may warrant more IHSS services. Several individual counties, the Urban Counties of California, CSAC, social workers, and SEIU testified in support of the proposal.

Senator Menjivar was particularly engaged in discussion about budget items where she could identify unspent funds that could be used to fill gaps or restore funding for legislative priorities. For example, she asked DSS if the unspent Home and Community Based Services waiver funds allocated for the IHSS Career Pathways program could be repurposed so that the developmental services rate delay could be six months instead of the 12 months proposed by the Governor. All issues were held open.