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.

May 24, 2024

Long Week of Floor Sessions Sets Stage for Second House Bills

Today was the deadline by which all bills introduced in 2024 had to successfully clear the floor in the house of origin. Accordingly, the Senate and Assembly held floor sessions every day this week to consider hundreds of legislative measures. Session today had wrapped up by midday, and members have since returned to their districts for the Memorial Day weekend. Next week, policy committees begin anew for those measures that have successfully completed the first half of the legislative gauntlet. We will keep you posted in the weeks ahead on the continued progress priority measures of interest. Let us know if you have any questions!

Bill to Amend Health Care Worker Minimum Wage Measure Appears This Week

SB 828, by Senator Maria Elena Durazo, was gutted and amended this week to incorporate language to amend SB 525 (Chapter 890, Statutes of 2023), the measure that established a minimum wage for health care workers. As amended May 20, SB 828 changes the implementation date of SB 525 from June 1 to July 1, 2024. The measure contains an urgency clause so, once enacted, the bill would take effect immediately. The Legislature must pass – and the Governor must sign – the bill before June 1, so we anticipate swift action next week. SB 828 passed off the Assembly floor yesterday and will be taken up in a policy committee hearing and on the Senate floor.

SB 828 does not include any other technical clean up or the trigger mechanism that the Governor has been discussing since January. It is our understanding that a second bill – likely a budget trailer bill – will

contain those additional provisions. It remains unclear when this language for further amendments to SB 525 will be publicly available.

Labor Bills Moving to Second House

Two measures of interest to local agencies were approved in the Assembly this week. AB 2561, by Assembly Member Tina McKinnor, would require counties, cities, and special districts to take certain actions relating to vacant positions. Specifically, each local public agency that has bargaining unit vacancy rates exceeding 10% for more than 90 days in the prior 180 days must promptly meet and confer with the recognized employee organization representative to produce and implement a plan to fill all vacant positions within 180 days. There are a number of reasons why the public sector is experiencing an historic workforce shortage, none of which is for a lack of planning or reporting. We anticipate that AB 2561 would result in significant costs for local agencies to comply and, given the extent to which the labor market fails to respond to efforts to improve hiring, an ongoing cycle of reporting with few helpful results. AB 2561 was approved by the Assembly on a vote of 51-5.

With this in mind, local agencies will also want to pay close attention to AB 2557, by Assembly Member Liz Ortega, which would require a contractor to fulfill certain requirements if the contractor enters into a contract with a local government to perform functions that currently are or were performed by public employees represented by an employee organization, including submitting quarterly performance reports to the local governing body and the exclusive representative of the employee organization. After the bill was amended coming out of Assembly Appropriations Committee, contractors must report on a semi-annual basis and then be subject to a biannual independent performance audit. Further, contractors must include personally identifiable information about their employees in these semi-annual reports, which will then be subject to the California Public Records Act. We believe that these requirements will deter businesses and non-profits from working with the local government sector during a time when cities, counties, special districts, and schools greatly need their partnership. Additionally, local agencies are already subject to statutory provisions regarding contracting that ensure transparency and collaborative discussions with employee organizations. AB 2557 was approved by the Assembly on a vote of 51-16.

Legislature's Public Safety Package Advances

As we have reported previously, the Senate and Assembly together have introduced a 22-bill package to address organized retail theft, expand access to substance use disorder treatment, improve fentanyl education and awareness, and enhance law enforcement tools. This week, the houses approved their respective measures comprising the package; the bills now will be considered in second house policy committee hearings in the weeks ahead. In this <u>document</u>, we provide information on each of the 22 public safety bills (7 Assembly and 15 Senate bills). Note that none of these measures propose to amend the provisions of Proposition 47, the 2014 ballot measure that reduced penalties for specified property and drug-related offenses.

As we reported several weeks ago, Californians for Safer Communities – a <u>coalition</u> of public safety organizations, business interests, merchants, taxpayer groups, victims' advocates, and others – announced that they collected more than 900,000 signature to qualify a November <u>ballot</u> <u>measure</u> intended to respond to concerns about the cyclical and interconnected nature of the fentanyl crisis, organized retail theft, and homelessness among those struggling with substance use disorders. The ballot measure would amend certain provisions of – but not fully repeal – Proposition 47. Any revision to Prop 47 would require approval of the voters.

The Legislature and criminal justice reform advocates alike are hoping that the 22-bill package will be sufficient to address concerns about public safety and retail crime. Legislative leaders have committed to working for swift passage of the bills in their second house – perhaps with a goal of persuading the public safety ballot measure coalition that the legislative effort is sufficiently robust to consider dropping the November proposal.

State Budget Update

The Legislature continued to hold budget subcommittee hearings this week to discuss the Governor's May Revision proposal. The Assembly held a subcommittee series of hearings – in a format not seen previously (to our knowledge) – that allowed members who do not normally sit on the subcommittees to ask questions about the Administration's proposals. The human services and education hearings were particularly well attended by Assembly Members.

On the Senate side, all budget subcommittees are scheduled to meet next week. The Assembly Budget Committee is scheduled to meet on May 30 to adopt a budget package.

Key Newsom Advisor Announces Departure

Jason Elliott, the Governor's Deputy Chief of Staff, has announced he will be leaving the Newsom Administration on June 21. Elliott, the closest and longest-serving adviser in the Governor's Office, will be launching a consulting business. It is not yet known who will take over the portfolio now assigned to Mr. Elliott. Elliott began working for then-Mayor Newsom in San Francisco. While in the Governor's Office, Elliott's portfolio has included housing and homelessness, mental health, business and tech, crime and rehabbing downtowns, and the state budget.