



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY EXECUTIVE

**File #:** 23-862

Board Meeting Date: 10/17/2023

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Michael Callagy, County Executive  
Connie Juarez-Diroll, Chief Legislative Officer  
**Subject:** 2023 State and Federal Legislative Update #2

**RECOMMENDATION:**

Accept this informational report on the 2023 State and Federal Legislative sessions.

**BACKGROUND:**

The State Legislature wrapped up its work for the year, and the 2022-23 session adjourned at 11:47 p.m. on Thursday, September 14, 2023. This year, members introduced 2,661 bills, including 891 Senate and 1,770 Assembly bills. The Governor has until October 14, 2023, to determine the fate of hundreds of bills sent to him in the final days of the session. In addition, legislators and the Governor reached an agreement on a final list of budget bills for FY 2023-24, passing an additional Budget Bill, Jr., and 11 trailer bills ranging from state employment contracts to funding for the Ad Council to conduct outreach and public awareness for LGBTQ+ values across the country.

Additionally, leadership transitions were underway for both the Assembly and Senate. On June 30, 2023, Assemblymember Robert Rivas (D-Salinas) was sworn in as the 71<sup>st</sup> Speaker of the Assembly. On August 28, 2023, Senator Mike McGuire (D-Healdsburg) was announced as the 52<sup>nd</sup> Senate President Pro Tempore, with a transition expected sometime in 2024.

Congress passed a Continuing Resolution (CR) on September 30, 2023, to avert a federal government shutdown. The continuing resolution keeps the federal government funded through November 17.

On September 29, 2023, California's senior Senator Dianne Feinstein passed, triggering a vacancy appointment by Governor Gavin Newsom to serve the remainder of the term through 2024.

**DISCUSSION:**

The following is a list of some of the most notable bills impacting counties taken up by the Legislature at the end of the session:

## ***Mental Health Services Act Modernization & Bond-SB 326 (Eggman-D) & AB 531 (Irwin-D),***

In June, Governor Newsom and a coalition of mental health services advocates announced sweeping changes to the California Mental Health Services Act (MHSA). The proposal recast the MHSA to the Behavioral Health Services Act (BHSA) and substantially redirects funding toward housing interventions for individuals with behavioral health challenges or substance abuse disorders, Full-Services Partnerships, and behavioral health services and supports. Additionally, the measure included additional requirements for county planning processes and accountability disclosures. To support these changes, the proposal authorized \$6.38 billion in general obligation bonds to finance permanent supportive housing, behavioral health treatments, residential settings for individuals experiencing homelessness with severe behavioral health challenges and authorizes the use of treatment and residential settings for projects supported by the bond as an allowable land use by-right.

A coalition including the California State Association of Counties (CSAC), County Behavioral Health Directors Association, County Welfare Directors Association, County Health Executives Association of California, County Probation Officers of California, and the Urban Counties Coalition worked to address concerns around funding flexibility built into the BHSA proposal. The group worked to allow up to 14 percent of the total funds to be reallocated at counties' discretion and authorizing reserves. However, several concerns from the coalition remain unaddressed, including other issues around funding and program flexibility, revenue volatility, allocations for core mental health prevention services, and requirements for housing interventions.

The BHSA and corresponding bond measure will be placed on the March 4, 2024, General Election as Proposition 1.

***Voting Thresholds***-The Legislature approved several changes to the California Constitution requiring statewide voter approval:

- **ACA 1 (Aguiar-Curry-D)** lowers the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation bonds and special taxes for affordable housing and public infrastructure projects, including parks, public safety facilities, libraries, and resiliency infrastructure, among other uses. Governor Newsom signed this bill on September 20, 2023.
- **ACA 13 (Ward-D)** would require any future constitutional amendment that would increase future voter approval thresholds to be approved by that same threshold and enshrines the ability of local governments to submit advisory questions to voters.

***Labor Protections and Benefits***-In response to labor stoppages around the state, the Legislature sent several bills to the Governor in the final weeks of the session:

- **AB 504 (Reyes-D)** would prohibit a public employer from disciplining or taking other adverse action against public employees, except firefighters and peace officers, for participating in sympathy strikes by refusing to enter property, perform work, or cross a primary strike line for a public employer involved in a strike.
- **AB 1484 (Zbur-D)** would require local public employers to include temporary and limited-term employees in the same bargaining unit as permanent employees.

- **SB 799 (Portantino-D)** would have given striking employees access to state unemployment insurance benefits. Governor Newsom vetoed this bill on September 30, 2023.

**Minimum Wages for Healthcare Employees-**Despite concerns from rural members, the Legislature approved the following bill:

- **SB 525 (Durazo-D)** would enact minimum wage schedules for covered healthcare employees, including county-owned healthcare facilities, and require facilities to provide specified wages depending on the population served. County-owned facilities would be required to comply by January 1, 2025.

**Housing-**The Legislature sent several bills advancing the production of affordable housing now on the Governor's desk:

- **SB 4 (Wiener-D)** would allow faith institutions and nonprofit colleges to build affordable housing on their property as a use by-right, regardless of local zoning.
- **SB 423 (Wiener-D)** would extend the streamlined approval process for qualified, affordable housing developments under SB 35 (Wiener, 2017), apply streamlining to coastal zones, and enact prevailing wage requirements on projects of at least ten units.

**Firearms-**After the Supreme Court's 2022 decision invalidating concealed carry laws in some states, the Legislature looked to push forward various proposals related to gun control, and are now awaiting signature by the Governor:

- **AB 28 (Gabriel-D)** imposes an 11 percent excise tax on firearms, parts, and ammunition to fund gun violence prevention, education, and response programs. Licensed firearms dealers, manufacturers, and ammunition vendors would be required to register with the California Department of Tax and Fee Administration. Governor Newsom signed this bill on September 26, 2023.
- **AB 303 (Davies-R)** requires the Attorney General to provide specified information regarding individuals prohibited from owning or possessing a firearm to local law enforcement. Governor Newsom signed this bill on September 8, 2023.
- **SB 2 (Portantino-D)** establishes concealed carry weapon laws, specifies who may obtain a concealed license, raises the age limit for concealed licenses from 18 to 21, limits firearm possession in certain sensitive locations, and enacts additional requirements for the safe handling of firearms. Governor Newsom signed this bill on September 26, 2023.

**Health and Human Services-** In addition to the BHSA, the Legislature passed the following notable bills related broadly to healthcare. They now await the signature or veto from the Governor:

- **AB 85 (Weber-D)** would require health plans and health insurers to cover screenings for social determinants of health, provide greater access to community health and social workers, and require the California Department of Health Care Services and Medi-Cal managed care plans to provide reimbursement for screenings.
- **AB 352 (Bauer-Kahan-D)** protects medical information related to gender-affirming care, contraception, abortion, and related services by requiring businesses that store or maintain information to enable safeguards regarding the access of information and prohibiting health care providers from cooperating with any inquiry or investigation by another state, or a federal agency that would identify an individual who is seeking or obtaining abortion-related services. Governor Newsom signed this bill on September 27, 2023.
- **AB 1057 (Weber-D)** would require the California Department of Public Health to allocate funds

to local health departments to administer the California Home Visiting program to promote the health and well-being of pregnant individuals and parents, improve infant and child health and development, reduce maltreatment, foster economic mobility, and cultivate strong communities. Local agencies would be required to implement the specified home visiting and mental health models.

- **SB 35 (Umberg-D)** provides clarifications and additional changes to the CARE court program, including providing limited authority to county behavioral health agencies to disclose medical and mental health information to courts as required under CARE Act proceedings. Governor Newsom signed this bill on September 30, 2023.
- **SB 43 (Eggman-D)** would expand the definition of “gravely disabled” under the Lanterman-Petris-Short Act for involuntary treatment eligibility, including conservatorships when an individual is unable to provide for their needs, find adequate shelter, or attend to their personal safety due to a mental or substance abuse disorder.
- **SB 407 (Wiener-D)** requires foster resource families to demonstrate an ability and willingness to meet the needs of a child, regardless of the child’s sexual orientation, gender identity, or gender expression and requires counties to ensure that applicants and resource families have completed caregiver training to support children of all races, ethnic groups, ancestries, national origins, colors, religious, sexes, sexual orientation, gender identities, mental or physical disabilities, or HIV statutes in foster care. Governor Newsom signed this bill on September 24, 2023.
- **SB 521 (Smallwood-Cuevas-D)** would exempt pregnant, parenting, and lactating students from potential Cal-Learn and CalWORKS penalties by adding destabilizing events and violations of Title IX protections to the list of acceptable reasons for not meeting satisfactory progress requirements.

**Controlled Substances-** The 2023 session saw several bills related to fentanyl and other controlled substances fall short. Some notable bills that did make it to the Governor’s desk:

- **AB 33 (Bains-D)** would establish a Fentanyl Addiction and Overdose Prevention Task Force to collect and organize data, measure program effectiveness, and evaluate approaches to increase public awareness. The task force would be co-chaired by the California Attorney General and the state public health officer and comprised of state department executives and representatives from local public safety and health organizations.
- **AB 701 (Villapuda-D)** would impose sentence enhancement terms of three to 25 years upon individuals convicted of fentanyl possession in amounts exceeding one kilogram.
- **SB 19 (Seyarto-R)** would establish an Anti-Fentanyl Abuse Task Force to evaluate the nature and extent of fentanyl abuse and develop policy recommendations to address it. The task force would be comprised of state department executives and representatives from local public safety and health organizations.
- **SB 58 (Wiener-D)** would legalize the personal possession, preparation, transportation, and use of some psychedelics for limited personal use, including psilocybin/psilocyn mushrooms, dimethyltryptamine, and mescaline beginning January 1, 2025, for persons 21 years of age or older.
- **SB 641 (Roth-D)** would require the Department of Health Care Services to make all federally approved formulations and dosage strengths of naloxone or any other opioid antagonist available through the Naloxone Distribution Project.

**Brown Act-** The Legislature passed several notable bills related to the Ralph M. Brown Act open

meeting laws.

- **AB 557 (Hart-D)** would extend authority to local legislative bodies to use teleconference services during a proclaimed state of emergency.
- **SB 411 (Portantino-D)** would exempt neighborhood councils using alternate teleconferencing services from various Brown Act requirements.
- **SB 537 (Becker-D)** would exempt multi-jurisdictional, cross-country local agencies with appointed members from several requirements of the Brown Act when participating via teleconference in a legislative body that includes representatives from more than one county, city, special district, or joint powers authority. The bill awaits a vote in the Assembly and can be acted upon in 2024.

**The County of San Mateo Delegation**-Members of the County's delegation also authored critical pieces of legislation that now await action by the Governor:

- **AB 269 (Berman-D)** continues the authorizations enacted in response to the COVID-19 pandemic, allowing nurses to dispense COVID-19 therapeutics and laboratory workers to process COVID-19 tests. Governor Newsom signed the bill on March 3, 2023.
- **AB 505 (Ting-D)** would make several changes to the Department of Juvenile Justice Realignment (SB 823 Skinner, 2020), including expanding the authority of the Office of Youth and Community Restoration ombudsperson to inspect any juvenile justice facility, interview youth, personnel, volunteers, or contractors at the facility without notice. The bill would make additional changes to regulations governing the operations of a local juvenile justice coordinating council.
- **AB 881 (Ting-D)** would authorize the San Francisco Superior Court and four additional counties selected by the California Judicial Council to conduct a pilot program to pay low-income trial jurors \$100 per day.
- **AB 1304 (Papan-D)** would increase the fees a county may charge to fund the operations of weights and measures and extend that authority by two years.
- **SB 253 (Wiener-D)** would require any business entity, corporation, or limited liability company with total annual revenues over \$1 billion that does business in California to report their annual greenhouse gas emissions.
- **SB 410 (Becker-D)** would establish targets for electrical utilities to provide new or upgraded electrification upgrades to make capacity improvements in preparation for additional demands on the electrical grid, including EV chargers and in-home electric appliances. It would also allow investor-owned utilities to request a ratemaking mechanism to recoup costs that exceed costs authorized by the California Public Utilities Commission.
- **SB 448 (Becker-D)** would prohibit a juvenile court from being detained solely due to being an out-of-county resident when they would not otherwise be detained and require minors to be given equal consideration for release on home supervision regardless of the minor's county of residence.

**Failed bills**-Not all bills were successful in passing the Legislature. Below are some notable bills that did not make it to the Governor's desk this year:

- **SB 280 (Holden-D)** would have established a legal definition for "segregated confinement" and limited the use of segregated confinement to no more than 15 consecutive days and no more than 45 days total in a 180-day period.
- **SB 50 (Bradford-D)** would have prohibited law enforcement officers from initiating traffic stops for specified low-level infractions unless a separate independent basis is established or at

least one low-level infraction is observed before initiating a stop.

- **AB 1297 (Quirk-Silva-D)** would have required local governments to complete an inventory of public restrooms owned and maintained by the jurisdiction and provide the inventory to the California Department of Public Health.

The Legislature is scheduled to reconvene for the second year of the two-year session on January 3, 2024.

The attached 2023 Legislative Activity Report provides details on all bills monitored. The Intergovernmental and Public Affairs Unit (IGPA) monitored over 430 bills this session, including 119 health-related bills, 97 public safety-related bills, and over 30 housing and homelessness bills.

**State Budget**-The following are highlights of actions included in the newly passed Budget Bill, Jr., and trailer bills acted on at the end of the session. Attached is a complete table of all the budget bills for FY 2022-23.

- **Homeless Housing, Assistance and Prevention (HAPP):** The Legislature provided an additional \$1 billion in funding for the 5<sup>th</sup> round of the HAPP.
- **CARE Court:** The Legislature approved roughly \$128.9 million for state and county activities related to CARE Court implementation in the FY 2023-2024 budget, which would ramp up to approximately \$291 million annually in FY 2026-2027 thereafter.
- **CalFresh:** \$406.5 million was allocated by the Legislature to update budgeting methodologies for CalFresh administration by counties and implements a pilot program to provide benefits to eligible households receiving less than \$50 per month.
- **Manage Care Organization (MCO):** The Legislature and Governor also approved a renewal of the MCO provider tax to maintain the Medi-Cal program and support provider rate increase and the distressed hospitals.
- **Public Health:** Approximately \$200 million in State General Fund allocations were maintained to support local public health infrastructure modernization and workforce development.

### **2023 Federal Legislative Update:**

On September 30, President Joe Biden signed a short-term spending bill to avert a partial federal government shutdown. Hours before the midnight deadline, the Senate voted 88-9 to pass the House-passed (335-91) 48-day funding patch. The \$1.6 trillion measure keeps the federal government open and funded at current levels through November 17. The CR includes an extension of the National Flood Insurance Program, Federal Emergency Management Agency (FEMA) funding for disaster relief through November 17, and a three-month extension of the Federal Aviation Administration (FAA) authorization.

Congress will now have seven more weeks to try and find a path forward on Fiscal Year (FY) 2024 appropriations, which includes unresolved deep disagreements about federal spending levels, border policy, and funding for Ukraine. McCarthy has spent months trying to appease members of a dissident flank that rejected his every proposal, and the gulf between the two parties-and the two chambers-remains vast. In helping to pass the bipartisan stopgap measure, Speaker McCarthy has opened himself up to a challenge for his job.

The CEO's Intergovernmental and Public Affairs Unit will continue to monitor federal budget negotiations and share additional information with the Board and County departments.

On Friday, September 29, the news broke that Senate Dianne Feinstein died at 90. Governor Gavin Newsom is responsible for appointing someone to fill the remainder of Feinstein's term. On October 2, he announced he intends to appoint Lophonza Butler, the current President of EMILY's List. Butler will be sworn into the Senate on Wednesday, October 4.