



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-290

Board Meeting Date: 4/23/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael Callagy, County Executive
Connie Juarez-Diroll, Chief Legislative Officer
Subject: 2024 State and Federal Legislative Update #4

RECOMMENDATION:

Accept this informational report on the 2024 State and Federal Legislative sessions.

BACKGROUND:

Policy hearings in Sacramento have begun to ramp up as bills move through the Legislature. The Intergovernmental and Public Affairs (IGPA) is tracking more than 380 bills of interest to the County and has submitted nine positional advocacy letters as of the writing of this report. Policy committees have until April 26 to refer bills to the fiscal committees and until May 24 to pass bills introduced in their respective houses.

On April 15, 2024, Governor Newsom signed an early budget action trailer bill that provides moderate relief to the state's deficit. Totalling \$17.3 billion over three years, the package contains \$3.6 billion in reductions (primarily to one-time funding), \$5.2 billion in revenue and borrowing, \$5.2 billion in delays and deferrals, and \$3.4 billion in cost shifts from the general fund to other state funds.

On April 9, 2024, Assembly Speaker Robert Rivas (D-Salinas) and California Attorney General Rob Bonta announced a package of seven bills targeting retail theft. Similarly, the California State Senate pro Tem Mike McGuire (D-Healdsburg) advanced a package of 14 bills, known as the Safer California Plan, which includes bills to address the fentanyl crisis, combat retail theft, and reduce community-based crime. The proposals would not change Proposition 47. Each house is moving the packages through their respective policy committees, and fiscal committees will consider the bills before the fiscal bill deadline on May 17, 2024.

DISCUSSION:

Below is a list of notable bills the IGPA team is actively tracking, and the County has acted on as follows:

Support:

- **AB 2967 (Ting-D)** - Expands eligible enrollees of teacher housing to include persons employed by nonprofit early childcare programs that operate with public funding targeted to children from families of low and moderate-income households. (County sponsored)
- **AB 2564 (Boerner-D)** - Ensures that tax postponement programs for seniors and disabled persons remain funded.
- **AB 1948 (Rendon-D)** - Allows additional counties to operate homeless adult and family multidisciplinary personnel teams.
- **SB 1066 (Blakespear-D)** - Establishes disposal and responsibility requirements for producers of marine flares.
- **AB 2115 (Haney-D)** - Aligns state regulations for Methadone clinics with new federal guidelines.

Oppose:

- **SB 964 (Seyarto-R)** - Requires counties to distribute additional revenues from tax-defaulted property sales to owners.
- **AB 2882 (McCarty-D)** - Amends the composition of the local Community Corrections Partnerships and corresponding Executive Committees and specifies new program and data collection requirements related to behavioral health.
- **SB 1057 (Menjivar-D)** - Redirects juvenile justice funds and revamps local probation processes.
- **AB 2265 (McCarty-D)** - Establishes statewide standards for operations of local animal shelters.

The following bills, which the IGPA is monitoring, are included in the Senate's Safer California Plan:

Opioid Treatments

- **SB 1319 (Wahab-D)** - Expedites the approval of substance use disorder rehab facilities.
- **SB 1320 (Wahab-D)** - Requires health plans to reimburse providers who provide primary care and behavioral health integrated services.
- **SB 1385 (Roth-D)** - Ensures patients and justice-involved individuals are connected to evidence-based treatments and services for opioid use disorders.
- **SB 1442 (Ochoa Bogh-R & Skinner-D)** - Allows state-operated pharmaceuticals to supply testing and health assessment equipment for fentanyl.
- **SB 1468 (Ochoa Bogh-R & Roth-D)** - Encourages providers to make use of new federal rules to allow practitioners to dispense a three-day supply of narcotic medication to start detoxification treatment or maintenance treatment for people who use opioids.
- **SB 909 (Umburg-D)** - Addresses physician shortages in underserved areas by eliminating the cap loan repayment programs for physicians who agree to provide direct patient care in an underserved area for 36 months.

Correctional Treatment

- **SB 910 (Umburg-D)** - Establishes statewide standards related to the programming, drug testing, and medication-assisted treatment for justice involved individuals.

- **SB 950 (Skinner)** - Expands the number of re-entry hubs to improve treatment options for individuals released from the criminal justice system.

Drug Trafficking

- **SB 1502 (Ashby-D)** - Adds xylazine to the list of Schedule II substances to restrict its sale and use.

Retail Theft

- **SB 1144 (Skinner-D)** - Requires that online third-party sellers be certified and bans sellers suspected of criminal activity from operating through online marketplace platforms.
- **SB 1416 (Newman-D)** - Increases criminal penalties on professional organized retail theft.
- **SB 905 (Wiener-D)** - Removes the locked door loophole for automotive property thefts.
- **SB 982 (Wahab-D)** - Eliminates statutory sunsets on provisions related to organized retail theft.
- **SB 1242 (Min-D)** - Requires courts to impose higher penalties on criminals who create fires while engaging in retail theft.

The following bills, which the IGPA is watching, are included in the Assembly's retail theft package:

- **AB 2943 (Zbur-D)** - Allows peace officers to make warrantless arrests for misdemeanor shoplifting under specified circumstances, clarifies procedures for aggregating grand theft charges, creates new offenses for the receipt of stolen property, increases allowable probationary terms for petty theft and shoplifting, and extends diversion and deferred entry of judgment programs.
- **AB 1794 (McCarty-D)** - Allows theft crimes by the same perpetrator to be aggregated between different places and victims; and streamlines the process of reporting shoplifting incidents directly to prosecutors.
- **AB 1972 (Alanis-R)** - Expands California Highway Patrol's property crimes task forces to support identified counties with increased levels of cargo theft.
- **AB 3209 (Berman-D)** - Authorizes a court to impose a restraining order against individuals for theft offenses, vandalism, or battery within a store.
- **AB 1779 (Irwin-D)** - Allows district attorneys to coordinate and prosecute organized retail theft and other theft crimes.
- **AB 1802 (Jones-Sawyer-D)** - Eliminates statutory sunsets for organized retail left and associated state task forces.
- **AB 1960 (Soria-D)** - Adds additional sentencing enhancements for crimes when property losses or damages exceed \$50,000.

The attached 2024 Legislative Activity Report lists the bills tracked this session. Future IGPA legislative updates will provide your Board with additional information on measures of note, including amended spot bills and actions taken by the County.

State Budget Update

The early action budget package adopted approximately two-thirds of the budget solutions that Governor Newsom proposed as a part of his January budget. Among the major proposals are:

- \$4 billion expansion of taxes on managed care organizations,

- \$1 billion in funding delays for transit infrastructure,
- \$550 million funding delays for preschool, transitional, and full-day kindergarten facilities,
- \$235 million in funding delays for Behavioral Health Bridge Housing Programs, deferring spending until FY 2025-2026.
- \$140.4 million in funding delays for Behavioral Continuum Infrastructure, deferring spending until FY 2025-2026.
- \$1.8 billion in shifts of greenhouse gas emissions funds to backfill other programs,
- \$760 million in budgetary reductions by removing vacant state employee positions while deferring another \$1.6 billion in pay for state employees until the next fiscal year.

The package expresses broad legislative intent to preserve state reserves in 2024, leaving roughly half of the reserves the Governor had proposed in January. While the package avoids cuts to core health, human services, public safety, and education programs, additional reductions will be needed to address the remaining estimated \$9-24 billion deficit.

Budget subcommittees in both houses will continue to review the Governor's remaining budget proposals and propose alternatives to address the state's projected structural deficit in future years. Additional budget-balancing actions will likely also be necessary in future fiscal years. The Legislative Analyst's Office has cautioned that May revenue estimates may increase the deficit estimates from January, depending on April tax filings. Alternatively, the deficit may decrease if April revenues come in above estimates. Decisions on some of the most challenging program cuts will occur between now and the June 15, 2024, budget deadline.

EQUITY IMPACT:

The County's 2024 Legislative program supports policies that further or enhance equity goals in addressing the needs of underserved, disadvantaged, or marginalized residents.