



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 22-245

Board Meeting Date: 4/5/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Executive
Connie Juarez-Diroll, Legislative Officer
Subject: 2022 State and Federal Legislative Update #2

RECOMMENDATION:

Accept this informational report on the 2022 State and Federal Legislative sessions.

BACKGROUND:

The California State Legislature continues to make its way through the 2022 legislative and state budget sessions. At the federal level, President Biden signed a bipartisan FY 2022 funding bill.

DISCUSSION:

2022 State Legislative Session

CARE Courts and LPS Reform: On March 3rd, Governor Newsom announced his Community Assistance, Recovery, and Empowerment (CARE) Court proposal focused on the state's population of mentally ill individuals. CARE Court would provide assistance to individuals with specified mental health conditions whose judgment is impaired and cannot make informed or rational decisions about their necessary medical treatment. The assistance would be provided before an individual enters into a potential conservatorship or is incarcerated. Many of these persons are homeless, and the Newsom Administration estimates that about 7,000 to 12,000 Californians would be eligible for the program.

CARE Court would create a mental-health-focused arm of the civil courts in every County and connect a person in crisis with a court-ordered Care Plan for up to 12 months. The plan would include services and supports such as short-term stabilization medications and connections to social services and housing. County behavioral health departments would be responsible for developing these plans relying on existing local funding sources, such as Mental Health Services Act, mental health realignment, federal funding, the proposed \$1.5 billion for behavioral health bridge housing, and various other housing funding streams included in Governor Newsom's \$12 billion homeless plan to serve this high needs population. Counties would also be responsible for data collection,

evaluation, and reporting on the program. Finally, the CARE Court proposal includes potential sanctions for counties that fail to provide comprehensive treatment and requires persons in the program to accept the care.

Details on the proposal remain forthcoming as the Administration has not released trailer bill language or a policy bill to implement the program. The Administration is hosting CARE Court roundtables around the state with health care and service providers, impacted Californians, local officials, and other stakeholders to gain support for the program.

For its part, the Legislature introduced two CARE Court-related bills-**SB 1338 (Umberg-D)** and **AB 2830 (Bloom-D)**-as potential policy vehicles. In its current form, SB 1338 would align with the Governor's proposal, whereas AB 2830 (a spot bill) would direct the California Health and Human Services Agency to develop a CARE Court plan.

Beyond the CARE Court proposal, the Legislature introduced other bills to reform the Lanterman-Petris-Short (LPS) Act, which allows for conservatorships for persons who are a danger to themselves or others or are "gravely disabled."

- **AB 2020 (Gallagher-R)** would authorize a county to utilize an expanded definition of "gravely disabled," which would read "a condition in which a person, as a result of a mental health disorder, is incapable of making informed decisions about, or providing for, their own basic personal needs for food, clothing, shelter, or medical care without significant supervision and assistance from another person and, as a result of being incapable of making these informed decisions, the person is at risk of substantial bodily harm, dangerous worsening of a concomitant serious physical illness, significant psychiatric deterioration, or mismanagement of essential needs that could result in bodily harm."
- **AB 2853 (Lackey-R)** would require the State Department of Health Care Services to establish guidelines for the application of the LPS Act to ensure that it is uniformly applied by counties. The guidelines would include an explanation for how to determine if a person meets the definition of gravely disabled and if a person is a danger to themselves or others.
- **SB 1227 (Eggman-D)** would authorize an additional 30-day period of treatment if a person who is gravely disabled is still in need of treatment.
- **SB 1416 (Eggman-D)** would expand the definition of "gravely disabled" to include a condition in which a person, as a result of a mental health disorder, is unable to provide for basic personal or medical care or self-protection and safety.

The Gas Tax: Earlier this month, Governor Newsom proposed an \$11B package to assist Californians in managing the rising price of fuel and other goods and services. The package would, among other things:

- Defer the annual inflationary adjustment to the gasoline excise tax in 2022-23 (approximately 3-cents per gallon). The Governor's budget discusses backfilling the local share of the revenue with State Highway Account funding, although the Administration has not released trailer bill language on the proposal to understand the details.
- Provide a \$400 rebate per registered car with a maximum of two vehicles per owner. There would be no income or car value limits, and zero-emission vehicles would be included.

- Provide \$750M to local transit agencies in exchange for "Free Public Transit" for three months.
- Provide \$1B for the Active Transportation Program, a \$500M increase from the Governor's January budget proposal.

The Legislature remains opposed to a gas tax holiday, preferring to advance a more far-reaching proposal that would:

- Provide a base refund amount of \$200 per tax filer and dependents with income eligibility requirements. There would be no limits on the number of dependents.
- Set income eligibility at up to \$250,000 for joint filers and \$125,000 for single filers. Approximately 90% of taxpayers would receive a refund.
- Have no impact on existing state and local transportation revenues.

Further, Republicans in the Legislature have put forth a slate of bills to eliminate or curb the gas tax in some way, all of which would severely impact transportation funding available to counties:

- **AB 1626** <<https://protect-us.mimecast.com/s/qKgvCZ6GzOcG0RKXuRtfdp>> (**Nguyen-R**): Would limit the annual inflationary adjustment to fuel excise tax rates to two percent.
- **AB 1638** <<https://protect-us.mimecast.com/s/-cGjC1wpG1cRImJLi4lsMp>> (**Kiley-R**): Would suspend the various state fuel excise tax rates (a total of 51.1 cents) for six months and provide a partial backfill from the General Fund of an amount equal to one-half of the fuel excise tax revenues collected in 2020-21.
- **SB 1156** <<https://protect-us.mimecast.com/s/ay-6C2kq74FjgG50ixWBRJ>> (**Grove-R**): Would eliminate the annual inflationary adjustment for both motor vehicle fuel and diesel fuel excise tax rates.

Transportation stakeholders have expressed opposition to the various efforts to reduce the gas tax. While sympathetic to the inflationary impacts on the price of fuel, organizations argue that reducing, eliminating, or even pausing the gas tax doesn't guarantee a reduction in fuel prices. The price increase is more the product of global market forces on gasoline production and less fuel excise tax policy.

Politics - rather than policy - appears to be driving the conversation on the gas tax. Legislative leadership and the Administration have indicated that this issue will continue to be part of budget negotiations.

COVID-19 Eviction Protections: Seeking to stave off eviction for another three months for hundreds of thousands of renters who have applied for relief but are still waiting to hear back, the state's top legislative leaders struck another last-minute deal. **AB 2179** <<https://protect-us.mimecast.com/s/YFsbCpYokwTDgQzkFYnX65>> (**Grayson-D**) would extend eviction protections for Californians who have applied for rental assistance before the March 31st deadline but are still waiting for relief. Under current law, landlords can begin evicting tenants who owe rent starting April 1st. The state estimates that more than 200,000 applicants continue to await rental assistance.

AB 2179 would extend eviction protections through June 30th for those renters who have applied for help before the March 31st deadline. It would preempt local eviction moratoriums and establish statewide direction for when evictions may resume. The Senate and Assembly leadership have announced that they plan to move the bill quickly to the Governor for consideration before the end of the month. At this writing, AB 2179 had passed the Assembly and Senate Judiciary Committees and was on schedule to make it to the Governor before the April 1st deadline.

The attached 2022 Legislative Activity Report provides details on the bills the IGPA is monitoring.

2022 Federal Legislative Update:

Consolidated Appropriations Act of 2022: On March 15th, the President signed into law H.R. 2471, the "Consolidated Appropriations Act of 2022," which provides \$1.5 trillion in full-year funding through September 30, 2022, for projects and activities of the Federal Government. The legislation increases non-defense spending by 6.7 percent and defense spending by 5.6 percent and includes \$13.6 billion in emergency aid for Ukraine. A last-minute change removed a provision that would have rescinded some of the funds states were to receive in their second tranche of Coronavirus State and Local Relief Fund payments to use as "pay-for" for some of the \$15.6 billion in emergency funding for the coronavirus pandemic.

The measure includes a \$500,000 appropriation (community project funding request or "earmark") for the County to purchase the new Navigation Center furniture. The County Executive Office is grateful to Representative Jackie Speier for supporting this much needed funding proposal.