



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 22-329

Board Meeting Date: 5/3/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael Callagy, County Executive
Connie Juarez-Diroll, Chief Legislative Officer

Subject: 2022 State and Federal Legislative Update #3

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 session following a one-week spring recess. At the federal level, the House Appropriations Committee launched the solicitation process for Community Project funding requests for fiscal year 2023.

DISCUSSION:

The following is a summary of the notable legislation currently making its way through the state legislative process:

Behavioral Health Care Reform: Senator Susan Talamantes Eggman is carrying an 8-bill package to improve the behavioral health system across the continuum and reform the Lanterman-Petris-Short (LPS) Act. The bills are cosponsored by the Big City Mayors and psychiatrists and psychologists. The package includes:

- **SB 929 (Eggman-D)** would improve the data on services provided to LPS conservatees.
- **SB 965 (Eggman-D)** would allow for relevant testimony to be heard during LPS conservatorship hearings by creating an exception to the rule against hearsay.
- **SB 970 (Eggman-D)** would apply the Continuous Quality Improvement paradigm to Mental Health Services Act (MHSA) funding, requiring greater accountability for spending and outcome data. This bill would also provide some funding flexibilities once the improvement framework is in place.

- **SB 1035 (Eggman-D)** would allow a court to order medication compliance as a Laura's Law treatment plan.
- **SB 1154 (Eggman-D)** would create a statewide database of available behavioral health and substance use disorder treatment beds.
- **SB 1227 (Eggman-D)** would add one additional 30-day stabilization period to the authority of a Public Guardian or Conservator to continue to allow a client to improve and possibly avoid LPS conservatorship.
- **SB 1238 (Eggman-D)** would require a regional planning process for behavioral health facilities and services akin to the state's Regional Housing Needs Allocation (RHNA).
- **SB 1416 (Eggman-D)** would change the definition of gravely disabled under LPS law to include an inability to make decisions related to personal or medical care and self-protection and safety.

Housing: The 2021 Legislative Session saw numerous contentious housing proposals. This year, the housing agenda has drawn less attention and is more focused on increasing housing affordability and homeownership across the state than last year's controversial zoning reforms. Two notable proposals include:

- **ACA 14 (Wicks-D)** would set aside 5% of state general fund dollars for housing and homelessness every year over the next decade, with about 75% of funds going towards affordable housing construction and 25% towards rental assistance. The measure would require approval from the voters in November.
- **SB 1457 (Hertzberg-D)** would create a \$25B general obligation bond to increase first-time homeownership opportunities. This measure would also require voter approval.

Transportation: With the passage of the Infrastructure Investment and Jobs Act (IIJA) and a commitment to mitigate climate change impacts on our state's infrastructure, the Legislature is hearing multiple consequential proposals related to transportation. In particular, the Legislature is concerned with how the IIJA funds will be allocated throughout the state. They are also debating how local governments and regions can better plan to reduce greenhouse gas emissions related to transportation and build more climate-resilient infrastructure.

- **AB 2120 (Ward)** would require the division and allocation of local bridge funding under the Highway Infrastructure Program to be consistent with previous federal bridge monies. AB 2120 would ensure a fair and needs-based distribution of bridge formula funding from the federal IIJA. It would invest billions of dollars over the next few years in repairing and replacing local bridges in communities across the state to address critical safety issues and deferred maintenance. This bill is sponsored by the California State Association of Counties (CSAC), and the County of San Mateo is in support.
- **AB 2237 (Friedman)** would condition state and local transportation funding on a project's consistency with the Sustainable Communities Strategy and state climate goals.
- **AB 2419 (Bryan)** would require a minimum of 40% of IIJA funds allocated to disadvantaged communities in the state and 10% to projects that benefit low-income households.
- **AB 2438 (Friedman)** would require specified state transportation funding programs to align

with state climate plans and goals. CSAC is opposed to this proposal unless amended to address concerns related to prioritizing local decision-making.

- **SB 1049 (Dodd)** would establish the Transportation Resilience Program to fund climate adaptation planning and resilience improvements that address or mitigate the risk of recurring damage to the state highway system or other federal-aid roads, public transit facilities, and other surface transportation assets due to extreme weather events, sea-level rise, or other climate change-fueled natural hazards.

There are several critical legislative deadlines in the coming months. April 30 is the last day for policy committees to meet on bills with fiscal impacts, and May 7 is the deadline for bills with no fiscal impact. Due to cost concerns, many bills are held in the Appropriations Committee or significantly amended at the May 20 fiscal committee deadline. All bills must pass their house of origin by May 27. Any bills that fail to meet these deadlines typically do not proceed through the legislative process; however, there have been countless rule waivers in the last few years.

The attached 2022 Legislative Activity Report provides details on the bills the Intergovernmental and Public Affairs (IGPA) is monitoring.

State Budget-The state budget deadline is among the upcoming legislative deadlines, when the Governor must release the May Revision Budget by May 14. The Legislature is required to adopt a budget by June 15. Early revenue projections by the Legislative Analyst's Office (LAO) indicate that it is virtually certain that collections from the state's "big three" taxes-personal income, sales, and corporation taxes-will significantly exceed the Governor's Budget assumptions of \$185 billion in 2021-22. The LAO estimate is that there will be somewhere between \$33 billion and \$39 billion in unanticipated revenue. Unfortunately, the LAO notes that the implications of these unanticipated revenues for the state budget are not straightforward, given the various constitutional constraints of the Proposition 98 (K-14 funding), Proposition 2 (Rainy Day Fund), and the State Appropriations Limit (Proposition 4, the "Gann Limit"). The Administration will have more information to share when it releases its May Revision next month. The County Executive's Office will provide your Board with an analysis of the May Revision at an upcoming meeting.

2022 Federal Legislative Update:

The IGPA Unit of the County Executive's Office recently worked with the Health System and Project Development Unit (PDU) to submit the following three Community Project Funding ("earmark") Requests for fiscal year 2023 to the offices of Rep. Jackie Speier (CA-14) and Rep. Anna Eshoo (CA-18).

Rep. Speier's request includes:

- **Enterprise-wide Electronic Health Record 2.0**-a \$1 million request in funding to implement an enterprise-wide electronic health record EHR 2.0 for several thousand care providers and approximately 100,000 low-income and publicly insured residents to replace antiquated information systems, which will no longer be supported after 2024. EHR 2.0 will provide an integrated view of all client information and enable providers and staff across services to collaborate effectively to provide more equitable, optimal care outcomes for every patient. EHR 2.0 provides capabilities to improve care coordination with mental health and substance use treatment and holistic community support services. It unifies patient records making them accessible to care providers at the point of care. It enables standardized registration, scheduling, and revenue cycle processes.

Rep. Eshoo's requests include:

- **Enterprise-wide Electronic Health Record 2.0**-a \$2 million funding request for the EHR, which along with the \$1 million request of Congresswoman Speier, would provide \$3 million of the \$25 million balance of funding needed for the \$105 million project.
- **North Fair Oaks Library Improvement Project**-a \$1 million request in funding to expand and renovate the North Fair Oaks Library to create a vibrant community space and learning center. The proposed renovations include the addition of dedicated and accessible bathrooms, a welcoming, family-friendly presence, an improved layout with flexible furniture/shelving to accommodate changing populations, and various programs throughout the day.

Members have been asked to submit projects that demonstrate need and community support and are limited to submitting 15 requests (up from 10 submissions last year).