



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

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Board Meeting Date: 11/14/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael Callagy, County Executive
Connie Juarez-Diroll, Chief Legislative Office
Subject: 2023 State and Federal Legislative Update #3

RECOMMENDATION:

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

BACKGROUND:

On October 13, Governor Newsom concluded his final bill actions for the 2023 legislative session. A total of 1,166 bills reached the Governor's desk, and 169 legislative proposals were ultimately vetoed, roughly equivalent to his 15 percent historical veto average in past sessions. In his veto messages, Governor Newsom frequently cited cost concerns for measures not identified or appropriated as a part of the annual budget process.

Progress on 2023 appropriations bills in Congress has stopped following the removal of House Speaker Kevin McCarthy. Representative Mike Johnson was elected speaker on October 25 after weeks of nominations and voting.

DISCUSSION:

The following is a list of some of the most notable bills signed or vetoed by the Governor:

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

Governor Newsom signed his proposal that overhauls the California Mental Health Services Act (MHSA). The proposal recasts the MHSA to the Behavioral Health Services Act (BHSA). It substantially amends uses of funds to include substance use disorder treatment, prioritizes housing interventions for those with the most severe needs, including chronically homeless individuals, and establishes additional oversight and accountability measures. Additionally, the measure includes other requirements for county planning processes and accountability disclosures. The proposal authorizes \$6.38 billion in general obligation bonds to support these changes to finance the

conversion, rehabilitation, and construction of supportive and behavioral health housing and treatment settings. Of the total, \$1.5 billion in grants is set aside to be awarded to local governments. 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:

- **SIGNED: 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, and it would go before voters on the November 2024 ballot.
- **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. The Legislature is currently holding the amendment as a negotiating tactic in response to a ballot proposition proposed by business coalitions that would significantly raise voter thresholds for passing state and local taxes.

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, where the Governor took the following actions:

- **VETOED: AB 504 (Reyes-D)** would have prohibited 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.
- **SIGNED: AB 1484 (Zbur-D)** requires local public employers to include temporary and limited-term employees in the same bargaining unit as permanent employees.
- **VETOED: 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 that was signed into law on October 13, 2023:

- **SIGNED: SB 525 (Durazo-D)** enacts minimum wage schedules for covered healthcare employees, including county-owned healthcare facilities, and requires 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 that the Governor signed:

- **SIGNED: AB 1033 (Ting)** allows Accessory Dwelling Units (ADUs) to be sold separately from the primary residence, similar to condominiums.
- **SIGNED: SB 4 (Wiener-D)** allows faith institutions and nonprofit colleges to build affordable housing on their property as a use by-right, regardless of local zoning.

- **SIGNED: SB 423 (Wiener-D)** extends the streamlined approval process for qualified, affordable housing developments under SB 35 (Wiener, 2017), applies streamlining to coastal zones, and enacts prevailing wage requirements on projects of at least ten units.

Health and Human Services- In addition to the BHSA, the Governor took the following actions on several notable health- and human services-related bills:

- **VETOED: AB 85 (Weber-D)** would have required health plans and health insurers to cover screenings for social determinants of health, provide greater access to community health and social workers, and required the California Department of Health Care Services and Medi-Cal managed care plans to provide reimbursement for screenings.
- **VETOED: AB 1057 (Weber-D)** would have required the California Department of Public Health to allocate funds to local health departments to administer the California Home Visiting Program to promote pregnant individuals' and parents' health and well-being.
- **SIGNED: 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.
- **SIGNED: SB 43 (Eggman-D)** expands 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.
- **SIGNED: 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, religions, sexes, sexual orientation, gender identities, mental or physical disabilities, or HIV statuses in foster care. Governor Newsom signed this bill on September 24, 2023.
- **SIGNED: 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.

Public Safety - Controlled Substances- The 2023 session saw several bills related to fentanyl and other controlled substances fall short. Some notable bills the Governor acted on include:

- **SIGNED: AB 33 (Bains-D)** establishes 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 will 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.
- **SIGNED: AB 701 (Villapuda-D)** imposes sentence enhancement terms of three to 25 years upon individuals convicted of fentanyl possession in amounts exceeding one kilogram.
- **SIGNED: SB 19 (Seyarto-R)** establishes 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 will be comprised of state department executives and representatives from local

public safety and health organizations.

- **VETOED: SB 58 (Wiener-D)** would have legalized the personal possession, preparation, transportation, and use of some psychedelics for limited personal use, including psilocybin/psilocyn mushrooms, dimethyltryptamine, and mescaline for persons 21 years of age or older.
- **VETOED: SB 641 (Roth-D)** would have required 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.

Climate Change and Sustainability- While the Legislature opted to craft a climate bond measure in 2024, the Governor signed the following bills into law from the 2023 session:

- **SIGNED: AB 43 (Holden-D)** requires the California Air Resources Board to develop an embodied carbon trading system for construction materials used to construct new buildings.
- **SIGNED: AB 1548 (Papan-D)** adds additional specificity on the types of projects eligible for grant programs under CalRecycle that provide financial assistance to promote the development of organic waste reduction programs.
- **SIGNED: SB 261 (Stern-D)** requires companies with gross revenues exceeding \$500 million annually that do business in California to report their climate-related financial risk.
- **SIGNED: SB 272 (Laird-D)** requires local governments in the coastal zone to develop a sea level rise plan as a part of either a local coastal program or shoreline resiliency plan by 2034 and prioritize funding towards strategies outlined in approved plans.
- **SIGNED: SB 568 (Newman-D)** requires electronic waste exporters to attempt to locate an in-state e-waste recycler and that the in-state e-waste recycler could not manage the items before export to a foreign country.
- **SIGNED: SB 665 (Allen-D)** requires the California Environmental Protection Agency to establish a working group to create a policy framework for evaluating alternative materials to single-use products.

The County of San Mateo Delegation-Members of the County’s delegation also authored critical pieces of legislation that were recently signed into law:

- **SIGNED: AB 505 (Ting-D)** makes 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 makes additional changes to regulations governing the operations of a local juvenile justice coordinating council.
- **SIGNED: AB 1304 (Papan-D)** increases the fees a county may charge to fund the operations of weights and measures and extends that authority by two years.
- **SIGNED: SB 253 (Wiener-D)** requires 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.
- **SIGNED: SB 410 (Becker-D)** establishes 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 also

allows investor-owned utilities to request a ratemaking mechanism to recoup costs that exceed costs authorized by the California Public Utilities Commission.

- **SIGNED: SB 448 (Becker-D)** prohibits a juvenile court from being detained solely due to being an out-of-county resident when they would not otherwise be detained and requires minors to be given equal consideration for release on home supervision regardless of the minor's county of residence.

Vetoed bills- Below are some notable bills that were vetoed by the Governor this year:

- **VETOED: AB 504 (Reyes-D)** would have prohibited a public employer from disciplining or taking other adverse action against public employees, except firefighters and peace officers, for participating in sympathy strikes.
- **VETOED: AB 1248 (Bryan-D)** would have required a city or county with more than 300,000 residents to establish an independent redistricting commission to adopt district boundaries after each decennial census.
- **VETOED: SB 403 (Wahab-D)** would have clarified that discrimination based on caste is prohibited under anti-discrimination statutes. In his veto message, Governor Newsom called the bill "unnecessary" because "discrimination based on caste is already prohibited" under existing civil rights protections.
- **VETOED: SB 799 (Portantino-D)** would have given employees on strike access to state unemployment insurance benefits.

After the Legislature concluded its business for 2023, Assembly Speaker Robert Rivas announced the formation of a select committee on retail theft. Hearings will be convened later this year, focusing on finding solutions to retail thefts and organized crime trends and addressing effects on workers, business owners, and the public.

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 details bills monitored at the end of the session. The Intergovernmental and Public Affairs Unit (IGPA) monitored over 450 legislative proposals, including 119 health-related bills, 97 public safety-related bills, and over 30 housing and homelessness bills.

2023 Federal Legislative Update:

In response to the September 30 budget compromise, members of the House Republican Caucus voted to remove its speaker, Kevin McCarthy of California, through a motion to vacate the Chair. After more than three weeks without a leader, multiple nominations, and rounds of voting, the House elected Representative Mike Johnson of Louisiana on October 25. The four-term lawmaker is relatively unknown outside of Washington, D.C., and is a strong conservative, having served as the chairman of the House Republican Conference since 2021 and former head of the Republican Study Committee, the largest conservative caucus in the House.

The new speaker laid out an aggressive timeline for moving appropriations bills through the House before the expiration of the most recent short-term spending bill on November 17 and proposed adopting an additional short-term spending measure to keep the Government funded through the year and into 2024. Republican leadership will need to unify a divided caucus that became even more fractured due to the change in leadership.

The CEO's Intergovernmental and Public Affairs Unit will continue monitoring federal budget negotiations and share updates with the Board and County departments.