



CalRTA 2023 Legislative Summary

October 16, 2023

The primary word that can describe the 2023 Legislative Session and political environment in California would be anticipation. The state spent the year anticipating whether a recession would materialize, which led to a collective sigh of relief as the economy maintained a rather wobbly but steady course. The Governor and Legislators created a \$311.7 billion budget, which included \$37.2 billion in reserves while anticipating an additional \$42 billion in tax revenues to materialize with the close of the extended tax season that ended today.

While the Governor and the Department of Finance are putting together next year's budget, which will be released in early January, they have been anticipating what the final tax revenues will be to ensure a balanced budget can be presented. The final tax revenues will determine whether there will continue to be a fiscal shortfall or the projected amount of that shortfall will decline.

What was clear this Legislative Session was that the Legislature and Governor remained focused on preventing as many reductions as possible from the classroom, which was a clear departure from actions the Legislature took during the Great Recession. Should a shortfall present itself this next year, it is anticipated that the Governor and Legislature will continue to try to protect education.

The Legislature and Governor continued to show strong support for retired teachers by supporting SB 432 (Cortese), which continued to address how the California State Teachers' Retirement System (CalSTRS) audit process must be more accountable and transparent while protecting retirees from negative CalSTRS audits. The Legislature also continued to support the elimination of the Windfall Elimination Provision and Government Pension Offset by passing SJR 1 (Cortese) on a full bipartisan basis. Additional Legislative and Gubernatorial priorities included creating more transparency and protections for seniors in residential, nursing, and long-term facilities.

Economists are speculating that the economy may continue to grow at a relatively slow pace or could potentially experience a mild recession. Since this type of prediction has continued over the past few years without the economic growth and resolve to leave this shaky ground, while continuing to be vulnerable to international conflicts that have impacted the international supply and food chains, it is likely the state will need to continue to monitor each step it takes to ensure California maintains its strong economic footing.

While monitoring the economic future, Californians will face with a number of political changes in 2024, including the change of the political guard in the State Senate with the transition of President Pro Tempore Toni Atkins to Senator Mike McGuire. This will likely also include a change in Committee Chairs as well as membership of Committees in the Senate. Additionally, the recent Assembly Speaker change to Speaker Robert Rivas did not initially include significant changes in Committee Chairs or membership; however, they may likely take place early in 2024. These changes in each house may mean CalRTA will need to spend a significant amount of time building new relationships with Legislators who may be new to issues of importance to CalRTA.

The attached measures reflect positions CalRTA took on legislation of importance to its membership:

CalRTA Position Bills
End of Session
October 16, 2023

CalRTA-Sponsored Bills

SJR 1 **(Cortese D) Social Security Act: repeal of benefit reductions.**
Last Amend: 4/12/2023
Status: 5/26/2023-Chaptered by Secretary of State- Chapter 84, Statutes of 2023
Location: 5/26/2023-S. CHAPTERED
Summary: Would request the Congress of the United States to enact, and the President to sign, legislation that would repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act. This bill contains other related provisions.
Position: Sponsor Support

CalSTRS Retirement

ACA 9 **(McCarty D) Superintendent of Public Instruction: gubernatorial appointment.**
Status: 4/27/2023-In committee: Set, first hearing. Hearing canceled at the request of author.
Location: 4/13/2023-A. ED.
Summary: The California Constitution requires the Superintendent of Public Instruction to be nonpartisan, elected by the voters at each gubernatorial election, exempt from civil service, and limited to 2 terms. The Constitution prescribes the start day of the Superintendent's first term and how to fill a vacancy in the office of the Superintendent. This measure would prohibit an election for Superintendent from being held in 2026. The measure would, commencing January 1, 2027, require the Superintendent to instead be appointed by, and serve at the pleasure of, the Governor, with confirmation by the Assembly, the Senate, and the Senate Committee on Rules.
Position: Oppose
Rationale: The Governor should not have a super-majority of the appointees on the Teachers' Retirement Board. This position needs to retain some independence.
Platform: Advocate for pension equity and sustainability for all present and future CalSTRS members. Advocate for the adequate and equitable contribution rates to the CalSTRS Defined Benefit Plan to ensure actuarial long-term funding.

SB 252 **(Gonzalez D) Public retirement systems: fossil fuels: divestment.**
Last Amend: 5/18/2023
Status: 7/14/2023-Failed Deadline pursuant to Rule 61(a)(10). (Last location was P.E. & R. on 6/8/2023) (May be acted upon Jan 2024)
Location: 7/14/2023-A. 2 YEAR
Summary: Would prohibit the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before

July 1, 2031. The bill would temporarily suspend the above-described liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets, as specified, and would make this suspension provision inoperative on January 1, 2035. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution.

Position: No Position

Rational: A greater assessment needs to be taken on this measure as it may be a very heated work in progress. Should an active oppose position be needed in the future, CalRTA can re-evaluate this position.

Platform: Advocate for pension equity and sustainability for all present and future CalSTRS members. Advocate for the adequate and equitable contribution rates to the CalSTRS Defined Benefit Plan to ensure actuarial long-term funding.

SB 432 **(Cortese D) Teachers' retirement.**

Last Amend: 8/24/2023

Status: 9/22/2023-Approved by the Governor. Chaptered by Secretary of State. Chapter 215, Statutes of 2023.

Location: 9/22/2023-S. CHAPTERED

Summary: Current law commits the administration of the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and its defined benefit program and the Cash Balance Benefit Program to the Teachers' Retirement Board (board). Current law generally prohibits adjustments in new rates of contribution adopted by the board on the basis of an investigation, valuation, and determination or because of an amendment to the Teachers' Retirement Law with respect to the Defined Benefit Program, for time prior to the effective date of the adoption or amendment. Current law prohibits an action of the board, other than for correction of errors in calculating the allowance or annuity at the time of retirement, disability, or death of a member, from changing the allowance or annuity payable to a retired member or beneficiary prior to the date the action is taken. Current law prescribes various duties for STRS, as well as for employers participating in the system and members and their beneficiaries, in connection with law relating to the applicability of creditable compensation and creditable service. Current law, for purposes of audits or other system actions, requires that employers be responsible for the rules in effect at the time the compensation is reported, except when expressly superseded by state or federal law or an executive order of the Governor. Current law also requires STRS to annually provide resources that interpret and clarify the applicability of creditable compensation and service pursuant to its laws and regulations. This bill would require STRS to identify and provide those resources on its website. The bill would require those identified resources to be relied upon and used for purposes of audits and other actions related to compliance by employers, unless the resource is revoked or superseded.

Position: Support

Rational: As a sponsor of AB 1667 (Cortese, 2022), CalRTA committed to working with the Governor to address any residual issues that needed additional clarification.

Platform: Advocate for pension equity and sustainability for all present and future CalSTRS members.

Health Care/Healthy Aging

- AB 48** **(Aguilar-Curry D) Nursing Facility Resident Informed Consent Protection Act of 2023.**
Last Amend: 9/8/2023
Status: 10/13/2023-Signed by the Governor
Location: 10/13/2023-A. CHAPTERED
Summary: Existing law provides for the licensure and regulation of health facilities, including skilled nursing facilities and intermediate care facilities, by the State Department of Public Health. Existing law requires skilled nursing facilities and intermediate care facilities to have written policies regarding the rights of patients. This bill would add to these rights the right of every resident to receive the information that is material to an individual's informed consent decision concerning whether to accept or refuse the administration of psychotherapeutic drugs, as specified. This bill would also add the right to be free from psychotherapeutic drugs used for the purpose of resident discipline or convenience, or from psychotherapeutic drugs used as a chemical restraint except in an emergency, as specified. Under the bill, all residents of skilled nursing facilities, intermediate care facilities, and hospice facilities would have the right to appeal an involuntary transfer or discharge through the appeal process, as specified, regardless of a resident's payment source or the Medi-Cal or Medicare certification status of the facility in which the resident resides.
Position: Support
Rational: Seniors in nursing facilities should not be forced to take drugs against their will, particularly if they are not medically necessary.
Platform: Support state regulation of health insurance and affordable, accessible, prescription drug benefits.
- AB 874** **(Weber D) Health care coverage: out-of-pocket expenses.**
Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was HEALTH on 2/23/2023) (May be acted upon Jan 2024)
Location: 4/28/2023-A. 2 YEAR
Summary: Would require a health care service plan, health insurance policy, other health coverage carrier, or pharmacy benefit manager that administers pharmacy benefits to apply any amounts paid by the enrollee, insured, or another source pursuant to a discount, repayment, product voucher, or other reduction to the enrollee's or insured's out-of-pocket expenses toward the enrollee's or insured's overall contribution to any out-of-pocket maximum, deductible, copayment, coinsurance, or applicable cost-sharing requirement under the enrollee's or insured's health care service plan, health insurance policy, or other health care coverage. The bill would make a willful violation of that requirement by a health care service plan a crime. The bill would limit the application of the section to health care service plans and health insurance policies issued, amended, delivered, or renewed on or after January 1, 2024. Because a willful violation of these requirements by a health care service plan would be a crime, this bill would impose a state-mandated local program.
Position: Support
Rational: Individuals should not have to pay excessive fees or costs for their pharmacy needs.
Platform: Support state regulation of health insurance and affordable, accessible, prescription drug benefits.

AB 1241 (Weber D) Medi-Cal: telehealth.

Last Amend: 5/24/2023

Status: 9/8/2023-Approved by the Governor. Chaptered by Secretary of State - Chapter 172, Statutes of 2023.

Location: 9/8/2023-A. CHAPTERED

Summary: Under current law, in-person, face-to-face contact is not required when covered health care services by the Medi-Cal Program are provided by video synchronous interaction, audio-only synchronous interaction, remote patient monitoring, or other permissible virtual communication modalities, when those services and settings meet certain criteria. Current law requires a provider furnishing services through video synchronous interaction or audio-only synchronous interaction, by a date set by the State Department of Health Care Services, no sooner than January 1, 2024, to also either offer those services via in-person contact or arrange for a referral to, and a facilitation of, in-person care, as specified. This bill would instead require, under the above-described circumstance, a provider to maintain and follow protocols to either offer those services via in-person contact or arrange for a referral to, and a facilitation of, in-person care. The bill would specify that the referral and facilitation arrangement would not require a provider to schedule an appointment with a different provider on behalf of a patient.

Position: Support

Rationale: All patients should maintain the same quality of care, despite whether they are virtual or in-person.

Platform: Advocate for and support full and comprehensive guaranteed affordable health care for all.

AB 1309 (Reyes D) Long-term health care facilities: admission contracts.

Last Amend: 8/28/2023

Status: 10/13/2023-Signed by the Governor

Location: 10/13/2023-A. CHAPTERED

Summary: Current law requires a contract for admission to a long-term care facility to state that a resident shall not be involuntarily transferred within, or discharged from, a long-term health care facility unless the resident is given reasonable notice in writing, and transfer or discharge planning, as specified. Current law requires the notice to state the reason for the transfer or discharge. Current law requires the facility to immediately notify the State Long-Term Care Ombudsman if the discharge is involuntary. When a resident is notified in writing of a facility-initiated transfer or discharge from a long-term health care facility, existing law requires that the local long-term care ombudsman be sent a copy of the notice. This bill would require the facility to provide, within 48 hours of the written notice of a facility-initiated transfer or discharge, a copy of the resident's discharge needs and discharge plan. The bill would require the facility to provide a copy of the resident's discharge summary prior to the proposed transfer or discharge date. The bill would require the facility to provide these documents at no cost to the resident. If the resident requests a transfer or discharge appeal hearing, the bill would require both the resident and the facility to provide all documents and records to be used by the party at the hearing, as specified.

Position: Support

Rationale: An individual in a long-term care facility should receive all the necessary facts they need to understand any changes impacting their care.

Platform: Support state regulation of health insurance and affordable, accessible, prescription drug benefits.

AB 1338 (Petrie-Norris D) Medi-Cal: community supports.

Last Amend: 4/20/2023

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/3/2023) (May be acted upon Jan 2024)

Location: 5/19/2023-A. 2 YEAR

Summary: Current law, subject to implementation of the California Advancing and Innovating Medi-Cal (CalAIM) initiative, authorizes a Medi-Cal managed care plan to elect to cover community supports approved by the department as cost effective and medically appropriate in a comprehensive risk contract that are in lieu of applicable Medi-Cal state plan services. Under current law, community supports that the department is authorized to approve include, among other things, housing transition navigation services, recuperative care, respite, day habilitation programs, and medically supportive food and nutrition services.

Position: Support

Rationale: Seniors need multiple ways to achieve physical and mental activity to ensure they are able to age in a health manner.

Platform: Advocate for and support full and comprehensive guaranteed affordable health care for all.

AB 1417 (Wood D) Elder and dependent adult abuse: mandated reporting.

Last Amend: 9/1/2023

Status: 10/8/2023-Approved by the Governor. Chaptered by Secretary of State - Chapter 580, Statutes of 2023.

Location: 10/9/2023-A. CHAPTERED

Summary: Current law establishes certain procedures for mandated reporters to report known or suspected instances of abuse by telephone followed by a written report, or through a confidential internet reporting tool, as specified. If the abuse is physical abuse, and the abuse occurred in a long-term care facility, with exceptions, current law sets forth the reporting conditions, including those relating to the format, timelines, and recipients of the reporting. Under Current law, the reporting conditions are based on whether or not the suspected abuse results in serious bodily injury, or whether the suspected abuse is allegedly caused by a resident with a physician's diagnosis of dementia and there is no serious bodily injury, as specified. If the abuse is not physical abuse, and the abuse occurred in a long-term care facility, with exceptions, existing law requires a telephone report and a written report to be made to the local ombudsman or the local law enforcement agency. This bill would delete and reorganize some of those reporting provisions. Under the bill, if the abuse that occurred in a long-term facility was allegedly caused by another resident of the facility with dementia diagnosed by a licensed physician and there was no serious bodily injury, the reporter would be required to submit a written report within 24 hours to the long-term care ombudsman and the local law enforcement agency. Under the bill, in all other instances, immediately or as soon as practically possible, but no longer than 2 hours, the reporter would be required to submit a verbal report to the local law enforcement agency, and to submit a written report within 24 hours to the aforementioned recipients. Under the bill, the time limit for reporting would begin when the mandated reporter observes, obtains knowledge of, or suspects the abuse or neglect.

Position: Support

Rationale: Residents of long-term care facilities should be protected from all forms of abuse, including from other residents.

Platform: Support state regulation of health insurance and affordable, accessible, prescription drug benefits.

AB 1537 (Wood D) Skilled nursing facilities: direct care spending requirement.

Status: 9/14/2023-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/7/2023) (May be acted upon Jan 2024)

Location: 9/14/2023-S. 2 YEAR

Summary: Existing law provides for the licensure and regulation of health facilities, including skilled nursing facilities, by the State Department of Public Health. A violation of those provisions is a crime. Existing law requires health facilities to submit specified financial reports to the Department of Health Care Access and Information. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. This bill would require, no later than July 1, 2024, the establishment of a direct patient-related services spending, reporting, and rebate requirement for skilled nursing facilities, with exceptions. Under the direct patient-related services spending requirement, the bill would require that a minimum of 85% of a facility's total non-Medicare health revenues from all payer sources in each fiscal year be expended on residents' direct patient-related services, as defined. This bill contains other related provisions and other existing laws.

Position: Support

Rationale: Residents in skilled nursing facilities should not have their funding going primarily toward administrative services of corporate profits.

Platform: Support state regulation of health insurance and affordable, accessible, prescription drug benefits.

SB 70 (Wiener D) Prescription drug coverage.

Last Amend: 6/29/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/16/2023) (May be acted upon Jan 2024)

Location: 9/1/2023-A. 2 YEAR

Summary: Current law generally authorizes a health care service plan or health insurer to use utilization review, under which a licensed physician or a licensed health care professional who is competent to evaluate specific clinical issues may approve, modify, delay, or deny requests for health care services based on medical necessity. Current law prohibits a health care service plan contract that covers prescription drug benefits or a specified health insurance policy from limiting or excluding coverage for a drug on the basis that the drug is prescribed for a use that is different from the use for which it was approved by the federal Food and Drug Administration if specified conditions are met. Current law also prohibits a health care service plan that covers prescription drug benefits from limiting or excluding coverage for a drug that was previously approved for coverage if an enrollee continues to be prescribed that drug, as specified. This bill would additionally prohibit limiting or excluding coverage of a drug, dose of a drug, or dosage form of a drug that is prescribed for off-label use if the drug has been previously covered for a chronic condition or cancer, as specified, regardless of whether or not the drug, dose, or dosage form is on the plan's or insurer's formulary. The bill would

prohibit a health care service plan contract or health insurance policy from requiring additional cost sharing not already imposed for a drug that was previously approved for coverage.

Position: Support

Rationale: Patients should not have to pay unreasonable costs for drugs prescribed by medical professionals.

Platform: Support state regulation of health insurance and affordable, accessible, prescription drug benefits.

SB 694 (Eggman D) Medi-Cal: self-measured blood pressure devices and services.

Last Amend: 9/1/2023

Status: 10/7/2023-Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.

Location: 10/7/2023-S. VETOED

Summary: Would make self-measured blood pressure (SMBP) devices and SMBP services, as defined, covered benefits under the Medi-Cal program subject to utilization controls, as specified. The bill would state the intent of the Legislature that those covered devices and services be no less in scope than the devices and services that are recognized under specified existing billing codes or their successors. The bill would condition implementation of that coverage on receipt of any necessary federal approvals and the availability of federal financial participation.

Position: Support

Rationale: Enrollees should be able to have all the necessary devices needed for their care at low to no cost.

Platform: Support state regulation of health insurance and affordable, accessible prescription drug benefits.

SB 873 (Bradford D) Prescription drugs: cost sharing.

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/23/2023) (May be acted upon Jan 2024)

Location: 9/1/2023-A. 2 YEAR

Summary: This bill, commencing no later than January 1, 2025, would require an enrollee's or insured's defined cost sharing for each prescription drug to be calculated at the point of sale based on a price that is reduced by an amount equal to 90% of all rebates received, or to be received, in connection with the dispensing or administration of the drug. The bill would require a health care service plan or health insurer to, among other things, pass through to each enrollee or insured at the point of sale a good faith estimate of the enrollee's or insured's decrease in cost sharing. The bill would require a health care service plan or health insurer to calculate an enrollee's or insured's defined cost sharing and provide that information to the dispensing pharmacy, as specified. The bill would require the department and the commissioner to submit an annual report on the impact of these provisions to the appropriate policy committees of the Legislature, as specified. The bill would make these provisions inoperative on January 1, 2027. This bill contains other related provisions and other existing laws.

Position: Support

Rationale: Enrollees should not have to subsidize insurer's costs of prescription drugs. Platform - Support state regulation of health insurance and affordable, accessible, prescription drug benefits.

Public Education

SCA 4 **(Seyarto R) Property taxation: principal residence and family home transfers.**

Last Amend: 4/19/2023

Status: 5/10/2023-May 10 set for second hearing. Failed passage in committee. (Ayes 3. Noes 4.) Reconsideration granted.

Location: 3/15/2023-S. GOV. & F.

Summary: The California Constitution limits the amount of ad valorem taxes on real property to 1% of the full cash value of that property, defined as the county assessor's valuation of real property as shown on the 1975-76 tax bill and, thereafter, the appraised value of the real property when purchased, newly constructed, or a change in ownership occurs after the 1975 assessment, subject to an annual inflation adjustment not to exceed 2%. This measure would end the operation of the above-described provisions of Proposition 19 on January 1, 2025. The measure would reinstate, on January 1, 2025, the prior rule excluding from classification as a "purchase" or "change in ownership" the purchase or transfer of a principal residence, and the first \$1,000,000 of other real property, in the case of a purchase or transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased.

Position: Oppose

SCA 5 **(Grove R) Educational expenses: education savings accounts.**

Status: 4/19/2023-April 19 set for second hearing. Failed passage in committee. (Ayes 2. Noes 5. Page 791.) Reconsideration granted.

Location: 3/15/2023-S. ED.

Summary: The California Constitution requires the Legislature to encourage, by all suitable means, the promotion of intellectual, scientific, moral, and agricultural improvement. The California Constitution also requires the Legislature to provide for a system of common schools by which a free school is kept up and supported in each district at least 6 months in every year. The California Constitution prohibits public money from being appropriated for the support of any sectarian or denominational school or any school not under the exclusive control of the officers of the public schools. This measure, notwithstanding the constitutional provisions referenced above or any other provision of the California Constitution, would authorize the state, and every agency or political subdivision of the state, to disburse funds pursuant to an agreement between the state and a parent or legal guardian of an eligible child for tuition and education-related expenses, as provided by statute, and provide tax or other public benefits to private schools, private colleges, private universities, or private vocational educational or training institutions, irrespective of religious affiliation, to further the promotion of intellectual, scientific, moral, and agricultural improvement.

Position: Oppose

Rationale: School vouchers have been used as a tool to eliminate the quality of public education and to eliminate public education overall.

Platform: Oppose using public money to support private, parochial, sectarian, or for-profits schools. Advocate for pension equity and sustainability for all present and future CalSTRS members. Advocate for the adequate and equitable contribution rates to the California State Teachers' Retirement System's Defined Benefit Plan to ensure actuarial long-term funding.

Total Measures: 16