



August 2024 Legislative Advocate Report

By Jennifer Baker, CalRTA Legislative Advocate

CalSTRS Exceeds Return Goals

The California State Teachers' Retirement System (CalSTRS) recently announced an 8.4 percent net return on investments for the 2023-24 fiscal year, exceeding its goal of seven percent. The fund boasts a total value of \$341.4 billion as of June 30, 2024. The higher returns will continue to help CalSTRS to maintain its full funding goal by 2046.

More Seniors Covered by Medicare

The Public Policy Institute of California recently released a fact sheet titled: [Public Health Insurance in California](#). The report notes that as of earlier this year, Medi-Cal provided insurance for approximately 15 million low-income Californians, while Medicare covered over 6.8 million, which primarily included individuals aged 65 and older. California's Medicare enrollees have been increasing as its older population increases.

Legislature Closes Shop

The Legislature finished their work for this session recessing on August 31st. They took action on more than 1,300 bills during the month of August.

Remaining Legislative Calendar

August 31 – Last day for each house to pass bills.
August 31 – Legislative recess
September 30 – Last day for Governor to sign or veto bills.
November 5 – General Election.
November 30 – Legislature adjourns.
December 2 – Legislative 2025-26 session convenes.
January 1, 2025 – Statutes take effect.

Assembly Budget Committee Discusses Reserves

The Assembly Budget Committee held an information hearing in early August on budget reserves to better understand how they are created and can shape California's fiscal health. The hearing focused on the various reserve accounts the state has and how they are funded and impacted by deposits and withdrawals. The [Legislative Analyst's Office](#) noted the state continues to have healthy reserves of \$17.6 billion in the Budget Stabilization Account for use in next year's budget. Jason Sisney, Assembly Speaker Rivas' Budget Director, provided Legislators a historical perspective of how and why various limits and reserves were created.

The LAO was asked to consider whether the state should increase the total amount that can be put into the Budget Stabilization Account and to contemplate the volatility in personal income taxes and whether or not adequate discretionary funds will be sufficient in the future.

Brian Brennan with the 21st Century Alliance stated that California has the 4th most volatile tax system in the nation. Scott Graves with the Budget and Policy Center indicated that California had enough funding set aside to weather the end of the economic volatility of the pandemic and that the revenue swings are not always significant, whereas, if too much is set aside, it could have a negative impact of savings and not focusing on the needs of California's residents. He recommended that reserves deposited into the Prop. 2 fund should not count towards the State Appropriations Limit. He also recommends that a portion of excess capital gains revenues should be redirected towards the neediest Californians to help address economic inequality.

Positive Cash Receipts Continue

The California [Department of Finance](#) (DOF) issued a positive [August Finance Bulletin](#), which indicated the U.S. Real GDP is continuing to grow at a 2.8% seasonally adjusted annualized rate, which was up from 1.4% in the previous quarter. U.S. headline, core, and transportation are all slowing, while shelter inflation fell slightly.

Cash receipts for July have come in above Budget Act forecasts by 10.1%, or \$983 million, which was primarily resulting from strong corporate and personal income tax payments. The cumulative General Fund agency cash receipts have been \$4.2 billion higher than projections since April. Should this trend continue, it could cushion the projected budget shortfall for the next fiscal year. Personal income tax cash receipts totaled \$418 million above the July forecast, while corporation tax cash receipts totaled \$844 million above forecast. Sales and use tax receipts were \$306 million below forecast in July, primarily due to a timing shift of collections.

Appropriations Committee Suspense Files

On August 15th, the Assembly and Senate Appropriations Committees each met separately to decide the fate of approximately 830 bills. During their previous hearings on the Suspense File, around 32 percent of bills were held, representing 1,009 bills. A number of bills CalRTA supported were passed out of these respective Committees, which are reported below.

CalRTA Position Bills

The following list includes bills that passed and failed during the final weeks of the legislative process. The Governor will have until September 30th to take action on bills that were sent to his desk.

Health Care/Healthy Aging: Support

AB 1975 (Bonta): Medi-Cal: Medically Supportive Food and Nutrition Interventions – Would add medically supportive food and nutrition to be included in interventions that would be a covered benefit under Medi-Cal beginning in 2026 and specifies the timelines for interventions as well as offerings. It would first require federal approval and guidance. This bill was sent to the Governor's desk on August 29th.

AB 1968 (Jackson): CalFresh: Enrollment for Senior Citizens – Would set a timeline for Department of Social Services and the Franchise Tax Board to share information regarding seniors 60 years of age and older that would financially qualify for CalFresh. Eligible seniors would be automatically enrolled annually. This bill was held in the Assembly Appropriations Committee.

AB 2075 (Alvarez): Resident-Designated Support Persons Act – Would provide a resident of a long-term care facility with the right to in-person, onsite access to a designated support person or a health care and social services provider during a public health emergency in which visitation rights of residents are curtailed by a state or local order. This bill was held by the Senate Appropriations Committee.

AB 2169 (Bauer-Kahan): Prescription Drug Coverage: Dose adjustments – Enables adequate treatment for chronic conditions by allowing for standard dose increases of effective treatments without prior authorization. A change in dosage is not a different treatment, but insurance policies treat them equivalently. This bill was held by the Senate Appropriations Committee.

AB 2180 (Weber): Health Care Coverage: Cost Sharing – Expands the types of payments and reductions that health care and pharmacy benefits must count toward patient's out-of-pocket expenses that would apply toward their maximum deductible or co-payment. This bill was held in the Assembly Appropriations Committee.

AB 2207 (Reyes): State Boards and Commissions: Representatives of Older Adults – Would ensure that there is increased representation from older adults on a number of key California Boards and Commissions. This bill was sent to the Governors desk on August 29th.

AB 2258 (Zbur): Health Care Coverage: Cost Sharing – Would prevent non-grandfathered health care plans or policies created, amended, or renewed after 2025 from charging cost-sharing requirements for items or services that are needed for preventive care services and screenings, including sexually transmitted diseases and particular cancer screenings. This bill was sent to the Governor's desk on August 29th.

AB 2270 (Maienschein): Healing Arts: Continuing Education: Menopausal Mental and Physical Health – Would expand what continuing education and professional development doctors and therapists can take to include menopausal mental and physical health. This bill was sent to the Governor's desk on August 26th.

AB 2297 (Friedman): Hospital and Emergency Physician Fair Pricing Policies – Would allow emergency doctors to find discounts for patients with incomes under 400 percent of the federal poverty level to reduce patient costs. It would also prohibit a hospital from considering the monetary assets of a patient to determine eligibility for charity care and discount payment policies while prohibiting them from imposing time limits for eligibility. Further, it prohibits a hospital or emergency doctor from using liens on property to collect unpaid hospital or emergency physician bills, and collection agencies as well. This bill was sent to the Governor's desk on August 29th.

AB 2356 (Wallis): Medi-Cal: Monthly Maintenance Amount: Personal and Incidental Needs – Would increase the monthly amount an individual can receive for Medi-Cal incidental needs from \$35 to \$50. This bill was held in the Assembly Appropriations Committee.

AB 2620 (Bains): California Commission on Aging – Reduces the number of members on the Commission on Aging to 18 members and requires them to have experience in the field of aging,

including health, behavioral health, and housing. This bill was sent to the Governor's desk on August 22nd.

AB 2701 (Villapudua): Medi-Cal: Dental Cleanings and Examinations – Restructures what is included under dental cleanings annually under the Medi-Cal program to include two cleanings and two examinations annually, regardless of age. This bill was held in the Senate Appropriations Committee.

AB 3207 (J. Patterson): The Secure Seniors Online Protection Act – Creates the Secure Seniors Online Protection Act, requiring the Department of Social Services to create and administer a 24-hour-a-day toll-free hotline to help Californians dealing with online scams, with a focus on individuals 60 years of age and older. This bill was held in the Assembly Appropriations Committee.

SB 1213 (Atkins): Health Care Programs: Cancer – Would allow individuals to receive free treatment for cancer screening, including breast cancer and cervical cancer, if they are low-income at or below 300 percent of the federal poverty level. This bill was sent to the Governor's desk on August 30th.

SB 1354 (Wahab): Health Facilities: Payment Source – Requires long-term health care providers under Medi-Cal to provide services to Medi-Cal members with the same care and scope provided to others, regardless of the payment source. This bill was sent to the Governor's desk on August 28th.

SB 1406 (Allen): Residential Care Facilities for the Elderly: Resident Services – Adds the right for a resident in a residential care facility for the elderly to request, refuse, or discontinue a service. It eliminates the exemption from rent control for their facilities and prohibits annual fee increases for residents from exceeding 10 percent or the annual Consumer Price Index for the previous year, except for rate increases due to a change in the level of care. This bill was sent to the Governor's desk on August 29th.

Public Education: Support

AB 247 (Muratsuchi): Education Finance: School Facilities: TK Through Community College Public Education Facilities Bond Act of 2024 – Would place a \$10 billion TK-community bond act on the November ballot to build and/or modernize much-needed school facilities. This bill was signed by the Governor on July 3rd and has moved to the November ballot as Proposition 2.

AB 2226 (Muratsuchi): Mandatory Kindergarten – Would mandate kindergarten prior to entering the 1st grade by 2026-27. This bill was held in the Senate Appropriations Committee.

SB 956 (Cortese): School facilities: Design-Build Contracts – Reauthorizes K-12 districts to use the design-build delivery method when constructing and designing school facilities. This bill was signed by the Governor and chaptered into law on August 19th.

SB 1056 (Rubio): Mandatory Kindergarten - Would mandate kindergarten prior to entering the 1st grade by 2026-27. This bill was held in the Senate Appropriations Committee.

Oppose

SCA 9 (Grove): Educational Expenses: Education Flex Accounts and Special Education Flex Accounts – Would allow the state to provide all eligible children with a flex account for tuition and education-

related expenses associated with attending a K-12 private school, including religious schools. This constitutional amendment failed to be heard by the Senate Rules Committee.

CalSTRS Retirement: Support

AB 1997 (McKinnor): Teachers' Retirement Law: Creditable Compensation - Would create an updated process for school and community colleges to report creditable compensation and service earned to the California State Teachers' Retirement System (CalSTRS). It would create a much more simplified definition of creditable service and would enhance transparency requirements regarding both pay rates and salary. This bill was sent to the Governor's desk on August 28th.

AB 2134 (Muratsuchi): School Employees: Transfer of Leave of Absence for Illness or Injury - Would ensure that teachers and classified employees who change school districts are entitled to keep their earned sick time by explicitly stating that there is no time frame during which unused sick leave must be transferred between school employers, requiring unused sick leave to be transferred between school employers in days and requiring charter schools to accept transfer of unused sick leave. This bill was sent to the Governor's desk on August 28th.

AB 2901 (Aguilar-Curry): School and Community College Employees: Paid Disability and Parental Leave – Would increase paid leave for school employees due to pregnancy, miscarriage, childbirth, termination of pregnancy, or the recovery of these conditions. It would also prohibit a leave of absence for these conditions from being deducted from other leaves of absence available to her. This bill was held in the Senate. The author plans on reintroducing it during the next Legislative Session.