



June 2024 Legislative Advocate Report

By Jennifer Baker, CalRTA Legislative Advocate

Revised Budget Passed

The Legislature passed a final budget package on Wednesday, June 26th, which the Governor is expected to sign. They will additionally be voting on a number of additional budget trailer bills over the next week. The final budget includes revenue estimates included in the May Revision and closes the final \$28 billion 2024-25 projected shortfall, while additionally addressing the budget in 2025-26, leaving \$11 billion in the Rainy Day fund for future use.

The budget includes a total of \$211.5 billion in General Fund spending, \$86.4 billion from other state funds, and \$153 billion in federal funds. Overall revenues include savings from a three-year net operating loss suspension, beginning in 2024.

The final budget includes a modified package of what the Governor previously bargained with education stakeholders. This agreement will allow \$6.2 billion of previously appropriated funds from 2022-23 to accrue over a period of years, beginning in 2026-27 through 2035-36, essentially allowing these funds to be accounted for over a number of years, instead of in 2022-23.

2024-25 TK-12 funding totals \$136 billion, including all funding sources, bringing total per pupil funding to \$24,626, and \$18,354 per pupil from Proposition 98 funding. Proposition 98 funding for 2022-23 totals 98.5 billion.

Proposition 98 funding for 2024-25 equals \$115.27 billion, with \$4 billion in "maintenance factor" revenues being paid back into the Proposition 98 base. This budget package includes protections for both certificated and classified school personnel for the 2024-25 school year, including a one-year freeze on local education agencies' ability to terminate both permanent and probationary certificated and classified staff between the time the budget is enacted and August 15th of the budget year if the local control funding formula cost-of-living is less than two percent. The budget provides a 1.07 percent cost-of-living adjustment for 2024-25, which includes \$89.2 million to statutorily required programs, including the COLA for the LCFF equity multiplies, nutrition, and the mandate block grant.

The 2023-24 suspension creates an \$8.31 billion in "maintenance factor," which will be paid back to schools and community colleges with high future funding until it is paid off. Further, \$8.4 billion is provided through the Public School System Stabilization Account (PSSSA), leaving \$1.1 billion in this reserve. The final budget defers \$2.58 billion in 2022-23 funding which is paid using PSSSA funds in 2023-24. It creates a one-time \$4 billion deferral in 2023-24, which is paid off in 2024-25, while additionally creating a one-time deferral in 2024-25 of \$245.6 million and authorizing deferral warrants for LEAs.

Cash Receipts Above Projections

The [Department of Finance](#) (DOF) issued their [June Finance Bulletin](#), which noted the U.S. real GDP grew by 1.3% in the first quarter of 2024, driven mostly by personal consumption and fixed investments. Agency cash receipts in May jumped to 22.1% above the May Revision forecast, totaling \$2.7 billion. This increase is primarily due to personal income tax withholding exceeding the May forecast by \$1.2 billion, as well as corporation taxes exceeding this forecast by \$752 million. The DOF is estimating volatile withholding due to a Pass-Through Entity Elective Tax prepayment. Personal income tax cash receipts totaled \$1.4 billion above the May forecast, while refunds came in \$256 million lower than projections.

While personal income taxes are volatile, should markets continue to improve, it could soften the projected shortfall for the 2025-26 fiscal year.

CalRTA Bill Positions

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 is in the Senate 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 is in the Senate Human Services 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 is in the Senate 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 is in the Senate Health Committee.

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 is in the Senate Appropriations Committee.

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 has moved to the Senate Floor.

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 is in the Senate 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 is on the Senate Floor.

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 is in the Senate Appropriations.

AB 3260 (Pellerin): Health Care Coverage: Reviews and Grievances – Requires a health care service plan to make a grievance determination within 72 hours if it is urgent, or a 30-day timeline for those that are nonurgent and would entitle an enrollee to proceed with a grievance which would be expedited. Enrollees and their representatives would be entitled to correspondence and documents. This bill is in the Senate Health 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 is in the Assembly Appropriations Committee.

SB 1352 (Wahab): Continuing Care Retirement Communities – Adds nondiscrimination provisions to residents in continuing care retirement communities, including sex, race, color, religion, ancestry, national origin, disability, medical condition, except as permitted by licensure requirements, marital status or domestic partner status, sexual characteristics, sexual orientation, or gender identity and expression. This bill is in the Assembly Human Services Committee.

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 is in the Assembly Appropriations Committee.

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 is in the Assembly Appropriations Committee.

Public Education: Support

AB 247 (Muratsuchi): Education Finance: School Facilities: TK Through Community College Public Education Facilities Bond Act of 2024 – Would place a TK-community bond act on the November ballot to build and/or modernize much-needed school facilities. This bill is in the Senate Appropriations Committee Suspense File.

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

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 is in the Senate Labor, Public Employment and Retirement Committee.

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 is in the Senate Appropriations Committee.