



## **March 2024 Legislative Advocate Report**

*By Jennifer Baker, CalRTA Legislative Advocate*

### **CalSTRS Update**

During the Teachers' Retirement Board meetings on March 6-7, Chief Investment Officer Chris Ailman provided an update during the Investments Committee which stated the Defined Benefit portfolio was at an all-time high of \$325.9 billion. Earnings have been strong, including in the equity market. Climate change is having a massive impact on the ability to move goods around the world. An example of how it impacts trade is the Panama Canal, which has seen a 1/3 reduction in the number of ships that can move through it daily due to lowered water levels.

During the Teachers' Retirement Board meeting, they voted to adopt a mechanism to have an automatic lump-sum death benefit adjustment annually, which would make any changes automatic. CalRTA Legislative Advocate Baker supported the staff recommendation on behalf of CalRTA.

CalSTRS legislative staff provided an update on H.R. 82. CalRTA GRC Chair Kathy Kinley provided the Board with an update on CalRTA's activities in support of H.R. 82.

### **CalRTA Platform Used to Screen Legislation**

The CalRTA Platform is used as a guide for my recommendations when screening and recommending bill positions to both the Government Relations Committee and the CalRTA Board. The CalRTA Platform Positions include:

#### CalSTRS Retirement

Since CalRTA members are stakeholders in the California State Teachers' Retirement System, CalRTA will:

- Advocate for safeguarding and enhancing 100% retirement purchasing power protection through the CalSTRS Supplemental Benefit Maintenance Plan.
- Advocate for the adequate and equitable contribution rates to the CalSTRS Defined Benefit Plan to ensure actuarial long-term funding.
- Advocate for pension equity and sustainability for all present and future CalSTRS members.

#### Social Security and Federal Issues

Financial security is a priority to CalRTA members. CalRTA will:

- Advocate for CalSTRS retirement members who, either by contribution or by survivorship, have earned benefits from the Social Security System, with equal rights to such benefits by repealing the Windfall Elimination Provision and Government Pension Offset.
- Advocate to protect members affected by unfair cuts and Medicare premium increases.
- Support long-term Social Security solvency and oppose cuts, chained Consumer Price Index, raising the retirement age, or privatizing Social Security benefits.

### Health Care/Healthy Aging

CalRTA advocates to ensure access to affordable, quality health care. CalRTA will:

- Advocate for protecting and enhancing Medicare and Medicaid, oppose privatization of Medicare and Medicaid.
- Advocate for and support full and comprehensive guaranteed affordable health care for all.
- Support state regulation of health insurance and affordable, accessible prescription drug benefits.

### Public Education

CalRTA will support public education and educators by advocating for:

- Oppose using public money to support private, parochial, sectarian, or for-profit schools.
- Advocate for accountability and transparency of California tax credits and exemptions that shift funding that would have gone to public schools.
- Advocate for achieving the California Constitutional goal (Article XVI Section 8.5) for class size reduction.

## **CalRTA Bill Positions**

The bill positions listed below were recently ratified by the CalRTA Board. Letters of support/opposition have been sent to the appropriate Legislative Committees. During hearings, I will work to testify on as many bills as possible.

### Health Care/Healthy Aging

#### Support

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 is scheduled to be heard by the Assembly Human Services Committee on April 2<sup>nd</sup>.

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 scheduled to be heard by the Assembly Health Committee on April 16<sup>th</sup>.

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 scheduled to be heard by the Assembly Aging and Long Term Care Committee on April 16<sup>th</sup>.

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 scheduled to be heard by the Assembly Health Committee on April 9<sup>th</sup>.

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 has been referred to the Assembly Health 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 scheduled to be heard by the Assembly Aging and Long Term Care Committee on April 16<sup>th</sup>.

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 scheduled to be heard by the Assembly Health Committee on April 9<sup>th</sup>.

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 is scheduled to be heard by the Assembly Business and Professions Committee on April 9<sup>th</sup>.

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. Would also prohibit a hospital from considering 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 scheduled to be heard by the Assembly Health Committee on April 2<sup>nd</sup>.

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 is scheduled to be heard by the Assembly Health Committee on April 9<sup>th</sup>.

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 scheduled to be heard by the Assembly Aging and Long Term Care Committee on April 16<sup>th</sup>.

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 2 examinations annually, regardless of age. This bill is scheduled to be heard by the Assembly Health Committee on April 9<sup>th</sup>.

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 is scheduled to be heard by the Assembly Aging and Long Term Care Committee on April 16<sup>th</sup> and has also been referred to the Assembly Privacy and Consumer Protection Committee.

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 scheduled to be heard by the Assembly Health Committee on April 2<sup>nd</sup>.

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 scheduled to be heard by the Senate Health Committee on April 3<sup>rd</sup>.

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 has been referred to the Senate Human Services Committee as well as the Senate Judiciary 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 has been referred to the Senate Health 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. Eliminates the exemption from rent control for their facilities and prohibits annual fee increases for residents from exceeding less than 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 has been referred to the Senate Human Services 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 1<sup>st</sup> grade by 2026-27. This bill is scheduled to be heard by the Assembly Education Committee on April 10<sup>th</sup>.

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 passed the Senate Education Committee on March 20<sup>th</sup> and has been referred to the Senate Appropriations Committee.

SB 1056 (Rubio): Mandatory Kindergarten - Would mandate kindergarten prior to entering the 1<sup>st</sup> grade by 2026-27. This bill is scheduled to be heard by the Senate Education Committee on April 10<sup>th</sup>.

## 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 is 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). Would create a much more simplified definition of creditable service and would enhance transparency requirements regarding both pay rates and salary. This bill is scheduled to be heard by the Assembly Public Employment and Retirement Committee on April 3<sup>rd</sup>.

AB 2901 (Aguiar-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.

Many women face the need to exhaust their sick leave due to pregnancy, a miscarriage, or childbirth. When this happens, it not only impacts them immediately but can also have long-term ramifications on the total amount of service credit she will have when she retires. As a result of the cumulative impact this situation creates, female members of the California State Teachers' Retirement system have a median average of 24.25 years of service credit when they retire, compared to their male counterparts with an average of 24.48 years. These women also have an average of 0.505 average years of converted unused sick leave that can be used to enhance their total service credit towards retirement, while men have an average of 0.704.

This retirement inequity leaves women with smaller average retirement benefits than men. According to CalSTRS data, male members have a median Member-Only benefit of \$5,041 per month, compared to women who have a median Member-Only benefit of \$4,708 per month. While multiple factors influence these differences, one factor is the lower service credit and unused sick leave for female CalSTRS members.

This bill is scheduled to be heard by the Assembly Education Committee on April 3<sup>rd</sup> and has also been referred to the Assembly Higher Education Committee.

## **Senate Releases Budget Proposal**

In mid-March, the Senate released the first step of a two-part process to address the budget shortfall. The [\*Shrink the Shortfall\*](#) proposal includes many of the Governor's January proposals and advocates these solutions be immediately enacted to allow the Legislature and Governor to focus on the remaining budget shortfall. This first step recognizes a projected \$38-53 billion shortfall and includes approximately \$17.1 billion in solutions, leaving a remaining \$9-24 billion to be addressed in the 2024-

25 budget. The plan includes the recommended use of the Rainy Day Fund proposed by the Governor, as well as utilizing overall program reductions, fund shifts, delays, and deferrals. The two proposals that would impact public education include the Governor's proposal to reduce the School Facility Program by \$500 million as well as delaying \$550 million for the Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facility Program.

### **February Revenues Improve**

The Department of Finance released their [March Finance Bulletin](#), reporting that cash receipts for personal income taxes were \$579 million above the February forecast. While corporation tax cash receipts were \$165 million below the February forecast and sales and use tax cash receipts were \$148 million below this forecast, the overall improvement could signal the economy is beginning to level out. U.S. inflation in various sectors continues to fluctuate towards an overall decline, with U.S. Consumer Price Index inflation shifting to 3.2% in February.