
M E M O R A N D U M

To: Orange County Sanitation District
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Subject: Monthly Legislative Report

State Legislative Update

The month of March highlighted the State Legislature's quick pace of considering and amending legislation to ensure bills progressed through their first house. In addition to the growing momentum of legislative activity within the Legislature, March featured numerous developments related to addressing priority issues such as homelessness, mental health reform, and high gas prices. Below is an overview of pertinent State actions from the month of March.

State Legislature

Each week throughout the month of March featured numerous policy committees and robust agendas for bill considerations. This pace will continue through April and May before bills must cross over to their second house. The Legislature will shift its focus once again to the budget process in May, which marks the time the Governor debuts his "May Revision" of the January budget proposal, followed by the constitutional deadline of July 1 wherein the Governor must sign a budget bill into law.

In addition to numerous policy committee events, March saw a number of bill amendments. Since the bill introduction of February 17, the Legislature produced 1,751 Assembly Bills and 881 Senate Bills, for a total of 2,632 bills. Of those bills introduced, there were 495 spot bills and 551 intent bills between the two houses, for a total of 1,046 placeholder measures. That means 40 percent of the introduced bills were placeholder measures in need of substantive language amendments.

Governor Newsom Announces the Easement of Drought Restrictions

On March 24, Governor Newsom announced the State's plan to ease previous Emergency Drought Restrictions. The following restrictions have been eased, while some have been maintained in line with the State's water preservation measures:

- Ends the voluntary 15 percent water conservation goal, continues to encourage using water wisely;
- Ends requirement that local water agencies implement level 2 drought contingency plans;
- Maintains ban on wasteful water uses, like watering ornamental grass on commercial grounds;
- Preserves current emergency orders focused on groundwater supply;
- Maintains orders on specific watersheds that have not benefited as much from recent rains;
- Retains state of emergency for all 58 counties so response and recovery efforts can continue.

These actions come as the State announced increased water deliveries to 29 public water agencies that serve 27 million Californians, now expecting to deliver 75 percent of requested water supplies – up from 35 percent announced in February, and the highest since 2017.

While the winter storms have mitigated some issues related to the drought, the Governor iterated that regions and communities across the State continue to experience water supply shortages, especially communities that rely on groundwater supplies that have been severely depleted in recent years.

Governor Newsom Tours State to Discuss Priority Issues: Homelessness, Prison Reform, Public Safety, and Mental Health Care

In lieu of a State of the State this year, Governor Newsom opted to hold a statewide tour and meet directly with residents and make major announcements related to reducing homelessness, improving public safety, reducing health care costs, and initiating mental health care reforms. The tour took place during the week of March 16.

The first announcement regarding reducing homelessness was made in Sacramento. During this first announcement, the Governor discussed state funding programs aimed at reducing homelessness, including the \$1 billion poised to be distributed to cities, counties, and continuums of care as part of the fourth cycle of the Homeless, Housing Assistance, and Prevention (HHAP) grant program. Additionally, the Governor discussed investments in encampment resolution, including a \$30 million investment to build 1,200 tiny homes across the state this year. The homes, some as small as 120 square feet, can be assembled in 90 minutes and cost a fraction of what it takes to build permanent housing. The Governor said the homes can create space to help clear homeless encampments that have sprung up across the State’s major cities.

Following his announcement on homelessness efforts, the Governor made his second announcement regarding public safety and prison reforms from San Quentin Prison. He announced that the prison will be renamed to the “San Quentin Rehabilitation Center.” The prison will move from a maximum-security prison to a prison focused on education, training, and rehabilitation. Maximum-security inmates will begin to be moved to other prisons to allow for the change. The Governor has asked the Legislature for \$20 million for this initiative in the upcoming budget cycle. The new San Quentin Rehabilitation Center takes practices found in places such as Norway.

In his third announcement, the Governor discussed the State’s progress toward public safety and health reforms, including addressing the fentanyl crisis. The Governor announced that the State would begin to manufacture and distribute its own opioid antagonist medicine through its contract with CalRx. CalRx was authorized in 2020 as part of the State’s efforts to partner with drugmakers that could produce cheaper generic alternatives to existing drugs that are no longer protected by patents, including naloxone and insulin.

Governor Newsom has approved \$100 million in the State budget for the project. These budget efforts are likely to complement legislative proposals seeking to expand access and education relating to opioid antagonist drugs.

Finally, on Sunday March 19, the Governor concluded his tour by discussing reforms that would go on the 2024 ballot to improve how California treats mental health and substance use disorders.

The Governor's proposal breaks down to three main components:

- A general obligation bond to finance the construction of thousands of new community mental health facilities throughout the state.
- Reforms to the Mental Health Services Act, directing \$1 billion annually to pay for housing and other community-based residential solutions, expanding treatment eligibility to include those with substance use disorders, and creating greater flexibility in the use of remaining funds.
- Alignment of behavioral health benefits across all health plans in California and new accountability and oversight measures for county behavioral health plans.