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NOSSAMAN LLP | Memorandum

TO: Monterey County Legislative Committee

FROM: Ashley S. Walker, Senior Policy Advisor, Nossaman LLP
Jack Wursten, Policy Advisory, Nossaman LLP

DATE: April 13, 2026

RE: State Legislative Program: Advocacy Update – **AGENDA ITEM # 4**

State Report - Presenter: Ashley Walker (Nossaman LLP)

4. Receive reports, provide direction, and consider positions and/or recommendations to the Board of Supervisors on:

- a. Status of the Legislature:** The Legislature returned from spring break last week and quickly began working through the large volume of bills. While the hearing calendar had been quiet, staff and other capitol denizens have been hard at work ensuring bills are ready to move quickly once policy hearings begin again.

Their return marks the beginning of a hectic April, with policy committee hearings continuing as members work to meet the April 24 deadline for moving fiscally significant bills into fiscal committees — where the suspense file is already beginning to grow.

At the end of last month, the legislature met its deadline to amend spot bills with a flurry of activity. This resulted in additional position recommendations as bills we previously were watching became substantive policy efforts.

- b. Update on the State Budget:** The legislature continued budget deliberations this month, as Assembly and Senate budget subcommittees held hearings on the budget for impacts on their policy areas as well as outlining their priorities as budget negotiations begin to take shape.

Budget revenues continue to run billions above estimates, and spending is a few hundred million dollars below estimates in the governor's January budget. That said, U.S. stock prices did dip below levels assumed in the Governor's January 9 economic forecast. While short-term revenue continues to be strong, the market fluctuations are something to keep an eye on. The Legislative Analyst Office has noted that California income tax collections usually lag major market turns by up to a year.

- i. H.R. 1 Budget Request:** H.R. 1 represents a fundamental shift of fiscal responsibility for safety net programs from the federal government to states and counties. These impacts include:
- Increase demand for indigent care as large number of Californians who lose Medi-Cal eligibility will likely seek county indigent medical care, since they will have no other way to receive health care coverage.

- Reductions to health care payments for public health care systems as H.R. 1 limits the use of a financing mechanism known as State Directed Payments, which are currently used to supplement low Medi-Cal reimbursement rates.
- Direct cost shifts to counties as H.R. 1 shifts responsibility for CalFresh administrative costs to the counties and reduces the federal funding available for Medi-Cal emergency services for certain enrollees.
- Increased county eligibility workload as expanded work requirements for CalFresh, new work requirements for Medi-Cal, and increased frequency and complexity for Medi-Cal eligibility determinations, verifications, and ongoing case management will increase county eligibility workforce costs. Performing eligibility determinations accurately and in a timely way will be critical to prevent people from losing their health care coverage.
- In order to ensure that individuals and families continue to have access to medical care and nutrition benefits, the state budget must provide a significant, multi-year investment to counties to prevent critical harm from occurring in California's communities.

ii. CHEAC: Department of Health Care Services (DHCS) Budget Items: CCS County

Administration Funding Request: The California Children's Services Program is administered by local health departments on behalf of the Department of Health Care Services (DHCS). DHCS allocated CCS grant funds to the County of Monterey Health Department to support core program responsibilities. The CCS program has faced persistent budgetary and fiscal challenges due to insufficient grant allocations from DHCS. Statewide, current CCS allocations fall roughly \$109 million below funding levels required for DHSC staffing standards. This budget letter requests the Legislature fund county CCS programs in accordance with DHCS staffing standards.

iii. CHEAC: California Department of Public Health (CDPH) Budget Items: Public Health IT

Systems & DIS Workforce Investment: This request is for investments in key public health information technology systems utilized in communicable disease prevention, immunizations, and disease investigation efforts. These systems are the Surveillance and Public Health Information Reporting and Exchange (SaPHIRE) system, California Vaccine Management System (myCAvax), California Confidential Network for Contact Tracing system (CalCONNECT), California Immunization Registry (CAIR), and the Future Disease Surveillance System (FDSS). While the Governor's January budget proposes funding for one of these systems, the Administration neglects to provide funding for five systems.

Additionally, this budget request is for Disease Intervention Specialist (DIS) workforce investment. County of Monterey Health Department respectfully requests the Legislature invest \$18.6 million in AIDS Drug Assistance Program (ADAP) Rebate Funds in 2026-27 to support the Disease Intervention Specialist (DIS) workforce in local health departments statewide. Without continued funding, this key communicable disease capacity is unable to be sustained after June 30, 2026.

iv. Fort Ord Dunes State Park: Nossaman is looking into state budget funding that was requested by the Department of Parks and Recreation for \$1 million from Proposition 68 for a new campground and beach access project at Fort Ord Dunes State Park.

- c. **Legislation:** Below are suggested positions for the Legislative Committee’s consideration.
- i. **AB 1548 (Pellerin): Conservation: the Monterey Bay Area Stewardship Authority.** This bill establishes the Monterey Bay Area Stewardship Authority, a new regional entity covering Monterey, San Benito, and Santa Cruz Counties, to raise and deploy funds for conserving, restoring, and improving access to natural and working lands in the region. We are actively working on amendments to the bill to address potential concerns.
Suggested Position: Watch – Seeking Amendments
CSAC Position: No Position
 - ii. **AB 1761 (Rogers): Electricity: calculation methodology: data disclosure.** This bill requires the Public Utilities Commission to ensure that all underlying data used to calculate charges imposed on customers of load-serving entities, such as exit fees and cost recovery charges, be made available to those entities and ratepayer advocates, concurrently and in native file format.
Suggested Position: Support
CSAC Position: Support
 - iii. **AB 1934 (Bennett): State Fire Marshal: home hardening certification program implementation plan.** This bill directs the State Fire Marshal's Wildfire Mitigation Advisory Committee to develop, by January 1, 2028, an implementation plan for a voluntary home hardening certification program to help existing homes meet wildland-urban interface building standards and reduce wildfire risk.
Suggested Position: Support
CSAC Position: Support
 - iv. **AB 2051 (Wicks): Public resources: Coastal Resilience Permitting Working Group.** This bill directs the Natural Resources Agency, in consultation with the California Environmental Protection Agency, to convene an interagency Coastal Resilience Permitting Working Group to identify administrative actions and legislative recommendations to streamline and accelerate permitting for coastal resilience and sea level rise adaptation projects.
Suggested Position: Support
CSAC Position: Support
 - v. **AB 2691 (Addis): Elections: elective office: felony conviction.** This bill adds felony convictions for sexual assault or human trafficking to the list of disqualifying offenses that bar a person from candidacy or election to state or local office.
Suggested Position: Support
CSAC Position: No Position
 - vi. **SB 1040 (Choi): Veterans Cemetery Endowment Fund Match Act.** This bill would create a State-Local Matching Fund Program for the state’s veterans’ cemeteries.
Suggested Position: Support

CSAC Position: No Position

- vii. **SB 1138 (Padilla): Load-serving entities: resource adequacy requirements.** This bill requires the PUC to allow load-serving entities to meet up to 25% of their resource adequacy obligations through short-term transactions with other load-serving entities.

Suggested Position: Support

CSAC Position: No Position

d. **Governor's Actions and Executive Orders:**

- Governor Newsom welcomed the U.S. Nuclear Regulatory Commission's (NRC) approval of Diablo Canyon Power Plant's operating license renewals.
- Governor Newsom declared March 31, Farmworker Day.
- The Governor issued an executive order to explore stronger AI standards for state procurement — ensuring that companies demonstrate responsible policies and meet rigorous privacy and security standards while expanding the state's responsible and ethical use of AI to make government more efficient, effective and engaged.
- Governor Newsom and Attorney General Bonta announced a lawsuit challenging the Trump administration's repeal of the U.S. EPA's Endangerment Finding — the 2009 scientific recognition that greenhouse gases endanger public health and welfare, and the legal premise of federal authority to regulate greenhouse gas emissions.
- Governor Gavin Newsom announced last month that California is moving forward with a stand-alone, one-semester personal finance course for high school students.
- The Governor's office announced the next round of Bond Behavioral Health Continuum Infrastructure Program (Bond BHCIP) awards, with a \$1.18 billion investment to fund an additional 66 projects across 130 behavioral health facilities.
- Governor Newsom announced more than \$23 million to increase access to farm-fresh food for CalFresh, WIC, and Senior Farmers' Market Nutrition Program recipients.

e. **State Bill/Issues Track:** See attached.