



**STATE LEGISLATION COMMITTEE**  
**Wednesday, February 12, 2020**  
**11:00am – 1:00pm**  
**City Hall, Room 201**

**MEMBERS:**

Mayor's Office (Chair) -- Edward McCaffrey  
Board President Norman Yee -- Jen Low  
Supervisor Sandra Fewer -- Ian Fregosi  
Assessor's Office -- Holly Lung  
City Attorney's Office -- Mary Jane Winslow  
Controller's Office -- Dan Kaplan  
Treasurer's Office -- Amanda Fried

**AGENDA**

**I. ROLL CALL**

**II. APPROVAL OF MEETING MINUTES (Action Item).** Discussion and possible action to approve the minutes from the meeting of December 15, 2019.

**III. STATE LOBBYIST OVERVIEW AND UPDATE (Discussion Item).** The City's state lobbyist will present to the Committee an update on State legislative matters.

**IV. PROPOSED LEGISLATION (Discussion and Action).** Discussion and possible action item: the Committee with review and discuss state legislation affecting the City and County of San Francisco. Items are listed by Department, then by bill number.

**New Business**

**Treasurer and Tax Collector**

Presenter: Eric Manke

**1. SCR (Bradford) Prisoners: wages.**

*Recommended Position: Support*

This bill would increase the earnings of incarcerated people working for the California Prison Industry Authority (CALPIA), the Division of Juvenile Facilities, and the California Department of Corrections and Rehabilitations (CDCR) to a livable wage. With an increased wage, incarcerated workers would have the opportunity to meet their financial responsibilities to their families and prepare

for successful reentry, thereby decreasing recidivism rates and promoting public safety.

## **Department of Public Health**

Presenter: Max Gara

**2. SB 803 (Beall): Mental health services: peer support specialist certification.**

*Recommended Position: Support*

This bill would establish a statewide certification program for peer support specialists and provide the structure needed to maximize the federal funding for peer services under Medi-Cal. This bill would help address the statewide behavioral health workforce shortage while helping to increase its diversity and effectiveness.

**3. SB 854 (Beall): Health care coverage: Substance use disorders.**

*Recommended Position: Support*

This bill would improve access to substance use treatment by prohibiting a mental health plan or insurer from imposing any prior authorization requirements or any step therapy requirements before authorizing coverage for FDA-approved prescriptions.

## **V. GENERAL PUBLIC COMMENT**

Members of the public may address the Committee on items of interest that are within the Committee's subject matter jurisdiction and that do not appear on the agenda.

## **VI. ADJOURNMENT**

### **Disability Access**

Room 201 of City Hall is located at 1 Dr. Carlton B. Goodlett Place, and is wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible Muni lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness, as well as Muni Metro stations at Van Ness and Civic Center. For more information about Muni accessible services, call 923-6142. There is accessible parking at the Civic Center Plaza garage.

### **Know Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Donna Hall at Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, by phone at 415-554-7724, by fax at 415-554-7854, or email the Sunshine Ordinance Taskforce Administrator at [sotf@sfgov.org](mailto:sotf@sfgov.org). Citizens may obtain a free copy of the Sunshine Ordinance by contacting the Task Force, or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at [www.sfgov.org/sunshine.htm](http://www.sfgov.org/sunshine.htm).

### **Lobbyist Registration and Reporting Requirements**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (San Francisco Campaign and Governmental Conduct Code Sec. 2.100 –2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone 415-581-2300, fax 415-581-2317, Internet website: [www.sfgov.org/ethics](http://www.sfgov.org/ethics).

### **Cell Phones and Pagers**

The ringing and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### **Public Comment**

Public Comment will be taken on each item on the agenda before or during consideration of that item.

### **Document Review**

Documents that may have been provided to members of the State Legislation Committee in connection with the items on the agenda include proposed state legislation, consultant reports, correspondence and reports from City departments, and public correspondence. These may be inspected by contacting Edward McCaffrey, Manager, State and Federal Affairs, Mayor's Office at: (415) 554-6588.

### **Health Considerations**

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.



**STATE LEGISLATION COMMITTEE  
DRAFT MINUTES  
Wednesday, December 18, 2019  
11:00am – 1:00pm  
City Hall, Room 201**

**MEMBERS:**

Mayor's Office (Chair) -- Edward McCaffrey  
Board President Norman Yee -- Jen Low  
Supervisor Sandra Fewer -- Ian Fregosi  
Assessor's Office -- Holly Lung  
City Attorney's Office -- Mary Jane Winslow  
Controller's Office -- Dan Kaplan  
Treasurer's Office -- Eric Manke

*Meeting commenced at 11:05 a.m.*

**AGENDA**

**I. ROLL CALL**

**Present:** Edward McCaffrey, Ian Fregosi, Mary Jane Winslow, Eric Manke, Holly Lung, Dan Kaplan  
**Absent:** Jen Low

**II. APPROVAL OF MEETING MINUTES (Action Item).** Discussion and possible action to approve the minutes from the meeting of August 15, 2019.

No public comment.  
Motion to approve: Eric Manke  
Seconded by: Mary Jane Winslow  
Approved: 6-0

**III. STATE LOBBYIST OVERVIEW AND UPDATE (Discussion Item).** The City's state lobbyist will present to the Committee an update on State legislative matters.

**IV. PROPOSED LEGISLATION (Discussion and Action).** Discussion and possible action item: the Committee with review and discuss state legislation affecting the City and County of San Francisco. Items are listed by Department, then by bill number.

**New Business**

**San Francisco Public Utilities Commission**  
Presenter: Suzanne Merkelson

1. Public capital facilities: public power agencies: rate reduction bonds.

Recommended Position: Sponsor

This proposed legislation would extend the existing authority to use rate reduction bonds to local power agencies throughout California. This would allow rate reduction bonds to be used for direct costs associated with various energy projects to make our electricity system safer, cleaner, and more resilient, including the acquisition of IOU assets by local agencies interested in providing reliable electricity to their own constituents.

No public comment.

Motion to **Sponsor**: Mary Jane Winslow

Seconded by: Ian Fregosi

Approved: 6-0

**Office of Community Investment and Infrastructure**

Presenter: Nadia Sesay

2. Replacement Housing (Burton Units)

*Recommended Position: Sponsor*

The Office of Community Infrastructure and Investment ("Successor Agency") proposes state legislation to amend Section 34177.7 of Cal. Health and Safety Code to establish that the replacement of affordable housing units destroyed (prior to 1976) by the former San Francisco Redevelopment Agency remains an obligation of the Successor Agency ("Replacement Housing Legislation"). This Replacement Housing Legislation would authorize the Successor Agency, subject to review and approval by the Mayor, the Board of Supervisors, Oversight Board, and the California Department of Finance (DOF), to use tax increment to debt to construct 5,842 units of affordable housing across the city.

No public comment.

Motion to **Sponsor**: Ian Fregosi

Seconded by: Holly Lung

Approved: 6-0

**V. GENERAL PUBLIC COMMENT**

Members of the public may address the Committee on items of interest that are within the Committee's subject matter jurisdiction and that do not appear on the agenda.

No public comment.

**VI. ADJOURNMENT**

*Meeting concluded at 11:35 a.m.*

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Date Submitted	2/2/2020
Submitting Department	Office of the Treasurer and Tax Collector
Contact Name	Eric Manke
Contact Email	Eric.Manke@sfgov.org
Contact Phone	
Reviewed and approved by Department Head?	X YES <input type="checkbox"/> NO
Reviewed and approved by Commission?	<input type="checkbox"/> YES <input type="checkbox"/> NO    X N/A

**SCR 69**  
**Sen. Bradford, District #35, Democrat**  
**Prisoners: wages.**

**Recommended Position**

- |   |   |
|---|---|
| <input type="checkbox"/> SPONSOR            | <input checked="" type="checkbox"/> SUPPORT |
| <input type="checkbox"/> SUPPORT if amended | <input type="checkbox"/> OPPOSE             |
| <input type="checkbox"/> OTHER & Describe   |   |

**Summary**

Senate Concurrent Resolution 69 (Bradford) would increase the earnings of incarcerated people working for the California Prison Industry Authority (CALPIA), the Division of Juvenile Facilities, and the California Department of Corrections and Rehabilitations (CDCR) to a livable wage. With an increased wage, incarcerated workers would have the opportunity to meet their financial responsibilities to their families and prepare for successful reentry, thereby decreasing recidivism rates and promoting public safety. The resolution also highlights the added benefit of increasing the state's tax revenue while making it easier for incarcerated workers to pay the fines and fees and restitution associated with their court proceedings and incarceration and affording them an opportunity to pay child support and/or alimony.

**Background/Analysis**

The use of prison labor in the United States has helped expand our prison systems and many parts of our state. In 1851, only a year after receiving statehood, California began using prison labor. San Quentin and Folsom Prisons were built by prison laborers. Folsom Prison opened a manufacturing factory in the 1930's and many incarcerated workers

helped build California's infrastructure, including roads and early highways.

Today, California relies heavily on prison labor but pays incarcerated workers unfair and unjust wages. In California, over 42,000 people in prison work full-time, earning \$0.08 an hour to at most \$3.90 per day. This includes those working at fire camps, who risk their lives for the safety of our communities. CDCR then deducts a mandatory 55% for restitution and administrative fees.

**Challenge**

Such low wage earnings, combined with drastic deductions to pay off other criminal justice debt, leave people exiting prison without financial stability and drastically increases the likelihood that someone will be unable to pay child support, restitution, or any other debt associated with the criminal justice system. Estimates indicate formerly incarcerated people owe 60 percent of their income to forms of criminal justice debt. Only 55 percent of formerly incarcerated individuals reported any earnings during the first year of release. The ability to save and accumulate wealth while in prison would better position incarcerated people during the re-entry process, including those re-entering in San Francisco.

Finally, these low wages directly impact the families of incarcerated people. The Ella Baker Center for Human Rights published a report that found nearly 65% of families

become unable to pay for their basic needs when a member of their household goes to prison; 70% of those families were raising children.

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**Solution/Recommended Proposal**

Paying incarcerated workers minimum wage would benefit our community. If incarcerated people are able to meet their restitution obligations, victims and their families directly benefit. It also has the power to strengthen and empower families.

The resolution also promotes long term public savings. One in 28 children in the U.S. have an incarcerated parent. If an incarcerated person pays child support then that family will require less government support and services. Likewise, if a formerly incarcerated person is able to meet their basic needs upon release, they are less likely to rely on welfare services or recidivate. The Joint Venture Program (JVP) already provides a successful model and framework for this legislation. Those who have been able to be a part of the JVP have a 9% recidivism rate compared to California's 55%.

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**Departments Impacted & Why**

N/A

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**Fiscal Impact**

There is no analysis yet, so the fiscal impact on other counties and the state is unknown at this time.

Date Submitted	2/4/2020
Submitting Department	Department of Public Health
Contact Name	Max Gara; 415-554-2621
Contact Email	<a href="mailto:Maxwell.gara@sfdph.org">Maxwell.gara@sfdph.org</a>
Contact Phone	Sneha Patil; 415-554-2795 <a href="mailto:Sneha.patil@sfdph.org">Sneha.patil@sfdph.org</a>
Reviewed and approved by Department Head?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Reviewed and approved by Commission?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A

**SB 803**

**Sen. Beall, District #15; Democrat**

**Mental health services: peer support specialist certification**

**Recommended Position**

- |   |   |
|---|---|
| <input type="checkbox"/> SPONSOR            | <input checked="" type="checkbox"/> SUPPORT |
| <input type="checkbox"/> SUPPORT if amended | <input type="checkbox"/> OPPOSE             |
| <input type="checkbox"/> OTHER & Describe   |   |

**Summary**

SB 803 would establish a statewide certification program for peer support specialists and provide the structure needed to maximize the federal funding for peer services under Medi-Cal. This bill would help address the statewide behavioral health workforce shortage while helping to increase its diversity and effectiveness.

**Background/Analysis**

Behavioral health is a significant issue among California and San Francisco residents, with certain populations disproportionately impacted. The State does not have enough qualified mental health professionals necessary to ensure all Californians receive care. Peer Support Specialists are one type of provider who can provide additional support to the workforce. A peer is a person who draws on lived experience with mental illness and/or substance use disorder and recovery, bolstered by specialized training, to deliver support services in a mental health and/or substance use setting. Peer support programs have numerous benefits in addition to expanding the workforce:

- Studies show that use of qualified peer support specialists has measurable benefits to clients, including reduced hospitalizations, improved functioning,

alleviation of depression and other symptoms, and enhanced self-advocacy.

- A peer support program can create a career ladder for consumers and family members working in mental health care to have the opportunity to fully contribute, translating their experience into meaningful employment.

Peer support services are used across California. In San Francisco, these services are an integral part of the City’s wellness and recovery-oriented mental health system.

**Challenge**

Currently there is no statewide standard of practice, consistent curriculum, training standards, supervision standards, or certification protocol for Peer Support Specialists. Establishing a state certification program would enable California providers to bill federal Medicaid (Medi-Cal in California) for 50% of the cost of services provided by certified peers. This is a crucial advantage, as it allows for peer services to become a sustainable piece of the state’s mental health care delivery system. Currently peer providers system heavily relies on funding provided by Mental Health Services Act (MHSA), which can be at risk during economic downturns.

The U.S. Department of Veterans Affairs and 48 states have a certification process in place or in development for mental health peer support specialists. In 2007, the federal Centers for Medicare and Medicaid Services released guidance establishing a

certification program for peers thus enabling states to receive a 50% federal match.

### **Solution/Recommended Proposal**

SB 803 would establish a statewide certification program for Peer Support Specialists and provides the structure needed to maximize the federal match for peer services under Medi-Cal. Specially, the bill would:

- Create a Peer Support Specialist certification program administered by the Department of Consumer Affairs
- Require Department of Health Care Services (DHCS) to include a certified Peer Support Specialist as a provider type for purposes of the Medi-Cal program and to include Peer Support Specialist services as a distinct service type for purposes of the Medi-Cal program.

### **Departments Impacted & Why**

No other departments would be impacted.

### **Fiscal Impact**

State Impact: Based on analysis of SB 10 (2019), which is similar to SB 803, Senate and Assembly Appropriations Committees estimated the bill would have the following fiscal impacts:

- \$2m to State to implement, and ongoing cost of ~\$6.8m for administrative structure (GF or fee rev/federal)
- Potentially significant, indeterminate GF costs for provision of peer support services in fee-for-service Medi-Cal, Medi-Cal managed care and for local specialty mental health services

### **San Francisco Impact:**

- Bill could enhance DPH's ability to claim federal reimbursement for services, which may free up dollars that are allocated to Peer Support Services under MHSA. Currently, MHSA dollars are heavily relied on to fund peers locally.

Date Submitted	2/4/2020
Submitting Department	Department of Public Health
Contact Name	Max Gara; 415-554-2621
Contact Email	<a href="mailto:Maxwell.gara@sfdph.org">Maxwell.gara@sfdph.org</a>
Contact Phone	Sneha Patil; 415-554-2795 <a href="mailto:Sneha.patil@sfdph.org">Sneha.patil@sfdph.org</a>
Reviewed and approved by Department Head?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Reviewed and approved by Commission?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A

**SB 854**

**Sen. Beall, District #15; Democrat**

**Health care coverage: Substance use disorders.**

**Recommended Position**

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|--|--|
| <input type="checkbox"/> <b>SPONSOR</b>              | <input checked="" type="checkbox"/> <b>SUPPORT</b> |
| <input type="checkbox"/> <b>SUPPORT if amended</b>   | <input type="checkbox"/> <b>OPPOSE</b>             |
| <input type="checkbox"/> <b>OTHER &amp; Describe</b> |  |

**Summary**

SB 854 would improve access to substance use treatment by prohibiting a mental health plan or insurer from imposing any prior authorization requirements or any step therapy requirements before authorizing coverage for FDA-approved prescriptions.

**Background/Analysis**

Across California, and in San Francisco, substance use disorder (SUD) issues related to alcohol and opioid use continue to be a significant concern. In California, there were an estimated 2,012 opioid-related deaths in 2016. According to the CA Department of Public Health, the rate of fentanyl-related deaths more than quadrupled between 2011 and 2017. In 2018, there were 259 overdose deaths in San Francisco resulting from all street drugs, including opioids, cocaine and methamphetamine, a 17% increase over 2017. This was the highest number of overdoses recorded since 2006, when the department began tracking data through its current system. Similarly, the number of fentanyl-related deaths increased by 147% during this time period, from 36 deaths to 89 people in 2018.

An important and effective treatment strategy for addressing SUD and preventing opioid overdose is medication-assisted

treatment (MAT). MAT is the use of medications, commonly in combination with counseling and behavioral therapy, to provide a comprehensive approach to SUD treatment. Prescription drugs used in MAT include methadone, buprenorphine, naltrexone, naloxone, or other Federal Drug Administration (FDA) approved or evidence-based medications for the treatment of SUD. Research shows that a combination of medication and therapy can successfully treat SUDs, prevent overdose-related deaths, and sustain recovery.

**Challenge**

According to a 2016 report by the surgeon general, only ten percent of Americans with SUDs get specialty treatment. One important barrier to accessing MAT is insurance utilization management policies. These policies include, but are not limited to, plans not incorporating MAT prescription drugs in drug formularies, requiring prior authorization for medication use, and requiring step-therapy. A 2017 California Society of Addiction Medicine (CSAM) survey of its membership showed significant concern about the administrative barriers created by authorization requirements. Fifty-six percent of respondents found it difficult to access MAT for patients new to treatment due to insurance barriers, and 46% had difficulty getting approval for maintenance treatment.

### **Solution/Recommended Proposal**

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In order to reduce insurance barriers to MAT medications and thereby improve access to SUD treatment, SB 854 would impose the following requirements for health plans/insurers that provide prescription drug benefits for SUD treatment:

- (1) Require they include all FDA-approved medications for SUD treatment in the drug formularies of their lowest cost-sharing tier.
- (2) Prohibit plans or insurers from imposing any prior authorization requirements or any step therapy requirements before authorizing coverage for FDA-approved prescriptions.

### **Departments Impacted & Why**

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No City departments would be impacted by the bill. SF City and County already offer all medically necessary SUD MAT with the exception of Depot buprenorphine.

### **Fiscal Impact**

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No fiscal analysis on impacts to the State available.