

To: Humboldt County Board of Supervisors  
CC: Elishia Hayes, County Administrative Officer  
Sean Quincey, Deputy County Administrative Officer  
From: Paul J. Yoder and Karen Lange, SYASL  
Date: September 16, 2025  
RE: 2025 End of Year: Legislative Summary

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### **2025 Legislative Session**

The Legislature adjourned the first year of the 2025-2025 legislative session on Saturday, September 13<sup>th</sup>. The Governor now has until October 13, 2025, to sign or veto bills sent to him in the last several weeks of the legislative year.

At the end of last session, there was a clear challenge amongst leadership of the two legislative chambers and the Governor to negotiate priority issues, and this year was very reminiscent. On the heels of a week lost to debate and passage of what is now Proposition 50 to mid-decade redistrict the congressional districts in California, the final days of the first half of this session highlighted the tension between lawmakers and the Governor on their priority issues.

Many “big ticket” items were not in print or agreed upon until Wednesday morning September 10 – past the usual but not Constitutionally mandated deadline of Tuesday evening. Among the sticking issues were (1) grid regionalization in an effort to lower consumer energy costs, (2) determining the future of oil and gas production in California, (3) a bid from the Governor to address water allocations in the Bay-Delta, (4) seeking to extend the Cap-and-Trade program, (5) adequately financing the state’s wildfire recovery fund, (6) Proposition 4 allocations, and (7) the expansive list of controversial policy bills that moved through the Legislature this year. In the end, most of those things had agreements reached, but not without strife. (Please note SYASL is submitting this report prior to the end of this legislative year before final disposition on all of these issues; we will update you in person on September 22).

Looking ahead, with concern in Sacramento over the impacts of the Federal H.R. 1 ever increasing, it remains unclear if the Governor will call a Special Session and require legislators to return to Sacramento to make further amendments to the state budget. The relevant committees held several informational hearings, and it appears the State has some time to decide how to respond considering some of the largest cuts do not take full effect into next year.

### **Major Bills of Interest to the Humboldt County Board of Supervisors**

The following bills listed below have been enrolled to the Governors’ desk and are awaiting a veto or signature:

#### **[AB 263 \(Rogers\)](#) Scott River: Shasta River: watersheds**

This bill provides that emergency regulations adopted by the State Water Resources Control Board (State Water Board) for the Scott River and Shasta River watersheds on January 27, 2025 shall remain in effect until January 1, 2031 or until the State Water Board adopts permanent rules establishing and implementing long-term instream flow requirements in those watersheds.

**AB 411 (Papan) Livestock carcasses: disposal: composting**

This bill establishes the Caring About the Terrain, Livestock, and Ecosystems (CATTLE) Act, which permits livestock carcasses resulting from a routine livestock mortality event or on-farm processing to be composted under specified circumstances.

**AB 417 (Carrillo) Local finance: enhanced infrastructure financing districts: community revitalization and investment authorities**

This bill makes various changes to the laws for local agencies to create enhanced infrastructure financing districts (EIFDs) and community revitalization and investment authorities (CRIAs).

**AB 564 (Haney) Cannabis: excise tax: rate increase suspension: report**

This bill reduces the cannabis excise tax rate from 19% to 15% beginning October 1, 2025 and until May 1, 2028.

**AB 993 (Hadwick) Hazardous materials management: Rural CUPA Reimbursement Account**

This bill expands eligibility for the Rural Certified Unified Program Agency (CUPA) Reimbursement Account to include all counties with populations of less than 150,000.

**AB 1288 (Addis) Registered environmental health specialists**

This bill makes various changes to the scope, education, training, and examination of registered environmental health specialists (REHS) and environmental health specialist (EHS) trainees as well as to the Environmental Health Specialist Registration Committee.

**AB 1378 (Rogers) Child welfare services: prevention services: Indian tribes**

This bill expands circumstances when the California Department of Social Services (CDSS) is required, upon an Indian tribe's request, to enter into an agreement with a tribe to include when the agreement would prevent entry into foster care, and authorizes the agreement to be made for the sole purpose of the administration of prevention programs. Requires CDSS, subject to an appropriation, to provide funding to tribes to support the cost of legal representation for a child and their parent in foster care proceedings.

**SB 346 (Durazo) Local agencies: transient occupancy taxes: short-term rental facilitator**

This bill enacts the Short-Term Rental Facilitator Act of 2025, which permits local agencies to enact ordinances to require short-term rental facilitators to provide specified information on their platform's rentals to the local agency.

**SB 669 (McGuire) Rural hospitals: standby perinatal services**

This bill requires the California Department of Public Health (CDPH) to establish a ten-year pilot project to allow up to five critical access hospitals to establish standby perinatal services.

**\*SB 694 (Archuleta) Deceptive practices: service members and veterans**

This bill provides additional protections for veterans in California in connection with fees charged for assistance applying for veterans' benefits and the privacy of their information. The bill requires persons to be federally accredited before preparing, presenting, or prosecuting a veteran's claim for benefits under federal law. Please note that this bill was referred to the Rules Committee in the last couple days of session and therefore is not enrolled to the Governor at this time. However, since then Senate President pro Tempore McGuire, Assembly Speaker Rivas, Senate Pro tem Elect Limón, Senator Archuleta, Senator Umberg and Assemblymember Schiavo released a statement saying they reached an agreement on SB 694 and the bill will immediately move to the Senate Floor in January 2026.

## **Humboldt County Board of Supervisors Oppose Bills that Failed Passage in 2025**

The following bills listed below failed passage during the 2025 Legislative Session:

### **AB 470 (McKinnor) Telephone corporations: carriers of last resort**

This bill would have required the California Public Utilities Commission (CPUC), in coordination with the Office of Emergency Services (OES), to adopt a process for telephone corporations to petition the CPUC to amend their status as a carrier of last resort (COLR) in designated areas by December 15, 2026, as specified.

### **AB 1331 (Elhawary) Workplace surveillance**

This bill would have regulated and limited the use of workplace surveillance tools, by both public and private employers, as specified.

## **Other Monitored Legislation**

### **AB 8 (Aguilar-Curry) Cannabis: cannabinoids: industrial hemp**

This bill, beginning January 1, 2028, requires products containing concentrated cannabinoids other than cannabidiol (CBD) isolate that are derived from industrial hemp to comply with provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); establishes a framework for industrial hemp to enter the licensed cannabis market; revises various definitions for purposes of MAUCRSA and other state cannabis laws; prohibits the sale of synthetic cannabis products and inhalable cannabis products containing cannabinoids derived from hemp; places restrictions on the incorporation of industrial hemp raw extract into food and beverage products; and expands the authority for state and local enforcement agencies to inspect, seize, and destroy unlawful cannabis products. Please note the county previously had an oppose position on the bill, but moved to neutral after the latest set of amendments.

## **2025-26 State Budget**

On June 27, 2025, Governor Newsom signed the 2025-26 state budget, which is represented by [SB 101](#). All told, the Budget Act of 2025 contains \$321.1 billion in total spending, including \$228.4 from the General Fund, an estimated \$89 billion of special fund spending, and \$4 billion of spending from bond accounts. Further, the 2025-26 Budget contains total reserves of \$15.7 billion, including \$11.2 billion in the Rainy Day Fund and \$4.5 billion in the regular reserve.

While the budget is roughly balanced, it did anticipate a General Fund shortfall of \$11.8 billion, largely because the Budget was approved in late June, and it did not reflect the impact of the substantial cuts in federal spending included in the federal omnibus tax and spending bill signed in early July (otherwise known as “reconciliation”).

Therefore, the budget plans to solve the \$11.8 billion General Fund deficit for 2025-26 through the following categories of solutions:

- Reductions—\$2.8 billion in total solutions in 2025-26—growing to \$11.9 billion by 2028-29.
- Revenue/Borrowing—\$7.8 billion in total solutions in 2025-26.
- Fund Shifts—\$1.2 billion total solutions in 2025-26.

## **Humboldt County Funding Requests During the 2025-26 Budget Process**

The following funding requests listed below, represent requests made on behalf of the Board of Supervisors to the legislature that were incorporated into the final 2025-26 Budget:

4265 – California Department of Public Health (CDPH) Budget Items: Future of Public Health & CDPH IT Systems

- Provides \$31,451,000 one-time from the General Fund to support the maintenance and operations of multiple information technology systems that support statewide vaccine distribution, appointment scheduling, vaccine clinic management, and vaccination records management and sharing.
- Appropriates \$18 million in 2025-26 one-time from the General Fund for maintenance and operations for the California Confidential Network for Contact Tracing (CalCONNECT) system
- Allocates \$27,000,000 in 2025-26, \$20,400,000 in 2026-27, and \$16,300,000 in 2027-28 and ongoing from the General Fund and 27 positions for maintenance and operations to support the Surveillance and Public Health Information Reporting and Exchange (SaPHIRE) System.
- Provides \$5,100,000 in 2025-26 one-time from the General Fund to be used for upgrading California Immunization Registry

Department of Health Care Services (DHCS) Budget Items: Request to Delay CCS Monitoring & Oversight Initiative

- No proposal, however, the Department of Health Care Services has announced that the initiative will be indefinitely delayed.

California Work Opportunity and Responsibility to Kids (CalWORKs): Right-size County Administrative Funding

- Approved placeholder trailer bill language, and was largely addressed under SB 105 the budget bill Jr. For more information, see below.

Also of note, the Department of Finance released a summary of the Budget Act. Of particular interest is the following statement regarding H.R. 1: “It will take considerable time for state departments to make initial estimates of H.R. 1’s effects on Californians and the state budget, including time for federal departments to issue regulatory guidance on the bill’s implementation.” For more information, see [here](#).

While further responses are likely during regular sessions in 2026, 2027, and 2028, the Governor and legislature have begun to take their initial responses to H.R. 1 through the passage of budget trailer bills such as [SB 105](#) (Budget Bill Jr).

Response to H.R. 1 and other federal policy changes:

- Contains \$254.8 million (\$102.7 million General Fund) as follows:
  - \$53.6 million (\$26.2 million General Fund) to resource multiple, multi-year activities that are part of the Administration's CalFresh Payment Error Rate mitigation strategy and that are necessary to implement non-discretionary policy provisions of the federal H.R. 1
  - Up to \$30 million (\$15 million General Fund) for CalFresh automation to further address the CalFresh Payment Error Rate
  - \$20 million General Fund for emergency food bank support to help mitigate anticipated harmful effects due to the enactment H.R. 1, augmenting the \$60 million General Fund provided for food banks (also called the CalFood program) in the June 2025 Budget Act
  - \$40 million (\$20 million General Fund) for county administration for H.R. 1 provisions related to Able-Bodied Adults Without Dependents (ABAWDS), who will imminently experience new work requirements due to the federal law
  - \$294,000 General Fund one-time for the California Health and Human Services Agency (CalHHS or Agency) to fund an attorney position for the significant increase in workload for CalHHS with Agency's involvement in H.R. 1 and other federal issues

- \$1 million special fund to support California's application for the Rural Health Transformation program
- \$15 million special fund to defray costs of continuing gender-affirming care coverage, after federal rules eliminated it as an essential health benefit \$1.2 million special fund for healthcare reporting for the Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting Final Rule,
- \$2.5 million (\$1.25 million General Fund) for technical assistance to comply with citizen verification activities mandated by federal direction
- \$20 million General Fund to the Governor's Office of Business and Economic Development to promote travel and tourism,
- \$71.2 special fund for reproductive health.

#### Humboldt County Earmarks in SB 105:

- Of the amount appropriated in this item, \$50,000 shall be available to the County of Humboldt for the McKinleyville City Incorporation exploration feasibility study.
- Of the amount appropriated in this item, \$1,500,000 shall be available to the City of Rio Dell to purchase land to support the Department of Forestry and Fire Protection (CAL FIRE) Regional Headquarters.
- Of the amount appropriated in Schedule (2), \$5,000,000 is provided for one-time direct payment to the County of Humboldt for support of the Mad River Behavioral Health Triage Center.
- Of the amount appropriated in Schedule (2), \$750,000 is provided for one-time direct payment to the County of Humboldt for support of the Sorrel Leaf Healing Center.
- \*While this last allocation is not an earmark to the County, we wanted to make sure that you were aware SB 105 also has \$42,750,000 of the funding to provide incentives to support offshore wind infrastructure improvements consistent with the Offshore Wind Waterfront Facility Improvement Program established pursuant to Section 25666 of the Public Resources Code.

Lastly, in some positive news regarding the fiscal outlook of the state, according to the State Controller's latest monthly [cash report](#) covering the state's General Fund revenues for August, revenues exceeded estimates contained in the 2025-26 Budget Act by \$2.1 billion, or 6.8 percent; and fiscal year-to-date expenditures were higher than Budget Act estimates by \$3.8 billion, or 9.4 percent. For more information, see [here](#).

#### **Looking Ahead**

Obviously, the first major milestone over the next several months will be what the voters statewide decide to do on Proposition 50. If this initiative passes, several legislators may announce that they intend to run for Congress. This could affect the environment in Sacramento in multifaceted ways.

Regardless of the outcome on Proposition 50, there is an expected change in leadership in the Senate from current President Pro Tempore Mike McGuire to Pro Tem-elect Monique Limon; with the official transition date being named as November 17, 2025.

Lastly, please keep in mind that the beginning of the second year of every two-year legislative session is different than the first. Bills that were introduced in 2025 but not moved must successfully move out of their house of origin by the end of January. Also, and probably more importantly, budget trailer bills introduced last year can easily be amended and moved very quickly as they have already been in print for the requisite amount of time. So, you should expect early action on a variety of state budget issues, such as more state response to

H.R. 1, clean-up of the 2025-26 state budget and trailer bills, and possibly even final resolution on bills that didn't quite make it to the finish line this summer.

It is our great honor to represent you and your constituents. We look forward to seeing you in person soon.