

Date of Hearing: June 29, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

SB 17 (Pan) – As Amended July 1, 2021

Policy Committee: Accountability and Administrative Review      Vote: 5 - 0

Urgency: No      State Mandated Local Program: No      Reimbursable: No

**SUMMARY:**

This bill establishes the Office of Racial Equity (ORE), governed by a Racial Equity Advisory and Accountability Council (Council) and to be in operation until January 1, 2029, to develop a statewide Racial Equity Framework to be submitted to the Governor and the Legislature by January 1, 2023. The bill also establishes a Chief Equity Officer, appointed by the Governor, within the Government Operations (GovOps) Agency.

This bill specifies the membership and duties of the Council, including the requirement to hire an executive director and to hold at least one quarterly public meeting. The bill authorizes Council members to be reimbursed for actual expenses associated with their duties.

This bill also requires each state agency to develop and implement a Racial Equity Action Plan in alignment with the Racial Equity Framework developed by the ORE, and to submit its proposed plan by July 1, 2023, to the ORE for review and approval.

**FISCAL EFFECT:**

- 1) Ongoing annual costs of an unknown amount, but likely in the low millions of dollars (General Fund (GF)), to establish and administer the ORE, including costs for support staff and ongoing operating expenses and equipment, and reimbursements for actual and necessary expenses for Racial Equity Advisory and Accountability Council members.

The 2021-22 state budget includes \$588,000 ongoing (GF) to establish and support a Chief Equity Officer within the GovOps Agency. The 2021-22 state budget does not include funding for the ORE itself.

- 2) Potentially significant costs across all state agencies to develop and implement a Racial Equity Action Plan aligned with the Racial Equity Framework and to integrate this plan into agencies' strategic plans and other operations. Ongoing cost estimates per agency range from the low thousands of dollars to the low millions of dollars (GF and various special funds), depending on the size and nature of the agency. For example, the Department of Insurance indicates costs of approximately \$3,000 annually, the California Department of Public Health estimates \$318,000 annually, the California Air Resources Board estimates \$819,000 annually and the Department of Justice estimates \$3.2 million annually, to meet the requirements of the bill.

**COMMENTS:**

- 1) **Purpose.** According to the author, this bill seeks to “address systemic and institutional racism that has resulted in poorer health outcomes and disparities in [black, indigenous, and people of color] and ensure the state plays a more active role in dismantling racial inequities, particularly those exacerbated by the pandemic.”
- 2) **Background.** Existing law establishes the Office of Health Equity (OHE) within the California Department of Public Health (DPH) to lead efforts to reduce health and mental health disparities experienced by vulnerable communities in California with a priority on eliminating health inequities. The OHE is required, among other tasks, to assist in aligning state resources, decision-making, and programs to, among other things, achieve the highest level of health and mental health for all people, with special attention focused on those who have experienced socioeconomic disadvantage and historical injustice.

Existing law requires the OHE to work with the Health in All Policies (HiAP) Task Force to assist state agencies and departments as they integrate health and equity into programs and policies that advance state priorities.

Additionally, the Strategic Growth Council works in collaboration with the Public Health Institute to support the Capitol Collaborative on Race & Equity (CCORE) – a racial equity capacity building program for California state employees.

This bill creates a centralized entity in California tasked with promoting and advancing racial equity.

- 3) **Related Legislation.** SB 682 (Rubio), of this legislative session, requires the California Health and Human Services Agency, in collaboration with specified agencies, departments and other stakeholders, to develop and implement a plan that reduces racial disparities in health outcomes for children by 50% by December 31, 2030. SB 682 was vetoed by the Governor whose veto message indicated the bill was duplicative of existing efforts.

**Analysis Prepared by:** Jennifer Swenson / APPR. / (916) 319-2081