

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate
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RE: 2020 May Update

DATE: May 26, 2020

The Assembly reconvened session on May 4th, while the Senate came back a week later, reconvening on May 11th. The Governor released his May Revise on May 14th. As we expected, the May Revision proposed many spending reductions compared to the January Budget due to COVID-19. The Governor reported that revenues dropped by \$41 billion compared to January's forecast. The County's main priority for the May Revise was to secure funding from the CARES Act. As part of the 42 counties with less than 500 thousand in population, the County did not initially receive any part of the federal funding in the CARES Act. The County took the lead in coordinating a letter with the other 41 smaller counties in an effort to receive a part of the funding to address the unprecedented demands to reduce and contain the spread of COVID-19. The Department of Finance and the Administration were not forthcoming in whether or not they would allocate any funding from the CARES Act until the May Revise officially came out, which included \$45,698 million for the County of Santa Barbara. The allocation was an important win for the County, and we are working with the Legislature and the Administration to make sure that it will be secured in the State Budget.

One of the other issues that came out of the May Revise was its failure to address the reduction of counties' realignment funding, which equals to about \$11.5 million loss for the County of Santa Barbara. CSAC sent a letter on May 18th strongly urging the Administration and the Legislature to stabilize Realignment funding by backfilling for lost base revenue in both the current and future budget years in order to avoid extreme cuts to public health, public safety, social services, and behavioral health services. We are working with our local legislative delegation and the state legislature to address this issue.

The Governor's May Revision also proposed to withdraw the January's proposed investment of \$52.5 million to create a supplemental payment pool for the pharmacy services for non-hospital 340B clinics. The County is working with the clinics to try to either push for the delay in the implementation of the Governor's plan, or request to receive backfill from the State.

On May 12th, the County wrote a letter to the Administration and the California Department of Health requesting for local discretion in metrics for readiness and opposing the Governor's original metrics, which consisted of 1 case per 10,000 in the last 14 days and zero deaths in 14 days in order to accelerate within Stage 2 of the California Resilience Roadmap. On May 21st, Governor Newsom announced a modified county variance framework to allow many medium and some large counties to accelerate within Stage 2. The modified variance provides more flexibility in some of the readiness criteria and eliminates the number of COVID-19 deaths as a factor.

The Legislature released their updated Legislative Calendar for 2020. The deadline for policy committees to hear and report to fiscal committees fiscal bills introduced in the Assembly was moved to May 22nd, while the Senate's deadline was moved to May 29th, since the Senate reconvened one week after the Assembly. The last day for policy committees to hear non-fiscal bills introduced in the Assembly is now on May 29th, and the Senate's deadline is now on June 5th. Each committee is only meeting once, therefore if the bill was not heard in the set committee it became dead for the year.

Much of our focus continues to remain on educating the Legislature, the Administration, Department of Finance and our Delegation on the impact of Santa Barbara in terms of expenditures in response to COVID-19 and any lost revenue, as well as seeking out newly amended legislation that would affect the County.

May Revise Highlights

The Governor's May Revise usually contains slight changes to the January Budget, but due to the COVID-19 pandemic, the May Revise contains an entirely different set of proposals than we saw in January. The Governor is proposing deep spending reductions, attempting to balance cuts against the desire to help those most in need and prime the state for as quick and robust a recovery as possible.

Coronavirus Relief Fund

The CARES Act provided a direct allocation of \$9.5 billion to California and \$5.8 billion to cities and counties with populations over 500,000. CARES Act funding provides relief to states and local governments for expenditures incurred between March 1 and December 30, 2020, in response to the COVID-19 pandemic. According to federal guidance, this funding must be used for expenditures incurred for COVID-19 related activities before December 30, 2020, and cannot be used to backfill lost revenues.

The May Revision allocates a portion of the state's \$9.5 billion CARES Act funding to local governments to further support their COVID-19 efforts—\$450 million to cities for homelessness and public safety and \$1.3 billion to counties for public health, behavioral health, and other health and human services. The May Revise included \$45,698 Million for the County of Santa Barbara. Funding is contingent on adherence to federal guidance and the state's stay-at-home orders and will be released upon jurisdictions' certification of both.

340B Supplemental Payment Pool

The May Revision proposes to withdraw this proposal to provide payments to non-hospital clinics for 340B pharmacy services for a savings of \$52.5 million (\$26.3 million General Fund) in 2020-21, growing to \$105 million (\$52.5 million General Fund) in 2021-22 and thereafter.

CalWORKS

The May Revision maintains CalWORKs program eligibility. In addition, the May Revision includes an increase of \$82.3 million General Fund/TANF Block Grant for CalWORKs county administration to facilitate enrollment in the program and services to beneficiaries.

The May Revision assumes the Safety Net Reserve is used to support health and social services programs over the course of two years. This proposal would result in a savings of \$450 million General Fund in 2020-21 and \$450 million in 2021-22. Absent additional federal funds, the COVID-19 Recession makes the following reductions in the state budget. These reductions will be triggered off if the federal government provides sufficient funding to restore them:

- CalWORKs Employment Services and Child Care—The May Revision reflects reduced assumptions about the uses of CalWORKs Employment Services and Child Care. These changes would result in a savings of \$665 million General Fund in 2020-21.
- CalWORKs Expanded Subsidized Employment—The May Revision reduces all but the base funding for CalWORKs Subsidized Employment. This proposal would result in a savings of \$134.1 million General Fund in 2020-21.
- CalWORKs Home Visiting—The May Revision reduces funding for CalWORKs Home Visiting. This proposal would result in a savings of \$30 million General Fund in 2020-21.

- CalWORKs Outcomes and Accountability Review (CalOAR)—The May Revision eliminates funding for CalOAR, but provides counties the options the ability to continue implementing this improvement. This proposal would result in a savings of \$21 million General Fund in 2020-21.

1991 and 2011 Realignment

The programs and funding for 1991 and 2011 Realignment are funded through two sources: state sales tax and Vehicle License Fees. These fund sources are projected to decline by 13 percent from 2018-19 to 2019-20 and grow slightly in 2020-21. This decline is significant and the first time since 2011 Realignment, there has been a significant decline in realigned revenues to support the entitlement programs funded by realignment.

Homelessness

The May Revision overhauls the Governor's January Budget proposal for the California Access to Housing Act. The original proposal called for the creation of a fund with an initial \$750 million, one-time General Fund investment.

The new proposal replaces the \$750 million General Fund with an equal amount of Federal Cares Act funding. The new proposal directs the use of these funds to purchase hotels and motels secured through Project Roomkey. Project Roomkey is a multi-agency state and local partnership to provide safe isolation motel rooms for vulnerable individuals experiencing homelessness. This occupancy program is currently supported by the Federal Emergency Management Agency (FEMA) only through May 31, 2020, but the state will request 30-day extensions as necessary. The state also proposes to use these funds to provide technical assistance to local jurisdictions or other parties seeking to purchase and operate former Project Roomkey hotels and motels to address homelessness in their localities.

In addition to Project Roomkey, the state will continue to work with local governments and service providers to maximize federal funding to provide safe interim housing options, rapid re-housing opportunities and rental subsidies for individuals and families experiencing homelessness.

The May Revision includes:

- Homeless Coordinating and Financing Council Administrative Resources—\$1.5 million General Fund ongoing and 10 permanent Homeless Coordinating and Financing Council positions to effectively carry out statutory mandates and strengthen its strategic coordination of the state's efforts to address homelessness.

Local Public Safety

Proposition 47 Savings—Voters passed Proposition 47 in November 2014, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing. The Department of Finance currently estimates net savings of \$102.9 million General Fund for Proposition 47 when comparing 2019-20 to 2013-14, a decrease of \$19.6 million from the Governor's Budget estimate for 2019-20. These funds will be allocated according to the formula outlined in the initiative.

Post Release Community Supervision—The May Revision includes \$12.9 million General Fund for county probation departments to supervise the temporary increase in the average daily population of offenders on Post Release Community Supervision (PRCS) as a result of the implementation of Proposition 57. This is a decrease of \$902,000 from the amount estimated in the Governor's Budget.

Cannabis

The Administration was in the process of developing a more detailed plan, including establishing workgroups tasked with building a foundation and infrastructure for the transition. However, this process was interrupted by the COVID-19 pandemic, requiring a delay in the consolidation as planned. Instead of initiating this change through the May Revision, the Administration will release details of a proposed consolidation in the 2021-22 Governor's Budget.

In light of the delayed cannabis consolidation effort, the May Revision includes special fund proposals from each of the licensing entities to address expiring limited-term funding and positions. These proposals include \$68.2 million for the Department of Consumer Affairs, Bureau of Cannabis Control, \$20.8 million for the Department of Public Health, and \$54.8 million for the Department of Food and Agriculture to continue cannabis licensing and enforcement activities, as well as make improvements to enforcement including, but not limited to, proposed statutory changes to shift sworn investigators from the Department of Consumer Affairs' Division of Investigations to its Bureau of Cannabis Control.

Updated Allocation of the Cannabis Tax Fund

The Budget estimates \$296.9 million will be available for these purposes in 2020-21, and the structure of these allocations is unchanged from 2019-20:

- Youth education, prevention, and early intervention and treatment and school retention—60 percent (\$178.1 million)
- Environmental protection—20 percent (\$59.4 million)
- Public safety-related activities—20 percent (\$59.4 million)

These figures reflect a total reduction of \$35.9 million compared to the Governor's Budget estimate due to lower than expected tax receipts as result of the COVID-19 pandemic.

Property Tax

Preliminary data show statewide property tax revenues increased 5.8 percent in 2019-20, which is 0.6 percentage point lower than the 6.4-percent growth rate anticipated at the Governor's Budget. California counties committed to cancel penalties and charges related to late payments that may arise due to hardships arising from COVID-19, which is reflected in the 2019-20 preliminary data.

Property tax revenues are expected to grow 3.5 percent in 2020-21, which is 2.2 percentage points lower than the 5.7-percent growth expected at the Governor's Budget due to increased delinquencies, which typically rise in a recession. Approximately 42 percent (\$32 billion) of 2020-21 property tax revenues will go to K-14 schools.

While this amount includes \$2.3 billion that schools are expected to receive in 2020-21 due to the dissolution of redevelopment agencies, it excludes the \$9.4 billion shifted from schools to cities and counties to replace Vehicle License Fee (VLF) revenue losses stemming from the reduced VLF rate of 0.65 percent.

On May 6, an executive order was issued waiving penalties for property taxes paid after April 10 for residential property and small business taxpayers who demonstrate they have experienced financial hardship through May 6, 2021. The executive order also extended the deadline for certain businesses to file Business Personal Property Statements through May 31, 2020, to avoid penalties.

Executive Orders and Actions

Governor Gavin Newsom has not only issued a number of executive orders addressing a variety of issues in response to the COVID-19 pandemic, but he is also holding press releases almost daily holding press releases and making actions on COVID-19.

Executive Orders and Actions Timeline

- Governor Gavin Newsom launched California Connected, the state's comprehensive contact tracing program and public awareness campaign. (5/22/2020)
- Governor Gavin Newsom issued an executive order addressing a variety of issues in response to the COVID-19 pandemic, including easing the strain on domestic violence service providers by waiving the 10 percent cash or in-kind matching requirements for state grants awarded to these organizations. The order also waives the deadline to verify grade point average and waives certain certification requirements and selective service registration verification for Cal Grant applicants.
The order suspends programmatic deadlines for entities that receive funding from the Energy Commission for the development and deployment of new technologies that support the state's clean energy and decarbonization goals. In addition, the order extends the timeframe for local governments to submit claims for reimbursement to the State Controller's Office. (5/19/2020)
- As a result of California scaling up its COVID-19 testing capacity in recent weeks, Governor Newsom announced that more than 1 million diagnostic tests for the virus have been conducted statewide. (5/12/2020)
- Governor Newsom issued an executive order extending some critical deadlines that have been impacted by the COVID-19 pandemic. (5/8/2020)
- Governor Newsom issued an executive order to ensure that Californians can exercise their right to vote in a safe and accessible manner during the General Election this November. (5/8/2020)
- The state released updated industry guidance – including for retail, manufacturing and logistics – to begin reopening with modifications that reduce risk and establish a safer environment for workers and customers. (5/7/2020)
- The state launched an interactive website to help Californians find COVID-19 community testing sites near them. (5/6/2020)
- Governor Newsom issued an executive order waiving penalties on property taxes for residents and small businesses experiencing economic hardship based on COVID-19 and extending deadline for filing property tax statements. (5/6/2020)
- Governor Newsom issued an executive order that creates a time-limited rebuttable presumption for accessing workers' compensation benefits applicable to Californians who must work outside of their homes during the stay at home order. (5/6/2020).
- Governor Newsom issued an executive order that temporarily broadens the capability of counties to enroll persons into the California Work Opportunity and Responsibility to Kids (CalWORKs) program using various eligibility verification methods due to social distancing requirements. (5/1/2020)
- Governor Newsom issued an executive order allowing adults to obtain marriage licenses via videoconferencing rather than in person amidst the COVID-19 pandemic. (4/30/2020)
- California launched covid19.ca.gov/childcare to provide convenient access to safe and reliable child care options for working parents, including essential workers and vulnerable populations. (4/30/2020)
- The Governor announced that that CalFresh recipients will receive the maximum benefits for the month of May and families with children eligible for free or reduced price meals are eligible to

receive additional support thanks to the Pandemic Emergency Benefits Transfer Program (P-EBT). (4/29/2020)

- Philanthropy committed to a \$15 million campaign to fund Farm to Family program through the end of the year. (4/29/2020)
- The state expanded its Farm to Family program to help meet the growing demand at California food banks. (4/29/2020)
- California is mobilizing more than 1,000 callers through the Social Bridging Project to proactively reach out to older Californians who are isolating at home. (4/24/2020)
- The state is expanding Friendship Line California to provide statewide support to lonely and isolated older Californians. (4/24/2020)
- California is launching a first-in-the-nation program that will enlist community restaurants to prepare and deliver meals to older Californians who are isolating at home during California's stay at home order. (4/24/2020)
- Governor Newsom issued an executive order addressing a variety of issues in response to the COVID-19 pandemic including extensions for customers on several Department of Motor Vehicles deadlines and suspension of late fees for expired vehicle registrations. (4/23/2020)
- Governor Newsom issued an executive order giving flexibility to the California Department of Health Care Services (DHCS) and Medi-Cal providers on a variety of deadlines and requirements to ensure continuity of service to patients and customers. (4/23/2020)
- Governor Newsom issued an executive order to empower schools to focus on responding to COVID-19 and to provide transparency to their communities. (4/23/2020)
- Governor Newsom issued an executive order to stop debt collectors from garnishing COVID-19-related financial assistance. (4/23/2020)
- Governor Newsom announced that most private student loan servicers have agreed to provide payment and other relief to borrowers, including more than 1.1 million Californians with privately held student loans. (4/23/2020)
- California Volunteers' launched the #CaliforniansForAll service initiative to connect Californians with safe volunteer opportunities and encourage those unable to physically volunteer to think creatively about ways to make a difference in their communities. (4/21/2020)
- The state secured commitments from companies, business leaders, and philanthropists to provide Internet access for hundreds of thousands of households and laptops, Chromebooks, and tablets for over 70,000 students. (4/20/2020)
- The California Public Utilities Commission is making \$30 million available to help school districts ensure that families have Internet access and computing devices for distance learning. (4/20/2020)
- The California State Transportation Agency is partnering with the City of Sacramento to convert and deploy seven transit buses to be used as super hotspots. (4/20/2020)
- California negotiated master agreement template with Motel 6 which counties can now use to access these facilities for Project Roomkey. (4/18/2020)
- Governor Newsom issued an executive order allowing temporary waivers to certain foster youth programs to ensure continuity of care in response to COVID-19. (4/17/2020)
- Governor Newsom established a state Task Force on Business and Jobs Recovery to chart a path forward on recovery in the wake of COVID-19. (4/17/2020)
- Governor Newsom issued an executive order addressing upcoming admissions criteria for the CSU system, background checks for essential workers, and deadline extensions to real estate licenses and more. (4/17/2020)
- Governor Newsom issued an executive order increasing health and safety standards by permitting workers at food facilities to wash their hands every 30 minutes, or as needed. (4/16/2020)
- Governor Newsom issued an executive order to give two weeks of supplemental paid sick leave to certain food sector workers if they are subject to a quarantine or isolation order or medical directive. (4/16/2020)

- Philanthropic partners committed to raising a \$50 million to support undocumented Californians. (4/15/2020)
- California invested \$75 million in statewide Disaster Relief Assistance funding to provide financial support for immigrant workers affected by COVID-19. (4/15/2020)
- The Employment Development Department is implementing a one-stop shop for those applying for Pandemic Unemployment Assistance, including the self-employed and independent contractors. (4/15/2020)
- The state launched a new initiative to expand call center hours at the Employment Development Department to better assist Californians with unemployment insurance applications. (4/15/2020)
- Governor Newsom signed an executive order to address the release and reentry process at the Division of Juvenile Justice (DJJ) so that eligible youth serving time at DJJ can be discharged safely and expeditiously. (4/14/2020)
- Governor Newsom outlined six critical indicators California will consider before modifying the stay-at-home-order and other COVID-19 interventions. (4/14/2020)
- California invested \$42 million to protect younger Californians who are at heightened risk for abuse and mistreatment due to COVID-19. (4/13/2020)
- Governor Newsom announced the release of \$100 million to support child care services, and to support child care providers who are stepping up to serve essential infrastructure workers and vulnerable populations and their children. (4/10/2020)
- The USNS Mercy is taking non-COVID-19 patients to help decompress skilled nursing facilities in the Los Angeles area. (4/10/2020)
- California is providing stipends to certified nurse assistants, licensed vocational nurses and other critical staff at nursing homes to make sure their needs are met. (4/10/2020)
- The state created a program to provide doctors, nurses and other critical front-line health care workers access to no-cost or low-cost hotel rooms. (4/9/2020)
- California is partnering with United Airlines, which will provide free, round-trip flights for volunteer medical professionals from across California and the country who join the state's health care workforce. (4/9/2020)
- The state will begin implementing new federal benefit payments of \$600 on top of the weekly benefit received by California workers as part of the new Pandemic Additional Compensation (PAC) initiated by the CARES Act. (4/9/2020)
- Governor Newsom issued an executive order that provides additional support for older adults and vulnerable young children. (4/7/2020)
- Governor Newsom issued an executive order to help the state procure necessary medical supplies to fight COVID-19. (4/7/2020)
- California's Surgeon General released new stress management playbooks for individuals, caregivers and kids. (4/7/2020)
- California published a consolidated page of helplines and resources for those experiencing stress, anxiety or depression, facing substance abuse disorders, violence at home, or seeking to protect child welfare and address child abuse or neglect. (4/7/2020)
- California secured 4,613 additional beds to fight COVID-19 and is aggressively planning for a surge in hospitalizations in the coming weeks, aiming to add 50,000 beds to our existing hospital capacity of nearly 75,000 beds. (4/6/2020)
- The Governor created a COVID-19 Testing Task Force, a public-private collaboration that will work with stakeholders to rapidly boost testing capacity. (4/4/2020)
- California launched a new website, covid19supplies.ca.gov, to allow individuals and companies to donate, sell or offer to manufacture 13 of the most critical medical supplies including ventilators, N95 respirators and testing materials. (4/4/2020)
- Governor Newsom issued an executive order allowing health care providers to use video chats and applications to provide health services without risk of penalty. (4/3/2020)

- Governor Newsom signed an executive order expanding consumer protection against price gouging on critical items, such as food and medical supplies, during the COVID-19 crisis. (4/3/2020)
- The state is securing thousands of isolation rooms in hotels and motels through Project Roomkey, for extremely vulnerable individuals experiencing homelessness, to help flatten the curve & preserve hospital capacity. (4/3/2020)
- California is the first state in the nation to secure FEMA approval for 75 percent federal cost-share for housing vulnerable individuals experiencing homelessness. (4/3/2020)
- Governor Newsom signed an executive order that will restrict water shutoffs to homes and small businesses while the state responds to the COVID-19 pandemic. (4/2/2020)
- The state is providing \$50 million in loan guarantees for small businesses that may not be eligible for federal relief. (4/2/2020)
- California is also allowing small businesses to defer payment of sales and use taxes of up to \$50,000, for up to 12 months. (4/2/2020)
- Governor Newsom announced \$17.8 million in new state initiatives to support California workers impacted by COVID-19. The allocation will come from Workforce Innovation and Opportunity Act funds with \$7.8 million going to the Los Angeles region and \$10 million made available statewide. (4/2/2020)
- California is partnering with Google, which will be donating Chromebooks and will fund the use of 100,000 donated mobile hotspots to provide free and unlimited high-speed Internet connectivity for the remainder of the school year. (4/1/2020)
- The Governor issued an executive order expediting the use of funds to support the state's continuing efforts to protect public health and respond to the COVID-19 crisis. (4/1/2020)
- The state developed an agreement between teachers, classified employees, school boards, superintendents, and principals to work together to provide distance learning to California's students as a result of physical school closures due to mitigation efforts against the COVID-19 outbreak. (4/1/2020)
- California launched a statewide hotline (833-544-2374) and call center in partnership with 2-1-1 to connect older Californians with essential services like food and medication. (3/31/2020)
- Governor Newsom called for community members to check in on senior neighbors, friends, and family as part of the 'Stay Home. Save Lives. Check In.' (3/31/2020)
- The state is urging local non-profits and faith-based organizations to call to check in on all of the older Californians in their networks. (3/31/2020)
- In partnership with AARP, the state is sending a mailer to every older Californian with information and resources to adapt to the stay at home order. (3/31/2020)
- Governor Newsom issued an executive order to expand the health care workforce and staff at least an additional 50,000 hospital beds needed for the COVID-19 surge. (3/30/2020)
- The state launched the California Health Corps— health care professionals with an active license, public health professionals, medical retirees, medical and nursing students, or members of medical disaster response teams in California are all encouraged to join and staff the surge in COVID-19 patients. (3/30/2020)
- Governor Newsom signed an executive order providing relief to small businesses— it includes a 90-day extension in state and local taxes and extends licensing deadlines and requirements for a number of industries. (3/30/2020)
- The state secured partnerships with leading digital and media platforms, businesses and celebrities from across the state on the COVID-19 public awareness campaign. (3/29/2020)
- The Governor issued an executive order banning the enforcement of eviction orders for renters affected by COVID-19 through May 31, 2020. (3/27/2020)
- The Governor issued an executive order enabling the Chief Justice to take emergency actions for the state's courts to be able to conduct business during the COVID-19 pandemic. (3/27/2020)

- Governor Newsom secured a major financial relief package – financial institutions will provide a 90-day grace period for mortgage payments and will not negatively impact credit reports for Californians accessing payment relief. (3/25/2020)
- The Governor issued an executive order directing the California Department of Corrections and Rehabilitation to temporarily halt intake of inmates and youth into the state’s 35 prisons and four youth correctional facilities. (3/24/2020)
- The state is moving to videoconferencing of all scheduled parole suitability hearings starting next month. (3/24/2020)
- California awarded \$100 million to cities, counties and continuums of care to help people experiencing homelessness during the COVID-19 pandemic. (3/23/2020)
- California State Parks is working closely with local county and public health officials to modify park operations by closing vehicular traffic at some park units to reduce the density of visitors. (3/23/2020)
- The state secured a presidential Major Disaster Declaration, which makes federal funding available to state, tribal and local governments for emergency protective measures, including direct federal assistance, and makes funding available for crisis counseling for impacted individuals. (3/22/2020)
- California requested and received Personal Protective Equipment from the Strategic National Stockpile. (3/21/2020)
- The state is leasing two hospitals to increase availability of beds for COVID-19 patients. (3/21/2020)
- California is directing more than \$42 million in emergency funding to expand California’s health care infrastructure and secure equipment and services to support California’s response to COVID-19. (3/21/2020)
- The Governor issued an executive order giving the state the ability to increase the health care capacity in clinics, mobile health care units and adult day health care facilities. (3/21/2020)
- California launched a partnership Neighbor-to-Neighbor campaign with NextDoor and California Volunteers to safely deploy volunteers to help the most vulnerable Californians. (3/20/2020)
- The Governor activated close to 500 members of the California National Guard to help distribute food at food banks and protect California’s most vulnerable residents. (3/20/2020)
- The Governor issued an executive order to permit vote-by-mail procedures to be used in three upcoming special elections, protecting public health and safety during the COVID-19 outbreak. (3/20/2020)
- The California Department of Human Resources issued directives to departments on how to manage the state workforce to keep employees safe while continuing to provide Californians critical support and services. (3/19/2020)
- The Department of Food and Agriculture published a resource page for the agricultural sector. (3/19/2020)
- The Governor requested immediate deployment of the USNS Mercy Hospital Ship to the Port of Los Angeles to decompress the state’s health care delivery system in Los Angeles. (3/19/2020)
- The state requested federal assistance to supplement California’s efforts to prepare for a COVID-19 surge. (3/19/2020)
- The Governor issued a stay-at-home order to protect the health and well-being of all Californians and slow the spread of COVID-19. (3/19/2020)
- The Department of Motor Vehicles cancelled behind-the-wheel drive tests, suspended extended office hours and moved to appointment-only service for transactions requiring an in-person visit. (3/18/2020)
- California launched a consumer-friendly website and public service announcements to boost COVID-19 awareness. (3/18/2020)

- The Governor issued an executive order providing flexibility to local governments to spend their emergency homelessness funding on immediate solutions tailored to combatting COVID-19 and its impacts on the homeless population. (3/18/2020)
- The Governor directed the first allocation of the \$500 million in emergency funding recently authorized by the Legislature for COVID-19 related activities – \$150 million for local emergency homelessness actions. (3/18/2020)
- California is securing 1,309 travel trailers and hundreds of hotels rooms to provide immediate housing options for those most at risk. (3/18/2020)
- The Governor issued an executive order to ensure Californians who rely on Medi-Cal, CalFresh, CalWORKS, Cash Assistance for immigrants and in-home supportive services will not lose access due to COVID-19. (3/18/2020)
- The Governor issued an executive order to suspend standardized testing to focus on the mental and socioemotional well-being of students. (3/18/2020)
- The Governor placed the National Guard on alert to support COVID-19 community readiness. (3/17/2020)
- The state secured SBA disaster assistance for California small businesses economically impacted by COVID-19. (3/17/2020)
- The state removed barriers to make it easier for California to quickly and effectively provide care to about 13 million Medi-Cal beneficiaries and expand telehealth options. (3/17/2020)
- The Governor issued an executive order to ensure vital goods can be delivered to California retailers in a timely manner during the COVID-19 outbreak. (3/17/2020)
- The Governor requested and signed emergency legislation providing up to \$1 billion in funding to help California fight COVID-19. (3/17/2020)
- California released guidance and resources for schools to plan and implement distance learning and school meal delivery. (3/17/2020)
- State health and emergency officials directed bars and clubs to close and restaurants to open only for drive-through or pick-up/delivery. (3/17/2020)
- The state issued guidance for vulnerable Californians– older residents (65+) and those with underlying health conditions – to isolate at home. (3/16/2020)
- The Governor issued an executive order to protect the health and safety of Californians most vulnerable to COVID-19 residing at health care, residential and non-residential facilities licensed by the state. (3/16/2020)
- California Volunteers created a resource page on how Californians can safely help their communities during COVID-19. (3/16/2020)
- The Governor issued an executive order that authorizes local governments to halt evictions for renters and homeowners, slows foreclosures, and protects against utility shutoffs for Californians affected by COVID-19. (3/16/2020)
- The Department of Motor Vehicles is allowing customers to avoid coming into the DMV office for 60 days so that at-risk populations can avoid required visits and practice social distancing. (3/16/2020)
- EDD is encouraging employers who are experiencing a slowdown in their businesses or services as a result of the outbreak’s impact on the economy to apply for an Unemployment Insurance work sharing program. (3/13/2020)
- In partnership with federal and local government, California managed the safe disembarkation and treatment of passengers from the Grand Princess cruise ship. (3/13/2020)
- Californians unable to work because they are caring for an ill or quarantined family member can file a Paid Family Leave. (3/13/2020)
- The California Employment Development Department (EDD) is encouraging individuals who are unable to work due to exposure to COVID-19 to file a Disability Insurance claim. (3/13/2020)
- The Franchise Tax Board is providing a 90-day extension to file California tax returns for taxpayers affected by the COVID-19 pandemic. (3/13/2020)

- Caltrans launched a statewide educational campaign on more than 700 electronic highway signs, urging all Californians to be more diligent about containing the spread of the virus. (3/13/2020)
- The Governor issued an executive order to ensure schools retain state funding even in the event of a COVID-19 physical closure. (3/13/2020)
- The Governor issued an executive order removing the waiting period for unemployment and disability insurance for Californians who lose work as a result of the COVID-19 outbreak and readying the state to commandeer hotels and medical facilities. (3/12/2020)
- The state is allowing local and state legislative bodies to hold meetings via conference calls while still meeting state transparency requirements. (3/12/2020)
- The state directed mass gatherings be postponed or cancelled to slow the spread of the virus. (3/11/2020)
- The California Business, Consumer Services and Housing Agency released guidance for homeless assistance providers in the state. (3/10/2020)
- California obtained approval to provide meal service during school closures to minimize potential exposure to COVID-19. (3/7/2020)
- California activated the State Operations Center and the Medical and Health Coordination Center to coordinate response efforts across the state. (3/6/2020)
- 24 million more Californians were made eligible for free medically necessary COVID-19 testing. (3/5/2020)
- The Governor declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19. (3/4/2020)
- California made available some of its emergency planning reserves of 21 million N95 filtering facepiece masks for use in certain health care settings to ease shortages of personal protective equipment. (3/3/2020)
- The state secured COVID-19 test kits from the CDC to help get results sooner, identify and treat cases and trace potential exposure. (2/28/2020)
- The California Department of Public Health is coordinating with federal authorities and local health departments that have implemented screening, monitoring and, in some cases, quarantine of returning travelers. (Ongoing)
- The California Department of Public Health's state laboratory in Richmond and 21 other public health department laboratories are testing for the virus that causes COVID-19. (Ongoing)
- The state's public health experts are providing information, guidance documents, and technical support to local health departments, health care facilities, providers, schools, universities, colleges, elder care and congregate living facilities, childcare facilities and homeless shelters across California. (Ongoing)
- The state is piloting Community Based Testing Sites for high-risk individuals in partnership with Verily. (Ongoing)

Public Banking and Banking Issues

AB 857 (Chapter 442, Statutes of 2019)

On October 2, 2019, Governor Newsom signed AB 857 (Chapter 442, Statutes of 2019). The bill established a process for a local agency to apply for a public bank charter from the Department of Business Oversight. The bill specified that a local agency would need to meet the same general requirements and approval criteria as existing law requires of a private sector applicant for a banking license, including obtaining deposit insurance provided by the Federal Deposit Insurance Corporation. The bill authorized the Commissioner of Business Oversight to promulgate regulations for the purpose of carrying out the Commissioner's duties under the new law.

Under the proposed bill and existing law, both the DBO and FDIC would provide routine supervision and examinations of a public bank to evaluate the nature of the bank's operations, the adequacy of the bank's internal controls and its internal audit function, and the bank's compliance with laws and regulations. If weaknesses are identified, the regulators have tools to correct deficiencies in the bank's risk management practices and address weaknesses in the bank's operations.

A public bank may engage in banking activities, including infrastructure lending, wholesale lending, participation lending, and certain retail activities. A public bank may not compete with local financial institutions or engage in certain retail activities without partnering with a local financial institution. The DBO is prohibited by law from licensing more than two public banks per calendar year and more than ten public banks in total.

To expedite the rulemaking process, the Commissioner intends to issue regulations in phases. The first phase will focus on general definitions and application requirements. This will enable the Commissioner to provide guidance on those areas, which are most immediately relevant to stakeholders and enable implementation of the law as timely as possible.

Subsequent rulemaking phases will address areas that are specific to licensees, which may need clarification in the context of public banks, including examination and reporting requirements and collateralization of local agency deposits. The Commissioner requested input from stakeholders in March 2020 in order to develop regulations to clarify certain definitions and the application requirements to organize and establish a public bank pursuant to Financial Code section 1020.

Other Legislation

AB 2501 (Limon) Provides for temporary forbearance and affordable post-forbearance repayment options for borrowers facing financial hardship during the COVID-19 emergency and 180 days thereafter, related to mortgages, automobile financing, PACE assessment contracts, and deferred deposit transactions, as specified. The bill passed the Assembly Banking and Finance Committee on May 20th, and has been referred to the Assembly Appropriations Committee.

AB 2463 (Wicks) This bill which is sponsored by the California Low-Income Consumer Coalition, would end the ability of creditors to use unsecured consumer debts, such as credit card, medical, and student loan debt, as devices to force the sale of debtors' homes. The bill will be heard in the Assembly Judiciary Committee on May 27th.

Request to Continue Critical 1115 Federal Waiver

The HEROES Act includes provisions that would extend California's 1115 Medicaid waiver through December 31, 2021, as well as language that would bar the U.S. Department of Health and Human Services from implementing the Medicaid Fiscal Accountability Rule. CSAC continues to express their support for these provisions with Congress and urges the California Congressional Delegation to assist in requesting an extension to the state's current Section 1115 and 1915(b) waivers.

COVID-19 Bills

AB 196 (Gonzalez) Worker's Compensation for Essential Workers

AB 196 would ensure that essential workers who contract COVID-19 are not subject to the burdens of proof, denials, or delays in accessing worker's compensation benefits. The bill would provide a conclusive presumption for the purposes of worker's compensation that the coronavirus was contracted

by the essential worker, as defined, at work for injuries on or after March 1st 2020. Certain essential workers granted a conclusive presumption by AB 664 (Cooper and Gonzalez) would not be included under AB 196. This protection would extend to the employee for 90 days after termination. The bill is currently in the Senate Labor, Public Employment and Retirement Committee.

AB 664 (Cooper) Workers' compensation: injury: communicable disease

This bill would define "injury," for certain state and local firefighting personnel, peace officers, certain hospital employees, and certain fire and rescue services coordinators who work for the Office of Emergency Services to include being exposed to or contracting, on or after January 1, 2020, a communicable disease, including coronavirus disease 2019 (COVID-19), that is the subject of a state or local declaration of a state of emergency that is issued on or after January 1, 2020. The bill would create a conclusive presumption, as specified, that the injury arose out of and in the course of the employment. The bill would apply to injuries that occurred prior to the declaration of the state of emergency. The bill would also exempt these provisions from the apportionment requirements. This bill would declare that it is to take effect immediately as an urgency statute. This bill was amended on April 17th, and referred to the Senate Labor, Public Employment and Retirement. The County will join CSAC to oppose the bill.

AB 828 (Ting) Temporary moratorium on foreclosures and unlawful detainer actions: coronavirus (COVID-19)

This bill would prohibit a person from taking any action to foreclose on a residential real property while a state or locally declared state of emergency related to the COVID-19 virus is in effect and until 15 days after the state of emergency has ended, including, but not limited to, causing or conducting the sale of the real property or causing recordation of a notice of default. This bill would require a tax collector to suspend the sale, and not attempt to sell, tax-defaulted properties while a state or locally declared state of emergency related to the COVID-19 virus is in effect and until 15 days after the state of emergency has ended. This bill is currently in the Senate Rules Committee.

AB 860 (Berman) Elections: vote by mail ballots

This bill would require county elections officials to mail a ballot to every registered voter for the November 3, 2020 statewide general election. By requiring county elections officials to mail a ballot to every registered voter, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill is currently in the Senate Rules Committee.

AB 1107 (Chu) Unemployment benefits: temporary additional benefits

Under existing law, unemployment compensation benefits are based on wages paid in a base period that is calculated according to the month within which the benefit year begins. Existing law provides that a weekly unemployment compensation benefit amount may be paid to an individual whose highest wages in the quarter of their base period exceeded \$900, but a weekly benefit amount shall not exceed \$450. This bill would, until March 1, 2021, instead provide that once the temporary federal unemployment increase due to the COVID-19 outbreak has ceased, an individual's weekly benefit amount would be increased by \$600, notwithstanding the weekly benefits cap. Because this bill would expand the scope of payments from the Unemployment Disability Compensation Fund, which is continuously appropriated, it would make an appropriation. This bill was amended on April 22nd and has been referred to the Senate Labor, Public Employment and Retirement.

AB 2043 (Rivas) Occupational safety and health: agricultural employers and employees: COVID-19 response.

This bill requires the Occupational Safety and Health Standards Board by February 1, 2021, to develop standards for coronavirus infection prevention in agriculture and directs the Division of Occupational Safety and Health to disseminate health and safety guidance to agricultural employers and conduct a targeted outreach campaign to employees. This bill passed the Assembly Labor and Employment Committee and has been referred to the Assembly Appropriations Committee.

AB 2406 (Wicks) Homeless Accountability and Prevention Act: rental registry online portal

The bill establishes the Homeless Accountability and Prevention Act which requires the Department of Housing and Community Development (HCD) to create an online rental registry of properties which received state or federal rental assistance provided in response to the COVID-19 state of emergency. The bill passed the Assembly Housing and Community Development Committee and has been referred to the Assembly Appropriations Committee.

AB 2992 (Weber) Employment practices: leave time

Expands leave protections afforded to an employee who is a victim of domestic violence, sexual assault, or stalking to an employee who is a victim of a crime, as specified, and to an employee whose immediate family member is deceased as a direct result of a crime. The bill passed the Assembly Labor and Employment Committee and has been referred to the Assembly Appropriations Committee.

AB 3216 (Kalra) Employee leave: authorization: coronavirus (COVID-19)

This bill expands leave and job protections for employees during a state of emergency, including leave under the California Family Rights Act (CFRA), paid sick leave, and return rights for laid-off workers. The bill passed the Assembly Labor and Employment Committee and has been referred to the Assembly Appropriations Committee.

SB 915 (Leyva) Mobilehome parks: emergency relief: coronavirus (COVID-19)

This bill temporarily prohibits mobilehome parks from evicting residents who timely notify park management that they have been impacted, as defined, by COVID-19. The bill further mandates that mobilehome parks give such COVID-19-impacted residents at least a year to comply with demands to repay outstanding rent, utilities or other charges, as well as up to a year to cure violations of park rules and regulations. The bill passed the Senate Judiciary Committee and has been referred to the Senate Appropriations Committee.

SB 932 (Wiener) Communicable diseases: COVID-19: data collection

Requires the Department of Public Health, and each local health officer, to collect data relating to the sexual orientation and gender identity of individuals who are diagnosed with COVID-19. The bill is set to be heard in the Senate Appropriations Committee on June 1st.

SB 939 (Wiener) Emergencies: COVID-19: evictions

This bill establishes, for all commercial tenants, a temporary moratorium on evictions for the duration of the COVID-19 related state of emergency, and a yearlong period in which to make up rental payments missed during that state of emergency. In addition, for specified businesses that have been especially impacted by the public health protocols resulting from the COVID-19 pandemic, including restaurants and bars, the bill creates procedures for renegotiating or terminating existing leases that were based on

pre-COVID-19 expectations. The bill contains an urgency clause. The bill passed the Senate Judiciary Committee and has been referred to the Senate Appropriations Committee.

SB 943 (Chang) Paid family leave: school closures: COVID-19

Authorizes the use of Paid Family Leave benefits, until June 1, 2021, for individuals who need to take time off work to care for a minor child whose school has been closed due to the COVID-19 virus outbreak or is caring for a special needs child or adult, or both, due to the outbreak if all the following are met: The individual has made a claim for temporary disability benefits as required by authorized regulations; The individual has filed a certificate, as required by Sections 2708 and 2709; The individual's employer employs 500 or more employees or fewer than 50 employees.

The bill also specifies that any additional costs associated with the extension of Paid Family Leave to persons who take time off work for the purposes of this bill must be paid from the General Fund, upon appropriations by the Legislature. The bill includes an urgency clause making the measure take effect immediately in order to address the unprecedented closure of schools due to the COVID-19 virus outbreak and the need to care for minor children as well as children and adults with special needs who cannot attend school. The bill is set to be heard in the Senate Appropriations Committee on June 1st.

SB 1159 (Hill) Workers' compensation: COVID-19: critical workers

The bill creates, until an unspecified period of time, a rebuttable presumption that an illness or death related to COVID-19 is an occupational injury for the purposes of the California workers' compensation system. The bill also extends the presumption described above to essential workers, and states the intent of the Legislature to identify explicitly the applicable group of workers in order to ensure that they receive all necessary health care through the workers' compensation system. The bill is set to be heard in the Senate Appropriations Committee on June 1st.

SB 1276 (Rubio) The Comprehensive Statewide Domestic Violence Program

Current law requires the Office of Emergency Services to provide financial and technical assistance to local domestic violence centers in implementing specified services. Current law authorizes domestic violence centers to seek, receive, and make use of any funds that may be available from all public and private sources to augment state funds and requires centers receiving funds to provide cash or an in-kind match of at least 10% of the funds received. This bill would remove the requirement for centers receiving funds to provide cash or an in-kind match for the funds received. The bill is set to be heard in the Senate Public Safety Committee on May 27th.

SB 1383 (Jackson) Employees: time off.

The bill removes the employee size threshold (25 or more employees) to apply the Family School Partnership Act to all employers. Additionally authorizes an employee to take time off work to attend to an emergency school closure pursuant to a state of emergency declaration by federal, state, or local government agency if the employee gives notice to the employer. Specifies that time off taken for a childcare provider or school emergency (including a school closure) shall not be limited to 40 hours and may be extended to the duration of the emergency. The bill is set for hearing in the Senate Appropriations Committee on June 1st.

SB 1410 (Gonzalez) Rental assistance: COVID-19 Emergency Rental Assistance Program

The bill would deem a household eligible for rental assistance payments under the program if the household demonstrates an inability to pay all or any part of the household's rent due between April 1, 2020, and December 31, 2020, due to COVID-19 or a response to COVID-19, as specified, and the owner of the dwelling unit consents to participate in the program. The bill would require the Department of Housing and Community Development to develop a process for an administering entity, as defined, to confirm whether a household demonstrates an inability to pay rent, as provided, and develop a process to obtain the owner's consent to participate in the program. The bill is set to be heard in the Senate Housing Committee on May 26.

CSB Position Bills 2020

AB 3214 (Limon) Oil and gas: oil spills: financial security, fines, and penalties

Doubles the certificate of financial responsibility (COFR) for tank and nontank vessels to ensure that vessels have adequate financial resources to pay cleanup and damage costs in the event of an oil spill. Doubles specified maximum and minimum financial penalties for specified violations, including failing to notify specified state and federal agencies of the discharge of oil and the discharging of oil into waters of the state. The bill passed the Assembly Natural Resources Committee on May 13th and has been referred to the Assembly Appropriations Committee. The County is in support of the bill.

SB 1064 (Jackson) Telecommunications: emergencies and natural disasters: critical communications infrastructure

This bill requires telecommunications providers to report specified information regarding the location and status of telecommunications infrastructure and performance of emergency alert messages to local and state emergency management offices. This bill also requires telecommunications providers to submit specified information about the performance of the Wireless Emergency Alert (WEA) system to the California Public Utilities Commission (CPUC). The County is in support of this bill. The bill is set to be heard in the Senate Energy, Utilities and Communications Committee on May 26th.

Conclusion

The Assembly reconvened on May 4th, while the Senate came back a week later on May 11th. The Governor has issued his May Revise on May 14th. The Legislature is quickly going through the Budget Subcommittee process where they review and propose edits to the Governor's revised budget. The Budget Bill must still be passed by midnight of June 15th.

We continue to work during the budget process to protect the County's share of CARES Act funding to secure realignment backfill and to address the 340B funding withdrawal. Meanwhile, due to COVID-19 altering the normal Legislative budget process, it does not appear that there is any agreement between the Senate, the Assembly or Governor on a process to resolve outstanding budget issues. It appears the Assembly will break for Summer Recess on June 19th, while the Senate does not break until July 3rd. It is not clear how many budget issues will be resolved by June 15th and the State Budget debate may spill into August.