



## Special Legislative Update ■ April 28, 2020

### Senate Now Indicates Members' Return Set for May 11

Although the Senate's home page continues to reflect a planned return date of May 4, Senate President pro Tempore Toni Atkins reported today that the upper house would return to Sacramento for business on May 11. That date follows by one week the Assembly's expected return. Plans for ensuring social distancing in floor session and hearings and for incorporating advocates' and other stakeholders' testimony in hearings continue to be considered. Senator Atkins promised more details regarding procedures prior to the Senate's return.

### Governor Provides Details for Staged Re-openings

At his noon press conference, Governor Newsom and his staff provided an overview of a four-stage process to relax California's stay-at-home order, culminating in elimination of the order. The Governor focused his remarks around businesses, schools, and child care facilities today. He suggested that schools consider the prospect of re-opening in late July or early August, with psychical and environmental changes in place. Please note that school start dates are subject to collective bargaining with all employee unions.

The Governor outlined four stages in his [Update to California's Pandemic Roadmap](#):

- Stage 1: safety and preparedness,
- Stage 2: lower risk workplaces,
- Stage 3: higher risk workplaces, and
- Stage 4: end of stay-at-home order.

California is currently in Stage 1 and is focused on increasing testing, contact tracing, personal protective equipment (PPE), and maintaining hospital surge capacity. Stage 1 activities also include continuing to make essential workplaces as safe as possible and proposing sectors-by-sector safety guidelines to expanded workforce.

The Governor stated he believes we are weeks – not months – away from transitioning to Stage 2. Stage 2 will include gradual reopenings with adaptations for lower risk businesses, including retail (curbside pick-up), manufacturing, offices (when telework is not possible), and opening more public spaces. The Administration's Stage 2 plan includes wage replacement so workers can stay

home when they are sick (i.e., paid sick leave). During Stage 2 schools would potentially start summer programs and start the school year earlier (July/August), and child care facilities would provide more care. Additionally, schools and child care facilities are expected to ensure students and staff are safe and protected.

The Administration (not localities) will make the decision to move from Stage 1 (where we are today) to Stage 2 (in several weeks) by modifying the stay-at-home order. They will be making the determination of when to transition between stages by monitoring hospitalization and ICU trend data, evaluating hospital surge capacity, and monitoring the sufficiency of PPE, testing, and contact tracing.

Stage 3, which is months away, will involve opening higher-risk environments with adaptations and limits on the size of gatherings. Examples include: personal care (hair and nail salons, gyms); entertainment venues (movie theaters, sports without live audiences); and in-person religious services (churches, weddings). Finally, in Stage 4, the state will re-open highest risk workplaces when all indicators have been met and once therapeutics have been developed; activities and venues in this category include concerts, convention centers, and live audience sports.

The Governor also provided updated health data at the press conference, including the following:

- Statewide deaths: yesterday there were 45; today there were 54.
- Statewide positive COVID-19 test results: yesterday there were 1,300; today there were 1,576.
- Statewide hospitalizations related to COVID-19: yesterday there was a 1.4% increase; today there was a 2.5% increase in hospitalizations related to COVID-19.
- Statewide ICU admissions related to COVID-19: ICU admissions remained relatively stable today as compared to yesterday.

The Governor also launched his Economic Recovery & Reinvention Listening Tour, hosting a digital conversation with workers, small businesses and employers focused on the crisis' impact on the retail sector and how they are dealing with the COVID-19 crisis, how they are adapting their businesses in the weeks and months ahead, and what opportunities they see to reinvent their business, industries, consumer habits, and our state's economy. The Governor will be hosting these conversations over the next few weeks.

### **Skilled Nursing Facility COVID Data Released**

The California Department of Public Health (CDPH) released updated [data](#) today on skilled nursing facilities (SNFs) and COVID-19 positive cases among staff and patients. Cumulatively, there have been 3,515 positive cases among patients and 2,323 positive cases among the health care workers at SNFs. Additionally, CDPH identifies 578 SNF patients who died from COVID-19 and fewer than 11 SNF staff who have died. CDPH clarified that the count is not comprehensive – not all facilities have reported. Statewide, slightly more than 1,800 Californians have died from COVID-19. CDPH is requiring all SNFs to report daily the number of residents and staff who test positive for COVID-19.

## **Work is Happening to Move the November Election to All-Mail**

A CalMatters [article](#) published today outlines discussions that are currently occurring with Secretary of State Alex Padilla, county elections officials, and other stakeholders about how California could move toward an all-mail election in November. While most California voters – 75 percent – already receive a ballot in the mail, efforts are underway to ensure that 100 percent of California voters can receive a ballot to provide an option to avoid in-person voting. Even if gatherings of individuals can occur safely by November (which the Governor has already indicated is unlikely), elections officials must begin planning for a modified approach soon. To that end, elections officials have sought an Executive Order from the Governor to authorize sending all registered voters a ballot and to dramatically scale back requirements for in-person voting opportunities. More to come on this important issue.

## **Moody's Analysis Suggests Federal Help to States is Necessary to Recovery**

A recent analysis from Moody's Investor Services suggests that states will be required to make dramatic budget reductions due to a loss of revenue associated with the COVID-19 economic shutdown; the analysis suggest that, even in a V-shaped recovery (where the economic rebound is quick), state revenues will lag the broader economy, forcing states to make significant budget adjustments. Moody's suggests that, generally, states will likely not see revenue recover to 2019 levels until 2024; specific state impacts will vary based on economic and revenue structures. States will need more direct assistance from the federal government to avoid deep budget cuts that could further harm their economies and delay recovery. From the report: "Indirect aid for states, including expanded unemployment benefits, direct cash transfers and funds for small businesses will also help mitigate the loss of tax revenue by maintaining personal income and consumption. Still, levels of direct fiscal aid for states enacted so far lag what was put in place in the last two recessions. To avoid budget cuts that themselves are counter-stimulative, a greater level of direct assistance will be necessary."

## **Two-Part Education Budget Subcommittee Focuses on Impacts of COVID-19**

Today, the Assembly Budget Subcommittee No. 2 on Education Finance convened today to address broad impacts of the pandemic on education funding as well as on student learning. The second part of the [agenda](#) explored child care for essential workers.

## **LAO Issues Report on Federal Fund Flow**

Today, the Legislative Analyst's Office published a [post](#) as part of its ongoing coverage of federal actions taken in the context of the pandemic. Today's report summarizes recent federal legislation and related action to allocate funding to states, including how various funding sources will be divided among various levels of governments in California.