



## Special Legislative Update ■ June 22, 2020

### **The Wait is Over: State Budget Deal Emerges**

After a weekend of relative quiet despite much behind-the-scenes speculation about when consensus would be reached on a state spending plan, [news broke](#) this morning that the Governor and Legislature have come to agreement on a 2020-21 budget deal. At the time of this writing, very few concrete details are known about the specific elements that are in (or out) of the final budget architecture. For now, our best intelligence includes the following:

- Trailer bill language will go into print possibly today but more likely tomorrow, meaning the package would – under the 72-hour in-print rule – be eligible for a vote on Friday. The Assembly recessed for its three-week summer break last Thursday, but members are expected to be called back to town for the budget vote.
- While we have been chasing rumors for most of today, confirmation on major pieces of the agreement remain elusive. However, we are near certain that a substantial amount of funding – possibly as much as \$1 billion – to stabilize county budgets in light of declines in Realignment revenues will be included in the final deal. No specifics can yet be verified in terms of allocation or potential ties to trigger cuts.
- Finally, during the Governor’s press availability today, he was asked during the Q&A period about the state budget agreement. He demurred on any specific details in the plan and instead responded by thanking the Legislature and stakeholders for their participation in the process. In particular, he extended his appreciation to county and city leaders for their guidance and counsel on homelessness and housing.

HBE will put out a detailed budget summary once budget trailer bill is in print and we’ve had an opportunity to thoroughly review the language. Thanks for your patience!

### **Governor Takes Opportunity to Remind Public about Being in First Wave of Pandemic, Ongoing Risks**

The Governor held one of his now occasional press conferences today during which he emphasized the point that California is not out of the first wave of the pandemic. He presented several data points, detailed below; encouraged Californians to wear facial coverings as well as continue social distancing and hand sanitation; and reminded those aged 65 and older to stay home. Among the key indicators the Governor highlighted:

- California has seen 46,735 new cases statewide in the past 14 days, which represents more than one-third (35.6%) of all cases reported since the beginning of the pandemic.
- The positivity rate for COVID-19 testing is slightly up – from 4.5% last week to 4.8% over the last 14 days.
- Hospitalizations have increased 16% in the last 14 days.
- Patients in Intensive Care Unit (ICU) beds have increased 11% over the last 14 days.
- Capacity remains in the health care system – in surge beds, ICU, and ventilator availability.

Secretary Mark Ghaly, MD, also noted that the state is now providing technical assistance to 11 counties — Fresno, Imperial, Kern, Kings, Los Angeles, Riverside, San Bernardino, San Joaquin, Santa Barbara, Stanislaus and Tulare. He noted the additions of Riverside and San Bernardino is related to increases in community spread and increased hospitalizations, with the potential to put pressure on ICUs and ventilators.

During the question and answer portion, the Governor was asked about how worried he was about the increase in cases. He responded that the state still has great capacity at alternative care sites: in hospitals, which have 93% capacity, and in ICU beds, which have about 71% capacity. The Governor also noted that the state anticipated that the number of cases would increase as the state reopened. He is “confident that they have run several scenarios” and have strategies ready, if necessary.