



Special Legislative Update ■ July 24, 2020

Newsom at Noon: Enhancing Protections for Essential Workers

Governor Newsom hosted a noon press update today, announcing his Administration's expanded efforts to protect essential workers during the time of COVID-19. He addressed the specific need to provide safe, temporary housing particularly for agricultural and farmworkers who are sick or have been exposed to the virus and are in need of space to isolate and quarantine. The state plans to allocate additional federal resources to local public health departments and community-based organizations to assist with these supportive services. This new program – Housing for the Harvest – will operate in regions with the highest number of agricultural workers, including the Central Valley, Central Coast, and Imperial Valley.

The Governor also described his efforts to streamline and simplify guidance for employers to support safe and clean work environments. More details on this effort as well as information on the Administration's other announcements regarding continued efforts to expand employee protections, enhanced outreach and education efforts, and strategic enforcement of workplace outbreaks can be reviewed [here](#).

DOF Reports June Cash on Target

The Department of Finance has released its [July Finance Bulletin](#), indicating that General Fund cash for 2019-20 is about \$1 billion above the 2020-21 Budget Act forecast. Cash receipts for June were \$1.054 billion above the month's forecast of -\$94 million, which includes a transfer out of \$9.5 billion of federal CARES Act funds that had been transferred to the state General Fund in April.

Personal income tax cash receipts for the entire 2020-21 fiscal year are \$662 million above the forecast of \$81.845 billion. Cash receipts to the General Fund in June were \$892 million above the month's forecast of \$5.353 billion. Withholding receipts were \$1 billion above the forecast of \$4.044 billion. Other cash receipts were \$477 million higher than the forecast of \$1.991 billion. Refunds issued in June were \$569 million above the expected \$585 million.

Sales and use tax cash receipts for the entire 2019-20 fiscal year are \$643 million above the forecast of \$25.426 billion. Cash receipts for June were \$683 million above the month's forecast of \$1.719 million. June cash includes the second prepayment for second quarter taxable sales.

Next month's Finance Bulletin will be particularly informative, given the delayed July 15 tax filing deadline.

Project Homekey Application Available

We previously shared information regarding Project Homekey, the state program that provides \$550 million in state Coronavirus Relief Fund/CARES Act funds and \$50 million in state General Fund for local agencies to acquire and rehabilitate a variety of housing types, including hotels, motels, vacant apartment buildings, and residential care facilities in order to serve people experiencing homelessness or who are also at risk of serious illness from COVID-19. This week, the California Department of Housing and Community Development (HCD) released the [application](#) for Project Homekey and opened the priority application period. Keep in mind that a pre-application conference is necessary prior to application. Visit HCD's Project Homekey website [here](#).

Medicaid Section 1115 Waiver Extension

The Department of Health Care Services released its [document](#) to request an extension of California's Section 1115 Medicaid waiver for one year. Elements of the request include:

- A one-year extension of nearly all elements of the existing waiver, including the Global Payment Program, Whole Person Care, Dental Transformation Initiative, Drug Medi-Cal Organized Delivery System, and PACE as an Alternative Delivery System in Select County Organized Health Systems.
- The state is **not** requesting an extension of the Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program; instead, the state is rolling PRIME into the Quality Improvement Program (QIP), which is outside the waiver.
- The ability to rollover funds from the existing demonstration year, if funds remain.
- A budget neutrality calculation, which requests excluding QIP and the Enhanced Payment Program (EPP) from the calculation and an assumption of significant savings from the transition of pharmacy from Medi-Cal managed care to fee-for-service.

Additionally, in coordination with the Medi-Cal 2020 12-month extension request, DHCS intends to submit a 12-month extension request for the existing [1915\(b\) Specialty Mental Health Services Waiver](#) to align the terms of the waivers.

Release of the document prompts a 30-day public comment period required by the Centers for Medicare and Medicaid Services (CMS). DHCS will host public hearings via webinar to solicit public comments on the following dates:

- Friday, August 7, 2020: 3:30 p.m. – 5 p.m. Register [here](#)
- Monday, August 10, 2020: 2 p.m. – 3:30 p.m. Register [here](#)

Stakeholders are also invited to submit written comments to 1115waiver@dhcs.ca.gov or to the physical address listed below through August 21, 2020:

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