Legislative Update ▪ September 18, 2020

A few notes from your UCC Team. First, we plan to launch a new e-newsletter format within the next month. So please stay tuned for that. Secondly, now that the Legislature is on its fall break, we will be moving to an occasional, as-needed publications schedule. However, we remain available to answer any questions you may have. Thank you!

First Round of Homekey Awards Announced

This week, Governor Gavin Newsom announced the first round of awards for Homekey; more than $76 million will fund 10 projects in seven counties to purchase and rehabilitate housing – including hotels, motels, vacant apartment buildings and other properties – and convert them into permanent, long-term housing for people experiencing or at risk of experiencing homelessness. Recall that Homekey includes $600 million in federal Coronavirus Relief Funds dedicated to cities, counties, and housing non-profits for purchase of properties prior to December 30, 2020. The first round of awards will fund 579 new housing units. For more information, visit the HCD Homekey homepage.

CDBG Deadline Extended for Homekey Recipients

The California Department of Housing and Community Development (HCD) announced that it will amend the Notice of Funding Availability (NOFA) for the Community Development Block Grant Coronavirus Response Round 1 (CDBG-CV1). The amendment will extend the deadline for those jurisdictions that received a reservation of Homekey funds to purchase property and are considering using federal funds for improvements to make the properties move-in ready. The amendment extends the application deadline only to jurisdictions contemplating use of federal funds for Homekey properties from September 1, 2020 to February 1, 2021. For more information, visit the HCD CDBG homepage.

Governor Signs Employee Protection Measures

In a virtual bill-signing ceremony this week, Governor Newsom signed three bills intended to provide new worker protections:

- AB 685 (Reyes) requires employers to provide written notice and instructions to employees who may have been exposed to COVID-19 at their worksite and enhances the Division of Occupational Health and Safety's (CalOSHA) ability to enforce health and safety standards to prevent workplace exposure to and spread of COVID-19.

- SB 1159 (Hill) codifies Governor Newsom's Executive Order on workers' compensation presumptions related to COVID-19 by creating a rebuttable presumption that illness or death related to COVID-19 is an occupational injury and therefore eligible for workers' compensation benefits.

- SB 1383 (Jackson) expands the scope of the California Family Rights Act (CFRA) to prohibit employers with five or more employees to refuse to grant an employee request to take up to 12 weeks of unpaid leave for family care and medical leave. Such leave includes caring for a grandparent, grandchild, sibling, or domestic partner who has a serious health condition and leave because of a family member's active military duty. SB 1383 also expands the scope of Pregnancy Disability Leave to require employers with five or more employees to allow an employee to take leave, to maintain and pay for the employee's health plan, and to provide reasonable accommodations.

Also this week, the California Occupational and Health Standards Board voted unanimously to approve the development of emergency regulations to protect employees from COVID-19, directing the CalOSHA staff to prepare a proposal for consideration by the Board at its November meeting, a quick turnaround for what will be a wide-ranging, potentially complex set of regulations. The Board's actions also started the process for developing permanent regulations on a longer time frame.

Healthy California for All Commission on Hold

The Newsom Administration informed the Healthy California for All Commission this week that its work and meeting schedule is being delayed until 2021 due to the pandemic and fire emergencies. The Commission's September 24 meeting has been cancelled; the Administration is targeting February 2021 to reconvene the group. Please note that the Commission is required to produce a report to the Legislature by February 2021; that report will necessarily be delayed. The Commission is charged with identifying major changes to the state's health care financing and delivery system and developing a plan to implement them.

Medicaid Fiscal Accountability Rule on Hold

In an unusual move, Seema Verma, Director of the Centers for Medicare and Medicaid Services (CMS), tweeted this week that the Trump Administration is pulling the Medicaid Fiscal Accountability Rule (MFAR) from the regulatory agenda. The rule has far-reaching consequences for how Medicaid is financed, including a narrowing of supplemental payments to providers. The proposed rule is not completely dead, however. Despite the tweet, CMS has technically placed the proposed rule on hold but has not withdrawn it. Consider this good news in the short term. The longer-term outlook is tied to the outcome of the November election.

County Realignment Backfill Updates

The State Controller's Office was expected to release the remaining $625 million of the Realignment backfill to counties on September 17. Per the language in SB 115, counties are required to utilize the funding within each of the four program areas (human services, health, behavioral health, and public safety) as noted in the Department of Finance's allocation document.

Under SB 115, counties also are required to submit a monthly certification form indicating compliance with COVID-19 public health orders; this form, which is still under development, will be due by October 1. Please check DOF's Realignment backfill website for updates.

DHCS Releases LTSS Report

The Department of Health Care Services (DHCS) released a report on long-term services and supports (LTSS) feasibility last week. The 2019 Budget Act authorized funding for DHCS to contract for a study of LTSS financing and services options. DHCS selected Milliman, a national actuarial firm, to prepare this study. The report explores the financial feasibility of using a public, time-limited long-term care insurance benefit for workers, funded through a payroll deduction. DHCS notes that the analysis, model design, and fiscal estimates were prepared independently by Milliman, and do not reflect proposals or commitments by the Administration.