

Thank you for subscribing to the Urban Counties of California (UCC) e-newsletter. Now that the 2021-22 legislative session is getting underway, we will return to a weekly newsletter publication schedule.



*Established in 1991, UCC serves as the representative voice for state legislative advocacy for high-population counties in California. Initially composed of seven counties, the association has grown to 14 today. Over 80 percent of the state's population reside in UCC counties. Consequently, urban counties carry out critical programs and services to the state's most vulnerable populations. For more information, including details on our Board of Directors, please visit [our website](#).*

## UCC Weekly News: January 7, 2021

### **State Legislators Scheduled to Return Next Week to Capitol**

As reported previously, members of the Legislature delayed by one week their return to Sacramento to begin the 2021-22 legislative session due to the current surge in COVID-19 cases. At the time of this writing, the houses are expected to be back in the Capitol – operating under strict social distancing rules and with very limited staff – on Monday, January 11.

The full Assembly budget committee is scheduled to hold an information hearing at 2:30 p.m. on Monday, featuring presentations by the Department of Finance and the Legislative Analyst; see the agenda [here](#).

### **Early Budget Announcements Focus on Pandemic Recovery**

Prior to tomorrow's official release of the proposed 2021-22 state budget, the Governor's Office has made a few announcements regarding current year budget proposals. In addition to last week's release of a plan to incentivize public schools to reopen this spring, Governor Newsom has announced two key pieces of his budget proposal, all of which will likely require early action by the Legislature.

First, the Administration is [proposing](#) an Equitable Recovery for California's Businesses and Jobs plan, which includes the business and workforce recovery elements of the Governor's proposed budget that are intended to help California through the COVID-19 pandemic and advance an equitable, broad-based recovery. The Governor will request immediate action by the Legislature to approve an additional \$575 million to the state's small businesses, in addition to the \$500 million already approved for the state's Small Business COVID-19 Relief Grant program. The program offers grants up to \$25,000 to micro and small businesses and non-profits that have been impacted by the pandemic. Of the new funds proposed, the Governor has requested that \$25 million be set aside for small cultural institutions, such as museums and art galleries.

The budget also includes ongoing investments to support small businesses of \$777.5 million, as follows:

- \$430 million for the California Competes Tax Credit, which incentivizes businesses to locate in California and create jobs, as well as a new CalCompetes grant program to support job creation and investments in infrastructure;

- \$100 million to extend the Main Street Small Business Tax Credit to encourage hiring new employees and rehiring former employees;
- Mitigating the SALT (state and local tax) deduction limitation for S-Corporation shareholders;
- \$35 million for the California Dream Fund to seed entrepreneurship and small business creation in underserved communities;
- \$50 million each for the California Infrastructure and Economic Development Bank's Small Business Finance Center to provide small business loan and disaster loan guarantees and for the California Rebuilding Fund;
- \$100 million in expanded sales tax exclusions through the Treasurer's Office (through the California Alternative Energy and Advanced Transportation Financing Authority, CAETFA) to reduce the cost of manufacturing equipment in order to promote innovation and meet the state's climate goals.

This total also includes \$12.5 million allocated in late 2020 to capitalize the California Rebuilding Fund to support low-interest loans to underserved businesses.

Additional budget proposals to support the state's small businesses include:

- \$353 million to support workforce development strategies, including apprenticeship and High-Road Training Partnerships and demand-driven workforce programs in key sectors like health care and technology;
- \$70.6 million in fee waivers to individuals and businesses most impacted by the pandemic, including barbers, cosmetologists, manicurists, bars and restaurants;
- \$300 million in one-time General Fund for the most critical statewide deferred maintenance, including the greening of state infrastructure, including the installation of electric vehicle charging stations at state-owned facilities;
- \$500 million to the Infill Infrastructure Grant (IIG) Program, which provides grants to local governments and developers bring the cost down for new housing by defraying costs for sewers, roads, and site preparation (\$250 million of these funds are proposed for early action);
- \$1.5 billion to accelerate the state's progress towards its clean air and climate goals, including purchases of clean trucks, buses, and off-road freight equipment and Clean Cars 4 All programs;

construction of electric charging and hydrogen fueling stations necessary to accelerate zero-emission vehicle adoption; and support for low-income Californians to purchase cleaner vehicles.

Next, Governor Newsom [outlined](#) his Golden State Stimulus proposal, \$600 in rapid cash support to four million low-income Californians who are eligible for the California Earned Income Tax Credit (EITC), including those undocumented households that file taxes with an Individual Taxpayer Identification Number (ITIN). Governor Newsom is also seeking immediate action from the Legislature to extend the eviction protections enacted by [AB 3088](#) (Chiu, 2020) and ensuring that \$2.6 billion in federal rental assistance funding is distributed quickly, \$1.4 billion of which is distributed to the state and \$1.2 billion of which will be distributed directly to cities and counties. (See information regarding federal rental assistance below.)

Again, Governor Newsom will release his complete 2021-22 proposed budget the morning of Friday, January 8. Look for HBE's detailed summary tomorrow later in the afternoon or evening.

### **COVID-19 Vaccine Updates**

On Monday, the Governor acknowledged that California's pace of COVID-19 vaccine administration is not "good enough." Nearly 1.3 million doses have been distributed throughout the state, with about 464,300 shots administered (36 percent) as of January 3. An additional 611,500 doses are expected to be shipped to California this week. At the Community Advisory Meeting on Wednesday, Dr. Erica Pan said that the state plans to vaccinate 1 million people in the next 10 days.

To help address the vaccine issue, the Governor announced that he will propose \$300 million in the 2021-22 state budget for vaccines. The funding will be used for information technology, including upgrading the CalVax system; logistics, including transport containers, dry ice, freezers, etc.; and a public education campaign. More details are expected Friday with the budget release.

To help speed up the pace of vaccinations, the Administration is looking at expanding the pool of individuals who can administer the vaccine, including dentists, pharmacy technicians, the National Guard, pharmacy programs, and clinic and doctor partnerships. Dr. Pan noted that the state plans to allow for greater flexibility within the priority structure, such as allowing smaller jurisdictions to offer the vaccine to subsequent priority groups once it has moved through the current phase. The state is currently vaccinating Phase 1A. (See more details on the state's COVID-19 vaccination roll-out plans at the [Vaccinate All 58 page](#).)

The state's Community Vaccine Advisory Committee met Wednesday to finalize recommendations for Phase 1B, which includes those aged 75 and older and workers in education and childcare, emergency services, and food and agriculture. They also discussed Phase 1C, a much larger group that includes individuals over age 50, people with underlying medical conditions or disabilities, as well as essential workers in other key sectors, such as water and waste management, defense, energy, and chemical industries. The Newsom Administration may finalize the recommendations for Phase 1B later this week.

### **New State Public Health Order Addresses Hospital Surges**

The California Department of Public Health released a statewide [public health order](#) on Tuesday night on hospital surge. The order, which was effective immediately and will remain in effect for at least three weeks, orders hospitals and surgery centers to halt non-essential and non-life-threatening procedures in counties with ICU capacity has fallen to 10 percent or below and the regional capacity is at 0 percent. Additionally, the order requires hospitals statewide to accept transfer patients from other facilities that have no room to treat them.

The non-essential procedure portion of the order is effective in the following counties: Fresno, Imperial, Kern, Kings, Los Angeles, Madera, Merced, Orange, Riverside, San Bernardino, San Benito, San Diego, San Joaquin, and Stanislaus. The order was [amended](#) on January 6 to exempt children's hospitals from the non-essential procedure provisions.

### **Federal Rental Assistance Funding Guidance Released**

The U.S. Treasury has released information about the \$25 billion emergency rental assistance program included in last December's COVID relief and omnibus spending package. California is slated to receive \$2.6 billion; counties and cities with populations of 200,000 and above are eligible to receive a direct allocation from the federal government. Treasury has established a new rental assistance [webpage](#), which includes a [list](#) of local governments eligible for direct allocations, [grantee award terms](#), and the [submission process](#) for those eligible for receiving funds directly. Local agencies eligible for a direct allocation must take action by **January 12, 2021** to receive their direct allocations. Look for more details as to the state's proposed allocations in the Governor's proposed budget release tomorrow.

The National Association of Counties (NACo) has prepared estimates of individual county and city allocations [here](#).

### **Master Plan for Aging Released This Week**

The Newsom Administration released its Master Plan for Aging Wednesday afternoon. Unlike previous state reports, Administration officials unveiled an interactive website with targets and strategies, as well as a [data dashboard](#) to measure progress. The Plan includes over 100 initiatives linked to the strategies identified under the five goals; each initiative identifies a state department or agency in charge of implementation. The plan is intended to be a blueprint for all of society – not just government. The Newsom Administration plans to launch the initiatives over the next two years in partnership with the Legislature, local leaders, the private sector, and the federal government.

A few of the notable initiatives identified in the plan:

- Advocate with the new federal Administration to create a universal Long-Term Services and Supports benefit and assess opportunities for federal/state partnership (e.g., Milliman study, Washington State model). (Health goal, Strategy A)
- Expand access to home and community-based services for people receiving Medi-Cal, via [CaAIM](#), by implementing "In Lieu of Services" and "Enhanced Care Management." (Health goal, Strategy A)
- Identify ways to bolster production of more housing options to age well in all California suburban, rural, and urban communities - such as Accessory Dwelling Units that are affordable - to support aging well, caregiving, and affordable housing. (Housing, Strategy A)
- Promote Blue Zones for dementia-friendly communities, especially in cities and counties with higher proportions of racial groups with disparate rates of dementia. (Housing, Strategy C)
- Develop online and other tools within existing resources to coordinate mutual aid for residents by Residential Living and Nursing Home facilities during emergencies. (Housing, Strategy D)
- Assess Adult Protective Services' capacity, age of people served, and services provided, especially for complex cases, given growing and changing needs. (Inclusion and Equity, Strategy E)
- Assess needs and capacities of local Public Guardians, Public Conservators and Public Advocates, given growing and changing needs. (Inclusion and Equity, Strategy E)
- Expand older homelessness programs, such as HomeSafe (APS) and Housing and Disability Advocacy Program (HDAP/SSI), to meet needs as funds allow. (Caregiving, Strategy A)
- Expand telehealth access to multiple Medi-Cal delivery systems, incorporating lessons from COVID-19 and including virtual

communication, remote patient monitoring, provider education, beneficiary education, family caregivers, and language access considerations, within existing resources. (Caregiving, Strategy C)

To review Caregiving Strategy Chart click [here](#).

### **Penal Code Revision Committee Meets Next Week**

The Penal Code Revision Committee will meet next Wednesday, January 13 to review its 2020 draft report and recommendations developed over a year of hearings and deliberations.

As we have shared previously, Governor Newsom recommended as part of the 2019-20 budget – and the Legislature subsequently approved – the creation of the Committee (see Sections 11-18 of [SB 94](#), the 2019-20 public safety budget trailer bill), with the following objectives:

- 1) Simplify and rationalize the substance of criminal law.
- 2) Simplify and rationalize criminal procedures.
- 3) Establish alternatives to incarceration that will aid in the rehabilitation of offenders.
- 4) Improve the system of parole and probation.

Interested parties are encouraged to join in next week's meeting; an opportunity to provide public comment will be made available at the end of the meeting.

- **Zoom [link](#); Password: 380642; Meeting ID: 818 7106 1684**
- **Call-in option: 1-669-900-6833**

In addition to considering the 2020 report, the committee also will discuss and present a 2021 meeting schedule.

