

## UCC News: March 5, 2021

### School Reopening Bill Approved

This morning, Governor Gavin Newsom signed [AB 86](#), the school reopening agreement, after the Senate and Assembly somewhat reluctantly approved the measure yesterday. As we've previously reported, AB 86 offers \$2 billion in incentive grants to schools in counties in the purple tier, as well as \$4.2 billion to offset learning loss. School districts in red tier counties would be required to extend in-person learning to all elementary grades and at least one grade of middle or high school in order to receive funds. (Note that Governor Newsom announced changes yesterday to the state's Blueprint for a Safer Economy that incorporate vaccination rates into criteria for tier placement, as outlined below.)

The bill does not, however, mandate that schools reopen; it leaves decisions on school reopening to local officials and collective bargaining agreements. Of significance, the compromise does not require vaccination of teachers and staff as a precondition for in-person learning. It does specifically require that the Government Operations Agency (through the Third Party Administrator agreement with Blue Shield) "prioritize a set number of appointments for education sector staff," including 10 percent of first doses through June 2022, essentially codifying the announcement from the Governor last month.

In terms of testing, districts would have to conduct asymptomatic COVID testing at state-prescribed cadences if they are in purple tier counties. Such testing is not required in red tier or better or for schools that are already open.

School districts that meet the COVID case criteria and do not open by April 1 would lose 1% of their share of the \$2 billion in reopening funds for each school day that distance learning remains the only option for students. If schools are not open by May 15, all state grant funds are forfeited. Schools that are already open or have plans to reopen before the end of March are allowed to move forward with their reopening plans and would still receive state incentive funds. In today's announcement, Governor Newsom indicated that some funds would be available for those schools that decide to extend the school year into summer.

Look for a handful of additional budget trailer bills (of the clean-up variety) to move through the legislative process in the coming weeks.

### **Vaccine Allocations and Changes to Blueprint for a Safer Economy**

The Newsom Administration has announced changes to the state's vaccine allocation and related changes to the Blueprint for a Safer Economy.

The state will be setting aside 40 percent of vaccine doses for the hardest-hit communities. Forty percent of COVID cases and deaths have occurred in the

lowest quartile of the [Healthy Places Index](#) (HPI), which provides overall scores and data that predict life expectancy and compares community conditions that shape health across the state. The rate of infections for households making less than \$40,000 per year (11.3) is more than double that of households with an income of \$120,000 or more (5.2). At the same time, California's wealthiest populations are being vaccinated at nearly twice the rate of the most vulnerable populations.

Starting with the March 2 dose allocations delivered the week of March 8, first doses will be allocated based on two steps:

1) *Eligible Population: 70:30* based on the geographic distribution of the population eligible for the vaccine, with 70 percent based on age eligibility and 30 percent based on sector eligibility.

2) *Double Allotment for Lowest HPI Quartile:* Next based on the 70:30 split, zip codes in the first HPI quartile (i.e., those with the lowest 25 percent HPI scores) will be allocated 40 percent of the state's available vaccine doses. Since approximately 40 percent of COVID cases and deaths are in the first HPI quartile, a similar percentage of doses should be administered in these communities. Each of the remaining quarters of the ZIP codes will be allocated 20 percent of doses on hand. This results in twice as much vaccine being available in ZIP codes with the worst COVID outcomes throughout the pandemic. In short, the state will double the amount of vaccines allocated to the lowest 25% of zip codes when compared to the rest of the state.

This allocation formula will be in effect for two weeks (the March 2 and March 8 allocations). The allocation formula will be adjusted after two weeks to account for the Janssen (Johnson and Johnson) vaccine, the new eligibility policy on March 15 (for persons with high-risk medical conditions and disabilities), and the Third-Party Administrator (TPA) onboarding waves.

More information about the state's equity vaccine allocation and administration is available through this [fact sheet](#).

Additionally, the state is modifying the Blueprint for a Safer Economy to lead with opening activities when vaccines have been deployed to the hardest-hit communities. This modification will shift Blueprint tier thresholds to allow slightly higher case rates per 100,000 population once more inoculations have occurred in the communities suffering the most, allowing counties to move to less restrictive tiers.

The initial goal of the vaccine equity metric is to deliver a minimum of 2 million doses to the hardest-hit quarter of the state as measured by the HPI. The state has currently delivered 1.6 million doses to this quarter of the state. It is estimated

that 2 million doses will be delivered in the vaccine equity quartile sometime in the next two weeks.

Once that threshold is reached, the Blueprint for a Safer Economy will be updated to allow for somewhat higher case rates in each tier, with an overall effect of allowing counties to loosen health restrictions at a somewhat accelerated, but still responsible, pace. The Blueprint will be updated again when 4 million doses have been administered in the vaccine equity quartile. Details about the adjusted case rates have not been released.

In other reopening news, the California Department of Public Health released [updates](#) to the state's Blueprint for a Safer Economy reopening framework focused on activities that can be conducted outdoors with consistent masking, two factors that are scientifically shown to reduce the risk of COVID-19 spread. The updates allow outdoor ballparks, stadiums and theme parks to open with significantly reduced capacity, mandatory masking and other public health precautions. These changes take effect April 1.

Changes to the Blueprint include:

- *Outdoor sports and live performances (with fans/attendees) are eligible to begin April 1.* In the purple tier, capacity will be limited to 100 people or fewer and attendance will be limited to regional visitors. Advanced reservations will be required, and no concession or concourse sales will be allowed. In the red tier, capacity will be limited to 20 percent. Concession sales will be primarily in-seat (no concourse sales). In the orange tier capacity will be limited to 33 percent and in the Yellow tier capacity will increase to 67 percent. Attendance will be limited to in-state visitors in the red, orange and yellow tiers.
- *Amusement parks are eligible to reopen in the red tier beginning April 1.* Capacity will be limited to 15 percent in the red tier. In the orange tier, that limitation will increase to 25 percent, and then 35 percent in the yellow tier. Attendance will be limited to in-state visitors.

### **Stakeholder Proposals Reviewed in Senate Budget Subcommittee**

Senate Budget and Fiscal Review Subcommittee No.3 met this morning to discuss stakeholder proposals for investments. Senators Susan Eggman and Richard Pan outlined some priorities among the stakeholder requests – chief among them is ongoing investment in California's public health infrastructure. The Committee [agenda](#) included approximately 50 stakeholder proposals. **Although no action was taken on any of the proposals**, items of note that were discussed include:

- \$200 million ongoing for public health infrastructure

- \$300 million for public hospitals for unreimbursed fee-for-service inpatient stays related to increase COVID hospitalizations
- Medi-Cal coverage for undocumented seniors (\$161 million in 2021-22 and \$350 million annually)
- Elimination of the Medi-Cal asset test (\$110 million in 2021-22 and \$219.6 million annually)
- Proposals to ensure Programs for All-Inclusive Care to the Elderly (PACE) is an option in the CalAIM transition and to extend COVID-19 flexibilities for PACE
- \$15 million for the Alameda Wellness Campus

### **Future of Work Commission Report Released**

California's Future of Work Commission released its final [report](#) this week, calling on California to take steps to achieve a "new social compact for work and workers" by 2030. Among these steps are advocating for a federal jobs guarantee, raising wages, doubling the number of workers who have access to benefits, and assisting workers in forming unions. Noting the state's well-documented and expanding inequality, the report suggests the recommendations are "moon-shot goals" but necessary to sustain California's economic growth and quality of life.

### **State of State Announcement**

Governor Gavin Newsom announced this week that he would be presenting his State of the State address to the California Legislature at 6 p.m. on Tuesday, March 9 virtually from Los Angeles County. We anticipate the speech will be broadcast on major networks, as well as the Governor's [Facebook](#), [Twitter](#), and [YouTube](#) pages.

### **Newsom Issues New Executive Order on Commercial Evictions**

This week, the Governor signed Executive Order [N-03-21](#), extending authorization for local governments to halt evictions for commercial renters impacted by the COVID-19 pandemic through June 30, 2021. The order also extends protections against price gouging for emergency supplies and medical supplies amid the ongoing pandemic.