



*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 News: March 19, 2021

### **Budget Clean-Up, Emergency Paid Sick Leave Approved**

Governor Gavin Newsom has signed two 2020-21 budget clean-up bills and is awaiting the emergency paid sick leave bill for consideration.

Interestingly, the Assembly had to delay a vote on SB 95 due to the 72-hour "in print" rule, as Daylight Savings Time necessitated an additional hour of "in print" time early in the week. The Senate approved SB 95 on Thursday. A quick summary of each measure is provided below.

#### **AB 83 (Committee on Budget): Alcoholic beverage control: license renewal fees: waivers**

Clean-up to expand the license types eligible for fee waivers and appropriates \$6 million to the Alcohol Beverage Control Fund to backfill lost renewal fee revenue.

#### **AB 88 (Committee on Budget): One-time stimulus and grant payments: garnishment: exclusion from gross income**

Clean-up to ensure that Golden State Stimulus payments are exempt from garnishment orders and gross income for personal income tax purposes. Provides \$100,000 to the Franchise Tax Board to provide additional outreach to raise public awareness of the Golden State Stimulus to its existing Earned Income Tax Credit outreach program.

#### **SB 95 (Skinner): Paid Emergency Sick Leave**

Extends emergency paid sick leave of 80 hours (per calendar year) to public and private sector workers who are unable to work due to COVID-19 retroactively to January 1, 2021. (Recall that previous state provisions regarding emergency paid sick leave expired on December 31, 2020.) Emergency sick leave may be taken if the worker is:

- Subject to a quarantine or isolation order related to COVID-19;
- Advised by a health care provider to quarantine or self-isolate;
- Prohibited from working by the hiring entity due to health concerns related to the transmission of COVID-19;
- Attending an appointment to receive a COVID-19 vaccine;
- Experiencing symptoms related to a COVID-19 vaccine that prevents the worker from being able to work;
- Experiencing symptoms of COVID-19 and is seeking a medical diagnosis;
- Caring for an individual who is required to quarantine or self-isolate or is experiencing symptoms and seeking a medical diagnosis;
- Caring for an individual whose school or place of care is closed or otherwise unavailable for reasons related to COVID-19.

Employers with fewer than 25 employees are exempt from these provisions. These provisions would sunset on September 30, 2021

In addition, the recently approved American Rescue Plan provides an additional extension of the Families First Coronavirus Relief Act tax credits through September 20, 2021 for employers with less than 500 employees that voluntarily provide COVID-19 supplemental paid sick leave. The ARP specifies that these tax credits are an additional set of tax credits for 80 hours or two weeks of COVID-19 supplemental paid sick leave beginning on April 1, 2021. The ARP also authorizes leave to be taken when getting a COVID-19 vaccine or is recovering from any injury, disability, illness, or condition related to the vaccine.

Note that the Legislature has yet to consider [AB 80](#) (Burke), which would partially conform state tax law with federal tax law relating to the treatment of Paycheck Protection Program (PPP) loans. Earlier this week, Governor Newsom and legislative leaders made a [statement](#) indicating the need to seek additional guidance from the US Treasury Department given the passage of the American Rescue Plan last week that includes language to prevent states from using relief funds for tax reductions.

Finally, we continue to anticipate action in the near term on two trailer bills intended to facilitate the implementation of SB 823, the 2020 measure that prospectively – beginning July 1, 2021 – shifts responsibility for DJJ eligible youth to counties. We will keep you posted on a timeframe once we know more. In addition to a technical clean-up measure, the Legislature also will consider new provisions to create a secure dispositional track for the newly realigned youth population.

### **LAO Outlines California Impact of American Rescue Plan**

In a presentation to the Assembly Budget Subcommittee No. 6, the Legislative Analyst's Office shared a [report](#) outlining federal funds coming to the state as a result of the recently-approved American Rescue Plan. While the state will be

seeing a significant amount of funds in a variety of areas, there are very few details about how federal funds will come to the state (and potentially down to locals). We'll keep you posted as we learn more.

### **IRS, FTB Move Tax Deadline to May**

This week, after the Internal Revenue Service (IRS) announced it was moving the federal personal income tax deadline to May 17, the California Franchise Tax Board (FTB) did the same. While the move is helpful to taxpayers grappling with the ongoing pandemic, it will make May Revision budgeting a challenge once again. Recall that April 15 state income tax receipts help inform the state's revised budget projections in May. Last year, delayed tax information created significant uncertainty in the development of the 2020-21 state budget; as a result, the state's revenue picture had dramatically improved once tax revenues had finally arrived, resulting in a \$13 billion budget surplus heading into 2021-22. This year's delay, however, will be mitigated somewhat by that prior year surplus and considerable federal financial relief provided in the recently approved American Rescue Plan.

### **Becerra Confirmed as HHS Secretary; Names Acting AG for California**

Former Attorney General Xavier Becerra was confirmed by the US Senate yesterday as President Biden's Secretary of Health and Human Services. Just before stepping down as the state's Attorney General, Becerra named Matthew Rodriquez Chief Deputy Attorney General; in that role, Rodriquez also will serve as Acting AG until a permanent replacement is named by the Governor and confirmed by the Legislature. While much speculation swirls around who the Governor might select to serve out AG Becerra's term, we do anticipate that an announcement will be forthcoming very soon (this weekend? Monday?). Chief Deputy Rodriquez joined the California Department of Justice in 1987 as a Deputy Attorney General in the Land Law Section, and he has taken on roles of increasing responsibility over the last 30-plus years.

### **Bail Reform Bills to be Heard Next Week**

The two nearly identical bail reform bills introduced in 2021 – [AB 329](#) (Bonta) and [SB 262](#) (Hertzberg and Skinner) – are set for hearing in the Assembly and Senate Public Safety Committees, respectively, for next Tuesday. As we have reported previously, these measures mark the Legislature's continued interest in reforming the state's cash bail system. The measures' authors are the same who pursued bail reform in the 2017-18 legislative session, resulting in the enactment of [SB 10](#) (2018) that subsequently was rejected by voters in a November 2020 referendum (Proposition 25).

AB 329 and SB 262 would establish presumptive zero-dollar bail for misdemeanors and low-level felonies, eliminate county-based bail schedules in favor of a statewide schedule to be established by the Judicial Council, and define various circumstances under which bail is to be refunded. Also note that the California Supreme Court is expected to render a decision in the *Humphrey* case

within the next few weeks, following January oral arguments. This case (read more [here](#)) – depending on how the justices rule – will likely affect the constitutional landscape around bail and subsequently affect the substance of the bail reform measures now before the Legislature. Probably best at this point to consider AB 329 and SB 262 works in progress. Stay tuned!

### **The Latest on CalAIM Discussions**

The Assembly Health Committee and Assembly Budget Subcommittee No. 1 on HHS held the second of three informational hearings on CalAIM on Tuesday. The committees heard discussion of In Lieu of Services, Enhanced Care Management, incentive payments to plans, population health management programs, standardizing benefits, and standardizing eligibility for Medi-Cal.

Generally, panelists were supportive of most proposals. Concerns were expressed about the ambitious timeline for in lieu of services and enhanced care management. Counties, and labor representatives urged the Legislature to include a requirement that the Medi-Cal managed care plans contract with counties to ensure continuity of care and services for the transition of whole person care.

The standardization of eligibility proposal garnered the most concerns. Western Center on Law Poverty raised questions about specific plan readiness, continuity of care, and evaluation of the characteristics of population planned for the move. They also are concerned that the timeline is not sufficient to do readiness review. Several speakers raised concerns about forcing women to make changes to their providers mid-pregnancy, as the proposal requires pregnant women to move from fee-for-services to managed care. Some perinatal specialties only accept Medi-Cal fee-for-service.

During public comment, several housing providers advocated for creating a housing supports benefit for all beneficiaries in Medi-Cal separate from enhanced care management and in lieu of services. The housing providers were concerned that plans would offer uneven housing services or not offer them at all.

The third and final CalAIM hearing is set for March 25.

### **Assembly Budget Subcommittee No. 1 Wraps Up Hearings for Now**

This week, the Assembly Budget Subcommittee No. 1 on HHS issues held its last budget hearing likely until May. The agenda included panels on poverty, racial equity, housing and homelessness, children's programs, and seniors and persons with disabilities programs. The Subcommittee made the following requests of the LAO, Administration, and staff:

- For the LAO to provide a list of options by mid-April, with General Fund costs and specifying whether it is a one-time or on-going cost,

for simplifying access to the CalWORKs program specifically, and allowing for maximum utilization of the program for families in need.

- For the Administration to provide a list of options by mid-April, with General Fund costs and indicating whether it is a one-time or on-going cost, for simplifying access to the CalFresh program and a profile of what it would cost to maximize emergency food assistance statewide
- Placeholder trailer bill be drafted to accompany the budget change proposals (BCPs) on equity that have been advanced by the Governor. In the event that these BCPs are funded, a framework in statute on what they are expected to produce on the pathway to equity should be formalized in state law. The agenda included a number of potential actions the state could take to address equity. Check out [page 51](#).
- For the Administration to provide draft trailer bill language related to its Residential Care Facilities for the Elderly (RCFE) proposal for consideration by the Legislature by mid-April. The language should lay out requirements for the use of the funds, expected results, and other outcome information to track the progress and effectiveness of this proposed investment.
- For a Housing and Homeless Data Bank, perhaps to be created in the DSS Research, Data, and Analytics Branch, working in tandem with the Housing and Homelessness Branch, to collect and make public information on the housing needs of communities served in the various children, families, and adults programs across the department.
- Ask for a child welfare services/continuum of care reform/Families First Prevention Services Act (FFPSA) Working Group to be formed regarding the Governor's proposals, including administration officials, legislative staff, the LAO, county representatives, and principal children's advocates, and to meet on a regular basis, between now and the release of the Governor's May Revision. This Working Group would have the opportunity to address the complex and interrelated questions about CCR implementation, pandemic response, and FFPSA implementation and planning, through an equity lens.
- As one outgrowth of the above-mentioned Working Group, an expectation would be set for a second, modified version of the administration's recently released FFPSA trailer bill to be released before or with the Governor's May Revision.
- A listing from the LAO of active proposals (by the end of April) — from Members of the Legislature, aging and senior and persons with disabilities advocates, labor partners, and counties— that relate to all of the programs mentioned in this agenda and how each one may or may not help to meet the goals of the Master Plan for Aging.

## **BSCC Seeks Broad Input on SB 823 Program and Facilities Grant Program**

On Monday, March 22 from 4 to 6 p.m., the Board of State and Community Corrections (BSCC) will hold a virtual session to solicit input on the development of the Request for Application (RFA) related to \$9.6 million in one-time funding appropriated in SB 823, the measure that carries out the prospective shift of the Division of Juvenile Justice (DJJ) population to counties' care and custody. The Youth Programs and Facilities Grant Program will be open to county applicants, with awards intended to "provid[e] resources for infrastructure-related needs and improvements to assist counties in the development of a local continuum of care" associated with the shift of responsibility for DJJ-eligible youth to counties beginning July 1, 2021.

As we have reported previously, the BSCC has already [surveyed counties](#) and identified a recommended approach to directing the funds, as detailed below:

- **\$4 million for four projects (up to \$1 million) to develop regional hubs** to serve youth referred by other counties to address three identified high-need populations (females, sex offenders, and youth with serious mental health issues); and
- **\$5.12 million on a pro rata basis to all counties** to support infrastructure and other improvements needed to serve their in-county population of DJJ eligible youth.

Join next week's stakeholder input session at this [link](#). (Meeting ID: 823 1089 4416; passcode: 645665; call-in option: 669 900 9128.) The BSCC also indicates that it will be posting additional information on its [website](#) in advance of Monday's session. Questions about the session or RFA can be directed via email to [SB823GrantFeedback@bscc.ca.gov](mailto:SB823GrantFeedback@bscc.ca.gov).