

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: June 4, 2021

CACE Call Next Week

The next CACE membership check-in meeting will take place next Friday, June 11 at 8:30 a.m. A reminder and Zoom link will be sent the middle part of next week. Feel free to [email](#) Catherine Smith with any specific topics you would like to see discussed.

Budget Committees Adopt Unified Legislative Budget Plan; Negotiations Between Legislative Leaders and Governor Begin

On Wednesday of this week, the full budget committees met concurrently to adopt a [parallel and largely unified approach](#) to the 2021-22 state spending plan. As posted at the links below, the budget committees adopted hundreds and hundreds of individual subcommittee actions – some consistent with the Governor's January and/or May budget proposals, some that revised or rejected the Governor's proposal, and yet that others reflect wholly new legislative spending.

- Health and Human Services | [link](#)
- Education | [link](#)
- Climate, Resources, Environment, and Transportation | [link](#)
- State Administration and General Government | [link](#)
- Public Safety, Judiciary, and Corrections | [link](#)

With these actions, legislative leaders have endorsed a shared budget framework and can now begin negotiations on areas in which their spending plan differs from that of the Governor's May Revision. By no means does the Legislature's proposed budget package address every detail necessary to fully enact the 2021-22 budget but, rather, it offers a high-level spending plan and recognizes that further negotiations and refinements are needed on a number

of big-ticket items that likely will be dealt with post-June 15, including homelessness, water, energy, and children’s behavioral health.

As we noted last week, the Budget Conference Committee will not be a feature of this year’s budget process. Behind-the-scenes negotiations between the Newsom Administration and leaders in both houses will take place over the next long week. Remember, of course, that the 72-hour in print rule means that the budget and any trailer bills on which the Legislature must act need to be in print three days prior to any votes being cast. With the immutable June 15 budget deadline, the houses have until June 12 (a week from tomorrow) to publish bill provisions. Given the considerable number and depth of the policy issues deferred until after June 15, we expect to see several more rounds of “budget bill juniors” (measures to make appropriations beyond the main budget bill that will have to be passed by June 15) and plenty of additional trailer bills.

As we await more details that will emerge from negotiations in the days ahead, we note a few select actions – grouped by subcommittee jurisdiction – from the Legislature’s budget package.

Health and Human Services

Public Health

The Legislature’s spending plan includes notable ongoing investments in public health, including \$475.1 million in 2021-22 and \$403 million annually thereafter to rebuild an equitable public health system. A detailed summary of the public health plan can be found [here](#). Investments include the following:

- \$200 million annually to support local health jurisdictions, including a three-year public health planning process beginning July 1, 2022.
- \$35 million annually to support workforce development programs to recruit, expand, and retain a modern public health workforce.
- \$115 million annually to support health equity and racial justice interventions including \$100 million for grants to community-based organizations to address health disparities and \$15 million for the Transgender Wellness and Equity Fund.
- \$40 million annually to support DPH statewide coordination and planning, including technical assistance to counties, IT system upgrades, triennial study of public health workforce gaps, annual study of progress on addressing health disparities, and other annual reporting.
- \$3 million to support a public health infrastructure study to inform the triennial public health plans by July 1, 2022.

- \$63.1 million one-time to support Phase II of the California Reducing Disparities Project.
- \$13 million ongoing and \$6 million one-time to support investments to end the epidemics of HIV/AIDS, hepatitis C, and sexually transmitted infections.

Lanterman-Petris-Short (LPS) Conservatorships

The legislative budget rejected the May Revision proposal to halt intake and release LPS conservatees at State Hospitals. Conversations are ongoing between the state and counties on alternatives.

In-Home Supportive Services (IHSS)

The Legislature's budget includes a penalty of 10% on a county that fails to reach a collective bargaining agreement for IHSS providers.

Adult Protective Services

The Legislature's budget would provide \$70 million General Fund ongoing to expand Adult Protective Services to serve adults ages 60 and older.

Families First Prevention Services Act (FFPSA)

The Legislature provided an additional \$100 million ongoing on top of the Governor's May Revision proposal of \$148 million for county implementation of FFPSA.

Addressing Complex Care Needs of Foster Youth

The Legislature provided an additional \$100 million ongoing to meet the complex care needs of foster youth returning from out-of-state placements on top of the May Revision proposal of \$42.1 million (\$39.2 million General Fund).

State Administration and General Government

Legislative Homelessness Package

The Legislature adopted a multi-year homelessness package to include investments over multiple years as detailed below.

For the 2021-22 budget year:

- \$1.2 billion federal ARPA funds for Project Homekey
- \$1 billion for flexible local assistance with "robust oversight and accountability requirements" that are yet to be determined
- \$40 million for Family Homelessness Challenge Grants and Technical Assistance
- \$30 million for Encampment Resolution Grants
- Additional investments in a variety of health and human services programs to prevent individuals and families from becoming homeless and assisting those at risk of homelessness

For the 2022-23 budget year:

- \$1 billion federal ARPA funds for Project Homekey
- \$1 billion for flexible local assistance with the same oversight and accountability requirements
- Additional investments in a variety of health and human services programs to prevent individuals and families from becoming homeless and assisting those at risk of homelessness

For 2023-24 and 2024-25:

- An additional \$1 billion per year in flexible local assistance funding

While the Senate and Assembly budget committees approved this framework, trailer bill details (such as the allocation methodology) will likely need to be developed over the summer.

Public Safety, Judiciary, and Corrections

Dependency Counsel Augmentation

As part of a larger package of access to justice investments, the Legislature adopted a two-part augmentation to dependency counsel funding.

For the 2021-22 budget year:

\$10 million in one-time funding to address pandemic-related caseload spikes and operational expenditures

For the 2021-22 budget year and ongoing:

Up to \$30 million to address any shortfall associated with the drawdown of federal funding.

Fine and fee forgiveness/elimination; AB 1869 (2020) backfill methodology
 The Legislature rejected the Governor's May Revision proposal to dedicate \$300 million in one-time federal ARPA funds to (1) support additional relief for low-income individuals who owe fines and fees associated with traffic and non-traffic infractions issued between January 1, 2015 and June 30, 2021 and (2) backfill counties and courts for associated revenue loss.

Instead, the Legislature adopted the following multi-part approach to addressing the impacts of court-ordered debt:

- Adopt placeholder trailer bill language to determine the allocation schedule for the \$65 million backfill provided for five years pursuant to AB 1869, the 2020 trailer bill that eliminated approximately two dozen criminal justice administrative fees and vacated previously levied debt;
- Adopt placeholder trailer bill language for a new set of criminal administrative fees and the civil assessment fee

- Appropriate the following amounts to provide for a county and court backfill associated with the proposed elimination of the new set of fines and fees: \$151 million each in 2021- 22 and 2022-23, \$130 million in 2023-24, and \$120 million in 2024-25 and thereafter.

In separate but related action, the Legislature also rejected the Governor's January proposal to expand a court-based ability-to-pay program.

Statewide expansion of pretrial pilot programs

The Legislature rejected – and took no action to offer an alternative – the Governor's May Revision proposal to invest \$140 million in 2021-22 and \$70 million ongoing to expand pretrial services pilot programs statewide.

Office of Youth and Community Restoration

The Legislature increased funding to \$30 million (as compared to approximately \$7 million in the Governor's proposal) in support of the OYCR, which – pursuant to the provisions in the 2020 DJJ Realignment measure (SB 823) – will be established on July 1, 2021 within the state's Health and Human Services Agency. Related actions include adoption of placeholder trailer bill language to clarify and expand the role and duties of the office.

CDCR Deferred Maintenance and Future Prison Closures

In connection to the Administration's proposed investments to address prison facility deferred maintenance, the Legislature approved the associated funding contingent upon the adoption of trailer bill in the final budget agreement requiring CDCR to create and adopt a long term prison infrastructure investment plan and prison closure plan.

Enhanced Jail Inspections

The Legislature's budget rejected the Administration's proposal to authorize 14 new positions at the Board of State and Community Corrections (and \$2.9 million in associated funding) to strengthen jail oversight and inspections. Associated action includes approval of \$150,000 ongoing to support electronic data entry and the adoption of placeholder trailer bill language to authorize unannounced detention facility inspections.

Public Defender Funding

The Legislature's budget includes the following new investments to support workload in public defender offices, alternative public defender offices, and other alternative offices providing indigent criminal defense services: \$50 million in 2021-2022, \$50 million in 2022-23, and \$50 million in 2023-24.

Administration Unveils Federal Spending Plan for Home and Community Based Services

Yesterday, California [released](#) its \$5.2 billion spending plan on the Medicaid home- and community-based services. The federal American Rescue Plan Act provides a temporary increase in funds to state Medicaid programs for home-

and community-based services. The Administration is soliciting comments by Monday, June 7, given that the state must submit the plan to the federal government by June 12. Highlights of the 35 initiatives in the spending plan include:

- **IHSS Specialized Upskilling Pilots** – \$68.4 million in one-time enhanced federal funding (\$150 million total funds). In consultation with stakeholders, the State will expand upon existing training and identify additional opportunities to support the specialized training of IHSS providers to further support consumers with complex care needs and to be utilized, when possible, in the proposed Community Based Residential Continuum Pilots for vulnerable, aging and disabled populations. IHSS providers that complete a specialized training pathway will receive a \$3.00/hour pay differential when enrolled to provide services to a recipient with the care need for which they completed specialized training.
- **Direct Care Workforce Training and Stipends (non-IHSS)** – \$150 million in one-time enhanced federal funding (\$150 million total funds).
- **IHSS HCBS Care Economy Payments** – \$137 million in one-time enhanced federal funding (\$275 million total funds). This funding would provide a one-time incentive payment of \$500 to each current IHSS provider that provided IHSS to program recipient(s) during a minimum of three months between March 2020 and December 2020 of the pandemic.
- **Non-IHSS HCBS Care Economy Payments** – \$6.25 million in one-time enhanced federal funding (\$12.5 million total funds). This funding would provide a one-time incentive payment of \$500 to each current direct care, non-IHSS provider of Medi-Cal home and community-based services during a minimum of three months between March 2020 and December 2020. This amount would cover 25,000 direct care HCBS providers in MSSP, CBAS, HCBA, ALW, HIV/AIDS Waiver, PACE, and CCT and would focus on payment for retention, recognition, and workforce development.
- **Increasing Home and Community Based Clinical Workforce** – \$100 million in one-time enhanced federal funding (\$100 million total). This proposal would increase the home and community-based clinical care workforce, including home health aide, CNA, LVN, RN workforce in Medi-Cal. The proposal focuses on increasing access and training for home based clinical care providers for children with complex medical condition, individuals with disabilities, and geriatric care for aging adults.

- **Providing Access and Transforming Health (PATH) funds for Homeless and HCBS Direct Care Providers** – \$50 million in one-time enhanced federal funding (\$100 million total funds) PATH funds will support a multi-year effort to shift delivery systems and advance the coordination of delivery of quality care of services authorized under DHCS' Section 1115 and 1915(b) waivers. This complements the \$200 million (\$100 million General Fund) proposal in the Governor's May Revision to build capacity for effective pre-release care for justice-involved populations to enable coordination with justice agencies and Medi-Cal coverage of services 30 days prior to release. Funding will support outreach efforts to publicize job opportunities, workforce development strategies to train staff in evidenced based practices, implement information technology for data sharing, and will support training stipends.
- **Emergency Department HCBS Connections Toolkit** – \$50 million in one-time enhanced federal funding (\$50 million total funds). This initiative is focused on improving the quality of care for older people, people with serious behavioral health needs, and homeless individuals in Emergency Departments, with the goal of improving health outcomes and connections to public and community-based services. The funding will be used to create toolkits for Emergency Departments to provide pre-packaged resources, training, and information on local connections to services.
- **Mental Health First Aid in Schools and Back-to-School Toolkit** – \$75 million in one-time enhanced federal funding (\$75 million total funds). To provide immediate resources to schools and teachers, this investment will build on the proposals in the May Revision. This proposal will provide: 1) schools with a toolkit to support teachers, parents, and students; 2) parents and caregivers tools for psychological first aid support; and 3) training for teachers, parents, and caregivers.
- **Community Based Residential Continuum Pilots for Vulnerable, Aging, and Disabled Populations** – \$286 million enhanced federal funding (\$774 million total funds). The Community Based Residential Continuum Pilots would provide medical and supportive services in home and community care settings (home, ARFs, RCFEs) in order to avoid unnecessary healthcare costs, including emergency services and future long-term care placement in a nursing home. Focus populations include individuals with serious mental illness; elderly homeless; individuals needing additional housing and supportive services but

not meeting an institutional level of care; individuals in an institution who could be served at home or in a community care setting; individuals with disabilities; and individuals being diverted or released from prisons, jail, state hospitals, or juvenile justice systems. Pilot funding would be provided to managed care plans to provide these benefits to members.

- **Eliminating Assisted Living Waiver Waitlist** – \$85 million enhanced federal funding (\$255 million total funds), \$38 million ongoing. Add 7,000 slots to the Assisted Living Waiver to eliminate the current Assisted Living Waiver waitlist while furthering the vision of the Master Plan for Aging.
- **Housing and Homelessness Incentive Program** – \$1 billion in one-time enhanced federal funding (\$2 billion total funds). Medi-Cal managed care plans would be able to earn incentive funds for making investments and progress in addressing homelessness and keeping people housed. There would be a requirement that 85% of the funds go to beneficiaries, providers, and/or counties. Funds would be allocated by Point in Time counts of homeless individuals and other housing related metrics determined by DHCS. Managed care plans would have to meet specified metrics to draw down available funds. The target populations for this program would be aging adults, individuals with disabilities, families, individuals reentering from incarceration, homeless adults, chronically homeless individuals, persons who have/had been deemed (felony) incompetent to stand trial, Lanterman-Petris Short Act designated individuals, and veterans. Managed care plans, in partnership with local public health jurisdictions, county behavioral health, Public Hospitals, county social services, homeless Continuum(s) of Care, and local housing departments must submit a Homelessness Plan to DHCS. The homelessness plan must outline how Housing and Homelessness Incentive Program services and supports would be integrated into the homeless system. This would include a housing and services gaps/needs assessment and how these funds would prioritize aging and disabled (including those with a behavioral health disability) homeless Californians.
- **Contingency Management** – \$31.7 million in one-time enhanced federal funding (\$58.5 million total funds). DHCS proposes to offer contingency management via a pilot, starting in January 2022 and continue the pilot through March 2024. DHCS would conduct a robust evaluation, and if the program is demonstrated to be effective, then submit a proposal through the budget process to

allow contingency management to be an ongoing Medi-Cal benefit, as part of the Drug Medi-Cal Organized Delivery System.

- **Addressing Digital Divide for Adults with HCBS** – \$4.7 million in one-time enhanced federal funding (\$9.5 million total funds). Older adults and adults with disabilities eligible for Medi-Cal telehealth services and participating in HCBS will be provided tablets or other appropriate devices for telehealth, along with broadband and tech support (including expanded language access for tech support).

Newsom Administration Assures Locals on Brown Act Flexibility Beyond June 15

This week, representatives from the Office of Governor Gavin Newsom assured local agency associations that Brown Act flexibilities provided during the COVID-19 pandemic to local governing bodies, boards, and commissions via Executive Order would continue beyond the state's anticipated June 15 re-opening. This assurance comes after a coalition of local agency associations formally requested that the Governor consider providing a period of transition back to in-public meetings prior to repeal of relevant executive orders.

Communication from the Newsom Administration indicated that the Governor intends to terminate pandemic-related executive orders at the earliest possible date when conditions warrant, but also that he recognizes the importance of an orderly return to in-person state and local public meetings. As a result, the Administration will work to provide notice to affected stakeholders in advance of repeal of relevant executive orders. Until a further order is issued, local agencies may continue to rely on existing orders.

The Governor did confirm at a press event today that he intends to keep California under a state of emergency – both for administrative (such as FEMA reimbursements) and public health (responding to another outbreak) purposes – even after the state broadly reopens on June 15.

Update on “Hot” Health and Hospital Bills

[AB 650](#), by Assembly Member Al Muratsuchi, would have required public and private health care providers, including hospitals and clinics, to pay hazard pay retention bonuses to the health care workforce. The measure was not taken up for a vote yesterday before the Legislature concluded its business for the week, effectively meaning the bill is dead because it failed to move out of the house of origin before today's deadline. Please note that the sponsor – Service Employees International Union State Council – held a press conference yesterday with Assembly Member Ash Kalra to push for the inclusion of

funding in the state budget for hazard pay for health care workers. The Legislature's budget framework does not include funding for this purpose.

Similarly, [SB 213](#), by Senator Dave Cortese, was not taken up for a vote yesterday before the Legislature adjourned, also rendering it "dead." The measure would have created rebuttable presumptions that infectious disease, COVID-19, cancer, musculoskeletal injury, post-traumatic stress disorder or respiratory disease are occupational injuries for a direct patient care worker employed in an acute care hospital and are therefore eligible for workers' compensation benefits.

BSCC Meets Next Week: SB 823 Grant Funding Recommendations on Docket

The Board of State and Community Corrections [meets](#) Thursday, June 10. Notable among the Board's proposed actions is the allocation of approximately \$9 million in SB 823 Youth Programs and Facilities Grant Funds. See related materials as follows: [staff memo](#) | [funding recommendations](#) | [grant proposal summaries](#). The grant funding, appropriated in 2020 DJJ Realignment measure (SB 823), is dedicated to support local infrastructure-related needs and improvements to assist counties in developing a continuum of care for the newly realigned population.