

## October 11, 2021

### Governor Newsom Completes 2021 Bill Signings and Vetoes with a Day to Spare

On the afternoon of Saturday, October 9 – more than 24 hours before the October 10 midnight deadline – Governor Newsom released his final set of bill signings and vetoes for the 2021 legislative year. Over the course of the legislative year, Governor Newsom put his signature to 1,038 measures (a number that includes all types of bills and resolutions) and vetoed a mere 66 – representing a 94% signing rate.

Below we highlight the final outcomes on an array of consequential measures on which the Governor took action during the 30-day signing period. Should you have any questions on these or any other measure not otherwise discussed, do not hesitate to get in touch. Recall that the effective date of regular (i.e., non-urgency measures) is January 1, 2022, unless provisions in the bill specify otherwise.

#### ➤ GENERAL GOVERNMENT

##### **AB 14 (Aguiar-Curry) – SIGNED**

Governor Newsom signed AB 14, extends the California Advanced Services Fund (CASF) program to encourage deployment of broadband service to unserved Californians.

##### **AB 339 (Lee) – VETOED**

AB 339 would have required, instead of allowed, city councils and boards of supervisors in jurisdictions with populations over 250,000 to provide both in-person and teleconference options for the public to participate in meetings. Governor Newsom [vetoed](#) the bill, noting his concerns about tying public access to population levels, limiting flexibility and increasing costs for local agencies trying to manage their meetings, and requiring in-person participation during a declared state of emergency.

##### **AB 361 (Rivas) – SIGNED**

Governor Newsom has signed AB 361, an urgency measure that authorizes local agency governing bodies to continue to meet remotely during a public health emergency.

##### **AB 428 (Mayes) – SIGNED**

Governor Newsom signed AB 428, a measure that will ensure that county boards of supervisors are eligible for a minimum of two terms in office and clarifies the constitutional provision that boards of supervisors are responsible for prescribing compensation for all county officers, including the board themselves.

#### **SB 4 (Gonzalez) – SIGNED**

Governor Newsom signed SB 4, a measure that will extend the operation of the California Advanced Services Fund (CASF) through 2032, increase the annual funding cap for the CASF, and expand projects eligible for CASF grants to include fund broadband deployment at unserved locations used for emergency response.

#### **SB 278 (Leyva) – SIGNED**

The Governor also signed SB 278, which requires public employers to reimburse CalPERS and pay a penalty when CalPERS deems part of a pension to be unlawful after a member has retired.

#### **SB 556 (Dodd) – VETOED**

Governor Newsom [vetoed](#) SB 556, a measure that would have required local governments and publicly owned electric utilities to make infrastructure available to communication service providers for the placement of small wireless facilities with limited compensation to the public owners of that infrastructure. The Governor noted in his veto message that “In 2018, the Federal Communications Commission (FCC) adopted many of the requirements that this bill seeks to codify. The provisions of this bill, however, conflict with and complicate some of the FCC requirements. Further, it would be imprudent to codify these requirements in state law in the event the FCC revises them.”

#### **SB 792 (Glazer) – VETOED**

Governor Newsom vetoed SB 792, which would have required certain online retailers to report additional information regarding their gross receipts for delivered goods for each local jurisdiction. In his [veto](#) message, the Governor indicates that such reporting would be duplicative and impose costs on the General Fund.

### **➤ HEALTH AND HUMAN SERVICES**

#### **AB 226 (Ramos) – VETOED**

AB 226 would have eliminated Children's Crisis Residential Programs (CCRPs) under the purview of the Department of Social Services and instead create Children's Crisis Psychiatric Residential Treatment Facilities (CCPRTFs) under the purview of the Department of Health Care Services, to provide intensive mental health care for children and youth, including those in foster care. The Governor's [veto message](#) noted several implementation challenges with the bill as drafted; the

Administration indicates it wants to work with the Legislature and stakeholders on a proposal before the Legislature reconvenes in January.

#### **AB 369 (Kamlager) – VETOED**

AB 369 would have required the Department of Health Care Services (DHCS) to implement a presumptive eligibility program for persons experiencing homelessness and makes other changes to Medi-Cal for this same population. The [veto message](#) raises concerns about a "carve out" for persons experiencing homelessness, on the eve of the CalAIM transformation, that could cut out these patients from services that are being created specifically to support their health, housing stability, and overall well-being. The veto message goes on to direct DHCS to identify any interim gaps that can be imminently addressed and act quickly to close these gaps. Such actions may include providing temporary resources to street medicine providers across the state, providing additional technical assistance to street medicine providers who seek to provide services through managed Medi-Cal, and promptly implementing the CalAIM opportunities that will soon be rolling out.

#### **AB 523 (Nazarian) – VETOED**

AB 523 would have required DHCS to make permanent specified changes in the Program of All-Inclusive Care for the Elderly (PACE) program that DHCS instituted, on or before January 1, 2021, in response to the COVID-19 public health emergency. The [veto message](#) raises two concerns: 1) that flexibilities related to telehealth should be raised in the context of the DHCS Advisory Group on Telehealth (which was created pursuant to AB 133, Statutes of 2021), and 2) does not condition the permanent changes on DHCS obtaining necessary federal approvals and securing federal financial participation.

#### **AB 636 (Maienschein) – SIGNED**

AB 636 makes changes to current law regarding elder or dependent adult abuse. First, the bill authorizes information relevant to the incident of elder or dependent adult abuse to be given to (1) a federal law enforcement agency charged with the investigation of elder or dependent adult abuse and (2) a local code enforcement agency for the sole purpose of investigating a property where the health and safety of an elder or dependent adult resident is at risk.

#### **AB 638 (Quirk-Silva) – SIGNED**

AB 638 permits Mental Health Services Act (MHSA) Prevention and Early Intervention funds to be used for strategies that address mental health needs, substance misuse or substance use disorders, or needs relating to co-occurring mental health and substance use services.

#### **AB 640 (Cooley) – SIGNED**

AB 640 is related to eligibility redeterminations for Extended Foster Care (EFC). The bill allows a county to do eligibility redeterminations to establish Title IV-E eligibility for many of these youth as they enter EFC, without any disruption in services or supports to these youth.

**AB 674 (Bennett) – SIGNED**

AB 674 requires a county welfare department to document in the report submitted at the last regularly scheduled review hearing before a dependent child attains 18 years of age that the individual has been provided written information notifying them that they may be eligible to receive CalFresh benefits and where they can apply for CalFresh benefits.

**AB 941 (Bennett) – SIGNED**

AB 941 will require the Department of Community Services and Development to establish a grant program for counties to establish farmworker resource centers that provide farmworkers and their families information and access to services related to, among other things, labor and employment rights, education, housing, immigration, and health and human services. Funding for this purpose was provided in the 2021-22 state budget.

**AB 1204 (Wicks) – SIGNED**

AB 1204 requires hospitals to prepare an annual equity report that includes an analysis of health status and access to care disparities for patients.

**AB 1357 (Cervantes) – VETOED**

The Governor vetoed AB 1357, which would have required the California Department of Public Health (CDPH) to develop and maintain a statewide referral network of community-based mental health providers and support services addressing maternal mental health on the CDPH website. The Governor's [veto message](#) details why the bill is duplicative of information already available.

**AB 1477 (Cervantes) – SIGNED**

AB 1477 requires a health care practitioner who provides interpregnancy care to ensure that a mother is offered screening or is appropriately screened for maternal mental health conditions.

**SB 65 (Skinner) – SIGNED**

SB 65, the California Omnibus Act, does all of the following: (1) requires the Office of Statewide Health Planning and Development (OSHPD) to work to increase the number of students receiving training as certified nurse-midwives or licensed midwives, subject to an appropriation by the Legislature;( 2) establishes the California Pregnancy-Associated Review Committee (CPARC) effective August 1,

2022 to review all pregnancy-related deaths and severe maternal morbidity; (3) requires counties to annually report infant deaths and to establish a Fetal and Infant Mortality Review (FIMR) committee, upon appropriation by the Legislature; (4) requires DHCS to convene a workgroup to examine the implementation of the Medi-Cal doula benefit enacted pursuant to the Budget Act of 2021.

#### **SB 221 (Wiener) – SIGNED**

SB 221 addresses behavioral health parity by codifying existing timely access to care standards for health plans and health insurers, applies these requirements to Medi-Cal managed care plans, adds a standard for non-urgent follow-up appointments for nonphysician mental health care or substance use disorder providers that is within 10 business days of the prior appointment, and, prohibits contracting providers and employees from being disciplined for informing patients about timely access standards.

#### **SB 317 (Stern) – SIGNED**

SB 317 revises the procedures when a defendant is found mentally incompetent to stand trial (IST) on misdemeanor charges. Additionally, the bill allows a defendant to earn conduct credits when he or she is committed to a state hospital or other mental health treatment facility as IST in the same manner as if they were held in county jail.

#### **SB 326 (Pan) – SIGNED**

SB 326 deletes provisions in law that would make health plan and insurer preexisting condition protections, premium rating limitations and other antidiscrimination requirements inoperative if specified provisions of the Affordable Care Act are repealed or amended to no longer apply.

#### **SB 354 (Skinner) – SIGNED**

SB 354 allows DSS, as part of the resource family approval (RFA) process, to grant criminal records exemptions on a case-by-case basis for otherwise non-exemptible crimes to relatives or nonrelative extended family members (NREFM) of children placed in the child welfare system, under specified circumstances. This bill additionally permits the court to authorize placement of children with a relative and NREFM in certain circumstances, regardless of the status of any criminal records exemption or RFA, among other changes.

#### **SB 365 (Caballero) – VETOED**

Governor Newsom vetoed SB 365, which would have made electronic consultation services reimbursable under the Medi-Cal program for enrolled providers, including FQHCs or RHCs. In his [veto message](#), the Governor states that the definition of e-consult services in SB 365 is inconsistent with federal law, which explicitly states

that reimbursement for visits in FQHCs and RHCs is only permitted between a FQHC and RHC billable provider and a patient. Additionally, the Centers for Medicare and Medicaid Services (CMS) has communicated to DHCS that e-consult services are not separately reimbursable to FQHCs and RHCs because a patient is not included during the encounter. Therefore, e-consult services would not be eligible for federal matching funds reimbursed separately to FQHCs and RHCs.

#### **SB 465 (Eggman) – SIGNED**

SB 465 requires the Mental Health Services Oversight and Accountability Commission to report to specified legislative committees the outcomes for people receiving community mental health services under a full-service partnership model, as specified, including any barriers to receiving the data and recommendations to strengthen California's use of full service partnerships to reduce incarceration, hospitalization, and homelessness.

#### **SB 510 (Pan) – SIGNED**

SB 510 ensures Californians have timely and equitable access to COVID-19 testing and vaccinations. This bill will ensure uniformity in testing payment and access rules throughout the state. The Governor's [signing message](#) directs the Department of Managed Health Care (DMHC) to issue guidance to address concerns about how the prevailing market rate is determined. This would help prevent price gouging and clarify how a "reasonable" reimbursement amount is calculated for purposes of reimbursing out-of-network providers for COVID-19 testing and vaccine administration.

#### **➤ HOUSING**

#### **AB 215 (Chiu) – SIGNED**

AB 215 provides the Department of Housing and Community Development (HCD) with additional enforcement authority for local agency violations of certain housing laws. Specifically, SB 215 allows HCD to appoint or contract with other counsel to represent the department when the Attorney General declines to represent the Department in certain enforcement actions.

#### **AB 602 (Grayson) – SIGNED**

AB 602 makes significant changes to laws governing local development impact fee programs and create new state and local costs.

#### **AB 838 (Friedman) – SIGNED**

AB 838 makes several changes to local building code enforcement processes and procedures as well as prohibiting cost recovery for building, zoning, and safety inspections in some cases.

**AB 1423 (Daly) – VETOED**

AB 1423 would have allowed developers to receive grant funding from HCD during the construction period. The Governor's [veto](#) message cites legal and implementation-related concerns.

**SB 9 (Atkins) – SIGNED**

SB 9 requires a local government to ministerially approve the development of two residential units in single-family residential zones, as well as the splitting of parcels in those same zones.

**SB 10 (Wiener) – SIGNED**

SB 10 authorizes a city or county to pass an ordinance to zone any parcel for up to 10 units of residential density, at a height specified by the local government in the ordinance, if the parcel is located in a transit-rich area or an urban infill site.

**SB 477 (Wiener) – VETOED**

SB 477 would have added several requirements to the annual progress report (APR) that local governments are required to submit to HCD each year in relation to their housing elements. The Governor's [veto](#) message states his support for local government reporting and accountability but notes that – given HCD's current efforts to improve annual reporting – it is premature to add new requirements to the statute.

**SB 478 (Wiener) – SIGNED**

SB 478 bill prohibits a local government from imposing certain floor area ratio standards on housing projects of 3-10 units.

➤ **TRANSPORTATION AND TRANSPORTATION-CLIMATE CHANGE**

**AB 1147 (Friedman) – VETOED**

AB 1147 would have made numerous substantive changes to the required elements of metropolitan planning organizations' regional transportation plans related to implementation of sustainable communities strategies. The [veto](#) message stated that the measure was not necessary given California's existing administrative efforts to collaborate with local governments on active transportation and other climate friendly transportation policies.

➤ **PLANNING AND LAND USE**

**AB 537 (Quirk) – SIGNED**

AB 537 makes several changes to existing law that requires an application for a wireless telecommunications facility to be deemed approved.

### **AB 970 (McCarty) – SIGNED**

AB 970 establishes specific time frames in which local agencies must approve permits for electric vehicle charging stations.

### **AB 1124 (Friedman) – SIGNED**

AB 1124 revises the definition of "solar energy system" as that term is used for the purpose of local permitting of such systems, including the allowable fees a local agency may charge, and clarifies the permit fees local agencies may charge for commercial and residential solar energy systems.

### **➤ PUBLIC SAFETY**

### **AB 48 (Gonzales) – SIGNED**

This bill recasts the standards for when and how law enforcement can use kinetic energy projectiles (e.g., rubber bullets or beanbags) and chemical agents for purposes of crowd control.

### **AB 118 (Kamlager) – SIGNED**

This bill establishes the Community Response Initiative to Strengthen Emergency Systems (C.R.I.S.E.S.) Act Pilot Grant Program within the Department of Social Services to expand the participation of community-based organizations in an emergency response role for vulnerable populations. An appropriation of \$10 million was secured in the 2021-22 state budget (SB 129) to support this new initiative.

### **AB 625 (Arambula) – SIGNED**

This bill requires the State Public Defender, in consultation with the California Public Defender Association, to (1) oversee a study to analyze and determine appropriate workloads for public defenders and indigent defense attorneys and (2) submit findings to the Legislature by January 1, 2024.

### **AB 990 (Santiago) – VETOED**

This measure would have established personal visits as a protected civil right for all state prison inmates and felony (Penal Code section 1170(h)) jail inmates. In addition, the bill would have amended the standard that dictates when and how custodial authorities may restrict any of the civil rights outlined in statute. The Governor's [veto](#) noted, among other concerns, the likelihood that AB 990 would "result in extensive and costly litigation from individuals denied visitation for what may be valid and serious safety and security concerns."

### **SB 2 (Bradford) – SIGNED**

This measure creates a statewide decertification process for peace officers and grants the Commission on Peace Officer Standards and Training (POST) new



authority to investigate and determine peace officer fitness and decertify officers who engage in “serious misconduct”.

### **SB 16 (Skinner) – SIGNED**

This bill expands the categories of police personnel records that are subject to disclosure under the California Public Records Act. As amended late in the session, SB 16 requires that records related to the use of excessive or unreasonable force must be sustained in order to qualify for expanded public access.

### **SB 586 (Bradford) – SIGNED**

As amended late in the session, SB 586 makes a corrective change to carry out the statewide decertification process for peace officers established in SB 2.

### **Treasury Updates on ARPA Final Rule**

Earlier this month, the US Department of Treasury released a [statement](#) on the process for finalizing the Interim Final Rule for the ARPA, clarifying that until a Final Rule is adopted and becomes effective, the Interim Final Rule is, and will remain, binding and effective. This clarification means that if recipients of Recovery Funds use them in a manner that is consistent with the Interim Rule while the Interim Rule is effective, they will not be subject to recoupment. Treasury is currently reviewing over 1,000 public comments in response to the Interim Rule and expects that review to continue into the fall.

Treasury also announced that, due to the comments and feedback gathered during the Interim Report and Recovery Plan Performance Report process, the department is revising the deadline for the submission of the first Project and Expenditure Report. Project and Expenditure Reports will now be due **January 31, 2022** and will cover the period between award date and December 31, 2021.

### **Treasury Clarifies Emergency Rental Assistance Recoupment and Reallocation**

State and local recipients of the first round of federal Emergency Rental Assistance program (ERAP) received a [letter](#) from the US Treasury outlining Treasury’s plans for recouping and redistributing “excess” funds. Recall that 65 percent of the first round of federal ERAP funds were required to be spent by September 30, 2021 or grantees would be subject to recoupment and reallocation of such funds. Treasury noted in its letter that it intends to direct recouped resources to grantees that have been successful in administering the program, as well as to those grantees that continue to experience high needs, as follows:

*Identify “excess” funds for reallocation:* Treasury will use state and local grantees’ expenditure ratios to identify excess funds for reallocation. Treasury will establish a minimum expenditure ratio, based on expenditures made through September 30. The amount available for recoupment will be the difference between a grantee’s actual expenditures and the minimum expenditure ratio.

The first determination of expenditure ratios will happen after October 15, when grantees submit their September expenditure data. The minimum expenditure ratio will increase over time, with the final determination and reallocation expected in the Spring of 2022.

*Give grantees advance notice of recoupment:* Treasury will provide grantees that have been identified as having excess funds and subject to reallocation an opportunity to provide evidence of why these funds should not be recouped and lessen the amount recaptured. Treasury will not recapture funds that have already been obligated by the grantee.

*Keep reallocated funds within the same state:* Treasury will work to keep reallocated funds within the same state, with funds flowing between localities or between the state and localities. Further, Treasury will work with grantees interested in voluntarily having their funds reallocated.

*Provide additional funds to high-performing grantees:* Treasury will reallocate recouped funds to state and local grantees that have obligated at least 65 percent of their allocation and have demonstrated a need for additional funds. Additionally, Treasury will reallocate these recouped funds in tranches as they become available.

Treasury has announced that it will release more detailed guidance on reallocation of ERAP funds soon. Recall that we had previously shared that the California State Auditor had identified recoupment of rental assistance funds as a risk earlier this month; however, HCD issued a [release](#) indicating that the state had met the 65 percent threshold required for expenditure by September 30 and did not anticipate the need for any federal recoupment.

### **San Bernardino County Scores a Win in Measure K Challenge**

A San Bernardino County Superior Court judge has ruled that Measure K, approved by county voters in November 2020, violates the United States Constitution. Measure K amended the county’s charter to impose a single, four-year term limit for elected supervisors and a dramatic pay reduction to \$5,000 per month. Proponents of Measure K have vowed to appeal. For more, check out the *San Bernardino Sun* article [here](#).

## **Governor Issues New Executive Orders**

On October 4, Governor Newsom signed two executive orders. Executive Order [N-18-21](#) assists schools impacted by various wildfires this year. The order related to schools ensures continuity in education for displaced students and includes waivers related to class size, outdoor physical education, school district residency and deadlines for local educational agencies to submit Local Control and Accountability Plans (LCAP).

Executive Order [N-17-21](#) supports the state's ongoing response to the COVID-19 pandemic. This order extends flexibilities allowing the state to increase health care capacity to support ongoing testing and vaccination efforts and minimize the threat of COVID-19 to Californians and health care workers. In addition, following the approval last week of [emergency regulations](#) enabling the Board of Parole Hearings to conduct hearings by videoconference in accordance with AB 145, Governor Newsom determined that the provisions of a prior executive order that directed the Board to conduct hearings by videoconference to reduce the spread of COVID-19 are no longer necessary.

## **Newsom Makes Aging-Related Appointments**

Last week, the Governor announced Kimberly McCoy Wade has been appointed Senior Advisor on Aging, Disability and Alzheimer's for the Office of Governor. McCoy Wade has been Director of the California Department of Aging since 2019. This is the first time in recent memory that a position in the Governor's Office has been focused exclusively on aging and disability issues.

Susan DeMarois has been appointed Director of the California Department of Aging to replace Wade. DeMarois has been Director of Public Policy and Advocacy for the Alzheimer's Association since 2013. She was a Health Policy Consultant from 2009 to 2013 and Assistant Director of Government and Community Relations for the University of California, Davis Health System from 2002 to 2009.

## **DHCS Announces New Date for Medi-Cal Managed Care Plan Procurement RFP**

DHCS is adjusting the release date of the Medi-Cal MCP Request for Proposal (RFP) to February 2, 2022. Though the RFP was scheduled to be released at the end of 2021, this change will not affect the implementation date of January 1, 2024. Additional time is needed to address stakeholder comments received during the comment period for the draft RFP. DHCS is also timing the release of the final RFP so that it does not coincide with the winter holiday period.

## **Community Health Worker and Doula Medi-Cal Benefits Implementation Dates Delayed**

DHCS announced that the Community Health Worker (CHW) and Doula benefits is being delayed from January 1, 2022, to July 1, 2022. Additional time is needed to work with stakeholders and health plans, review their input, incorporate their feedback into the State Plan Amendment, ensure successful system updates, seek federal approval from the Centers for Medicare & Medicaid Services (CMS), and allow time for health plans to prepare to offer these services. CHW and doula services will be delivered by unlicensed practitioners, which requires DHCS to define the services, qualifications, and supervision required for practitioners. Please visit the [CHW](#) and [doula services](#) webpages for more information.

## **Home and Community-Based Services (HCBS) Spending Plan Update**

California submitted its Home and Community-Based Services (HCBS) Spending plan to the Centers for Medicare and Medicaid Services (CMS) on July 12. On September 3, 2021, [CMS notified](#) DHCS that California's HCBS Spending Plan was granted partial approval of the initiatives proposed, with one initiative denied and additional information requested for other initiatives. On September 17, California [provided CMS with the additional information requested](#) for specific initiatives. The state is currently developing implementation strategies and timelines. More information will be made available to stakeholders and posted on the DHCS website in the coming weeks.

## **Judicial Council Acts on Pretrial Services Funding Allocation**

At its October 1 meeting, the Judicial Council approved as part of its consent calendar staff [recommendations](#) for the distribution of \$140 million in 2021-22 state budget funding to pretrial services in all 58 superior courts.

The 2021-22 budget (SB 129) included \$140 million in the current year and \$70 million ongoing beginning in 2022-23 to support "the implementation and operation of ongoing court programs and practices that promote the safe, efficient, fair, and timely pretrial release of individuals booked into jail." Budget bill language specified eligible uses for this funding, including judicial officer workload, costs of technology and automation, ability-to-pay assessment where necessary, as well as provision of services for and monitoring of individuals released pretrial. Additional provisions (1) specify that courts must contract with a county department – including probation departments – to provide pretrial services and (2) maintain existing pretrial services programs and organizational features in the Santa Clara County and the City and County of San Francisco. Counties may, in turn, contract with community-based organizations for supplemental and complementary services in furtherance of the pretrial services program, if specified contracting-out provisions are met.

The actions taken by the Judicial Council last week do the following:

- Specifies distribution of \$70 million in 2021-22 for the one-time pretrial release funding dedicated to the 41 courts that did not receive pretrial pilot funding previously appropriated. As specified in budget bill language, these funds are distributed on each county's share of the state population of persons aged 18 to 25 years of age. (For details, see page 7 at the document at the immediately preceding link.)
- Specifies distribution of \$70 million in ongoing Pretrial Release Funding for all courts. This allocation also is based on each county's relative proportion of the state population 18 1 to 25 years of age. The Judicial Council notes that the formula for the ongoing allocation is expected to remain unchanged in future years. (For details, see page 9 at the document at the immediately preceding link.)
- Sets a minimum funding guarantee of \$200,000 per jurisdiction for both allocations.

#### **2021-22 CCP Planning Grants: County Action Required**

The Board of State and Community Corrections (BSCC) recently issued a reminder to counties regarding an allocation in the 2021-22 state budget to support Community Corrections Partnership (CCP) planning grants. These grants have been provided annually to support the work of the CCPs for ongoing implementation efforts associated with AB 109 (2011).

Counties' receipt of the planning grant are conditioned upon the submission of specified information to the BSCC by December 15, 2021. Additionally, counties also are required to provide an updated CCP Plan. Planning grants are tiered based on each county's population, as follows:

\$100,000	County population of 200,000 and below
\$150,000	County population of 200,001 to 749,999
\$200,000	County population of 750,000 and above

Funds will be distributed by January 31, 2022.

#### **AB 1869 (2020) County Backfill Allocation: By-County Shares Available Soon**

AB 1869, a 2021-22 trailer bill, effectuated – among other provisions – the repeal of approximately two dozen criminal justice administrative fees effective July 1, 2021 and authorized a \$65 million limited-term backfill to offset counties' revenue loss. This year's first courts trailer bill (AB 143) specifies the methodology to be used to

distribute the \$65 million backfill for five years (2021-22 through 2025-26) based on a weighted formula also outlined in AB 143. Under the trailer bill language, the Department of Finance was required to present a specific county-by-county allocation schedule to the Legislature by October 1, 2021. We understand that the allocation schedule has been delivered timely, but at the time of this writing, a copy of the by-county distribution is not yet publicly available.

As a reminder, the \$65 million backfill will be apportioned to counties based on the following factors:

- 50% based on the three-year average of each county's adult population compared to that of the state from 2017 to 2019, inclusive.
- 25% based on the three-year average of each county's total felony and misdemeanor arrests compared to that of the state from 2017 to 2019, inclusive.
- 25% based on the three-year average of each county's total traffic and nontraffic felony and misdemeanor filings compared to that of the state from 2017 to 2019, inclusive.

Other notable provisions in AB 143 specify that each county's board of supervisors has the authority to determine how the backfill funds are to be spent and set forth various reporting requirements for counties. As soon as we receive more information on the county-by-county allocation, we will make it available.