



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](#).

January 28, 2022

Governor Newsom, Legislative Leaders Agree on COVID Sick Leave

This week, Governor Gavin Newsom and legislative leaders announced an agreement to take early action to ensure employees have access to supplemental COVID-19 sick leave through September 30, 2022. The proposal includes up to two weeks of supplemental paid sick leave to recover from COVID-19 or care for family members with the virus. Employers with at least 26 employees would be required to provide up to 40 hours of flexible paid leave to full-time workers who are sick or caring for an ill loved one and require proof of a positive test to qualify for an additional 40 hours of paid time off. Part-time workers would be eligible for sick leave equal to the number of hours they typically work in a week or twice that amount with a positive test. The new leave policy is retroactive to January 1.

While the agreement does not include funding for employers to offset sick leave costs, it does include several proposals the Governor introduced earlier this month as part of his 2022-23 budget plan to assist businesses: (1) restoration of net operating loss deductions for corporate and individual taxpayers with business income of \$1 million or more and (2) tax conformity to allow funds from federal grant programs for restaurants and shuttered venues to be considered excluded income for state tax purposes.

The Legislature has also agreed to the Governor's request for \$1.4 billion in the current year for testing, vaccinations, and COVID-19 response in state prisons. We understand that the Administration also is seeking an increase to that initial proposal of \$400 million and authority for another \$600 million for COVID-19 response if needed.

At the Assembly Budget Committee overview hearing this week, Assembly Member and Chair Phil Ting announced that the Committee would be hearing the supplemental sick leave agreement at a future hearing. Stay tuned.

Budget Subcommittee Hearings Kick Off Next Week

Following the full budget committees, state budget activities are beginning to gear up, with a number of budget subcommittee hearings scheduled for next week. As we've mentioned previously, the Legislative Analyst's Office (LAO) has begun its iterative release of assessments of various aspects of the Governor's budget proposals [here](#). Hearings on subject-matter specific items begin next week, as highlighted below.

The Senate Budget and Fiscal Review Subcommittee No. 3 on health and human services will start discussing the Governor's budget on February 3. The Subcommittee will be hearing issues related to the California Health and Human Services Agency, the Emergency Medical Services Authority, the Department of Health Care Access and Information, the Department of Managed Health Care, the Mental Health Services Oversight and Accountability Commission, and Covered California.

The Senate Budget and Fiscal Review Subcommittee No. 5 on corrections and public safety issues will convene for its first hearing of the year on Tuesday, February 1. The agenda materials are not yet publicly available, but the departments identified for the subcommittee's discussion include the California Health and Human Services Agency, the Department of Corrections and Rehabilitation, and the Board of State and Community Corrections – which would suggest a juvenile justice focus. The Legislative Analyst's Office released an [assessment](#) this week of the Governor's proposed investment of an additional \$100 million for investment modifying county juvenile facilities.

The Assembly Budget Subcommittee No. 1 hearings on health and human services issues will begin Monday, February 7. Items to be discussed at the hearing including the COVID Response action package, Health Care Affordability, Medi-Cal CalRx, the Office of Health Care Affordability, and the Covered California Affordability Options Report.

More Vaccination Legislation Introduced

Senator Richard Pan introduced [SB 871](#) this week, which would require COVID-19 vaccination for children and youth entering public or private school, child care, family day care or developmental centers. The bill also would repeal the personal belief exemption in existing law for immunizations. When Governor Newsom proposed requiring school children to be vaccinated last fall, he included personal belief exemptions.

SB 871 would become effective January 1, 2023. Senator Pan is one of the members of the legislative Vaccine Work Group; the members of the workgroup are co-authors of the bill.