



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. Nearly 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](#).

November 2, 2022

Governor Announces End to Public Health Emergency

On October 17, Governor Newsom **announced** that California will end its public health state of emergency on February 28, 2023. The Administration noted that this timeline gives the health care system needed flexibility to handle any potential post-holiday surge that may occur in January and February, in addition to providing state and local partners the time needed to prepare for this phaseout and set themselves up for success afterwards.

Administration officials stressed that the emergency order allowed the state to create the framework necessary to mount a centralized response to the pandemic, and that infrastructure could be scaled up if necessary to manage an increase in COVID-19 cases or another health crisis.

Newsom **declared** the state of emergency on March 4, 2020, a move that gave him broad powers to issue executive orders to direct how the state controlled the pandemic response. Many of the key provisions of the pandemic restrictions ended in 2021 and earlier this year. Less than 5 percent of the original orders — or 27 of the 596 provisions of the state of emergency — remain. Many of those are operational in nature and no longer needed.

To maintain California's COVID-19 laboratory testing and therapeutics treatment capacity, the Newsom Administration will be seeking two statutory changes immediately upon the Legislature's return: 1) the continued ability of nurses to dispense COVID-19 therapeutics and 2) the continued ability of laboratory workers to solely process COVID-19 tests.

Note that the end of the public health state of emergency has implications for local agencies' ability to utilize remote participation in public meetings. We strongly

advise consulting with counsel about the manner in which remote participation may continue beyond February 28, 2023.

State Revenues Continue to Decline

Softening stock market performance and reduced tech sector personnel spending are likely key causes of weak performance in 2022 personal income tax withholding and quarterly estimated payments, according to the Department of Finance. Regrettably, that trend has continued as October state revenues underperformed against budget estimates. The Department of Finance monthly [bulletin](#) indicates that September General Fund revenues were \$2.785 billion below the 2022-23 Budget Act forecast of \$18.906 billion. For the first three months of the 2022-23 fiscal year, General Fund revenues were \$4.781 billion below the forecast of \$42.946 billion.

Personal income tax revenues for the month were \$3.045 billion below the month's forecast of \$13.317 billion. September is a significant month for personal income tax cash receipts as many taxpayers pay their third quarter estimated payments. September estimated payments fell significantly below projections, coming in \$2.246 billion below the budget forecast. Withholding receipts were \$892 million below the forecast in September. This was the fourth consecutive month that withholding receipts fell below projections and followed a combined shortfall of \$1.869 billion from June to August.

Corporation tax cash receipts for September were \$160 million above the forecast of \$2.378 billion. As seen in previous months since July, unanticipated Pass-Through Entity (PTE) elective payments offset lower receipts and higher-than-expected refunds.

Sales and use tax cash receipts for September were \$2 million below the month's forecast of \$2.827 billion.

Governor Promises to Convene Special Session

Governor Gavin Newsom has [pledged](#) to call the Legislature into extraordinary session for purposes of considering a windfall profits tax on the oil industry. Noting record-level oil company profits, Newsom indicated his plan to convene legislators on December 5, the day the new class of legislators is sworn in, for a conversation about a not-yet developed strategy that can meet the Legislature's approval and stand up to expected legal challenges by the oil industry. Any tax measure would, of course, be subject to a two-thirds vote by both houses.

Middle-Mile Broadband Initiative Update

Middle Mile Achievements

The Middle-Mile Advisory Committee (MMAC) recently reported significant progress on the state's Middle-Mile Broadband Initiative (MMBI) during its October meeting (full recordings of the MMAC monthly meetings as well as other

information can be found on the [MMBI website](#)). Recent milestones and achievements include:

- Government Operations Secretary Amy Tong, Transportation Agency Secretary Toks Omishakin, Infrastructure Advisor to the Governor Antonio Villaraigosa, Assemblymember Jim Wood, Senator Brian Jones, as well as department heads and stakeholders kicked off construction of the middle-mile network on October 13.
- Job Order Contracts for construction of more than half the system were released on October 14.
- Caltrans reported that 77 percent of preconstruction is now in process statewide, up from 73 percent in September 2022.

Broadband Infrastructure Grants

The California Public Utilities Commission (CPUC) manages the state's broadband deployment, technical assistance, affordability, and digital equity grant programs; licenses and regulates providers; promotes digital equity; and analyzes the impact of the digital divide in the state. Additionally, it has responsibility for administration of the \$2 billion Federal Funding Account that provides grants to public and private entities to build last-mile infrastructure for Californians without access to high-speed broadband service.

The CPUC is preparing for publication of priority areas for funding, which are a subset of the eligible unserved areas. Proposed funding areas and digital equity information will be shown on a public map, and potential applicants can register to access more detailed information. Additional resource links (fact sheet, dashboard, recording of webinar, presentations, and reports) may be found on the [CPUC website](#).

Broadband Adoption and Affordable Connectivity Plan

The Department of Technology has developed tools to support individuals and organizations in accessing programs designed to increase affordability and adoption of home internet service by promoting low-cost internet plans and the federal Affordable Connectivity Plan (ACP) that provides a monthly benefit to residents to lower the cost of home internet service. To date, because of these efforts, more than 1.7 million California households have enrolled in the Affordable Connectivity Plan. Resources for local governments can be found here:

- [Affordable service programs](#)
- [Affordable connectivity program](#)
- [ACP enrollment tracker](#)

DHCS Stakeholder Advisory Group Holds Quarterly Meeting

The Department of Health Care Services (DHCS) Stakeholder Advisory Committee and Behavioral Health Stakeholder Advisory Committee held a [joint](#)

meeting on October 20. The meeting began with the Director's Update from Michelle Baass where she announced that Medi-Cal Rx phase one was fully launched on September 16 and phase two will have a 30-day notice prior to the go-live date. DHCS is also working to allocate the \$1.1 billion included in the budget for worker retention. The portion earmarked for hospitals and skilled nursing facilities is expected to be allocated by January and clinic funding is expected by February.

After the Director's Update, the meeting shifted to a discussion of the unwinding of the Public Health Emergency (PHE). The federal government has extended the PHE through January 2023. DHCS is continuing to cover individuals who enrolled in Medi-Cal as part of the young adult expansion policy and who have aged out or will age out of the state-funded full scope Medi-Cal as a result of turning 26 years old from March 2020 through December 2023. DHCS estimates that 40,000 young adults may have aged out and would move to restricted scope coverage without this policy bridging their coverage. DHCS also submitted a request for additional flexibilities to CMS on October 18. The flexibilities center around updating address/contact information, including allowing the department, state, and counties to use returned address labels to proactively update beneficiary contact information.

The advisory committee also received an update on CalAIM. Community Supports selections are being phased in across counties in 2022 and 2023, with more than 10 of the 14 Community Supports offered in 16 counties as of July 1, 2022. Managed Care Plans can opt-in to offer new Community Supports every six months in January or July. Staff also included an update on dually eligible beneficiaries. Currently, more than 70 percent of dually eligible beneficiaries (more than 1.1 million) are enrolled in Medi-Cal managed care. It is expected that about 325,000 dually eligible beneficiaries will be newly enrolled beginning in January 2023. Additionally, Medicare-Medi-Cal plans combine Medicare and Medi-Cal benefits into one plan, which will be available to dually eligible beneficiaries for 2023 in seven counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara.

On the CalAIM Behavioral Health front, DHCS stated this same group will be convened to discuss a new waiver to create a single integrated contract between each county and the state. DHCS also intends to pilot Medi-Cal coverage of a contingency management program. Eligible beneficiaries will participate in a structured 24-week program, where they will receive incentives for testing negative for stimulants. Participants will earn a maximum of \$599.

Presentation materials from the joint meeting can be found [here](#); hybrid meeting formats will continue in the future.

New Encampment Resolution Grant Awards

On October 26, the Governor Newsom **announced the latest round of awards** from the Encampment Resolution Grant Program. Recall that the 2021-22 state budget included \$50 million in one-time funds for this program. According to the Newsom Administration, the California Interagency Council on Homelessness received over \$120 million in grant applications for the initial allocation. In 2022-23 budget negotiations, Governor Newsom pushed to extend and expand the program with ultimately \$700 million budgeted for the program over the next two years (\$300 million in 2022-23 and \$400 million in 2023-24). According to the controlling budget bill language, \$150 million of the 2022-23 funds must be reserved for local jurisdictions with projects that address encampments on state right-of-ways.

The program makes competitive grant available for counties, Continuums of Care, and cities of any size that aims to (1) assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments; (2) resolve critical encampment concerns and transition individuals into safe and stable housing; and (3) encourage a data-informed, coordinated approach.

The eight new grants awarded last week total \$48 million and are expected to allow the receiving cities, county, and Continuum of Care to serve a combined total of 1,461 people. The recipients include the Los Angeles City and County Continuum of Care, Riverside County, City and County of San Francisco, and the cities of Oakland, Oroville, San Diego, Montebello, and Redding.

Opportunities to Serve on BSCC Committees

The Board of State and Community Corrections (BSCC) is soliciting participation from interested individuals in several Executive Steering Committees (ESCs), which are bodies the Board has established to administer application processes associated with various new grant opportunities. Currently, the BSCC is working to **recruit individuals** for four separate ESCs for initiatives funded in the 2022-23 budget. Click [here](#) to review chart.

A diverse set of candidates is being sought for participation in the ESCs, including those who have professional and/or lived experience that will help inform the grant making process. More information on the ESC process and how to apply is available [here](#). We strongly encourage interested individuals to reach out to the BSCC to inquire about ESC participation to ensure that these important grant programs can be timely launched. Inquiries may be made to the relevant email addresses below for additional details:

- Organized Retail Theft ESC: ORT@bscc.ca.gov
- Mobile Probation Centers ESC: MobileProbation@bscc.ca.gov
- Gun Buyback ESC: GunBuyBack@bscc.ca.gov
- Missing and Murdered Indigenous People ESC: MMIP@bscc.ca.gov

Public Safety Grant Opportunities: Note December Deadlines

The BSCC recently released multiple requests for proposals/applications (RFP/RFA) for public safety-related grants.

- **Public Defense Pilot Program** – This RFA makes approximately \$49.4 million available to counties. PDPP funds must be utilized for indigent defense providers, including public defenders, alternate defenders, and other qualifying entities that provide indigent defense in criminal matters for the purposes of workload associated with Penal Code Sections 1172.1, 1172.6, 1473.7, and 3051. RFAs must be received by the BSCC by 5:00 p.m. on **December 5, 2022**.
- **Edward Byrne Justice Memorial Justice Assistance Grant Program** – This RFP makes \$47 million available through a competitive process. Funds may be used to hire personnel and/or purchase equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice. Proposals must be received through the BSCC-Submittable Application online portal by 5:00 p.m. on **December 2, 2022**.
- **Proposition 64 Public Health and Safety Grant** – This competitive RFP has \$150 million available for counties and cities that have not banned both indoor and outdoor commercial cannabis cultivation, or retail sale of marijuana or marijuana products. Grants are intended to assist with law enforcement, fire protection, or other local programs addressing public health and safety associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act. Proposals are due by **December 2, 2022**.

Chief Justice Cantil-Sakauye to Take Helm of PPIC in January 2023

It recently was **announced** that California Chief Justice Tani Cantil-Sakauye, who shared in July her decision that she would retire at the end of her current 12-year term on the state's highest court, will assume the role of President and Chief Executive Officer at the Public Policy Institute of California (PPIC) at the start of the new year. PPIC is an independent, nonpartisan think tank dedicated to informing and improving public policy in California through independent, objective research. Chief Justice Cantil-Sakauye will replace Mark Baldassare, a nationally recognized expert on public opinion and survey methodology, who has served as PPIC's President and CEO for the last 15 years.