

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate  
Kristina Gallagher

RE: 2021 August Update

DATE: September 3, 2021

The Legislature reconvened from Summer Recess on August 16th to complete their last month of the first year of the 2021-22 Legislative Session and will adjourn on September 10th. The Budget Bill SB 129 was signed on July 12th. There are several outstanding issues that were not dealt with in the Budget that will be dealt with through trailer bills during the last two weeks of session.

On August 17<sup>th</sup>, the federal government announced that the Federal Emergency Management Agency (FEMA) will continue to fully reimburse state and local governments for Project Roomkey costs through December 31, 2021. Since the start of Project Roomkey in April 2020, over 42,000 of California's most vulnerable residents have been sheltered and a recent study concluded that there was an 81 percent success rate in the isolation/quarantine course. The County participates in the program.

After the announcement, Governor Newsom stated, "President Biden and Administrator Criswell recognize how critical this program is, and I am deeply appreciative of their leadership and partnership. Now, with 100 percent reimbursement from the federal government, California can continue our efforts to protect people experiencing homelessness and reduce the spread of COVID and its variants."

On July 8<sup>th</sup>, Governor Newsom also signed an Executive Order calling on all Californians to voluntarily reduce their water use by 15 percent compared to 2020 levels. Along with the Executive Order, he signed a proclamation expanding the regional drought state of emergency to include nine additional counties where drought effects are increasingly severe or where state emergency response may be needed, including Santa Barbara County. Currently, 99.96% of the County is currently in a severe drought, while 100% of the County is in a moderate drought according to the U.S. Drought Monitor (USDM).

Fiscal bills that passed their policy committees went to fiscal committees of the second house and any bill that had a substantial fiscal impact was sent to the Suspense File. Suspense File was taken up on August 26<sup>th</sup> by the Appropriations Committee in each house. Bills that were voted on in the Appropriations and the Suspense File have either continued into the final weeks of floor debate in each house, become two-year bills, or were held in Committee. If the bill passes the floor, it will go back to the house of origin for concurrence and then will go to the Governor's desk. The last day for bills to be passed to the Governor's desk is September 10<sup>th</sup>, the Governor will then have 30 days to take action.

### State Budget

Governor Newsom submitted his 2021-22 May Revise to the Legislature on May 14<sup>th</sup>. The Legislature officially submitted their budget on June 14<sup>th</sup> to meet the constitutional deadline. AB 128, the first version of the 2021-22 Budget Act was passed without any agreement with the Administration on a number of spending issues or what the final budget amount should be. The Legislature and the Administration had different priorities and ideas of how to distribute the funding, and the Budget was initially only passed in order to meet the constitutional deadline. The Governor signed AB 128 on June 28<sup>th</sup>.

On June 28th, the Legislature adopted a new budget bill - SB 129, that comprehensively amended the first budget bill that was passed on June 14<sup>th</sup>. The amendments contained in SB 129 are the result of negotiations with the administration. The June 28th Package builds on priorities put forward in the Assembly's "A Budget of Opportunity" blueprint, the Senate's "Build Back Boldly" plan, and the Governor's May Revision.

The June 28th Package reflects total spending of \$262.6 billion, of which \$196.4 is from the General Fund, and total General Fund reserves equaling a record \$25.2 billion. Total Proposition 98 spending is a record, \$93.7 billion, including \$66.4 billion from the General Fund. SB 129 was signed and chaptered on July 12th.

There are several items that remain outstanding, therefore the Legislature will be hearing a number of trailer bills the week of September 7th. The climate package has yet to be released, therefore the following items are still in negotiations:

- A \$730.7 million water and drought resilience package.
- A \$258 million wildfire prevention and forest resilience package.
- A \$200 million agriculture package.

### ***Santa Barbara County Pipeline Clean-Up***

The County of Santa Barbara and the City of Carpinteria worked with Senator Limon on including funding for the decommissioning of abandoned pipelines.

We are pleased to report that we were successful in securing funding for the County's abandoned pipelines, the County and the City of Carpinteria worked with Senator Limon on including funding for the decommissioning of old abandoned pipelines. We were notified on June 25<sup>th</sup> by the Senator's office that \$1,050,000 was included in the Budget to the County of Santa Barbara and the City of Carpinteria for the Old Venoco abandoned pipeline cleanup.

### ***Homelessness***

#### ***Trailer Bill - AB 140 (Committee on Budget)***

The Legislature passed the housing trailer bill - AB 140 (Committee on Budget) prior to adjourning for summer recess. The trailer bill consists of multiple negotiated homelessness provisions which included an investment of \$2 billion in flexible homelessness funding for local governments over the next two years.

The trailer bill expands on the Homeless Housing, Assistance and Prevention (HHAP) Grant Program created through trailer bill AB 101 in fiscal year 2019-20. The \$2 billion in funding for FY 2021-22 and 2022-23 will be used for rounds three and four of HHAP. Allocations for each round will use the same formula as prior HHAP rounds which relies on a county's proportionate share of the total homeless population of the region serviced by the continuum of care (CoC) within which the county is located. Population will be based on the 2019 homeless point-in-time count for round three and the most recent homeless point-in-time count for round four. The bill specifically provides:

- \$224 million to counties (40 percent cap for any single county).
- \$240 million to CoCs (40 percent cap for any CoC).
- \$336 million to large cities with populations over 300,000 (45 percent cap for any single city).
- \$180 million for bonus funds available to cities, counties and CoCs.

In addition to the four designated funding pots the measure describes the parameters for applicants to apply for grants, the Homeless Coordinating and Financing Council's (HCFC) approval process, and reporting requirements. The statutory language passed by the Legislature also reflects discussions related to prioritizing outcome goals and accountability measures. Each applicant will be required to provide outcome goals in consultation with HCFC. AB 140 provides the framework for the creation of the outcome goals and their evaluation. The \$180 million for bonus funds are available for grant recipients who meet those goals. More program details and guidelines will be issued by HCFC.

### *Project Homekey*

AB 140 also included statutory changes to facilitate the additional round of Project Homekey funds included in the final 2021-22 Budget.

### *Encampment Resolution Funding Program*

The Encampment Resolution Funding program is a competitive grant program for cities, counties and CoCs to support encampment resolution and the transition of individuals into housing. Prioritization for funding will be given to applicants with encampments of 50 or more individuals, the ability to show cross-system collaboration and innovation, and issued to a diverse set of communities including rural, suburban and urban. An application with program guidelines will be available no later than October 31, 2021. The Family Homeless Challenge Grants and Technical Assistance Program The trailer bill outlines the framework for the \$40 million in one-time funding for the Family Homeless Challenge Grants and Technical Assistance Program. The program is created to fund city, county and CoC efforts to accelerate, expand and develop solutions that target ending family homelessness. Seventy five percent of the funding (\$30 million) will be distributed in two rounds of grants to local governments, another 20 percent (\$8 million) will be set aside for local government technical assistance. An application with program guidelines will be available no later than March 1, 2022.

### ***SB 129 (Budget Act of 2021) - Homelessness***

The State Budget Bill - SB 129, which was chaptered on July 12<sup>th</sup>, included \$4 billion for the budget year and nearly as much the following year for homelessness. These proposals include:

- Project Homekey – \$1.45 billion (\$1.2 billion federal American Rescue Plan Act – ARPA – funds and \$250 million General Fund) in 2021-22 and \$1.3 billion (\$1 billion federal ARPA funds and \$300 million General Fund) in 2022-23.
- Flexible Local Aid – \$1 billion General Fund in 2021-22 and \$1 billion General Fund in 2022-23, with robust oversight and accountability requirements.
- Family Homelessness challenge Grants and Technical Assistance – \$40 million.
- Encampment Resolution Grants – \$50 million.
- Homelessness landscape assessment – \$5.6 million in funding and placeholder trailer bill language for the Homeless Coordinating and Financing Council (HCFC).
- Project Roomkey – \$150 million one-time General Fund to help transition individuals at Project Roomkey sites to transitional or permanent housing.
- CalWORKs Housing Support Program (HSP) – \$190 million General Fund in 2021-22 and \$190 million General Fund in 2022-23, allowing for use of both appropriations until June 30, 2024. Funds are to be used locally to combat homelessness, including enabling assistance to a family at risk of homelessness prior to the start of an eviction.
- Bringing Families Home (BFH) program – \$92.5 million General Fund in 2021-22 and \$92.5 million General Fund in 2022-23, allowing for use of both appropriations until June 30, 2024.

This funding will include a waiver of the county match requirement for the entire three-year period and funding flexibility to serve families at risk of homelessness.

- Housing and Disability Advocacy Program (HDAP) – \$150 million General Fund in 2021- 22 and \$150 million General Fund in 2022-23, allowing for use of both appropriations until June 30, 2024. This funding will include a waiver of the county match requirement for the entire three-year period and allowing the use of funds for prevention.
- Adult Protective Services (APS) Home Safe Program – \$92.5 million General Fund in 2021-22 and \$92.5 million General Fund in 2022-23, allowing for use of both appropriations until June 30, 2024. This funding will include a waiver of the county match requirement for the entire three-year period and funding flexibility in homelessness prevention approaches, including the ability to serve APS clients at risk of homelessness.
- Community Care Expansion (CCE) program –\$805 million (\$352.5 million General Fund) in 2021-22 on a one-time basis. Of the total amount, \$55 million General Fund is appropriated in 2021-22 for a capitalized operating subsidies reserve (COSR) program to benefit Adult Residential Facilities and Residential Care Facilities for the Elderly that serve SSI/SSP recipients, with trailer bill language for these purposes

### *Administration of Justice*

#### *Fines and Fees*

The budget agreement in AB 143, the courts trailer bill, which was chaptered on July 16<sup>th</sup>, included the Administration and Judicial Branch’s ability-to-pay program that was proposed in January. This included \$12.3 million General Fund in 2021-22, \$25.1 million in 2022-23, \$47.0 million in 2023-24, and \$58.4 million annually thereafter for the Judicial Branch to support statewide court operations, including processing ability to pay determinations.

The Budget framework also sets aside \$151 million General Fund in 2021-22, \$151 million in 2022-23, \$130 million in 2023-24, and \$120 million in 2024-25 and ongoing to backfill the state and local revenue associated with eliminating additional criminal justice fees. The specific fees have not yet been determined and are subject to further negotiations between the Administration and Legislature.

Lastly, AB 143, the courts trailer bill, included an allocation methodology for the distribution of the \$65 million included in Chapter 92, Statutes of 2020 (AB 1869) which eliminated the ability of state and local agencies to impose certain administrative fees for criminal offenses, such as fees imposed to recover costs related to providing public defense and probation supervision, commencing July 1, 2021. The allocation included the following elements:

- 50% allocated based on the three-year average of each county’s adult population compared to that of the state from 2017 to 2019;
- 25% allocated 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;
- 25% allocated 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;
- The Board of Supervisors shall have the authority to determine how funds will be spent;
- The Department of Finance shall determine the by-county allocation by October 1, 2021;
- No later than May 1, 2022, each county’s Board of Supervisors receiving funds shall submit a report detailing the actual revenue lost from each individual fee repealed by AB 1869 for each of the three most recent years that a county collected this revenue; and,

- Each county shall submit a report that documents how the backfill allocation was spent. This report shall be submitted no later than January 10 of every year beginning in 2023 for funding that was provided pursuant to this section in the prior year.

*Division of Juvenile Justice Realignment – Office of Youth and Community Restoration*

Consistent with the Governor’s May Revision proposal, the state budget included \$7.6 million General Fund in 2021-22 and \$7 million ongoing for the new Office of Youth and Community Restoration (OYCR) under the Health and Human Services Agency. Additionally, the Budget included \$20 million one-time General Fund in 2021-22 to provide technical assistance, disseminate best practices, and issue grants to counties and probation departments for the purpose of transforming the juvenile justice system to improve outcomes for justice involved youth.

The Budget also included \$2.35 million ongoing General Fund and adopts trailer bill to expand and enhance the Pine Grove Youth Conservation Camp.

Lastly, the Budget included \$1.9 million General Fund in 2021-22, and \$1 million 2022-23, to the Department of Justice to convene a working group to submit a plan for the replacement of the Juvenile Court and Probation Statistical System with a modern database, as a part of the realignment of the Division of Juvenile Justice to the counties.

***Judicial Branch***

The budget included several investments in the Judicial Branch to improve access to justice:

- \$40 million General Fund in 2021-22, \$30 million in 2022-23 and ongoing to address pandemic-related expenses, the temporary increase in dependency counsel caseloads due to the COVID-19 pandemic, and to correct for any shortfall in federal funding.
- \$16.5 million General Fund in each of 2021-22 and 2022-23 to the County Law Libraries to backfill lost revenue.
- \$50 million General Fund in 2021-22 and \$20 million in 2022-23 and ongoing for legal aid services through the Equal Access Fund.
- \$200,000 one-time General Fund in 2021-22 to the Los Angeles Court Appointed Special Advocacy Program to support youth in the child welfare system.

The budget also included \$53.5 million ongoing General Fund to support maintenance, utility, and lease costs for trial court and the Courts of Appeal facilities and \$188 million General Fund to support deferred maintenance. Lastly, the budget included \$80 million over three years to fund legal aid services for renters and homeowners to avoid eviction and foreclosure and \$60 million one-time General Fund to address civil and criminal backlog of cases resulting from the COVID-19 pandemic.

*Victims of Crime Act Supplemental Funding*

The Budget included \$100 million one-time General Fund for the California Office of Emergency Services to supplement federal funding supporting a variety of services for domestic violence victims.

### *Community Corrections Performance Incentive Grant program (SB 678)*

The Budget included \$122.9 million to county probation departments for the Community Corrections Performance Incentive Grant program (SB 678). This allocation is based on the highest payment to the individual counties over the prior three fiscal years and would be in lieu of the current statutory formula.

### *Agriculture, Environment and Natural Resources*

The June 28 budget included significant investments to prepare for, and protect, communities against our changing climate and disasters. The budget significantly increases General Fund expenditures, focusing on emergency preparedness, drought and wildfire response, and economic recovery. However, at this time, several major resource investment packages are still being negotiated, including implementing legislation and trailer bills as outlined below. Climate Investment Packages Several key climate investment packages are still under negotiation in addition to the June 28 framework budget. These include:

- Wildfire Prevention & Resilience: \$258 million General Fund and other funds, plus an additional \$500 million in 2022-2023.
- Agriculture Budget Plan: \$200 million General Fund and other funds. • Circular Economy (recycling and organic waste): \$65 million General Fund.
- Water and Drought Resilience: \$730 million General Fund.
- Climate Resilience: \$440 million in 2021-22.
- Cap-and-Trade Spending Plan: \$720 million. Drought, Water Supply Reliability and Flood The budget allocates \$3 billion in direct drought and water resilience investments. While part of the drought package still under negotiation, the budget included several key drought and flood investments:
- \$663 million General Fund one-time to the Department of Water Resources (DWR) for local assistance related to drought relief, such as small community drought relief (\$200 million), urban community drought relief (\$100 million), multi benefit projects (\$200 million), and Sustainable Groundwater Management Act implementation (\$60 million), water conveyance (\$100 million), and \$3 million emergency drought support.
- \$101 million General Fund one-time to DWR for immediate drought support.
- \$237 million General Fund for deferred maintenance at water facilities.
- \$104 million in bond funds for local assistance to support delta levees, \$9.5 million in Proposition 1 funds for flood emergency preparedness, response, & recovery, and \$28.5 million from Prop 68 for floodplain management, protection and risk awareness.
- \$65 million General Fund through the Wildlife Conservation Board for local assistance for drought purposes.
- Defers drought funding details, including implementation legislation (trailer bill language) to future discussions on the drought package.

### *Community Resilience and Wildfire*

The budget tackles community resilience and hardening in several different ways. As outlined below, counties will be able to access grant funding through the Hazard Mitigation Grant Program and community resilience centers and fairground budget allocations. Still to be determined are additional funding pots and implementing legislation that are still under negotiation.

### *Hazard Mitigation Grant Program*

The budget included \$100 million to support the local share of the Hazard Mitigation Grant program for disadvantaged communities. The funding is part of a plan to develop and implement a new initiative, “Prepare California,” modeled after the Federal Emergency Management Agency program. The new program is designed to build disaster-resistant communities through state, local, federal, and private sector and nongovernmental organization partnerships. This proposal included paying up to 100% of the local government’s cost share for participating in the federal hazard mitigation program.

### *Community Resilience Centers and Fairgrounds*

The budget included \$150 million one-time General Fund through California Department of Food and Agriculture (CDFA) to support the development and enhancement of community resilience centers. Funding may be used to support infrastructure for emergency evacuation, shelter, base camps during emergency events, and critical deferred maintenance. Elements for this infrastructure may include cooling and heating centers, clean air centers, and extended emergency evacuation response centers with community kitchens, shower facilities, broadband, back-up power and other community needs due to wildfires, floods, and other emergencies or climate events.

### *Coastal Resilience and Sea Level Rise*

The budget provides \$30 million one-time for a sea level rise local assistance grant program to be allocated over the next five years.

### *Long-Term Recovery Support*

The budget provides \$79 million (General Fund) and \$22 million in Federal Funds for long-term recovery support and strengthening California’s emergency capacity and capabilities. Funding is also directed support California’s recovery efforts and recoupment of eligible federal disaster cost reimbursements for state and local governments, and to maximize the hazard mitigation program to mitigate the impacts of future disasters on the state and local jurisdictions.

### *California Disaster Assistance Act (CDAA)*

The budget authorizes \$100 million one-time General Fund to increase the amount of funding available through the CDAA, which is used to repair, restore, or replace public real property damaged or destroyed by a disaster or to reimburse local governments for eligible costs associated with emergency activities undertaken in response to a state of emergency proclaimed by the Governor. This augmentation increases total CDAA funding available in 2021- 22 to \$162 million.

### *LISTOS Grant Program*

The budget makes permanent a LISTOs grant program to further strengthen connections and build resiliency with all communities. The program would include an on-going \$25 million General Fund grant program and will expand its focus from emergency preparedness to also include emergency response and recovery.

### *Wildfire*

For the Wildfire Prevention and Resilience Package, the budget appropriates \$258 million General Fund and \$75 million Greenhouse Gas Reduction Fund (GGRF) in one-time dollars for 2021-22, as well as

\$500 million General Fund for 2022-23. The remaining \$125 million GGRF for 2021-22 is for the purposes of SB 901 (Dodd), Chapter 626, Statutes of 2018, and will be part of the Cap-and-Trade Spending Plan, which is to be finalized later this summer. Details of the wildfire prevention package are to be finalized in further negotiations between the Legislature and Governor. The budget included \$141 million General Fund, to be phased in over 5 years, to support an additional 30 hand crews for vegetation management, hazardous fuel reduction projects, and wildland suppression. The funding included 15 CalFIRE crews, eight year-round California Conservation Corps (CCC) crews, and six seasonal crews. In addition, the budget allocates \$5 million (GGRF) to the CCC for fire prevention projects.

#### *Wildfire Forecast and Threat Intelligence Integration Center*

The budget implements the Wildfire Forecast and Threat Intelligence Integration Center which is intended to provide real time intelligence and data regarding wildfire threats to government agencies, develop intelligence products for wildfire risk mitigation efforts, and serve as a central organizing hub for wildfire forecasting, intelligence gathering, and analysis. This included 22 positions, \$7 million General Fund, and \$191,000 Public Utilities Commission Utilities Reimbursement Account (PUCURA) in 2021-22 and \$4.2 million General Fund, \$191,000 PUCURA ongoing, to support implementation and strategy development.

#### *Wildfire Property Tax Backfill*

The budget framework approves the May Revision proposal of \$11 million to backfill property tax losses related to wildfires. The state traditionally provides these funds for the fiscal year a wildfire fire occurs and the following fiscal year, by which time it is presumed properties will be rebuilt and their tax assessments re-raised. With larger, more destructive fires, many properties are not rebuilt by that time, but the policy has not been revisited.

#### *Agriculture*

The budget builds in strategic investments to support California's agriculture industry as it faces continued challenges while still producing a huge portion of our nation's food supply. However, as with other budget issues, details are still being negotiated on key components. Significant programs include:

- \$50 million General Fund one-time for Healthy Soils.
- \$60 million General Fund, on a one-time basis, to provide fairground operational support and address fair deferred maintenance needs with language to ensure all fairgrounds may seek funding.
- \$200 million General Fund and other funds to be determined as negotiations continue.

#### *Recycling, Toxics and Waste Management*

As counties face mounting waste management costs, counties have advocated for several funding opportunities to support critical state and local programs, including infrastructure for waste management. Notably, no direct local government support for the development of organic waste programs is included in the June 28 budget. Discussions regarding the organic program are ongoing in both the budget and legislative arenas.

### *Organic Waste and Recycling Infrastructure*

The budget defers action on \$65 million for the Circular Economy Package (reduced from \$130 million in May Revision). This funding was proposed for development of organic waste infrastructure.

### *Cannabis*

The Budget included the consolidation of the functions and positions of the Bureau of Cannabis Control, the Department of Food and Agriculture, and the Department of Public Health into a new stand-alone Department of Cannabis Control within the Business, Consumer Services, and Housing Agency beginning July 1, 2021. This consolidation seeks to simplify participation in the legal market and support the successful and safe operation of cannabis businesses in compliance with state law.

AB 141, the cannabis trailer bill was chaptered on July 12<sup>th</sup>. CSAC along with the California Cannabis Industry Association, League of California Cities, RCRC and the International Cannabis Farmers Association sent a letter to Legislative Leadership and the Budget Chairs on June 29<sup>th</sup> that stated that they were opposed unless amended to AB 141, stating that, “While we support the provisions in the bill to consolidate the three cannabis licensing agencies into a new Department of Cannabis Control, we have significant concerns with the language extending the cannabis provisional license program.”

CSAC’s letter stated that the bill will impose unrealistic timelines placed on local jurisdictions to complete the processing of permit applications. These timelines fail to consider the staffing challenges faced by jurisdictions with high volumes of cannabis applications that add hundreds and, in some cases, thousands of applications on departments already struggling to fulfill the permitting needs of their community. The letter continued to state that this bill also fails to consider the manner in which many local jurisdictions are complying with the State’s rigorous CEQA obligations for cannabis. The language exponentially also accelerates the environmental compliance timelines required for applicants and licensees seeking cultivation in excess of a medium license type.

SB 160, which was considered the “clean up” trailer bill to AB 141, was signed on July 16<sup>th</sup>. CSAC went neutral on the bill, on the basis of that it addressed their concerns regarding CEQA requirements for future renewals of provisional commercial cannabis licenses. The bill continues to treat larger cannabis cultivators in possession of a provisional license differently than all other provisional license holders by shortening the timeline for these licensees to obtain their annual licenses.

There continues to be some concerns regarding the compressed time frame that would apply to medium and larger cannabis cultivators. There are ongoing discussion about a new trailer bill in January.

### *Broadband*

The Legislature passed SB 156, which was chaptered into law on July 20<sup>th</sup>. The trailer bill provides for a historic \$6 billion investment in broadband infrastructure. The bill will benefit residents across the state, connecting millions of families and businesses by providing \$2 billion for last-mile network construction in both rural and urban centers of California (\$1 billion each). Within those designations, the funds will be allocated by the number of unserved and underserved residents, ensuring the funds flow where they are needed most.

Last mile investment dollars will be even better leveraged by the \$3.25 billion earmarked to construct a statewide open-access middle mile network, an essential first step towards increasing connectivity and affordability for all by making it easier for more internet providers to provide faster, cheaper service

throughout the state. This is especially important for the nearly 15 million Californians who live in a broadband monopoly.

An additional \$750 million will act as a loan loss reserve specifically designed to leverage even greater broadband infrastructure investments by local governments, tribal governments, and non-profits.

This legislation utilizes billions in one-time federal funds to provide a permanent benefit by building broadband infrastructure throughout every region of the state.

SB 156 also makes a number of important reforms to the California Advanced Services Fund (CASF), through which last-mile subsidies are allocated, to level the playing field for counties, nonprofits, tribal governments, and smaller broadband providers.

#### *Library Infrastructure Grants*

SB 129, makes a minor change to the \$439 million in for local library infrastructure grants that was included in AB 128. The grants, which would support local library maintenance, capital projects, broadband and technology upgrades, and purchasing of devices, would be prioritized to libraries located in high-poverty areas of the state. SB 129 increases the maximum grant size to \$10 million from \$2 million.

#### *Health and Human Services*

##### *Health and Human Services Suspensions Eliminated*

The budget agreement eliminates the program suspensions for several Health and Human Services (HHS) programs that were in current law. These include the restoration of the seven percent cut in In-Home Supportive Services (IHSS) services hours, Proposition 56 supplemental payment increases, developmental services payment increases, the Family Urgent Response System (FURS), and the Aging and Disability Resource Connections and Senior Nutrition programs.

##### *Local Public Health Funding Compromise*

The push and pull between the Legislature and Governor on the California Can't Wait Coalition's request for \$200 million in ongoing state funding for local public health jurisdictions has resulted in an out-year compromise: A commitment to provide up to \$300 million annually starting in 2022-23. The out-year funding commitment is included in SB 129, otherwise known as the Budget Bill Jr., which also included \$3 million for a public health workforce study in 2021-22. Also included for 2021-22 is \$13 million to support investments to end the epidemics of HIV/AIDS, Hepatitis C, and sexually transmitted infections until June 30, 2025.

##### *Behavioral Health Continuum Infrastructure Program*

The budget bill signed by the Governor on June 28, SB 129, included \$443,499,000 for the Governor's Behavioral Health Continuum Infrastructure Program until June 30, 2026. Of that amount, \$150 million is earmarked to support mobile crisis infrastructure, \$100 million for justice-involved initiatives through 2024, \$30 million for a Population Health Management service only if legislation is enacted that clarifies its implementation, and \$4.6 million for interoperability or data exchange purposes.

The health trailer bill, AB 133, which was chaptered on July 27<sup>th</sup>, fleshes out some of the details for the infrastructure program, including that it will be administered through competitive grants to construct,

acquire, or rehabilitate behavioral health facilities. The grant program requires matching funds or real property, cannot supplant current funding or programs, and any facility or beds created must operate for at least 30 years. It also requires a letter of support from a county or city in which a facility is proposed, and 95 percent of the costs of the project must be covered with public or philanthropic funds. The trailer bill also included some language waiving some California Environmental Quality Act (CEQA) and relaxing contracting standards. While AB 133 provides the above details, a great deal of technical and implementation details remain to be hashed out by the Department of Health Care Services, which will administer the Behavioral Health Continuum Infrastructure Program.

### *Children and Youth Behavioral Health Initiative*

The second budget bill, SB 129, provided funding for the Governor's Children and Youth Behavioral Health Initiative, including \$27.5 million for county-school behavioral health partnerships and \$5.5 million for qualifying Medi-Cal managed care plans to implement school interventions. Millions more is earmarked for other youth behavioral health efforts led by health plans, schools, counties, and community based organizations for Californians aged 0 to 25.

AB 133 provides additional details for the Children and Youth Behavioral Health Initiative, including grants to:

- Provide youth services in rural, urban, and suburban areas and different age cohorts.
- Build youth behavioral capacity and workforce.
- Address behavioral health disparities for youth.
- Develop data sharing practices for prevention and treatment purposes.
- Create an app-based behavioral health services and supports platform to provide behavioral health screenings, online supports, and referrals and direct services to users.

The bill also places a strong emphasis on school-based behavioral health activities and requires health plans to cover school-linked behavioral health services. It also requires a new workgroup to develop and select evidence-based interventions for improving youth behavioral health. As with the infrastructure proposal above, a great deal of technical and implementation details must be settled to implement the Children and Youth Behavioral Health Initiative.

### *CalAIM Update*

In 2019 and early 2020, DHCS conducted extensive stakeholder engagement for proposed CalAIM initiatives. CalAIM implementation was originally scheduled to begin in January 2021 but was delayed due the impact of the COVID-19 public health emergency. In light of this delay, on December 29, 2020 DHCS received approval from the Centers for Medicare & Medicaid Services (CMS) for a 12-month extension (through December 31, 2021) of the existing Medi-Cal 2020 Section 1115 demonstration. On June 30<sup>th</sup>, 2021 DHCS submitted the CalAIM Section 1115 to the Centers for Medicare and Medicaid Services for review and approval. Pending negotiations with CMS, the CalAIM initiative is scheduled to begin implementation on January 1, 2022.

The Governor released a multiyear funding plan for CalAIM. In 2021-22, the Governor proposes spending \$532 million General Fund (\$1.1 billion total funds) on CalAIM. Costs in 2021-22 represent a half-year of ongoing CalAIM proposals and certain one-time costs. In 2022-23, funding would ramp up to \$745 million General Fund (\$1.5 billion total funds) to reflect a full year of implementation. CalAIM funding would remain at a similar level as 2023-24. Beginning in 2024-25, funding would be reduced to its ongoing level of \$423 million General Fund (\$846 million total funds). This reduction reflects the

expiration of certain limited-term spending components, namely, the managed care plan incentive payments related to ECM and ILOS.

### *Incompetent to Stand Trial Waitlist*

The Department of State Hospitals (DSH) has struggled with a growing and unconstitutional wait list for felony defendants who are deemed incompetent to stand trial (IST). Under the recent June 15 *Stiavetti v. Clendenin* decision, the wait time for admission into a state hospital must be less than 28 days.

The Governor's May Revision proposed increasing DSH capacity, but also halting intake of county conservatees into state hospitals to create more room for the IST population. The Legislature rejected that proposal, and counties subsequently engaged in nearly two months of negotiations with the state in search of viable solutions to reducing the 1,600-person IST wait list. During that time, SB 129 dedicated \$255 million (and up to \$75 million more upon approval) to allow DSH to contract for additional capacity in the community.

AB 133 included additional language to create a state-led IST Solutions Workgroup tasked with identifying short, medium, and long-term solutions for complying with *Stiavetti*. A report is due by November 30 on short-term solutions that can be achieved by April 1, 2022, medium-term solutions that can be achieved by January 10, 2023, and long-term solutions that can be achieved by January 10 of 2024 and 2025.

If the waitlist is not in compliance by December 31, 2024, DSH may discontinue admissions of county conservatees, impose a three-year discharge plan whereby felony IST individuals are sent back to the counties regardless of local readiness, and charge 150 percent of the daily bed rate for any patient not transferred to a county.

The health trailer bill also authorizes DSH to contract with local facilities for bed space and strikes an important requirement for DSH to notify conservators when any conservatees are transferred to another facility. Current IST diversion programs will continue as planned and new placements/programs must be additive.

### *Medi-Cal*

The Health Trailer Bill, AB 133, included several additions and restorations of Medi-Cal benefits, including:

- Expanding Medi-Cal benefits to all undocumented adults aged 50 and above;
- Extending full-scope Medi-Cal benefits to pregnant people from 60 days postpartum to 12 months postpartum;
- Restoring coverage for so-called optional benefits, including audiology, optometric services, podiatric services, and incontinence creams and washes; and,
- Restoring pharmacy coverage for cough and cold medicines, and acetaminophen containing drugs

AB 133 also authorizes the Department of Health Care Services (DHCS) to seek federal approval for the continuation of telehealth options for Medi-Cal enrollees.

## *In-Home Supportive Services (IHSS)*

### *IHSS Collective Bargaining Tools*

The human services trailer bill - AB 135, which was chaptered on July 16<sup>th</sup>, included the CSAC-sponsored proposal to maintain the existing sharing ratio of 35% county 65% state for local wage increases up to the cap. This means that the sharing ratio will no longer flip on January 1, 2022, but will continue forward as it currently operates. In addition, AB 135 included language to maintain the ten percent over three years tool that allows counties to secure state participation above the cap. The bill does contain the final language changes that CSAC asked for to make it clear that all counties are able to use the tool two times for three-year periods that begin on or after January 1, 2022, no matter how many times a county has utilized the tool prior to that date.

Counties were facing significant uncertainty for IHSS collective bargaining with the changes that were set to occur on January 1, 2022. CSAC is pleased and grateful to the Governor and the Legislature for the adoption of this sponsored budget proposal that will help sustain the significant progress on IHSS collective bargaining that has been achieved in recent years.

### *Collective Bargaining Fiscal Penalty*

AB 135 included the IHSS fiscal penalty proposal that CSAC and counties have opposed. This means that a county without a collective bargaining agreement could be subject to a 1991 Realignment withholding, but only if certain conditions are met. The conditions are the same and the penalty language is nearly identical to the 2019 penalty provision, with the penalty amount now being at seven percent. With a strong county advocacy effort, CSAC was able to prevent the penalty from being an ongoing penalty and keep it as a one-time penalty, which is significantly better.

The language reenacts the IHSS mediation and fact finding process as of October 1, 2021. A county could then be subject to the withholding only if all of the following four conditions are met: (1) A county and provider union have completed the full IHSS mediation and factfinding process; (2) the factfinding panel has issued recommended settlement terms that are more favorable to the union; (3) the county has an expired IHSS collective bargaining agreement; and (4) the county and union have not reached an agreement within 90 days after the release of the factfinding recommendations. For any county that has already gone through mediation and factfinding with recommended settlement terms issued prior to June 30, 2021, the county will have 90 days to reach an agreement or the withholding will occur on October 1, 2021.

The amount of the withholding will be equivalent to seven percent of a county's 2020-21 IHSS MOE. The withholding will occur through an adjustment to the county's Social Services Realignment base. The Social Services Realignment base will be restored by the amount of the withholding in the next fiscal year. The Public Employment Relations Board is required to notify the county, the provider union, the Department of Finance, and the State Controller of any withholding.

### *IHSS Hours Restoration*

The budget agreement will eliminate the suspension for the seven percent reduction in IHSS service hours that could have potentially gone into effect as one of the HHS program suspensions.

### *IHSS Career Pathways*

The budget agreement included a one-time, \$200 million investment for supporting and incentivizing career pathways for IHSS providers. This funding would be appropriated contingent upon legislation being adopted that clarifies the program objectives, implementation design and timelines, data collection, and measurement of outcomes for the program.

### *Aging Programs*

The budget agreement included several investments for aging programs that are aligned with the implementation of the Master Plan for Aging. These include:

- \$35 million ongoing for the Senior Nutrition Program
- \$40 million for capacity and infrastructure for the Senior Nutrition Program
- \$50 million one-time for a grant program for counties to provide access to technology for older adults
- \$3.3 million ongoing baseline funding increase for the Area Agencies on Aging, and,
- \$2 million ongoing to continue CalFresh Expansion outreach efforts for older adults.

### *Child Welfare and Foster Care*

The public social services trailer bill - AB 153, which was chaptered on July 16<sup>th</sup>. It included provisions related to increasing the services and supports that are available to those foster youth with complex needs. The final language contains provisions from AB 808, a bill that was sponsored by the County Welfare Directors Association, as well as priorities of the Legislature related to out-of-state placements. It would be a five-year pilot that would require the creation of several types of crisis stabilization and residential programs, intensive services foster care homes with integrated mental health services, and community based support services that would be available 24/7. The trailer bill also requires the California Health and Human Services Agency to submit a plan to develop the services that are needed for those youth whom counties had difficulty providing services and securing placements. Finally, AB 153 prohibits the placement of youth in out-of-state residential facilities as of July 1, 2021, but provides a one-year exemption if certain conditions are met.

### *Continuum of Care Reform*

The Continuum of Care Reform (CCR) enacted significant changes in the child welfare program that are intended to reduce the use of group homes, increase the availability of trauma-informed services and improve outcomes for foster youth. Current law requires a CCR true-up and a methodology has been developed to determine the appropriate amount of funding owed to counties for increased workload for CCR implementation. The budget agreement included \$85 million in 2021-22 for CCR true-up costs for the Resource Family Approval (RFA) process.

### *Family First Prevention Services Act (FFPSA)*

California continues to move forward with implementation of the federal FFPSA. The May Revision included an investment of \$122.4 million over three years for new prevention services. The budget agreement included the May Revision amount and an additional \$100 million in 2022-23. This funding would help counties establish local services and supports to prevent children and youth from entering foster care.

### *Out of State Youth Returning to California*

In December, the Department of Social Services announced that it was decertifying all out-of state group homes and requiring counties to find a California placement for these youth. The May Revision included \$39.2 million to further support these youth as well as other foster youth with complex needs. The budget agreement approves the May Revision amount and provides an additional \$100 million in 2022-23 for services for complex care needs foster youth, including those youth who recently returned from out-of-state.

### *CalFresh and Nutrition Assistance*

The budget agreement included several investments for CalFresh and other nutrition assistance efforts. These include:

- \$7 million ongoing for county administration for CalFresh changes adopted in the 2020 budget
- \$8.2 million one-time for county administration for CalFresh expansion to students in higher education
- \$80 million one-time for food bank operations
- \$150 million one-time for capacity and infrastructure grants for food banks, and,
- Expansion of the California Food Assistance Program (CFAP) to serve individuals not eligible for CalFresh or the current CFAP.

### *CalWORKs*

The budget agreement included several investments for CalWORKs. These include:

- Providing a 5.3% increase to the Maximum Aid Payment levels;
- Funding to incrementally increase CalWORKs intensive case management services;
- Raising the applicant earned income disregard;
- Restoring a May Revision cut to the CalWORKs eligibility funding in the Single Allocation; and,
- Funding for the Family Reunification CalWORKs Assistance Payment to allow services to continue to be provided for up to 180 days when a child is removed from the home and receiving out-of-home care.

### *Child Support*

The budget agreement approves the Governor's proposals to restore funding for Local Child Support Agencies (LCSA). This action restores funding to the level it was at prior to the cut in 2020-21 and consistent with the new budgeting methodology.

### *Supplemental Security Income (SSI)/State Supplementary Payment (SSP)*

The budget agreement provides funding to restore 50% of the remaining 2009 SSI/SSP grant cut and anticipates the remainder of the cut will be restored in 2023-24.

### ***Housing***

#### *AB 140 (Committee on Budget)*

The Legislature passed the housing trailer bill, AB 140 (Committee on Budget) on July 19<sup>th</sup>. The bill invested in various programs to help address the affordable housing crisis across the state. The bill funds key county priorities through additional rounds of regional housing implementation and planning grants

and infill infrastructure grants. Specifically, AB 140 establishes the Regional Early Action Planning Grants Program of 2021 to provide regions with \$600 million in funding for transformative housing and infrastructure planning and implementation activities. The bill also authorizes \$250 million for the Infill Infrastructure Grant Program.

AB 140 exempts housing projects receiving federal American Rescue Plan Act funding from certain requirements under Article XXXIV of the California Constitution, authorizes loans to be made through the Housing Rehabilitation Loan Fund, establishes the Excess Sites Local Government Matching Grants Program, and establishes the Foreclosure Intervention Housing Preservation Program.

#### *Regional Early Action Planning Grants Program of 2021*

AB 140 establishes the Regional Early Action Planning Grants Program of 2021 to be developed and administered by the California Department of Housing and Community Development (HCD), in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board. The Budget Act of 2021 allocates \$600 million to the program for regional agencies to make grants to cities and counties for transformative planning and housing implementation activities.

\$510 million will be allocated to Metropolitan Planning Organizations (MPO) with maximum amounts based on each region's share of the state's population. Two additional pots of \$30 million each are set aside for a statewide competitive program and a separate competitive program for regions located outside of an MPO. Five percent of the total funding will be available for administration and technical assistance.

Regional agencies will be responsible for determining the use of funds and suballocations within their boundaries in a manner that appropriately addresses their unique housing, land use, transportation, climate change, equity, and other planning priorities in compliance with eligible uses of these funds, which include:

- Providing local agencies with technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents and other actions that accelerate infill housing production.
- Accelerating infill development, through rezoning, updating plans and ordinances, and revamping permitting process to ease housing development.
- Completing environmental clearance to eliminate the need for project-specific review for infill development.
- Establishing and funding an affordable housing catalyst fund, trust fund, or revolving loan fund for location efficient projects.
- Performing infrastructure planning and investing in upgrading infrastructure, including for sewers, water systems, transit, roads, or other public facilities necessary to enable reduction in per capita vehicle miles traveled, including accelerating housing production.
- Encouraging multimodal transportation, including adopting vision-zero policies, developing and implement bicycle and pedestrian infrastructure plans.
- Shifting travel behavior through reduced driving, including studying and implementing road pricing and establishing local vehicle miles traveled impact fees or mitigation banks.
- Accelerating infill housing production near jobs, transit, and resources.
- Increasing transit ridership through seamless transit systems, multimodal access plans, and planning for additional housing near transit.

Until December 31, 2022, the bill authorizes eligible entities to request an allocation of funds by submitting applications that explain how the proposed uses would meet the definition of transformative planning and implementation activities and how the proposed uses would implement and achieve the

housing goals leading to a reduction of vehicle miles traveled. AB 140 authorizes HCD to make any remaining unallocated funds, after December 31, 2022, available on a competitive basis.

Entities that receive funding would be required to submit an annual report to HCD and make it publicly available online. By June 30, 2025, recipients of an allocation of funding would be required to submit a final report on the use of those funds to HCD, which would post the information online. It would also require recipients of funds to:

- Post, make available and update, land use maps and vehicle miles traveled generation maps produced in the development of their adopted sustainable communities strategy.
- Collaborate, and share progress, templates, and best practices with HCD and fellow recipients in implementation of funds.
- Expend implementation funds no later than June 30, 2024

#### *Infill Infrastructure Grant Program*

AB 140 authorizes HCD to expend \$250 million for the Infill Infrastructure Grant Program based on the framework from AB 101 (Committee on Budget, 2019). It allocates \$160 million of those funds for selected capital improvement projects for large jurisdictions under the program. Consistent with a request from CSAC, RCRC, and the California Coalition for Rural Housing, the bill makes \$90 million available for over-the-counter grants for capital improvement projects for counties under 250,000 population and the cities located within those counties. This portion of the bill also included a flexible definition of infill to facilitate projects in small and rural jurisdictions.

#### *Leasing State-Owned Property for Housing*

AB 140 requires that at least 20 percent of housing units developed pursuant to current law allowing the state to lease property for housing purposes, be made available for the term of the lease to, and occupied by, lower-income households and very low-income households. It authorizes the California Department of Housing and Community Development (HCD) to prescribe alternative minimum percentage requirements in each income category. AB 140 also authorizes the California Department of General Services to permit commercial development on property leased if HCD determines that it is necessary to provide benefits to the community.

Finally, the bill authorizes HCD to permit phased development or to sell property or portions of a property leased to a lessee for the purposes of affordable homeownership.

#### *Excluding Housing Projects Receiving ARPA Funds from Article XXXIV Requirements*

AB 140 exempts new housing projects receiving funding from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan of 2021 from the definition of “low-rent housing project” included in Article XXXIV of the California Constitution, which prohibits development, construction, or acquisition of a “low-rent housing project” absent a majority vote of the jurisdiction’s electorate.

#### *Housing Rehabilitation Loan Fund*

The Budget Act of 2021 allocates \$300 million for preservation of existing affordable housing. AB 140 authorizes HCD to make loans or grants available through the Housing Rehabilitation Loan Fund to rehabilitate, capitalize operating subsidy reserves for, and extend the long-term affordability of HCD-funded housing projects that meet any of the following criteria:

- Have affordability restriction that has expired.
- Have affordability restriction with a remaining term of less than 5 years.

- Are at risk of conversion.

*Excess Sites Local Government Matching Grants Program*

AB 140 establishes the Excess Sites Local Government Matching Grants Program to be administered by the California Department of Housing and Community Development. The bill removes language that requires state leasing to receive the approval of the governing body of any concerned local agency. It requires HCD to allocate grants of up to \$10 million to develop partners selected under Executive Order N-06-19. This Executive Order authorized the Department of General Services (DGS) to dispose of surplus state property, required the DGS to create a digitized inventory of all excess state-owned parcels, and required DGS, in consultation with the Department of Housing and Community Development, to issue requests for proposals on individual parcels and accept proposals from certain developers of affordable housing.

AB 140 requires HCD to award grant funding based on several factors, including the value of the local government contribution and the creation of new permanent housing. It also authorizes a selected developer and a local government to submit a joint application that included information on the local government’s contribution and a commitment and strategy from the local government to support the developer. The bill limits the total amount of funding awarded under the program to \$30 million and would require HCD to set aside up to five percent of appropriated for program administration.

Foreclosure Intervention Housing Preservation Program AB 140 creates the Foreclosure Intervention Housing Preservation Program to be administered by HCD. The Budget Act of 2021 included \$500 million in funding for the program, which would be intended to preserve affordable housing and promote resident ownership or nonprofit organization ownership of residential property.

The bill requires HCD to provide eligible borrowers loans and grants to pay the acquisition costs and associated transaction costs of property purchased through a trustee’s sale, as specified, subject to a pre foreclosure intervention sale or subject to a foreclosure risk intervention sale.

Any funds that remain uncommitted or are returned as of December 31, 2025 would be made available for purposes of the Housing Preservation Program. AB 140 requires that loan principal and interest payments be deposited into the Housing and Rehabilitation Loan Fund to be used for loans or grants to pay for repairs, maintenance, or improvements on properties acquired pursuant to the program.

***Transportation***

The June 28 framework makes significant one-time investments in state and local transportation infrastructure:

- \$1.1 billion for State Highway Operations and Protection Program projects from interest earnings on dedicated state transportation revenues, including \$316 million earned to-date on SB 1-related revenues and additional interest to be accrued for those programs between 2020-21 and 2027-28.
- \$1 billion in General Fund for projects related to the 2028 Olympics in Los Angeles.
- \$1 billion in General Fund for rail and transit projects.
- \$500 million General Fund for city and county active transportation project grants.
- \$500 million in General Fund for grade separation projects through the Transit and Intercity Rail Capital Program.
- \$400 million in General Fund for a new state and local transportation infrastructure climate adaptation grant program, pending approval of authorizing legislation.

- \$396.7 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) to be allocated to regional transportation planning agencies for regional and local projects.
- \$23.5 million from Highway Infrastructure Program funding for city and county bridge projects.

### *SB 1 Maintenance of Effort Requirement*

The transportation budget trailer bill (AB/SB 149) included language providing relief from SB 1 (Beall, 2017) maintenance of effort (MOE) requirement for cities and counties. CSAC and other stakeholders negotiated this language with the Administration last summer. Specifically, the trailer bill waives the MOE requirement for 2019-20, and in 2020-21 and 2021-22, each local agency's SB 1 MOE will be prorated downward based on reductions in taxable sales from 2018-19 to 2020-21 and 2021-22, respectively. No city or county's MOE will be increased pursuant to these provisions.

The trailer bill also authorizes a local agency to petition the Controller to use transient occupancy tax (TOT) revenues in lieu of taxable sales as the basis for calculating the revised MOE requirement for 2021-22. To be eligible for this calculation, the local agency's 2018-19 TOT revenues must exceed the amount of the agency's non-prorated SB 1 MOE. Moreover, the local agency must show that the rate of the local agency's reduction in TOT revenues between 2018-19 and 2020-21 exceeded the rate of reduction in sales and use tax revenue between 2018-19 and 2020-21.

### *Clean California Initiative*

The budget included \$418 million over three years for Caltrans litter removal, as well as \$328.9 million for state and local beautification projects. The transportation trailer bill (AB 149/SB 149) creates the Clean California Local Grant Program of 2021 to award local and regional public agencies up to \$5 million per grant for community litter abatement projects, events, and educational programming as well as greening and landscaping projects on local streets and roads, tribal lands, parks, pathways, transit centers, and other public spaces. The bill requires Caltrans to develop guidelines, including project selection criteria and program evaluation metrics. Local matching funds of up to 50% will be required, although Caltrans can reduce or waive the requirements for disadvantaged communities. The program will require a process for allocating 50% of the program funds to projects to benefit underserved communities, to be defined by Caltrans. The trailer bill prohibits grants for projects that displace persons experiencing homelessness.

### ***Transportation***

The Governor signed AB 149 (Committee on Budget), on July 16<sup>th</sup>. This trailer bill included limited relief for city and county maintenance of effort (MOE) requirements from SB 1 (Beall, 2017). Specifically, due to the impacts of the COVID-19 pandemic, AB 149 waives the MOE requirement for 2019-20, and in 2020-21 and 2021-22, allows each local agency's SB 1 MOE to be prorated downward based on reductions in taxable sales from 2018-19 to 2020-21 and 2021-22, respectively. For 2021-22, a jurisdiction where Transient Occupancy Tax (TOT) revenue exceeds Sales and Use Tax revenue may petition the Controller to use TOT as the basis for the MOE reduction calculation. No city or county's MOE will be increased pursuant to these provisions.

Separately, the Legislature and Governor continue to negotiate on transportation budget investments, including allocation of Proposition 1A (2008) bond funding to the High-Speed Rail project. Several one-time General Fund allocations to transportation grant programs in the Budget Act of 2021 appear to be contingent on the resolution of this debate, as these appropriations in SB 129 (Committee on Budget) include language requiring adoption of authorizing legislation by October 11, 2021. Specifically, one-

time investments through the Transit and Intercity Rail Capital Program, as well as \$500 million in local active transportation grants and \$400 million split evenly between state and local transportation climate adaptation grants are all contingent upon adoption of future trailer bill language.

### ***Federal Infrastructure Bill***

On August 10<sup>th</sup>, the United States Senate approved a five-year \$550 billion infrastructure package (HR 3684) that was negotiated by a bipartisan group of 22 senators and agreed to by President Biden. The legislation, entitled the *Infrastructure Investment and Jobs Act*, includes a full surface transportation reauthorization bill, as well as funding for the electric grid, broadband, water infrastructure, wildfire mitigation, resiliency, environmental remediation, and more.

The Senate bill increases the off-system bridge set-aside from the Surface Transportation Block Grant program and includes new dedicated funding for bridge project. If passed by Congress, additional advocacy will be needed to ensure that locally owned bridges benefit from the new funding when California implements the bill.

The Speaker has indicated that the House of Representatives won't take up the infrastructure legislation until the Senate approves a budget reconciliation measure that funds other Democratic priorities. Votes on a budget reconciliation measure won't take place until September or later.

We set up a virtual meeting with CSAC to discuss strategy on how we can maximize funding for bridges for local governments. If passed, California will need to implement the new program as part of the overall federal reauthorization. That process is when we'll need to advocate at the state and regional levels by involving stakeholders and our delegation.

### County Coroners Budget Request

Santa Barbara County is supporting the Sacramento County's state budget request for the training and equipment needed to support the work of county coroners. The \$1 million budget request would be for interested counties to participate in training in how to use the rapid DNA tests and to help coroners have a more coordinated response to mass fatalities.

Law enforcement and fire personnel routinely train for how to respond to a mass casualty event, but when it comes to mass fatality scenarios, training opportunities for the coroner team are virtually non-existent. Coroner personnel are periodically invited to participate in scenarios with law enforcement and fire agencies, but the training is stopped when it is determined that the live casualties are appropriately addressed. This leaves coroner personnel unprepared for mass fatality events, and ultimately, these agencies are responsible for their own in-house training. Funding for statewide or regional training would greatly improve the ability of coroner personnel to respond to these tragic events.

The Budget bill included \$1 million one-time in 2021-22 to the Office of Emergency Services to facilitate mass casualty trainings for coroner offices.

### 340B Program

Last year's State Budget restored, by rejecting the withdrawal of the January 2020 budget proposal, \$52.5 million (\$26.3 million General Fund and \$26.3 million federal funds) to provide supplemental payments to nonhospital 340B clinics.

We have confirmed with the Department of Finance that the 340B supplemental payments are included in the Governor's 2021-22 Budget on an ongoing basis. This proposal is part of Medi-Cal Rx, the pharmacy carveout from managed care, so fiscal year 2020-21 costs reflect the transition of Medi-Cal Rx.

We received an update on July 30<sup>th</sup> that Medi-Cal Rx transition is back on. On July 27, 2021, DHCS announced that it accepted a Conflict Avoidance Plan submitted by its Medi-Cal Rx vendor, Magellan Medicaid Administration (MMA), Inc., a subsidiary of Magellan Health, Inc. (Magellan), to mitigate conflicts associated with the proposed acquisition of Magellan by Centene Corporation. As a result of the acceptance of the Conflict Avoidance Plan, DHCS has determined that full Medi-Cal Rx implementation will begin on January 1, 2022. The Conflict Avoidance Plan is posted on the DHCS website.

The County was a part of the stakeholder process and has been in contact with the Administration, CA Department of Finance, our local Delegation, Legislative budget staff, the California Health and Human Services Agency and the Department of Health Care Services to insist that the County gets a correct share of the funds.

DHCS looked into our suggestion to carve-out the available 340B backfill dollars into two pools: one for qualifying private, non-profit entities; and one for qualifying public, governmental entities. Although we are now hearing that the State has identified more public entities that would likely qualify for the payment pool than we originally thought, thereby possibly lowering our anticipated backfill even more. Therefore, the County is now requesting inclusion of budget trailer language to provide a distribution formula that ensures an appropriate backfill for Santa Barbara County.

This will assist greatly to afford the County the ongoing funding to provide our important specialty and other services which these funds have supported.

### Brown Act

One of the issues that continues to remain is whether the Governor's executive order on the Brown Act will be extended past September 30<sup>th</sup>. Executive Order N-29-20, which was already extended once in June, currently provides flexibility to state and local agencies and boards to conduct their business through virtual public meetings during the COVID-19 pandemic, and gives agencies the ability to carry out their work while keeping decision-makers, staff and the general public safe.

The Governor's office let us know that it is not clear at this time whether the Governor will extend the executive order and has indicated that we might want to pursue a legislative fix through AB 361 (Rivas). AB 361 will allow local agencies to use teleconferencing without complying with certain Brown Act teleconferencing requirements, including to provide a teleconference location accessible to the public, have at least a quorum of members participating within the jurisdiction, and provide an opportunity for the public to address the legislative body at each teleconference location if:

- State or local officials have imposed or recommended measures to promote social distancing;
- The legislative body is meeting for purpose of determining, by majority vote, that meeting in person would present imminent risks to the health or safety of attendees as a result of the emergency; or
- The legislative body has already determined, by majority vote, that meeting in person would present imminent risks to the health or safety of attendees as a result of the emergency.

AB 361 was amended on August 30<sup>th</sup> to include an urgency clause, which means that the bill will go into effect immediately but will need a 2/3rds vote from the Legislature to pass to the Governor's desk.

CSAC has suggested that Santa Barbara and others that are seeking an extension continue to push on the administration so they're hearing from all of us because it is not a foregone conclusion that an urgency bill will get to the Governor's desk. We continue to update our delegation on this issue, as well as CSAC and the Governor's office.

### 2021 Executive Orders and Actions

Governor Gavin Newsom has issued a number of executive orders addressing a variety of issues in response to the COVID-19 pandemic, as well as other important issues.

#### *Executive Orders and Actions Timeline*

August 23 - The U.S. Food and Drug Administration granted full approval of the COMIRNATY/Pfizer-BioNTech COVID-19 Vaccine. Governor Newsom requested a Presidential Major Disaster Declaration to assist state and local wildfire response and recovery efforts in Lassen, Nevada, Placer, Plumas, Shasta, Siskiyou, Tehama and Trinity counties.

August 18 - CDPH strengthened requirements already in effect for mega events in the Beyond the Blueprint Framework, announcing that proof of vaccination, or a negative COVID-19 test within 72 hours before an event starts, will be required for indoor gatherings where 1,000 or more participants or spectators are attending. The U.S. Department of Health and Human Services (HHS) announced a plan for administering Covid-19 booster shots later this fall, pending final Food and Drug Administration (FDA) evaluation and recommendations from the Centers for Disease Control and Prevention's (CDC's) Advisory Committee on Immunization Practices (ACIP).

August 16 - Governor Gavin Newsom signed an executive order to ensure the state's health care facilities continue to have the staffing and resources needed to prevent potential strain on the state's health care delivery system and to provide staffing flexibility for schools to ensure continuity of in-person instruction for all students. California Department of Public Health (CDPH) issued a new public health order requiring hospitals statewide to accept transfer patients from facilities with limited ICU capacity when clinically appropriate. The order will take effect August 18, 2021.

August 11 - The California Department of Public Health (CDPH) today issued a new public health order requiring all school staff to either show proof of full vaccination or be tested at least once per week.

August 5 - In response to increasing COVID-19 hospitalizations and ICU patients due to the highly contagious Delta variant, and to further protect vulnerable Californians and health care workers, the California Department of Public Health (CDPH) issued two new public health orders.

The first order requires workers in health care settings to be fully vaccinated or receive their second dose by September 30, 2021. The second public health order directs hospitals, skilled nursing facilities, and intermediate care facilities to verify that visitors are fully vaccinated or have tested negative for COVID-19 in the prior 72 hours before indoor visits. Updates to guidance for visitors to other long-term care facilities is expected in the near future.

July – 30 Governor Newsom issue emergency proclamation to free up energy supply to meet demand during extreme heat events and wildfires that are becoming more intense and to expedite deployment of clean energy resources this year and next year.

July 26 - California implements First-in-the-Nation measures to encourage state employees and health care workers to get vaccinated.

July 22 – Governor Newsom signed budget trailer bill AB 148 to expedite the state’s response to severe drought conditions and announced the procurement of 12 additional firefighting aircraft this week for exclusive use in its statewide response efforts. Governor Newsom boosted CAL FIRE’s aerial fleet to more than 60 fixed and rotary wing aircraft, augmenting what is already the largest civil aerial firefighting fleet in the world. 12 additional firefighting aircraft join CAL FIRE’s world-renowned aviation program, which responds to thousands of wildland fires throughout California each year.

July 8 - Governor Newsom signed an Executive Order calling on all Californians to voluntarily reduce their water use by 15 percent compared to 2020 levels.

Governor Newsom also signed a proclamation expanding the regional drought state of emergency to include nine additional counties where drought effects are increasingly severe or where state emergency response may be needed: Inyo, Marin, Mono, Monterey, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara and Santa Cruz.

June 28 - Governor Gavin Newsom signed legislation to extend the state’s eviction moratorium through September 30, 2021 and clear rent debt for low-income Californians that have suffered economic hardship due to the pandemic.

June 25 - Governor Newsom and legislative leaders announced eviction moratorium extension and increased compensation for rent relief.

June 15 - California Reopens. Restrictions such as physical distancing, capacity limits and the county tier system end.

June 11 - Governor Newsom announces plans to lift pandemic executive orders. That includes terminating the Stay-at-Home Order and retiring the Blueprint for a Safer Economy. Effective June 15, restrictions such as physical distancing, capacity limits and the county tier system will end.

June 7 - CDPH launches campaign to reach parents in pandemic’s hardest hit areas about K-12 schools and safety leading up to Fall 2021 school year.

June 3 – Governor Newsom announced extension of regulatory relief that allows restaurant and bars to continue expanded outdoor operation through the end of 2020.

May 27 – Governor Newsom announced Vax for the Win – California’s vaccine incentive program.

May 24 - Governor highlighted his \$2 billion budget proposal for wildfire preparedness and disaster resiliency.

May 21 – The state updated the Beyond the Blueprint Framework for the state’s June 15 reopening. Beginning on June 15, all industry and business sectors listed in the current Blueprint Activities and Business Tiers Chart may return to usual operations with no capacity limits or physical distancing requirements, with limited exceptions for mega events.

May 20 – Governor Gavin Newsom announced an executive order extending the state’s prohibition on price gouging for the following counties impacted by wildfires in August and September 2020: Butte, Napa, Santa Cruz, Sonoma, Fresno, Lassen, Mendocino, Monterey, Shasta, Siskiyou, Solano, Trinity and Tulare. The Governor also announced the state’s new Employer Vaccination Toolkit, which will ease the

process for employers to request a workplace clinic or local provider partner, making COVID-19 vaccines even more accessible for their employees.

May 17 – Governor Gavin Newsom announced that California would update masking guidelines when the state reopens on June 15th. This four-week period will give Californians time to prepare for this change.

May 13 - Governor Gavin Newsom unveiled California Roars Back, which represents the largest small business relief program in the nation.

May 11 - Governor Newsom announced historic \$12 billion package to confront the homelessness crisis.

May 10 - Governor Newsom expanded drought emergency to Klamath River, Sacramento-San Joaquin Delta and Tulare Lake Watershed Counties. Governor Newsom announced \$5.1 billion package for water infrastructure and drought response.

May 4 – Governor Newsom announced a series of initiatives building on the state’s work to vaccinate California’s hard-to-reach communities against COVID-19, address vaccine hesitancy and drive innovative efforts in the communities hardest hit by the pandemic. New efforts focus on direct appointment assistance; community outreach including neighborhood canvassing, phone banking and text banking; at-home vaccinations and transportation services; and an additional \$33 million in funding, bringing the total to \$85.7 million, to support community-based organizations.

May 3 - Governor Newsom issued a proclamation declaring May 2-8, 2021 as “Wildfire Preparedness Week” in the State of California. CDPH issued revised guidance for face masks and fully vaccinated people.

April 30 - California Launches New Statewide TV Ads “This Moment” and “Cambiar” to Empower and Inspire Residents to Get Vaccinated.

April 29 - Governor Newsom signed a bill that will give small businesses hit hardest by this pandemic a \$6.2 billion tax cut over the next six years.

April 28 - CDPH has released guidance for water parks, which supports a safe, clean environment for workers and customers. Attendance at water parks is limited based on county risk levels.

April 27 - Centers for Disease Control and Prevention to update masking guidance for fully vaccinated Americans. CDPH issued a statement supporting new masking recommendations and indicated they were working quickly to align California’s guidance. Governor Newsom announced lifesaving oxygen equipment to India as that country faces a devastating and fast-spreading surge of COVID-19 cases.

April 24 - Western States Scientific Safety Review Workgroup recommends resuming use of Johnson & Johnson Vaccine.

April 23, FDA and CDC Lift Recommended Pause on Johnson & Johnson (Janssen) COVID-19 Vaccine Use Following Thorough Safety Review.

April 21, Governor Newsom issued a State of Emergency Proclamation regarding drought conditions.

April 16, Governor Newsom announced partnerships with nearly 200 faith-based organizations to expand the state’s vaccine outreach and equity efforts.

April 15, All Californians 16 and older are eligible to receive vaccinations.

April 13, Governor Newsom signs \$536 million wildfire package accelerating projects to protect high-risk communities. CDPH announced it would be following the FDA's and CDC's recommendation to direct healthcare providers to pause the use of the Johnson & Johnson vaccine. The FDA and CDC recommend pausing the use of the Johnson & Johnson vaccine, while it is reviewing data involving six cases of blood clots in individuals that had received the vaccine.

April 12, FEMA began accepting applications for funeral assistance and reimbursement through its COVID-19 Funeral Assistance Helpline. Community Vaccination Centers (CVC) in Oakland and Los Angeles begin transition from state-run, federally supported to local operation. The City Los Angeles has agreed to manage the Los Angeles operation. Alameda and Contra Costa Counties will run the Oakland CVC.

April 8, Governor Newsom, Senate President pro Tempore Toni G. Atkins and Assembly Speaker Anthony Rendon announced a \$536 million funding plan to help improve California's resilience to wildfires. The state updated the Blueprint for a Safer Economy, outlining that the weekly tier assessment will consider both a county's adjusted case rate and test positivity, as well as hospitalization data, in determining whether a county should remain in a less restrictive tier.

April 7, FEMA announced it will continue to assist state, local, Tribal Governments and Territorial Governments, and some private nonprofits to ensure a safe reopening during the COVID-19 pandemic.

April 6, Governor Newsom announced that California aims to fully reopen on June 15, if vaccine supply is sufficient for Californians 16 years and older who wish to be inoculated and if hospitalization rates are stable and low. CDPH modified Blueprint thresholds on April 6, after the state successfully met its second vaccine equity milestone of 4 million administered vaccine doses in some of the state's hardest hit communities. Cal OES announced FEMA has approved a 4-month direct housing assistance extension for victims of the Camp Fire. Governor Newsom announced extension of Oakland Coliseum mass vaccination site. CDPH updated its Outdoor and Indoor Youth and Recreational Adult Sports Guidance related to spectators and observers, and inter-team competitions, meets and races.

April 5, Cal OES announced a \$1 million donation from technology company DoorDash in the form of \$25 DoorDash gift cards that will be distributed via community-based organizations partnering with Cal OES as part of the state's vaccination operations.

April 2, State updates Blueprint to allow additional outdoor activities with modifications. Updates to gatherings, receptions, conferences, and indoor live events and performances are effective April 15. The CDC updated guidance for vaccinated and unvaccinated travelers.

April 1, California expands vaccine eligibility to all Californians over 50 years of age. The state issued an updated travel advisory, removing the previous recommendation that Californians not travel more than 120 miles from ones' place of residence. Californians should continue to avoid non-essential travel outside of California. Non-essential travelers from other states or countries are strongly discouraged from entering California and should follow CDC travel guidance related to testing and self-quarantine.

March 30, Governor Newsom has approved \$80.74 million for 1,399 additional firefighters to bolster fuels management and wildfire response efforts.

Cal OES announced guidance on reimbursement for eligible Project Roomkey activities. The Federal Emergency Management Agency (FEMA) is providing 100 percent federal cost share reimbursement for public agencies participating in Project Roomkey.

March 26, CDPH released updated guidance for amusement and theme parks, outdoor live events and graduation ceremonies.

March 25, Governor Newsom announced expanded vaccine eligibility to 50+ Californians starting April 1 and all individuals 16+ on April 15, based on expected supply increases.

March 24, CDPH announced changes to the Cohort Guidance. The Cohort Guidance now only applies to counties in the Purple Tier and is frequently referenced for operations at day camps, before and after school programs, and childcare centers.

March 22, CDPH updated guidelines to allow band, drumline, choir and drama as low contact youth recreational activities under the state's youth and adult recreational sports guidelines.

March 20, CDPH updated K-12 Schools Guidance to align with the latest science, as reflected by yesterday's update from the Centers for Disease Control and Prevention (CDC).

March 19, CDPH released updated sport guidance for sideline cheer, as well as data on COVID-19 outbreaks and Seroprevalence. Governor Newsom announced that California will eliminate their tiered system for vaccination in early May, due to increased supply.

March 18, Governor Newsom and State Superintendent Thurmond Announce Deployment of Up to 3 Million Free Rapid COVID-19 Antigen Tests to Help High-Needs Schools Safely Reopen Classrooms.

March 17, CDPH announced launch of "Let's Get to ImmUnity" campaign to boost COVID-19 vaccine acceptance, a multi-million dollar statewide effort to help Californians address questions and concerns regarding COVID-19 vaccinations.

March 16, The California Business, Consumer Services and Housing Agency (BCSH) announced the launch of the COVID-19 Rent Relief Program. The program provides rental reimbursement to landlords and relief to eligible tenants for unpaid rent accrued between April 1, 2020 and March 31, 2021.

March 15, CDPH announced that 2 million doses of COVID-19 vaccine have been administered to Californians in some of the state's hardest-hit communities, increasing immunity where the state's transmission rates and disease burden have been the highest during the pandemic.

March 11, President Biden signs the \$1.9 trillion American Rescue Plan. CDPH announced updates to public health guidance in the Blueprint for a Safer Economy to allow for additional safe and sustainable reopening activities in the state.

March 8, CDC issues first set of guidelines on how fully vaccinated people can visit safely with others. Governor Newsom announced that California has nearly tripled its goal for vaccinating education workers – over 200,000 teachers, school staff and childcare workers were vaccinated, exceeding the estimated 75,000 vaccines per week target.

March 5, Governor Newsom signs \$6.6 billion package to return kids to the classroom and bolster student supports. State Updates Blueprint to allow additional activities that can be conducted outdoors and with consistent masking, which reduces risk of COVID-19 spread for safe and sustainable reopening.

California Volunteers, Office of the Governor launches volunteer recruitment campaign to accelerate COVID-19 vaccinations.

March 4, State introduced vaccine equity metric to update Blueprint for a Safer Economy based on vaccinating the state's hardest hit communities against COVID-19. CDPH released updated masking guidance that includes recommendation on double masking. CDPH also released an update to its outdoor and indoor youth and recreational adult sports guidance which specifies the conditions under which youth and adult recreational sports may resume practice with contact and competition under the Blueprint for a Safer Economy.

March 3, Governor Newsom Announces Federal Approval of Medicaid Funding for Expanded COVID-19 Testing for Low-Income Students. The first-in-the-nation waiver approved by Biden-Harris Administration to allow Medicaid funding for voluntary COVID19 testing in schools.

March 1, Governor Newsom, Pro Tem Atkins and Speaker Rendon Highlight New \$6.6 Billion Package to Reopen Schools and Deepen Student Supports. The \$6.6 billion budget package accelerates the safe return to in-person instruction across California and empower schools to immediately expand academic, mental health and social-emotional supports, including over the summer.

February 26, Governor Newsom Highlighted New Central Valley Vaccine Initiatives, Expanded Statewide Network of Community-Based Organizations for COVID-19 Education and Outreach in Vulnerable Communities

February 25, Governor Newsom announced Equity-Centered Plan to Accelerate Access to COVID Vaccines for Education Workers.

February 23, Governor Newsom signed into law a comprehensive package of immediate actions that will speed needed relief to individuals, families and businesses suffering the most significant economic hardship due to COVID-1.

February 22, Governor Newsom announced that the state is partnering with OptumServe and local counties to open up to 11 vaccination sites within the next week to serve some of the hardest-hit or most at-risk communities in the Central Valley, in addition to other steps to bolster vaccination efforts in the region.

February 19, CDPH released updated guidance for youth and recreational adult sports. Governor Gavin Newsom also announced effective March 1st, 10% of first doses would be set aside for educators and childcare workers.

February 17, Governor Gavin Newsom, Senate President pro Tempore Toni G. Atkins and Assembly Speaker Anthony Rendon announced that they reached agreement on a package of immediate actions that will speed needed relief to individuals, families and businesses suffering the most significant economic hardship from the COVID-19 Recession.

February 16, California Governor Gavin Newsom and the Biden-Harris Administration announced the opening of the nation's first community vaccination sites in Oakland and Los Angeles.

February 12, The CDC released the Operational Strategy for Reopening Schools. Governor Newsom launched the Safe Schools for All Hub as a one-stop shop for information about safe in-person instruction. For more information on the transparency, accountability and assistance measures related to California's Safe Schools for All plan, visit the Safe Schools for All Hub.

February 11, The California Department Consumer Affairs waived restrictions on administering COVID-19 Vaccines:

- o Dental Hygienists
- o Optometrists
- o Podiatrists
- o Post Graduates

The California Department of Public Health announced that beginning March 15, healthcare providers may use their clinical judgement to vaccinate individuals aged 16-64 who are deemed to be at the very highest risk for morbidity and mortality from COVID-19 as a direct result of one or more of the severe health conditions included in this provider bulletin.

February 4, Governor Newsom met virtually with small business owners receiving support through the first round of California's Small Business COVID-19 Relief Grant Program.

February 3, California Governor Gavin Newsom and the Biden-Harris Administration announced a pilot project to establish community vaccination sites based at the Oakland-Alameda Coliseum and California State University, Los Angeles.

February 2, President Biden directed the Federal Emergency Management Agency (FEMA) to fully reimburse states for the cost of National Guard Personnel and emergency costs.

January 29 Governor Gavin Newsom signed legislation to extend the state's landmark eviction moratorium through June 30, 2021, protecting millions of Californians struggling as a result of the economic hardships brought on by the COVID-19 pandemic.

January 27, Governor Gavin Newsom signed an executive order to bolster the state's efforts to vaccinate as many Californians as possible, as quickly as possible.

January 26, The Newsom Administration announces creation of a statewide vaccine delivery network to simplify and standardize the vaccination process with equity as a core focus.

January 25, Officials with the California Department of Public Health (CDPH) ended the Regional Stay at Home Order, lifting the order for all regions statewide, including the three regions that had still been under the order. Additionally, Governor Gavin Newsom announced a series of improvements to the state's vaccination plan. Incorporating lessons learned from efforts to increase the pace of vaccination. Finally, he along with legislative leadership issued a joint statement on the extension of the eviction moratorium to protect Californians impacted by COVID-19.

January 20, California State Epidemiologist Dr. Erica Pan issued a statement advising providers that they can immediately resume the administration of lot 41L20A of the Moderna COVID-19 vaccine, which was temporarily paused on Sunday due to possible allergic reactions.

January 17, California State Epidemiologist Dr. Erica S. Pan issued a statement recommending providers pause the administration of lot 41L20A of the Moderna COVID-19 vaccine due to possible allergic reactions that are under investigation.

January 14, Governor Gavin Newsom announced the launch of transparency, accountability and assistance measures related to the Safe Schools for All Plan. The Safe Schools for All Hub –

[schools.covid19.ca.gov](https://schools.covid19.ca.gov) – was launched as a one stop shop for information about safe in-person instruction, and will be updated frequently.

January 13, The Governor announced a new system to let people know if they are eligible to receive a vaccine, and if not yet eligible, to register for a notification via email or text when they are eligible. That system is expected to launch next week. This comes on the heels of the CDC’s decision to expand the pool of those eligible to receive the vaccine to individuals 65 and older.

January 11, Governor Gavin Newsom submitted his 2021-22 State Budget proposal to the Legislature – a \$227.2 billion fiscal blueprint that provides funding for immediate COVID-19 response and relief efforts where Californians need it most while making investments for an equitable, inclusive and broad-based economic recovery.

January 6, Governor Newsom Announces Golden State Stimulus, a budget proposal to help low-income Californians through \$600 rapid cash payments, and calls for extension of eviction moratorium.

January 5, Governor Gavin Newsom previewed his Equitable Recovery for California’s Businesses and Jobs plan, the business and workforce recovery elements of his 2021-22 State Budget that will help California through the COVID19 pandemic and advance an equitable, broad-based recovery. The state issued a public health order ensuring distribution of health care resources across the state to ensure patients get life-saving care as ICU capacity is strained.

January 1, the California Governor's Office of Emergency Services began collaborating with the United States Army Corps of Engineers in the Los Angeles area hospitals to assess and upgrade oxygen delivery systems.

### Public Banking, IBank and Banking Issues

AB 1177 (Santiago) was last amended on August 26<sup>th</sup> to rename the program “CalAccount” instead of “BankCal”. This bill will establish a nine member CalAccount Blue Ribbon Commission, to be composed of all of the following members: the Treasurer, the Commissioner of the Department of Financial Protection and Innovation, an individual with banking expertise appointed by the Senate Rules Committee, a public banking advocate appointed by the Senate Rules Committee, an individual with economic and racial justice and cultural competence expertise appointed by the Speaker of the Assembly, a consumer representative or advocate appointed by the Speaker of the Assembly, an employee representative appointed by the Governor, an individual with expertise in banking or consumer financial services affiliated with an academic institution appointed by the Governor, and an individual with banking expertise appointed by the Governor. The bill is set to sunset on January 1, 2032.

Before being amended down to a study bill, on March 29<sup>th</sup>, the State Controller issued a letter in opposition to AB 1177, stating that the bill provides, upon appropriation, unlimited General Fund dollars for startup and administrative costs to be continued in the annual Budget Act for at least the first six years of the program and indefinitely, unless the program generates a sufficient amount of revenue to sustain the program...As California’s chief fiscal officer responsible for paying the state’s obligations, I believe it is fiscally imprudent for the state to run a Public Bank as it would expose the state to excessive unknown financial and legal liability...Moreover, there are multiple less risky and costly alternatives that exist to accomplish the bill’s goals.

This bill is co-sponsored by the California Public Banking Alliance, the California Reinvestment Coalition, and SEIU California and supported by a number of community organizations, and consumer

advocacy groups. This bill is opposed by a number of organizations representing the financial services and business sector in California. The bill passed the Senate Appropriations Suspense File and is now on the Senate Floor on third reading.

AB 310 (Lee), was gutted and amended into the wealth tax bill that would impose an annual tax at a rate of 1% of a resident of this state's worldwide net worth in excess of \$50,000,000, or in excess of \$25,000,000 in the case of a married taxpayer filing separately. The bill would also impose an additional tax at a rate of 0.5% of a resident's worldwide net worth in excess of \$1,000,000,000, or in excess of \$500,000,000 in the case of a married taxpayer filing separately. AB 310 is now a two year bill.

### CSB Position Bills

#### *AB 32 (Aguiar-Curry) Telehealth*

The bill would require the State Department of Health Care Services (DHCS) to extend the telehealth flexibilities, including telephone visits, in place during the COVID-19 Pandemic. Additionally, AB 32 ensures patients will continue to have access to care by maintaining parity in reimbursement for telehealth services for Medi-Cal managed care plans. The County is in support of this bill. The bill became a two-year bill because the administration will continue flexibilities for one more year. The language is in AB 133, the health trailer bill. The author's office has stated that they will continue to work on a more permanent solution after session.

AB 133 requires the department to seek any federal approvals it deems necessary to extend the approved waiver or flexibility implemented pursuant to those provisions as of July 1, 2021, that are related to the delivery and reimbursement of services via telehealth modalities in the Medi-Cal program, and, subject to approval by the Department of Finance, would require the department to implement those extended waivers or flexibilities for which federal approval is obtained for a specified period of time ending December 31, 2022. The bill would also require the department to convene an advisory group to provide recommendations to inform the department in establishing and adopting billing and utilization management protocols for telehealth modalities to increase access and equity and reduce disparities in the Medi-Cal program. The bill would authorize the department to enter into contracts, or amend existing contracts, for the purposes of implementing these provisions and would exempt those contracts or amendments from specified provisions of law. AB 133 was chaptered into law on July 27<sup>th</sup>.

#### *AB 339 (Lee) State and local government: open meetings.*

This bill requires, until December 31, 2023, that city councils and boards of supervisors in jurisdictions over 250,000 residents provide both in-person and teleconference options for the public to attend their meetings.

The County joined CSAC and the League of Cities to oppose the bill. The County is currently working with CSAC and the Author's office to seek an amendment that would clarify the Brown Act's notice requirement, but there has been no commitment from the author. The bill passed Senate Judiciary Committee on July 13<sup>th</sup> and is on third reading on the Senate Floor.

#### *AB 361 (Rivas) Open meetings: local agencies: teleconferences*

This bill will provide additional flexibility for local city councils, boards, commissions, and other agencies to meet remotely via phone or videoconference during a Governor-declared emergency that makes meeting in person unsafe, while still maintaining high levels of public access and transparency. The bill has an urgency clause. The County supports the bill. The bill is on the Assembly Floor on third reading.

*AB 538 (Muratsuchi) California Aerospace Commission: establishment.*

The bill would enact the California Aerospace and Aviation Act of 2021 (Act), which establishes the 15-member California Aerospace Commission (Commission) for the purpose of serving as a central point of contact for related industries and supporting the health and competitiveness of these industries in California. The County is in support of the bill. The bill was held on the Senate Appropriations Committee Suspense File and is now a two-year bill.

*AB 821 (Cooper) Sexually violent predators: placement outside county of domicile: notice and hearing.*

Current law requires a sexually violent predator who is conditionally released to be placed in the county that was the person's county of domicile prior to the person's incarceration, unless extraordinary circumstances exist requiring placement outside the county, as specified. This bill would require advance notice, as specified, if a sexually violent predator is to be released to a county other than their county of domicile. The bill would require the local jurisdiction to give public notice of the intended release and allow for public comment, as specified. The bill would require the court to hold an evidentiary hearing to determine if extraordinary circumstances exist. The County is supporting the bill. The hearing in the Assembly Public Safety Committee was cancelled at the request of the author, and the bill is now a two-year bill.

*AB 843 (Aguiar-Curry) California Renewables Portfolio Standard Program: renewable reed-in tariff*

This bill authorizes Community Choice Aggregators (CCAs) to submit eligible bioenergy projects for cost recovery from electric utility ratepayers, pursuant to the Bioenergy Market Adjusting Tariff (BioMAT) program, if open capacity exists within the 250 megawatts (MW) program limit. The bill passed the Senate Appropriations Committee Suspense File and is now on the Senate Floor on consent.

*AB 941 (Bennett) Farmworker assistance: resource centers.*

This bill requires, upon appropriation by the Legislature, the Department of Community Services and Development (CSD) to establish a grant program for counties to establish farmworker resource centers that will 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, as specified. This bill also requires the CSD to convene and facilitate a workgroup to assist in the establishment and administration of the grant program. The County is in support of this bill. AB 941 passed the Senate Appropriations Committee Suspense File and is now on the Senate Floor on third reading.

*AB 1465 (Reyes) Worker's compensation: medical provider networks study.*

The bill would reduce the quality of medical care in California's workers' compensation system, increase costs on employers as they struggle to expand California's economy as we come out of the COVID-19 pandemic, and wipe away important prior reforms that were the subject of negotiations between labor and management. The County is a part of a large coalition opposing the legislation. The bill didn't meet deadline to pass the policy committee and became a two-year bill.

*SB 9 (Atkins) Housing development: approvals.*

This bill requires ministerial approval of a housing development of no more than two units in a single-family zone (duplex), the subdivision of a parcel zoned for residential use into two parcels (lot split), or both. The County is in opposition to this bill. The bill passed the Assembly Floor and was concurred in the Senate. The bill is now in enrollment.

*SB 47 (Limon) Oil and gas: hazardous and idle-deserted wells and production facilities: expenditure limitations.*

This bill authorizes, starting in fiscal year 2022-23, the Geologic Energy Management Division to make expenditures up to \$5 million to plug and abandon hazardous or deserted wells or hazardous or deserted production facilities and extends related reporting requirements. The County is in support of the bill. The bill passed the Assembly Appropriations Committee Suspense File and is now on the Assembly Floor on third reading.

*SB 74 (Borgeas) Keep California Working Act.*

This bill, the Keep California Working Act, would establish the Keep California Working Grant Program. The act would require the Small Business Advocate to administer the program and award grants, as specified, to small businesses and nonprofit entities that meet specified criteria, including that the entity has experienced economic hardship resulting from the COVID-19 pandemic.

The Governor' and Legislature's early budget action agreement in trailer bill SB 87 would establish the California Small Business COVID-19 Relief Grant Program within CalOSBA to assist qualified small businesses affected by COVID-19 through administration of grants. The bill would require CalOSBA to provide grants to qualified small businesses, as defined, in accordance with specified criteria, including geographic distribution based on COVID-19 restrictions, industry sectors most impacted by the pandemic, and underserved small businesses. The bill would repeal these provisions on January 1, 2024. This bill would appropriate \$2,075,000,000 from the General Fund to the Golden State Stimulus Emergency Fund to be transferred to the Office of Small Business Advocate for purposes of the program, and would allocate \$50,000,000 of those funds for eligible nonprofit cultural institutions, as defined.

The hearing in the Senate Business and Professions Committee was cancelled at the request of the author, and SB 74 is now a two-year bill.

*SB 335 (Cortese) Workers' compensation: liability.*

This bill reduces the time period an employer has to deny liability for a workers' compensation claim from 90 to 45 days, or 30 days for a workers' compensation claim for specified presumptive injuries. This bill further requires that a compensation claim which has been unreasonably delayed or refused have its award increased by 10%. The County is a part of a large coalition opposing the legislation. The bill failed passage in the Assembly Insurance Committee and was granted reconsideration. The bill is now a two-year bill.

*SB 467 (Wiener) Oil and gas: hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, or cyclic steaming: prohibition: job relocation.*

The bill would revise the definition of "well stimulation treatment" to include steam flooding and water flooding. The bill would prohibit the issuance or renewal of a permit to conduct hydraulic fracturing, acid well stimulation treatment, steam flooding, water flooding, or cyclic steaming for the extraction of oil and gas beginning January 1, 2022, and would prohibit new or repeated hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, or cyclic steaming, except as conducted pursuant to a permit lawfully issued before that date. The bill would prohibit all hydraulic fracturing, acid well stimulation treatments, steam flooding, water flooding, cyclic steaming, or other well stimulation treatments beginning January 1, 2027. The County is in support of this bill. The bill was heard in the Senate Natural Resources and Water Committee on April 13 but failed passage, the bill was granted reconsideration. The bill is now a two-year bill.

*SB 493 (Bradford) Local government financing: juvenile justice.*

Would revise and recast required components of the multiagency juvenile justice plan to, among other things, additionally require a plan to include an assessment of existing community-based youth development services, identification and prioritization of areas of the community that face significant

public safety risk from crime, documentation of the effectiveness of the programs funded under these provisions, and a description of the target population funded under these provisions. The bill would require programs and strategies funded under these provisions to, among other things, be modeled on trauma-informed and youth development approaches and in collaboration with community-based organizations. The County is opposed to the bill. The bill was held on the Senate Appropriations Suspense File and is now a two-year bill.

*SB 612 (Portantino) Electrical corporations and other load-serving entities: allocation of legacy resources.*

This bill requires electric investor-owned utilities (IOUs) to offer an allocation of certain electrical resources to other load-serving entities (LSEs), specifically, community choice aggregators (CCAs) and electric service providers (ESPs), that serve departing load customers who bear cost responsibility for those resources. These electrical resources include product attributes to comply with resource adequacy (RA), Renewable Portfolio Standard (RPS) program, and others. The County is in support of the bill. The bill didn't meet deadline to pass the policy committee and became a two-year bill.

*SB 712 (Hueso) Local government duties relative to California tribes*

This bill prohibits a local government from adopting or enforcing a resolution or ordinance that would prevent the local government from conducting a fair evaluation of a fee-to-trust application, and requires a local government to take specified actions when it opposes a fee-to-trust application. The County doesn't have a position on the bill. The bill passed the Assembly Appropriations Committee and is now on the Assembly Floor on third reading.

*SB 743 (Bradford) Housing developments: broadband adoption: grant program*

The bill would establish a grant program for broadband adoption programs in public housing, including digital literacy and computer lab programs, to reduce the digital divide. The County is in support of the bill. The bill was held on the Assembly Appropriations Committee Suspense File and is now a two-year bill.

*SB 765 (Stern) Accessory dwelling units: setbacks.*

This bill repeals the existing prohibition on a city or county imposing a requirement of a setback for an accessory dwelling unit (ADU) of more than four feet from the rear and side lot lines. The County is in support of this bill. The bill didn't pass the deadline to move out of the first policy committee and is now a two-year bill.

#### Other Bills that may be of Interest to the County

*SB 1 (Atkins) Coastal resources: sea level rise*

This bill establishes the California Sea Level Rise Mitigation and Adaptation Act of 2021 (Act) and declares the purpose of the Act is to establish new planning, assessment, funding, and mitigation tools for California to address and respond to sea level rise. Requires the California Coastal Commission (Commission) to take into account the effects of sea level rise in coastal resources planning and management policies and activities in order to identify, assess, and, to the extent feasible, mitigate the adverse effects of sea level rise. The bill passed the Assembly Appropriations Committee Suspense File and the Assembly Floor, it is currently in concurrence on the Senate Floor.

Although the County does not have an official position on this bill, the County is supporting the Santa Barbara County's Planning and Development Department's request for the League of Cities or CSAC to request an amendment to address the definition of "existing structures" within Coastal Act Section 30235. No request for amendment has been made.

*AB 9 (Wood) Wildfires*

This bill establishes the Regional Forest and Fire Capacity Program (RFFC Program) in the Department of Conservation (DOC), creates a deputy director of Community Wildfire Preparedness and Mitigation (deputy director) within the Office of the State Fire Marshal (OSFM), and transfers and delegates certain duties related to fire safety and wildfire prevention from the Department of Forestry and Fire Protection (CalFire) and the Director of CalFire to the OSFM and the State Fire Marshal (SFM), as provided.

*AB 455 (Wicks)* was a potential bill that could have been amended into the proof of vaccination proposal. The draft language called for Californians to show proof that they are vaccinated to enter many indoor businesses and required both public and private sector workers to be fully vaccinated or regularly tested.

We received confirmation that Assemblymember Wicks will not be moving forward with AB 455 this year. She remains committed to working on the issue in the next legislative year.

AB 1102 by Assemblymember Low will instead move forward, which clarifies that employers may require vaccines if they so choose. If an employer chooses to mandate vaccines, the bill provides certain parameters for that mandate. It also clarifies that an employer may not be liable if an employee presents a fraudulent vaccination document as long as the document appeared reasonably genuine, the same standard as for I-9 documents.

*AB 503 (Stone) Wards: probation.*

The bill will create statutory guidelines to protect youth on non-custodial warship probation by tailoring the length of time youth spend on probation to their individual needs, and ensuring that probation conditions are individually tailored, developmentally appropriate, proportional, and not excessive.

*AB 731 (Bauer-Kahan) County jails: recidivism: reports.*

This bill requires the sheriff in each county to compile and submit specified data related to their educational opportunities, rehabilitative opportunities, exercise opportunities and success rates in reducing recidivism to the Board of State and Community Corrections (BSCC) and to require the BSCC to compile that data into a report to be submitted to the Legislature.

*AB 896 (Bennett) Oil and gas wells: hazardous or idle-deserted wells and facilities: liens: collections unit.*

This bill would authorize the division, before performing work ordered by the supervisor or district deputy, to impose a lien against the real or personal property of the operator in an amount equal to an estimate of the cost of the work based on a bid from a contractor or previous costs to perform comparable work. The bill would require the division's accounting of actual or estimated costs to perform work ordered to be served upon the operator by personal service or certified mail. The bill would require the supervisor, on or before July 1, 2022, to establish a collections unit within the division to be responsible for identifying persons responsible for specified charges, locating assets belonging to those persons, and fully implementing all of the division's authorities for collecting the amounts owed.

*AB 1138 (Rubio) Unlawful cannabis activity: civil enforcement.*

This bill provides an additional enforcement mechanism against unlicensed cannabis activities. This bill establishes a civil penalty for high-level control persons who knowingly aid and abet unlicensed cannabis activities, as defined, of up to \$30,000 per violation, with each day of unlicensed cannabis activity constituting a separate violation. The civil penalty may be sought by city attorneys and prosecutors, and county attorneys, in jurisdictions of 750,000, in addition to the Attorney General.

*AB 1500 (Garcia) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.*

This bill is the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, it is a \$7.08 billion bond. AB 1500 includes \$1.1 billion for wildfires, \$1.16 billion for coastal and ocean climate risks, \$1.775 billion for safe drinking water/drought preparation/flood protection, \$940 million protecting fish, wildlife, and natural areas, \$320 million for protecting farms, ranches, and working lands, \$725 million for extreme heat, and \$1.06 billion for Regional Climate Resilience. AB 1500 is in the Assembly Rules Committee, and hasn't moved since May 20, 2021.

*ACA 1 (Aguilar-Curry) Local government financing: affordable housing and public infrastructure: voter approval.*

The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. This bill was referred to the Assembly Local Government Committee but hasn't moved since April 22, 2021.

*SB 10 (Wiener) Planning and zoning: housing development: density.*

This bill 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, as specified. Assembly Amendments authorize an ordinance adopted pursuant to this section to extend beyond the sunset date of January 1, 2029; provide that this bill does not apply to any local restriction enacted or approved by a local initiative that designates publicly owned land as open space or for park or recreational purposes; provide that if the ordinance adopted by this bill supersedes a local initiative, it shall only take effect if adopted by 2/3 of the members of the legislative body; and provide that this bill does not apply to a project located on a parcel that is zoned under this bill and then subsequently rezoned without regard to this bill, as specified.

*SB 16 (Skinner) Peace officers: release of records*

This bill expands the categories of police personnel records that are subject to disclosure under the California Public Records Act (CPRA); and modifies existing provisions regarding the release of records subject to disclosure.

*SB 45 (Portantino) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.*

This bill enacts the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which authorizes the sale of \$5.595 billion in general obligation bonds, upon approval by voters at the November 2021 statewide general election. Bond funds will be used for projects related to wildfire prevention, safe drinking water, drought preparation, and flood protection. This bill is on the inactive file per the request of the author.

*SB 52 (Dodd) State of emergency: local emergency: sudden and severe energy shortage: planned power outage.*

This bill defines a "deenergization event" as a planned power outage, as specified, and includes a deenergization event in the list of conditions constituting a local emergency, with prescribed limitations.

*SB 84 (Hurtado) Oil and gas wells: hazardous or idle-deserted wells and facilities.*

Requires additional reporting on specified oil and gas wells and production facilities including the location of the applicable wells and facilities.

*SB 556 (Dodd) Street light poles, traffic signal poles: small wireless facilities attachments.*

This bill establishes permitting requirements for the placement of small wireless facilities on street light and traffic signal poles owned by local governments, including specified timelines for approving and attaching infrastructure, limitations on fees for attachments, and restrictions on local governments' ability to prohibit small wireless facility attachments. Assembly Amendments require wireless telephone providers to annually report to the Legislature, until the end of the 2025 calendar year, specified information about their efforts to improve broadband access on a census tract basis. The amendments also authorize mobile telephony service providers to aggregate and submit that information through a third party.

*SB 586 (Bradford) Criminal Fees.*

This bill repeals various administrative fees that agencies and courts are authorized to impose in order to fund elements of the criminal justice system, and eliminates outstanding debt incurred as a result of the fees.

*SB 735 (Rubio) Vehicles: speed safety cameras*

This bill authorizes automated traffic enforcement systems to enforce speed limits in school zones. The bill failed to meet deadline to pass out of the first policy committee and is now a two-year bill.

### Conclusion

The Legislature reconvened from Summer Recess on August 16th and will be on Floor Session the last two weeks for Session. The Legislature will complete the first year of a two-year session on September 10th and will then adjourn, while the Governor will then have until October 10<sup>th</sup> to sign or veto any bills that reach his desk.

We look forward to continuing our discussions on county priorities as the first year of the 2021-22 Legislative Session wraps up and will continue to work with staff and keep the committee and Board updated. As always, should you or your staff have any questions, please don't hesitate to let us know.