Due to the COVID-19 pandemic the legislature recessed on March 16th. However, before they left SB 89 (Budget and Fiscal Review Cmte) passed out of the Assembly and the Senate and was signed by the Governor the following day. The bill amends the Budget Act of 2019 by appropriating $500M GF for any purpose related to the Governor's March 4, 2020 proclamation of a state of emergency. It authorizes additional appropriations in increments of $50M, up to a total of $1B.

Also on the 16th the University issued a “Support” position letter on SB 794 (Jackson). The bill authorizes the University to access student and employee contact information for the sole purpose of enrolling them in an emergency warning system.

Once the legislature reconvenes some bills of interest for the University that might begin to move are as follows:

AB 664 (Cooper) creates a conclusive presumption that an injury defined as a communicable disease, including COVID-19, that is the subject of a state of emergency issued on or after January 1, 2020, sustained by certain firefighting personnel, peace officers, hospital employees, and fire and rescue services coordinators arose out of and in the course of their employment. The bill has been referred to the Senate Labor, Public Employment and Retirement Committee.

AB 2353 (McCarty) states legislative intent to enact legislation to remove obstacles for UC, CSU and CCC to finance and construct affordable housing units for students. The bill is awaiting a hearing in the Assembly Higher Education Committee.
**AB 3256 (Garcia)** states legislative intent to enact a bond measure that would address climate risks to the State of California. The bill was introduced on February 21st.

**SB 893 (Caballero)** creates rebuttable presumptions under workers' compensation that infectious diseases and musculoskeletal injuries that develop or manifest in a hospital employee who provides direct patient care in an acute care hospital arose out of and in the course of that employment. The bill is awaiting a hearing in the Senate Labor, Public Employment and Retirement Committee.

**SB 918 (Senate Governmental Organization Committee)** corrects discrepancies in the administrative requirements for the sale of excess wine from the UC Davis Viticulture and Enology program by authorizing a special nonprofit sales license to a nonprofit mutual benefit corporation or a nonprofit public benefit corporation. The bill has been referred to the Senate Governmental Organization Committee.

**SB 1159 (Hill)** for workers' compensation purposes, defines an injury for a critical worker, as described, to include illness or death that results from exposure to COVID-19 under specified circumstances, and creates a disputable presumption that an injury that develops or manifests itself while a critical worker is employed arose out of and in the course of the employment. The bill has been referred to the Senate Rules Committee.

**Executive Orders**

During the COVID-19 pandemic Governor Newsom has issued a variety of executive orders to help the state. Below is a listing of those executive orders:

- An order that authorizes local governments to halt evictions for renters and homeowners, slows foreclosures, and protects against utility shutoffs for Californians affected by COVID-19.
- An order protecting the health and safety of Californians most vulnerable to COVID-19 residing at health care, residential and non-residential facilities licensed by the state.
- An order to ensure vital goods can be delivered to California retailers in a timely manner during the COVID-19 outbreak.
- An order to suspend standardized testing to focus on the mental and socioemotional well-being of students.
- An order to ensure Californians who rely on Medi-Cal, CalFresh, CalWORKS, Cash Assistance for immigrants and in-home supportive services will not lose access due to COVID-19.
- A stay-at-home order to protect the health and well-being of all Californians and slow the spread of COVID-19.
- An order providing flexibility to local governments to spend their emergency homelessness funding on immediate solutions tailored to combatting COVID-19 and its impacts on the homeless population.
- An order to permit vote-by-mail procedures to be used in three upcoming special elections, protecting public health and safety during the COVID-19 outbreak.
• An order giving the state the ability to increase the health care capacity in clinics, mobile health care units and adult day health care facilities.
• An order directing the California Department of Corrections and Rehabilitation to temporarily halt intake of inmates and youth into the state’s 35 prisons and four youth correctional facilities.
• An executive order enabling the Chief Justice to take emergency actions for the state’s courts to be able to conduct business during the COVID-19 pandemic.
• An executive order banning the enforcement of eviction orders for renters affected by COVID-19 through May 31, 2020.
• An order providing relief to small businesses – it includes a 90-day extension in state and local taxes and extends licensing deadlines and requirements for a number of industries.
• An order to expand the health care workforce and staff at least an additional 50,000 hospital beds needed for the COVID-19 surge.
• An order expediting the use of funds to support the state’s continuing efforts to protect public health and respond to the COVID-19 crisis.
• An order that will restrict water shutoffs to homes and small businesses while the state responds to the COVID-19 pandemic.
• An order expanding consumer protection against price gouging on critical items, such as food and medical supplies, during the COVID-19 crisis.
• An order allowing health care providers to use video chats and applications to provide health services without risk of penalty.
• An order that provides additional support for older adults and vulnerable young children.
• An order to help the state procure necessary medical supplies to fight COVID-19.
• An order to address the release and reentry process at the Division of Juvenile Justice (DJJ) so that eligible youth serving time at DJJ can be discharged safely and expeditiously.
• An order to give two weeks of supplemental paid sick leave to certain food sector workers if they are subject to a quarantine or isolation order or medical directive.
• An order increasing health and safety standards by permitting workers at food facilities to wash their hands every 30 minutes, or as needed.
• An executive order addressing upcoming admissions criteria for the CSU system, background checks for essential workers, and deadline extensions to real estate licenses and more.
• An order allowing temporary waivers to certain foster youth programs to ensure continuity of care in response to COVID-19.
• An order to stop debt collectors from garnishing COVID-19-related financial assistance.
• An order addressing a variety of issues in response to the COVID-19 pandemic including extensions for customers on several Department of Motor Vehicles deadlines and suspension of late fees for expired vehicle registrations.
• An order giving flexibility to the California Department of Health Care Services (DHCS) and Medi-Cal providers on a variety of deadlines and requirements to ensure continuity of service to patients and customers.
• An order to empower schools to focus on responding to COVID-19 and to provide transparency to their communities.
For a complete listing of all the actions that the Governor’s Office has taken to combat the coronavirus please visit the following webpage;

https://www.gov.ca.gov/california-takes-action-to-combat-covid-19/

**Legislative Hearings**

Although the legislature is on recess until May 4th for the Assembly and May 11th for the Senate, there have been legislative hearings regarding the COVID-19 pandemic in the interim in both houses of the legislature.

**Senate**

On April 16th the Senate Special Budget and Fiscal Review Subcommittee on COVID-19 Response held a budget overview hearing regarding the pandemic ([agenda](#)). During that hearing Chair Mitchell identified the following discussion priorities for the hearing:

1. Use of the $1B in SB 89
2. Governor’s utilization of the Emergency Account
3. Interaction of Federal stimulus funds with State funds

Testifying at the hearing was the Legislative Analyst of California Gabe Petek (See the LAO’s handout [here](#)), Vivek Viswanathan, Deputy Director of the Department of Finance (DOF) along with various subject matter experts in that office, and Chris Hoene of the [California Budget and Policy Project](#).

The LAO indicated that the state has $21B in reserves. If the upcoming recession is as bad as the Great Recession, the State will need $35B in the first year and $85B until recovery. The LAO also indicated that payroll income tax is collected monthly and was down by 10% in March. Moreover, the LAO estimates that unemployment could be as high as 15% currently.

DOF highlighted that state revenues during the first and second quarters of 2019-20 were up by $1B, which will help with the anticipated drop in revenue in the other two quarters. DOF also mentioned that they estimate $7B in state costs for COVID-19 by the end of the 2019-20 fiscal year. As such, DOF noted that we are currently undergoing both a public health and economic crisis and although the state has a reserve there will still need to be difficult decisions made.

Finally, Chris Hoene noted that undocumented resident and people of color in California are being impacted disproportionately by the pandemic and thus special programs to ensure that vulnerable communities receive assistance should be considered.

The entire April 16th hearing can be viewed via this [link](#).
Assembly Sub 6

On April 20th the Assembly Budget Subcommittee No. 6 held a hearing on the State’s COVID-19 response. Here is the agenda and the video of the 5 hour hearing with a summary provided below.

This hearing focused on the administration’s decisions to allocate resources to various populations, the growing need for basic services for California’s vulnerable communities, the availability of personal protective equipment (PPE), funding for rural counties and communications with the Legislature.

Chair Ting made opening remarks indicating that the committee wanted to discuss how long the outbreak would last, what are the budget implications and what will federal government reimburse? Assemblyman Ting also noted that public health must drive the discussion of appropriate actions and lifting stay at home orders.

DOF again testified at this hearing and indicated that the Governor is committed to transparency regarding the spending of monies approved by the legislature and highlighted that SB 89 expenditures can be tracked on their website. DOF is currently doing modeling relative to the pandemic, but they have no firm figures at this time but as mentioned above they are estimating that the state will have $7B in expenditures due to COVID-19 and that most will be reimbursed by the Federal Emergency Management Agency (FEMA). However, even with federal reimbursement the Governor still expects to have to make “painful decisions” on reductions during the May Revise. Finally, it is worth noting that DOF did reference the Governor’s letter to Congress which requested a $1 trillion additional stimulus for states. You can view the Governor’s letter on page 5 of this link.

The LAO was also brought back for this hearing and highlighted that the initial emergency phase of the COVID-19 outbreak is now over and as such the legislature should now start to take the lead on state response activities. The LAO recommended that the legislature request more information from the Governor, including actions taken so far, future plans and what the cost will be for those plans.

After the LAO’s testimony legislators asked questions about potential future federal funding and how programs would be impacted going forward. As a response, the DOF continuously indicated that the May Revise would have more information.

On April 27th the Assembly Budget Subcommittee No. 6 on Budget Process, Oversight and Program Evaluation held another hearing. This time the focus was on COVID-19 recovery and economic stimulus.

At this hearing Professor Jerry Nickelsburg of the UCLA Anderson Forecast testified that unemployment could be as high as 16.5% by the end of the year. However, the good news is that they believe that the recovery from this recession will be quicker than with the last one but it will still take us about a year and a half to get to the employment levels we had in 2019.

Certain sectors will bounce back quickly, depending on consumer interest, Nickelsburg said. Others will struggle, particularly in the retail, leisure and hospitality industries. Businesses in those sectors might reopen for a bit, but are then likely to collapse.
Also testifying at this hearing was Rodney Fong from the San Francisco Chamber of Commerce, David Ahlem from the Hilmar Cheese Company, Inc., Saru Jayaraman from One Fair Wage, along with the LAO, DOF and Chris Hoene again. Here is the agenda for the hearing and the full video.

Noteworthy commentary included Assemblyman Wood expressing concerns about PPE supplies during the hearing, specifically as it pertained to businesses reopening. Also worth noting was Assembly Member Gray commenting that he wants to “call on both the state legislature and the administration to look towards a Blue New Deal. Where we make major investments in new medical schools, nursing programs, nurse practitioners, loan repayments [and] residency slots. Things that have for too long been ignored and very much to our detriment as we struggle to have the capacity during this world event that we are facing with COVID-19.”

**Assembly Sub 2**

On April 28th the Assembly Budget Subcommittee No. 2 on Education Finance held a two part hearing (agenda). The first part dealt with COVID-19 implications for K-12 schools, specifically taking a look at finances, accountability and safety. The committee also looked at the topic of school closures and what are the next steps in terms of mitigating learning loss. In the second part of the hearing the committee discussed childcare and essential workers. You can watch part 1 of the hearing here and 2nd part via this link.

**Upcoming State Government Relations Events and Key Dates**

- **May 1** – Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house.
- **May 4** – The Assembly is scheduled to reconvene.
- **May 11** – The Senate is scheduled to reconvene.
- **May 14** – May Revise due.
- **May 15** – Last day for fiscal committees to hear and report to the floor bills introduced in their house.

**Questions or Need Assistance?**

If you have any questions regarding the aforementioned items or would like assistance in connecting with state legislators and/or their staff, please do not hesitate to contact Adrian Lopez, Director, State Government Relations. He can be reached at adnlopez@ucdavis.edu or by phone at (530) 752-9795.