

California's Legislative Response to COVID-19

March 24, 2020

During this evolving and unprecedented crisis, we recognize the overabundance of information being disseminated and attempted to capture information of relevance to cities and counties. We will do our best to provide regular updates as new information is available and encourage you to please contact us if you have any questions or need additional information.

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Governor Orders Californians to Stay Home Except for Essential Needs. Just prior to sending this update, Governor Gavin Newsom made a major announcement that he was issuing a statewide Executive Order requiring all individuals living in the State of California to stay home or at their place of residence except as needed to follow the [federal critical infrastructure sectors](#). The governor's order will impact over 40 million residents and is deemed essential to protect public health, establish consistency across the state, and "bend the curve" to disrupt the spread of the virus. The order goes into effect tonight, March 19, 2020 and will remain in place until further notice.

Legislature Approves Emergency Legislation Before Recessing Until April 13. The Legislature met on Monday, March 16 to pass emergency legislation related to COVID-19, [SB 89](#) and [SB 117](#), as well as adopt [ACR 189](#). Both SB 89 and SB 117 were passed by the Legislature unanimously and have now been signed by the governor and chaptered into law. ACR 189 recessed the Legislature until April 13 and allows either house to recall itself from recess or allows the two houses to extend the recess if necessary.

SB 89 amends the 2019-20 Budget Act, appropriating \$500 million from the General Fund (GF) and authorizing additional appropriations in



increments of \$50 million up to a total of \$1 billion to address the COVID-19 emergency. \$84 million (GF) is also appropriated in SB 89 to the Department of Resources Recycling and Recovery to complete tree removal operations in Butte County related to the 2018 Camp Fire. The measure states the Legislature's intent that the Administration work with stakeholders to develop strategies for the 2020-21 budget to aid individuals, nonprofits, and small businesses related to the impacts of COVID-19.

SB 117 ensures funding for schools that have closed due to COVID-19 and allows for flexibility for local educational agencies to continue to provide educational options to their students. In addition, the measure appropriates \$100 million in the 2019-20 school year for protective equipment, supplies, and cleaning at school sites.

The following day, the Senate and Assembly Joint Rules Committee issued a memo that Sacramento County's order for residents to stay home necessitated the State Capitol's closure to the public, effective March 18, 2020. The memo was followed by another announcement by the Assembly Rules Committee that the March 18 deadline for amendments to non-substantive bills had been suspended. As this writing, it is uncertain how the Legislature intends to address the over 2000 bills introduced this year.

Governor Announces \$150 Million in Emergency Homeless Aid. On March 18, Governor Newsom announced that he had taken emergency measures to prevent the spread of COVID-19, immediately allocating \$150 million from SB 89 for local emergency homelessness actions, as follows:

- \$100 million directly to local governments, for shelter support and emergency housing

to address COVID-19 among the homeless population

- \$50 million to purchase travel trailers and lease rooms in hotels, motels, and other facilities in partnership with cities and counties.

In a briefing held on Wednesday evening, the Administration reported that the \$100 million allocation would be distributed via the same formula that was used to distribute the \$650 million for the state Homeless Housing, Assistance and Prevention Program and that funds would be provided as early as next week.

The governor also signed [Executive Order N-32-20](#) providing flexibility to local governments to spend their emergency homelessness funding on immediate solutions tailored to combat COVID-19 and its impacts on the homeless population.

In addition, the State procured 1,309 travel trailers from FEMA and private vendors to provide quarantine capacity – moving people out of shelters and into isolation placements, focused on people with COVID-19 or those demonstrating symptoms. These trailers will be deployed to California’s largest population centers.

Counties were provided with tailored lists of hotels and motels that are potentially available to lease for the next several months by the State as well. The Administration is offering to contact hotels and negotiate leases, if a county requests that assistance. In total, the State has identified over 950 hotels across 53 counties that are potentially eligible for participation in the State’s leasing program.

The California Health & Human Services Agency has issued official [public health guidance](#) to homeless service providers statewide about social distancing measures in shelters, access to hygiene supplies, health screening protocols, and isolation protocols for people with COVID-19 or those demonstrating symptoms.

Additional Executive Order on Open Meeting Requirements. Governor Newsom issued

another Executive Order [N-29-20](#) on Wednesday that addresses public meetings via teleconferencing. The order suspends several provisions around teleconferencing, including noticing, posting of agendas, and in-person quorums. There are also provisions around accessibility requirements and notice requirements.

Governor Grants Local Governments New Authority to Protect Renters and Homeowners. Governor Newsom issued [Executive Order N-28-20](#) on Monday, authorizing local governments to halt evictions for renters and homeowners, slowing foreclosures, and protecting against utility shutoffs for Californians affected by COVID-19. This order was, in part, a preventative measure to ensure that low-income Californians do not lose housing as a result of an eviction related to a loss of income or sickness due to COVID-19. The governor hopes to see other local efforts to protect renters, low-income homeowners, and small businesses, following the leadership of local jurisdictions such as Los Angeles, San Francisco, Sacramento, and San Jose, which have already implemented or are working towards local measures.

COVID-19 and California’s Evolving Fiscal Outlook. Legislative Analyst, Gabriel Petek released a [fiscal perspective briefing](#) March 18 in light of the current health emergency to offer a preliminary update on the fiscal impacts to the State. The Legislature provided fiscal resources to the Administration this week and the federal government will also be offering support. That said, COVID-19 will drastically impact California’s short-term fiscal outlook.

The State currently is in a strong position historically, with large reserves which may help address the emergency as well as provide some cushion to address fiscal losses. The downturn in fiscal markets will necessitate a downward revision in state revenue estimates. The governor’s projected reserve amount of \$20 billion in June 2021 is now unlikely. The Legislature will have to reassess some policy priorities when they are able to return to Sacramento and may want to consider adopting a workload budget to extend the amount

of time available to determine a more accurate projection of fiscal capacity.

Capital Gains: The Governor's budget projected \$30 billion in capital gains revenue across 2019-20 and 2020-21, assuming a relatively flat S&P 500 stock index, with gradual price appreciation. As of March 17, the market is well below anticipated, and without an unusual rapid recovery, the Legislative Analyst's Office (LAO) anticipates revenues to be several billion dollars lower than projections.

Economic Activity: The chances of a recession have now increased dramatically, and economic forecasts have downgraded their projections of Gross Domestic Product growth to near zero or negative. Optimistically, the economy could experience a sharp downturn for one to two months. Alternatively, a longer economic downturn is possible, compounded by a dislocated supply chain and reduced lending. Full economic impacts are too early to project and will largely depend on the course of the virus.

Additional Links and Resources. The Administration has been extremely busy providing notifications, holding press conferences, and working on ways to address COVID-19. Below are links to their press releases pertaining to COVID-19 to date. The governor has also been providing daily updates via [Facebook Live](#), should you be interested in watching these broadcasts in real time.

March 19: [Governor Newsom Requests President Trump Deploy USNS Mercy Hospital Ship to Port of Los Angeles](#)

March 19: [Governor Newsom Requests Federal Assistance to Support California's Efforts to Prepare for COVID-19 Surge](#)

March 18: [Governor Newsom Issues Executive Order to Suspend Standardized Testing for Students in Response to COVID-19 Outbreak](#)

March 18: [California Launches New Comprehensive, Consumer-Friendly Website and Public Service Announcements to Boost COVID-19 Awareness](#)

March 18: [Governor Newsom Issues Executive Order to Protect Ongoing Safety Net Services for Most Vulnerable Californians During COVID-19 Outbreak](#)

March 17: [Governor Newsom Signs Executive Order to Allow Timely Delivery of Vital Goods During COVID-19 Outbreak](#)

March 17: [California Releases New COVID-19 Guidance for K-12 Schools](#)

March 17: [Governor Newsom Places National Guard Personnel on Alert to Support COVID-19 Community Readiness](#)

March 17: [California Requests Federal Government Waiver to Cover Medi-Cal Recipients and Expand Tele-Health Options](#)

March 17: [Governor Newsom Signs Emergency Legislation to Fight COVID-19](#)

March 16: [Governor Newsom Issues Executive Order to Protect Renters and Homeowners During COVID-19 Pandemic](#)

March 16: [California Issues Directive to Fight COVID-19](#)

March 16: [Governor Newsom Asks Legislature for Emergency Legislative Action to Fight COVID-19](#)

March 13: [Governor Newsom Signs Executive Order Ensuring State Funding for Schools Even in Event of Physical Closure](#)

March 12: [Governor Newsom Statement on Disney Agreeing to Close California Parks](#)

March 12: [Governor Newsom Issues New Executive Order Further Enhancing State and Local Government's Ability to Respond to COVID-19 Pandemic](#)

March 11: [California Public Health Experts: Mass Gatherings Should be Postponed or Canceled Statewide to Slow the Spread of COVID-19](#)

March 7: [California Releases Updated Guidance for Schools, Colleges & Large Public Events to Prepare and Protect Californians from COVID-19](#)

March 5: [Governor Newsom, State Health Officials Announce More than 22 Million Californians Now Eligible for Free Medically Necessary COVID-19 Testing](#)

March 4: [Governor Newsom Declares State of Emergency to Help State Prepare for Broader Spread of COVID-19](#)