



● **State and Federal Legislative Update on Responses to the COVID-19 Pandemic**

Summary

This letter provides information on state and federal legislative activities relating to responses to the COVID-19 pandemic.

Purpose

Informational

Attachments

None

Detailed Report

Background

The state of California and federal government have moved to emergency response activities to help support and mitigate the human and economic impacts of COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020.

Federal Responses and Actions

In response to COVID-19, President Donald Trump issued a national emergency declaration on March 13, 2020. The national emergency declaration allowed the federal government to access up to \$50 billion in disaster relief funds for state, territorial, and local governments. The president also declared major disasters in a number of states, including California. The national emergency declaration lets Federal Emergency Management Agency provide broad assistance and allows other agencies take actions not generally authorized by federal law, including:

- allowing doctors to practice across state lines,
- waiving restrictions on stays in critical hospitals and nursing homes, and
- allowing states to adjust their Medicaid and CHIP eligibility and coverage.

Additionally, the President issued four Executive Orders related to providing military and medical resources to assist federal and state agencies responding to the pandemic.

Three broad-ranging federal packages to address COVID-19 were enacted in March 2020.

The first Congressional response, HR 6074 (Public Law 116-123), signed into law on March 6, provided \$8.3 billion for emergency health care needs and international programs. This response largely funded and backfilled federal agencies who were first to respond, providing \$6.5 billion for the Health and Human Services Department and \$1.25 billion for the State Department and U.S. Agency for International Development (USAID). The bill also enables the Small Business Administration to provide about \$7 billion in disaster loans.

The second package, HR 6201 (Public Law 116-127), signed into law on March 18, focused on economic relief and provides for paid sick leave, food assistance for vulnerable populations and financial help for COVID-19 testing, paid leave, tax credits, expanded unemployment and nutrition assistance and some free testing. The Joint Committee on Taxation estimates it will cost \$104 billion.

Included in the second package were provisions exempting private sector employers from paying tax on Social Security and Medicare wage taxes. Government agencies were specifically excluded from these provisions and

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are seeking recourse from House leaders to allow them to qualify for certain payroll tax credits in future stimulus packages.

The third emergency response and stimulus package, HR 748 (Public Law 116-136), was signed into law on March 27. It provides more than \$2 trillion to support the government's response and help businesses and individuals hurt by the economic downturn including:

- \$500 billion for loans and assistance to companies and state and local governments, with an additional \$32 billion provided to aviation workers
- \$349 billion in low-interest small business loans with potential forgiveness
- One-time payments of up to \$1,200 for qualifying individual taxpayers, and \$500 per child
- An additional \$600 per week for those receiving unemployment benefits
- \$150 billion for aid to state, local, and tribal governments
- A suspension of Medicare sequestration through the end of the year; extension of several health programs until December
- \$340 billion in supplemental appropriations
 - \$140 billion for the Health and Human Services Department
 - \$46 billion for the Homeland Security Department
 - \$36 billion for the Transportation Department

The House is developing a framework for a future multi-billion-dollar infrastructure package that is expected to include water programs. The Senate is not expected to begin negotiations with the House until it returns to session on April 20, 2020.

A coalition of national associations representing municipally-owned drinking water and wastewater utilities continues to seek financial assistance to offset increased costs and expected revenue losses associated with COVID-19.

State of California Responses and Actions

As part of the state's response to address the global COVID-19 outbreak, Governor Gavin Newsom declared a State of Emergency on March 4, 2020 to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19.

Governor Newsom's response to the COVID-19 pandemic has been to prepare the state to face the public health threat. This list is not all inclusive but represents major actions to ready the state and protect Californians.

- **Statewide Stay at Home Order:** On March 19, the Governor issued a statewide stay at home order to "flatten the curve," minimizing the anticipated spike in urgent medical needs that could overwhelm existing capacity of hospitals. The order also established consistency across the state and clarified what critical infrastructure sectors need to continue operating.
- **Secured Presidential Major Disaster Declaration:** This declaration will make federal funding available to tribal, local and state governments for emergency protective measures, and deployed the California National Guard to help distribute food at food banks, provided protections for renters, and provided guidance to help schools set up distance learning.
- **Protection of Residents and Small Businesses:** To protect households and small businesses hit hardest by the economic downturn, the Governor issued an Executive Order N-42-20 which, among other actions, suspends water shutoffs to customers and small businesses in critical infrastructure industries and requires the restoration of service to any customers who had their water shut off after March 4 for the next 60 days, or until the health emergency abates.
- **Tax Filing Deadline Extension:** The state tax filing deadline has been extended to July 15 to be consistent with the federal tax filing deadline extension.

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- Election and Voting Actions: Issued Executive Order N-34-20 to require vote-by-mail for the May 12 special elections for the 25th Congressional District seat that covers portions of Los Angeles and Ventura Counties and 28th Senate District seat in Riverside County, and extended the deadline to certify the ballots for the March 3 Presidential Primary Election until late April.

The California Legislature is on extended recess which began March 19 and is currently scheduled to return on May 4. Before the recess, the Legislature waived the 72-hour constitutional rule that requires a bill be in print and passed emergency legislation that was signed by Governor Newsom, allocating \$1.1 billion to increase hospital capacity, clean schools, and protect the most vulnerable, including the homeless population.

The Legislative leadership and committee chairs continue to discuss the likelihood of an abbreviated session, a reduction in the number of bills that will make it through this year, and the need to prioritize COVID-19 response and passage of the 2020-21 budget. Additionally, on March 24, the Department of Finance informed the Legislature and all agencies that due to the economic downturn, they would move forward with a workload budget, based primarily on agency and departmental capital outlays and caseloads. A revised budget will come out mid-May and the constitutional deadline to pass the 2020-21 budget is June 15.

The state has set up a new website, covid19.ca.gov, which is updated daily to provide public information and support. Due to the highly dynamic nature of this health emergency, information and responses are also rapidly shifting.