
MEMORANDUM

To: City of Fullerton
From: Townsend Public Affairs
Date: March 31, 2021
Subject: Monthly Report for March 2021

Legislative Platform	Topic	Specific Activity	Status
FUNDING			
Support opportunities that allow the City to compete for its fair share of regional, state and federal funding.	Funding Opportunities	<p>TPA continues to provide funding advocacy updates to the City regarding the American Rescue Plan Act and ongoing updates for state and local funding.</p> <p>TPA is also actively engaged with its federal Representative to submit a Community Project application for Congressionally directed spending.</p>	TPA continues to identify funding opportunities for the City through competitive grants at both the state and federal levels.
LEGISLATION			
Legislative Action	Pending Legislation	TPA provided timely and regular state and federal legislative updates and guidance to City staff regarding COVID-19 legislation and updates on the current legislative session in Sacramento. TPA is actively engaged with the Legislature to identify legislative solutions to allow the City to best meet the needs of its residents. TPA continues to provide updates on water issues, cannabis, public safety reform, housing, homelessness, and economic development.	TPA continues to provide advocacy and timely updates on state and federal issues of importance to the City.

State Legislative Update

The Legislature has adjourned for Spring recess and will return Monday, April 5. Over the last several weeks, policy and budget committees have been meeting to hear and advance bills under newly adopted rules due to the pandemic. In March, the Legislature passed and the Governor signed several bills, including SB 95 (Skinner, D-Oakland) to provide workers with access to COVID-19 supplemental paid sick leave through September 30, 2021. The Governor also signed AB 83, a budget cleanup bill that clarifies prior legislation regarding waived license renewal fees for breweries and wineries. The Governor also signed AB 88, an additional budget cleanup bill to the Golden State Stimulus package signed earlier this year.

Below is a list of upcoming legislative deadlines:

April 30: Last day for policy committees to advance fiscal bills

May 7: Last day for policy committees to advance non-fiscal bills

May 21: Last day for fiscal committees to advance fiscal bills to the floor

Governor's COVID-19 Action Summary

Below is a summary of the Governor's major actions taken regarding COVID-19 in March:

- **March 18 – Vaccines for Schools:** Governor Newsom and State Superintendent of Public Instruction Tony Thurmond announced a partnership between the California COVID-19 Testing Task Force and the California Department of Education to deploy up to 3 million free rapid COVID-19 antigen tests to support the return to in-person learning for staff and students in some of California's most disadvantaged school districts.
- **March 12 – Small Businesses:** Governor Newsom, Senate Pro Tem Atkins, and Speaker Rendon announced that they will work to pass legislation that aligns with the federal American Rescue Plan Act to provide additional PPP relief for small businesses. The leaders stated their commitment to an equitable and broad-based recovery, especially for those businesses most impacted by COVID-19, including restaurants, bars, barbers, nail salons, and performing arts venues.

Governor Delivers State of the State

On March 9, the Governor delivered his annual State of the State address from Dodger Stadium. The stadium has served as a massive vaccination site for Angelinos over the past several months. This was Governor Newsom's third address to the State, but his first since the outbreak of the pandemic over one year ago. The overarching theme of his speech was dedicated to the recovery of the State, not only from the pandemic, but also several calamities that took place over the last year, including civil unrest and devastating wildfires.

The Governor also mentioned the recently approved Golden State Stimulus package that will allocate \$600 payments to many low-income individuals. The Governor also highlighted the \$6.6 billion school package aimed at a safe return to school for students. Additionally, vaccination sites and the State's efforts to roll out major initiatives to quickly vaccinate the most vulnerable Californians was another key pillar of his speech, which the Governor notes is the key to fully re-opening various business sectors.

The speech was delivered just prior to the deadline for the recall petition to be submitted to the Secretary of State. The petition was successfully submitted on time, but election offices across the State have until April 29 to complete their review of the recall petitions. If it succeeds, Governor Newsom would be only the second Governor in California and fourth in the U.S. to be recalled.

California Vaccine Eligibility

As vaccine supply is expected to significantly increase in the coming weeks, the State announced expanding vaccine eligibility to more Californians. Starting April 1, individuals over 50 will be eligible to make an appointment to be vaccinated. Starting April 15, all individuals over 16 will be eligible to make an appointment. The State expects to be allocated approximately 2.5 million first and second doses per week in the first half of April, and more than 3 million doses in the second half of April. With these anticipated allocation numbers, the end goal is to administer 4 million vaccines on a weekly basis by the end of April. In an effort to vaccinate the state's hardest hit populations, before eligibility expands to all individuals over 16, the state will be taking the following actions:

- Partnering with organizations to vaccinate essential workers
- Supporting community-based organizations to provide scheduling assistance for appointments
- Prioritizing currently eligible populations and allowing providers the discretion to vaccinate those who live in high impact areas

Governor Appoints New Attorney General

The Governor announced that he will submit to the State Legislature the nomination of Assemblymember Rob Bonta as the next California Attorney General, filling the seat vacated by Xavier Becerra. Mr. Bonta will become the first Filipino American to serve as California Attorney General after serving nine years as a Deputy City Attorney in the San Francisco City Attorney's Office, representing the city and its employees, and running for local office in Alameda County. The nomination is subject to confirmation by the California State Assembly and Senate within 90 days.

Federal Legislative Update

In March, Congress passed the fifth and largest coronavirus aid bill, which President Biden signed, sending additional money through various federal funding channels to states, counties, cities, and other entities tasked with addressing and combating impacts of the coronavirus pandemic. Additionally, March saw a massive ramp up of vaccines, as the U.S. approved a third vaccine requiring only one shot and continuously expanded eligibility at the state and local levels.

Next, Congress and the Administration turn their eyes to a combination infrastructure and economic stimulus package, while also navigating a long-term immigration solution.

Coronavirus Aid Package

In March, Congress passed and the President signed the most recent coronavirus relief package, titled the "American Rescue Plan Act" (H.R. 1319), a \$1.9 trillion coronavirus relief and stimulus bill. A few provisions worth highlighting:

- **State and Local Funding:** \$360 billion for local funding, including a \$10 billion infrastructure fund to be controlled by the state. Eligible uses of funds include COVID-19 response, revenue loss, premium pay to essential employees, and broadband, water, or sewer projects. Additional clarification is expected in guidance from the Department of Treasury, who seek to issue just one guidance, as opposed to the CARES Act, where there was rolling guidance. Guidance is expected in a few weeks.
- **Homeless Grants**
 - Cities are slated to get \$5 billion in homelessness grants. Permitted expenditures would include acquiring non-congregate shelter units, such as hotel rooms, that could be converted to permanent housing.
 - The bill also has an additional \$5 billion for emergency Section 8 Housing Choice Vouchers. The Housing and Urban Development Department would have to provide the vouchers through public housing agencies to individuals and families who are currently or recently homeless, and to those who are fleeing domestic violence, sexual assault, or human trafficking. Public housing agencies couldn't reissue the vouchers after Sept. 30, 2023.
- **Restaurant Support**
 - \$29.6 billion for a Restaurant Revitalization Fund to be administered by the SBA.
 - Eligible recipients would include restaurants, bars, food trucks, and caterers, including businesses in airport terminals and tribally owned entities.
- **Homeowner Assistance**
 - \$9.96 billion to establish a Homeowner Assistance Fund at the Treasury Department.
- **Disaster Relief**
 - The measure would provide \$50 billion for the Federal Emergency Management Agency's Disaster Relief Fund to respond to Covid-19 and other major disasters and emergencies declared by the president. Funding would remain available through September 30, 2025.
 - The funding could also be used to provide financial assistance for pandemic-related funeral expenses with a 100% federal cost share.
- **Airport Support**
 - \$8 billion for public agencies and private owners of public-use airports.
- **Employee Retention**
 - The measure would extend through Dec. 31 an employee retention credit established by the CARES Act.
- **Child Care**
 - \$24 billion for grants to child care providers to use for payroll, rent, personal protective equipment, mental health support, and other needs
 - \$15 billion to the Child Care and Development Block Grant
 - \$600 million increase to the Child Care Entitlement to States
 - An additional \$1 billion to Head Start
- **Broadband**
 - Creates an "Emergency Connectivity Fund" in the U.S. Treasury and appropriate \$7.17 billion into it to cover the purchase of broadband service and devices by schools and libraries for use by students, staff, and patrons at other locations.
- **Child Tax Credit**
 - Expands the Child Tax Credit from \$2000 per child to \$3,600 for each child younger than 6 and \$3,000 for other children.
 - Makes the CTC fully refundable
 - Allows the CTC to be received on a periodic basis

- **Shuttered Venues:** Congress eliminated the provision that forced eligible venue operators and museums to choose between the PPP and the Shuttered Venue Operators Grant (SVOG). They could now apply for both and just have their PPP deducted from the larger SVOG.
- **Firefighter Grants:** \$300 million in firefighter grants.
- **Health Insurance:** The bill would allow individuals who receive unemployment compensation in 2021 to qualify for reduced cost-sharing under the ACA, and would subsidize 100% of premiums for individuals eligible for COBRA continuation coverage if they lose their job.

Vaccines

At the beginning of the month, the CDC formally recommended the Johnson & Johnson COVID-19 vaccine for adults ages 18 and older. The Johnson & Johnson vaccine only requires one shot, instead of two, and can be stored in regular refrigerators. This has allowed the U.S. to dramatically expand its vaccine efforts. On March 8, the CDC released guidance on how vaccinated people can socialize with other individuals, vaccinated and unvaccinated. They recommended that vaccinated people can visit indoors without masks but should still wear them in public and avoid large gatherings when around those who aren't immunized or are at high risk for contracting Covid-19.

School Guidance

The CDC published updated guidance for physical distancing in K-12 classrooms, which reduces the recommended physical distancing in some settings from 6 feet to 3 feet as long as mask use is universal. The CDC continues to recommend 6-foot physical distancing between adults, in common areas (eg, lobbies, auditoriums), when masks cannot be worn (eg, when eating), and during activities that involve "increased exhalation" (eg, singing, band practice/performance, sports practice/competition). Reducing the recommended physical distancing separation to 3 feet aims to make it easier for schools to resume in-person classes while continuing to mitigate transmission risk.

Funding

Legislative Platform: Support Funding Opportunities

- *Support opportunities that allow the City to compete for its fair share of regional, state and federal funding.*

State Economic Update

On March 22, the Governor announced that General Fund revenues are running \$14.3 billion above January's revenue forecast, with receipts for February exceeding the month's projections by \$3.8 billion. The Governor's office stated that nearly 60 percent of February's gain can be attributed to timing, including lower refunds caused by the enactment of the \$600 one-time payments from the Golden State Stimulus, and fewer state tax refunds due to the delayed federal start to the tax filing season.

The Governor highlighted the January Budget proposal and stimulus packages as part of the State's efforts to properly utilize the increased revenue. As a reminder, the January Budget

proposal reflects \$34 billion in budget resiliency – budgetary reserves and discretionary surplus – including: \$15.6 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$3 billion in the Public School System Stabilization Account; an estimated \$2.9 billion in the state’s operating reserve; and \$450 million in the Safety Net Reserve. The state began the year with an operating surplus of \$15 billion.

The Budget aims to continue paying down the state’s retirement liabilities and reflects \$3 billion in additional payments required by Proposition 2 in 2021-22 and nearly \$6.5 billion over the next three years. The Governor also said that the improved revenue picture allows the state to delay \$2 billion in scheduled program suspensions for one year.

Economic Development

Legislative Platform:

Support economic development initiatives that preserve and enhance a positive business climate and maintain and grow the business tax base.

Small Business

In March, Congress passed and the President signed an extension to the Paycheck Protection Program. The program would have expired at the end of this month, but will now continue to expend funds through May 31, 2021. PPP still has about \$79 billion to distribute

Additionally, the IRS issued guidance clarifying that businesses with forgiven Paycheck Protection Program loans can still claim a tax credit meant to encourage businesses to keep employees on their payroll. The guidance follows the December relief law, which allowed businesses with a PPP loan to also get the employee retention credit, with a few parameters. The Monday guidance (Notice 2021-20) provides employers with information to determine their eligibility to receive the employee retention credit, incorporating information the agency previously posted in FAQs.

International Travel

World Health Organization (WHO) officials announced they are working on the development of a “smart vaccination certificate” for people who have received a coronavirus vaccine. WHO Regional Director for Europe emphasized that this effort is simply a method of documenting vaccination status and not a “vaccine passport.” The vaccination certificate should not be mandatory for international travel. Senior Advisor for the White House COVID Response Team, Andy Slavitt, suggested that the government should not be involved in verifying individuals’ vaccination status nor in issuing certification. Though Americans will need a way to document vaccination, Slavitt indicated that the process should be private, secure, free, available digitally and on paper, and available in multiple languages.