

COVID-19 Updates

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<https://www.lawpolicy.com/>

Current CA Landscape

LA Times Article: [Coronavirus threatens to wipe out California's \\$21-billion surplus. And it could get worse.](#)

1. Gov. Gavin Newsom is creating a triage plan. State agencies were told no funding for existing proposals.
2. The administration will not submit its April 1 updates on government revenue and expenses.
3. Threats to all three of the state's biggest sources of tax revenue: personal income taxes, corporate taxes and sales taxes. Sales taxes, in particular, could be hard hit by the sustained shutdown of the state's service sector
4. The state Franchise Tax Board has given Californians until July 15 to file their tax returns. That three-month delay will hurt the budget creation, special fiscal sessions will likely be needed after the constitutional deadline of July 1.
5. Local governments are likely to ask for substantial increases in public health funding, beyond [the \\$1 billion in spending approved by the Legislature last week](#).
6. Probable new costs for Medi-Cal. Projections add as many as 1 million people.
7. Schools may withstand a total statewide revenue loss of around \$5 billion.
8. Currently, the Los Angeles Unified School District said it's spending \$100 million in cash reserves to provide remote technology needed for low-income families. And the district's leaders, along with school officials in **San Diego**, have said their long-term budgets are no longer in balance.
9. Realignment could cause some counties to offer the same or more services with less.
10. The rainy-day fund rules state that only half of the money, around \$8 billion, could be used in any single fiscal year. But lawmakers could easily use the first half to prop up program costs in the current fiscal year, ending June 30, and enact a plan for the remainder in the budget year beginning July 1.

11. **Lorena** @LorenaSGonzalez

We sent a letter to our County Tax Collector asking him again to utilize his broad authority to provide relief from penalties to those who will be unable to pay their Property Taxes on April 10 because of this crisis. Many, in other counties, have been much more responsive.

12. **Marc Berman** @AsmMarcBerman

I've joined together with over 40 colleagues to call for a statewide ban on all residential evictions during the #COVID19 crisis. These are trying times & we must do everything we can to keep people home & healthy. #AD24

Newsom Announcements:

Financial relief and 90-day grace period for mortgage payments:

<https://www.gov.ca.gov/2020/03/25/governor-gavin-newsom-announces-major-financial-relief-package-90-day-mortgage-payment-relief-during-covid-19-crisis/>

\$150M protecting homeless from COVID-19:

<https://www.gov.ca.gov/2020/03/18/governor-newsom-takes-emergency-actions-authorizes-150-million-in-funding-to-protect-homeless-californians-from-covid-19/>

\$1.1B emergency funds for hospital capacity, schools, and vulnerable population:

<https://www.gov.ca.gov/2020/03/17/governor-newsom-signs-emergency-legislation-to-fight-covid-19/>

Budget:

- This Budget Letter (BL), addressed to Agency Secretaries, Departmental Directors, Departmental Budget and Accounting Officers, and Department of Finance Budget Staff, is being sent electronically to those individuals signed up to receive these notices.
- This BL informs departments of revisions to the Spring Finance Letter and May Revision process previously communicated in BL 20-04 and BL 19-19.
- Due to rapidly deteriorating economic conditions resulting from the COVID-19 pandemic, the Department of Finance now anticipates potentially significant corresponding reductions to expected revenues. The impact on revenues could be immediate, affecting the 19-20 fiscal year, and will certainly produce impacts for the upcoming 2020-21 fiscal year and beyond.
- As a result, the Department of Finance will now reevaluate all budget changes within the context of a workload budget, based on the merits of each proposal, and ultimately subject to the availability of funding. This includes all Spring Finance Letter requests, all potential adjustments to be included in the May Revision, as well as previously approved adjustments incorporated in the Governor's Budget. Decisions on all of these adjustments will be reflected in the Governor's 2020-21 May Revision.
- This BL will be posted on the Finance Public Website at:
http://www.dof.ca.gov/budget/Budget_Letters/

Budget Bills related to the crisis:

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB89

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB117

Federal Stimulus Package

Politico: [Here's what's in the \\$2 trillion stimulus package — and what's next.](#)

CNN: [What's in the \\$2 trillion coronavirus stimulus bill.](#)

1. Direct payments to individuals. Single Americans would receive \$1,200, married couples would get \$2,400 and parents would see \$500 for each child under age 17.
2. Student loan payments suspended.
3. REAL ID deadline delayed.

4. Historic boost for unemployment benefits. the federal government would [give jobless workers an extra \\$600 a week for four months](#) on top of their state benefits, which range from \$200 to \$550 a week, on average, depending on the state.
5. \$500 billion lending program
6. Airlines and airports package includes \$32 billion in grants for wages and benefits.
7. The Defense Department will get \$1.2 billion for the National Guard's coronavirus response. Over 10,000 National Guard members to date have been activated.
8. Independent contractors and so-called gig workers will be eligible to receive federal aid.
9. Hospitals get billions. The stimulus package would provide about \$117 billion for hospitals.
10. Protections against foreclosures and evictions The bill includes housing protections against foreclosures on mortgages and evictions for renters.
11. More funding for food assistance. The bill provides \$450 million for The Emergency Food Assistance Program. Some \$350 million would buy additional food, and \$100 million would be used for distribution

Member Tweets:

12. **Alex Padilla** @AlexPadilla4CA

NOT ENOUGH: The Senate's stimulus package included \$400 million for adjustments states will need to make to hold an election in November while keeping voters safe. This is, frankly, not enough. We cannot have a functioning economy if we do not have a functioning democracy.

13. **Scott Wiener** @Scott_Wiener

Included in the federal economic rescue is \$25B for our nation's public transit systems. Ridership & revenue have tanked due to #COVID19. Of that amount, we estimate Bay Area transit systems will receive \$1.3B (\$3.7B for CA). This will help keep these systems alive & running.

14. **Kansen Chu** @KansenChu

- \$1,200 checks for millions of Americans who earn up to \$75,000 (an additional \$500 per child). There is a sliding scale for those making more than \$75,000. 2/6
- Additional \$600 on top of existing state unemployment insurance benefits. This will also include freelance workers and gig workers.
- \$175 billion in emergency aid for state and local governments. 3/6
- \$377 billion in emergency aid for small businesses.
- \$100 billion fund for hospitals and providers hit hardest by the outbreak.
- \$504 billion in aid to large businesses along with new oversight measures. 4/6