

**Assembly Budget Committee Hearing**

**Monday, February 7, 2022**

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## SUMMARY

Reestablishes a temporarily and limited paid sick leave requirement on certain employers related to time off from work due to specified COVID-19 infection, vaccination and isolation impacts for employees and their families. Specifically, this bill:

### Major Provisions

- 1) Reestablishes the COVID-19 supplemental paid sick leave for employers, as defined under existing law, who have more than 25 employees.
- 2) Reestablishes the specifications that a covered employee is entitled to 40 hours of COVID-19 supplemental paid sick leave if the employee is unable to work or telework because the employee is:
  - a. Subject to quarantine or isolation related to COVID-19 as defined by the State Department of Public Health, Centers for Disease Control and Prevention, or a local health officer who has jurisdiction over the workplace,
  - b. Advised by a health care provider to self-quarantine due to concerns related to COVID-19,
  - c. Attending an appointment to receive a COVID-19 vaccine or a vaccine booster,
  - d. Experiencing symptoms related to a COVID-19 vaccine or a vaccine booster that prevents the employee from being able to work,
  - e. Experiencing COVID-19 symptoms, and is seeking a medical diagnosis,
  - f. Caring for a family member, as defined in existing law under subdivision (c) of Section 245.5 of the Labor Code, who is subject to quarantine or isolation as specified in (a) or (b) above,
  - g. Caring for a child, as defined by existing law under subdivision (c) of Section 245.5 of the Labor Code, whose school or place of care is closed due to COVID-19,
- 3) Adds that a covered employee is also entitled to COVID-19 supplemental paid sick leave if the employee is unable to work or telework because the employee is:
  - a. Attending appointment to receive a COVID-19 vaccine or a vaccine booster for the employee's family member, or
  - b. Caring for a family member who has symptoms from a COVID-19 vaccine or a vaccine booster.
  - c. Specifies that for each vaccination or vaccine booster, an employer may limit the total COVID-19 supplemental paid sick leave for symptoms to 3 days or 24 hours unless the employee provides verification from a health care provider that the covered employee or their family member is continuing to experience symptoms related to a COVID-19 vaccine or a vaccine booster.
- 4) Provides that if a covered employee takes all of the COVID-19 supplemental paid sick leave to which they are entitled per the criteria above, the covered employee is entitled to an additional 40 hours of COVID-19 supplemental leave under the following conditions:

- a. The covered employee, or a family member for whom the covered employee is providing care, tests positive for COVID-19, or
  - b. The covered employee is waiting for test results when required to end quarantine. The employer is required to make such a test available at no cost to the employee.
  - c. The employer is not obligated to provide additional 40 hours of COVID-19 supplemental leave if the employee refuses to take a test or to provide test results required to end quarantine.
- 5) Specifies that firefighters who were scheduled to work more than 40 hours for the employer in the workweek preceding COVID-19 supplemental paid sick leave, are entitled to the amount of supplemental paid sick leave equal to the total number of scheduled work hours in that preceding workweek.
  - 6) Specifies that the total number of hours under COVID-19 supplemental paid sick leave is in addition to any paid sick leave that may be available under existing law.
  - 7) Authorizes the employee to determine how many hours of COVID-19 supplemental paid sick leave to use, up to the total number of hours provided under the section, and specifies that the employers shall make the supplemental sick leave available for immediate use by the employee upon request.
  - 8) Specifies that each hour of COVID-19 supplemental paid sick leave for nonexempt employees shall be compensated based on the highest pay rate equal to the following: (1) calculated in the same manner as the regular rate of pay for the workweek in which the employee uses COVID-19 supplemental paid sick leave, (2) calculated by dividing the total wages, not including overtime premium pay, by the total hours worked, in the full pay period of the prior 90 days worked, (3) state minimum wage, or (4) local minimum wage. For exempt employees, the COVID-19 supplemental paid sick leave shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time.
  - 9) Notwithstanding the above, the bill specifies that employees will be compensated based on regular rate of pay pursuant to existing law or collective bargaining agreement. The compensation shall not exceed \$511 per day or \$5,110 in total, unless federal legislation is enacted to increase these amounts.
  - 10) Specifies that an employer shall not require a covered employee to use other paid leave or unpaid leave before the employee uses COVID-19 supplemental paid sick leave or in lieu of such leave.
  - 11) Does not require employers to first exhaust SPSL prior to Emergency Temporary Standards or Aerosol Transmissible Disease (ATD) standards
  - 12) Authorizes an employer to count the hours of other paid leave provided to employees on or after January 1, 2022 for the COVID-19 related reasons, as specified earlier in the analysis, towards the number of hours required under COVID-19 supplemental paid sick leave. In addition, the bill authorizes the employer to also include leave provided to any federal or local law for the same purposes of COVID-19 that became effective on or after January 1, 2022.

- 13) Requires the Labor Commissioner to enforce the COVID-19 supplemental paid sick leave as “paid sick days”, “paid sick leave” or “sick leave” under existing law, as specified.
- 14) Requires the Labor Commissioner by seven days after this bill is effective to make publicly available a model notice for employers to display a poster regarding COVID-19 supplemental paid sick leave. A hiring entity may satisfy this requirement for workers who do not frequent a workplace by disseminating notice through electronic means, such as by electronic mail.
- 15) Specifies that the COVID-19 supplemental paid sick leave will take effect 10 days after enactment, and shall retroactively apply to January 1, 2022.
  - a. Requires the employer to provide retroactive payment to an employee that took unpaid leave for COVID-19-related reasons, as specified earlier in the analysis, upon request of the employee. This retroactive payment is in addition to the COVID-19 food sector supplemental paid sick leave or the COVID-19 paid sick leave as provided under existing law.
  - b. Adds that the employer may require covered employee to provide documentation of positive test during the retroactive time when employee seeking retroactive pay for additional 40 hours.
  - c. Adds that a covered employee can request credit for sick leave taken prior to legislation within the retroactive period, if COVID-19 related, as allowable above.
- 16) Specifies that the COVID-19 supplemental paid sick leave shall remain in effect through September 30, 2022, and specifies that covered employees taking COVID-19 supplemental paid sick leave at the time of expiration may take up to the full amount of COVID-19 supplemental paid sick leave provided in this section.
- 17) Provides COVID-19 supplemental paid sick leave for in home supportive services providers for COVID-19 related purposes as specified earlier the analysis.
  - a. Provides up to one week or 40 hours of COVID-19 supplemental paid sick leave for IHSS providers, as specified, and authorizes the provider to determine how many hours to use.
  - b. Adds that if a covered provider takes all of the COVID-19 supplemental paid sick leave to which they are entitled per the criteria above, the covered provider is entitled to an additional 40 hours of COVID-19 supplemental leave under the following conditions:
    - a. The covered provider, or a family member for whom the covered provider is providing care, tests positive for COVID-19, or
      - a. The covered provider is waiting for test results when required to end quarantine. For this subsection, it does not include language requiring employer verification of positive test or that the employer provide a test.
  - c. Adds that for each vaccination or vaccine booster, an employer may limit the total COVID-19 supplemental paid sick leave for symptoms to 3 days or 24 hours unless the provider provides verification from a health care provider that the provider or their family member is continuing to experience symptoms related to a COVID-19 vaccine or a vaccine booster.

- d. Specifies that the COVID-19 supplemental paid sick leave is in addition to any paid sick leave that is available under existing law.
- e. Authorizes the provider to determine the number of hours to use, up to the total amount of hours provided in this section. The bill specifies the supplemental sick leave is available for immediate use. The provider shall inform the recipient of the need to take sick leave and submit a sick leave claim to the county consistent with the procedures established by the county.
- f. Specifies that each hour of COVID-19 supplemental paid sick leave shall be compensated at the regular rate of pay which the provider is entitled to pursuant to existing law or collective bargaining agreement.
- g. Specifies that the provider shall not be required to use other leave before COVID-19 supplemental paid sick leave or in lieu of such leave.
- h. Specifies that if a provider takes paid leave on or after January 1, 2022 for COVID-19 related reasons, as specified earlier in the analysis, and is compensated equal to or greater than the hours of the other paid leave, such as those provided by any federal or local law, may be counted towards the total number of hours required for COVID-19 supplemental paid sick leave.
- i. Specifies that the COVID-19 supplemental paid sick leave will take effect 10 days after enactment, and shall retroactively apply to January 1, 2022.
- j. Requires retroactive payment for COVID-19 supplemental paid sick leave.
- k. Specifies that the COVID-19 supplemental paid sick leave for IHSS providers shall remain in effect through September 30, 2022. The bill authorizes a provider taking COVID-19 supplemental paid sick leave at the time of expiration to take the full amount of leave that the provider is entitled to.
- l. Includes a severability clause for this section of the bill.
- m. Authorizes the Department of Social Services and the State Department of Health Care Services to implement and interpret the provisions of this bill through county letters or similar instructions, without taking regulatory action.

18) Includes \$100,000 appropriation from the Labor and Workforce Development Fund to the Labor Commissioner for staffing resources to implement and enforce the provisions of the COVID-19 supplemental paid sick leave.

## COMMENTS

COVID-19 is a dangerous and highly infectious virus that continues to evolve. At the time of this writing, nearly 900,000 Americans have died from the disease, with many more stricken from infection with diminished long-term health impacts. The potential for COVID-19 to spread in workplaces not only endangers employees and customers, but it also instills fear that hinders commerce and economic activity. Last year, the State took action to require paid sick leave for COVID-19, complementing federal efforts, to reduce the risk of infection at workplaces.

SB 95 (Committee on Budget and Fiscal Review), Chapter 13, Statutes of 2021, created a COVID-19 supplemental sick leave for employers with more than 25 employees. The bill specified that employees were entitled to up to 80 hours of supplemental sick leave due to quarantine or isolation related to COVID-19, attending an appointment or experiencing symptoms related to COVID-19 vaccine, experiencing COVID-19 symptoms, caring for a family member who is subject to quarantine, or caring for a child whose school or place of care is closed due to COVID-19. This supplemental leave was available through September 30, 2021.

Since the paid sick leave provisions expired in September, the emergence of the highly infectious Omicron variant of COVID-19 has resulted in the highest COVID-19 infection rates of this pandemic, with California reporting 319,809 new cases on January 17, 2022 alone. This bill essentially extends the provisions of SB 95 for an additional nine months, from January 1, 2022 to September 30, 2022.

There are some small differences between this bill and SB 95. This bill provides 40 hours of leave, with an additional 40 hours for a positive test, while SB 95 provided one block of 80 hours of leave. Additionally, this bill includes provisions that address documentation requirements for employers to verify COVID-19 infection and specific leave language allowing employers to limit leave related to booster vaccination symptoms to 24 hours.

#### **According to the Author**

This bill extends important sick leave provisions to protect the health of Californians and keep the economy moving during the COVID-19 pandemic.

#### **Arguments in Support**

None on file.

#### **Arguments in Opposition**

None on file.

### **FISCAL COMMENTS**

This bill provides \$100,000 from the Labor and Workforce Development Fund to the Labor Commissioner for staffing resources to implement and enforce the provisions of the COVID-19 supplemental paid sick leave.

### **VOTES**

#### **SENATE FLOOR: 29-8-2**

**YES:** Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**NO:** Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

**ABS, ABST OR NV:** Borgeas, Limón

### **UPDATED**

VERSION: February 2, 2022

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN:

## SUMMARY

This is the COVID-19 economic relief trailer bill. It contains provisions necessary to implement the 2021 Budget Act. Specifically, this bill:

### Major Provisions

- 1) Creates the California Emergency Relief Fund (Fund) in the state treasury, transfers \$150 million in General Fund into the Fund and appropriates \$150 million from the Fund for the California Small Business COVID-19 Relief Grant Program to fund in a closed round the remaining eligible waitlisted grant applicants.
- 2) Specifies that any assistance or relief authorized by, and provided to cover customer arrearages for water, wastewater, gas, and electric utility payments related to the COVID-19 pandemic under the California Arrearage Payment Program (CAPP) and California Water and Wastewater Arrearage Payment Program is not considered as income or resources that would impact the ability of an individual to be eligible for benefits or assistance from any other state or local program.
- 3) Excludes from gross income any bill credits received by a customer for water, wastewater, gas, and electric utility payments related to the COVID-19 pandemic under the CAPP and California Water and Wastewater Arrearage Payment Program.
- 4) Ends, one year early, temporary limits on the ability of businesses to use net operating loss (NOL) deductions and tax credits to reduce their tax payments, removing these limits for 2022. Chapter 8 of 2020 (AB 85, Committee on Budget) suspended the use of the NOL deductions for taxpayers with more than \$1 million adjusted growth income and limited the amount of most business tax credits any taxpayer could claim to \$5 million in business credits for 2020, 2021, and 2022, to temporarily increase tax revenue. The bill also makes clarifying changes to the \$5 million limit on tax credits that apply in the 2021 tax year.
- 5) Conforms state tax law to federal tax law for Restaurant Revitalization Fund (RRF) and federal Shuttered Venue Operators (SVOG) grants. The RRF program made grants to eligible restaurants, caterers, and bars that experienced a decline in revenue during the pandemic. The SVOG program made grants to eligible theatres, performing arts organizations, and many other cultural institutions. Federal tax laws were changed to specifically exclude these pandemic-related financial assistance programs from taxable income, with the exception of taxpayers that are publicly traded companies or did not have at least a 25 percent reduction in gross receipts.
- 6) Makes a variety of changes related to the Elective Pass-Through Entity Tax and Tax Credit program. The Pass-Through Entity Tax and tax Credit program was created in the 2021 Budget Act to help certain business owners in California fully deduct, on their federal tax returns, the California taxes they pay on pass-through business income, by allowing certain Pass-Through entities to pay tax on behalf of their owners. These amendments would apply

to 2021 tax liabilities before the March 15, 2022, tax filing and payment deadline for pass-through business entities. The specific changes in this bill include:

- a. Allows the Pass-Through Entity Tax Credit, passed to owners of Pass-Through entities that elected to pay the tax, to reduce the tentative minimum tax (TMT) below regular tax, effective for the 2021 taxable year, and makes additional changes relating to the ordering of credits against TMT starting for the 2022 tax year.
  - b. Allows disregarded limited liability companies owned by individuals to claim the credit.
  - c. Allows guaranteed payments to qualify for the credit.
  - d. Allows pass-through entities that have partnerships as one of their owners to participate in the credit.
- 7) Provides Section 41 findings to comply with the additional information requirement for any bill authorizing a new tax expenditure.
  - 8) Makes findings and declarations related to a gift of public funds.
  - 9) Takes effect immediately as a bill providing an appropriation related to the Budget Bill.

## **COMMENTS**

This is the COVID-19 economic relief trailer bill. It amends the 2021 Budget Act related to economic relief.

### **According to the Author**

#### **Arguments in Support**

None on file.

#### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

- 1) This bill appropriated \$150 million in General Fund for the California Small Business COVID-19 Relief Grant Program.
- 2) The provisions of this bill due to changes to tax programs would result in the following estimated impacts:
  - a) Ending NOL and business tax credit limitations for 2022 is estimated to reduce General Fund revenues by \$5.5 billion in 2022-23, with corporate tax revenues decreasing by \$5.2 billion and personal income tax revenues decreasing by \$300 million.
  - b) Conformity to federal law for the RRF and SVOG are estimated to reduce revenues by \$130 million in 2021-22 and \$144 million in 2022-23 and will result in nearly \$500 million total revenue loss over several years.



- c) Changes to the Pass-Through Entity Tax Credit will create small revenue gains over several fiscal years.

## **VOTES**

### **SENATE FLOOR: 29-8-2**

**YES:** Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**NO:** Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

**ABS, ABST OR NV:** Borgeas, Limón

## **UPDATED**

VERSION: February 2, 2022

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099

FN:

## SUMMARY

Amends the 2021 Budget Act (AB 128 (Ting, Chapter 21 Statutes of 2021)) to implement the 2022 emergency COVID-19 early action package. Specifically, this bill:

### Major Provisions

1. Appropriates a total of \$1.9 billion General Fund for purposes related to the COVID-19 state of emergency, as proclaimed on March 4, 2020. These funds will be used to increase testing capacity, enhance and expand vaccination programs, bolster the health care system, support frontline workers and address the current surge in COVID-19 cases caused by the Omicron variant. The specified allocations for each department are as follows:

Department of Public Health (DPH) – Appropriates \$1.6 billion General Fund to DPH. DPH indicates this funding will support the following measures:

- \$18.2 million for contract tracing.
- \$486.7 million for hospital and medical surge.
- \$56.6 million for state response operations.
- \$599.2 million for statewide testing.
- \$399.1 million for vaccine distribution and administration.
- \$65 million for information technology.

California Department of Corrections and Rehabilitation (CDCR) – Appropriates \$205.5 million General Fund to CDCR. This funding will be used to support California Correctional Health Care Services' efforts to treat COVID-19 and minimize exposure to incarcerated individuals and staff through testing. CDCR indicates \$161.8 million will support contracts to conduct staff testing. This covers all costs for the testing process (e.g. collection, supplies, lab processing). In addition, CDCR indicates \$43.7 million will support a contracts for laboratory work and registry staff to collect lab samples from incarcerated individuals.

Office of Emergency Services (OES) – Appropriates \$100 million General Fund to OES for ongoing activities undertaken in response to the COVID-19 pandemic. OES indicates the additional appropriation, along with existing funds, will support the following activities:

- \$16.4 million for mutual aid.
- \$5 million for commodity transport.
- \$50 million for personal protective equipment procurement.
- \$15 million for equipment.
- \$10 million for personnel.
- \$10 million for information technology.

2. Appropriates \$30.3 million General Fund to the Department of Water Resources (DWR) for a portion of the costs associated with the installation of equipment necessary to meet emissions control requirements on four 30 megawatt generators that were purchased under an emergency proclamation issued by the Governor in July 2021. In August 2021, under the authority of the

emergency proclamation, the Director of Finance authorized the expenditure of \$171.5 million from the Disaster-Response Emergency Operations Account (DREOA) to acquire and install four natural gas generators to help avoid electricity system blackouts. After they purchased the generators, DWR identified a need for an additional \$40.3 million for the installation of the necessary emission controls, upgrades to the interconnection with Pacific Gas and Electric's electricity network, and to address costs associated with North America Electric Reliability Corporation requirements. Earlier this month the Administration used Budget Item 9840 to cover the first \$10 million of these costs, with the remainder to be covered by this appropriation.

3. Transfers \$100 million to the Mental Health Services Fund as a swap for Federal American Rescue Plan Act funds.

4. Exempts contracts to support the administration of the California Reducing Disparities Project from provisions of the Public Contract Code.

5. Appropriates \$1.6 million to DPH to implement the regulation of industrial hemp products pursuant to AB 45 (Aguiar-Curry), Chapter 576, Statutes of 2021.

6. Exempts contracts related to the California Community Living Network from the Public Contract Code and from review or approval by the Department of General Services or the Department of Technology.

7. Appropriates \$3.25 million to the Department of Social Services (DSS) for Administrative Costs for supplemental funding to center-based child care providers in the General Child Care and Migrant Child Care programs.

8. Appropriates \$47.7 million to DSS for supplemental funding for Private-Center Based Child Care Providers (including Administrative costs).

9. Requires the Department of Finance to allocate General Fund resources in Fiscal Year 2021-22 for cash flow loans to the state Emergency Rental Assistance Program, or to locally-administered rental assistance programs, to be paid back with federal funds upon reallocation of federal funds to California for rental assistance. Requires the Department of Finance to forgive the amounts not covered by the federal allocation.

10. Amends Budget Control Section 11.96 to reflect changes in the revenue loss calculation for the purpose of adjusting the allocations of the \$27 billion in State Fiscal Recovery Funds (SFRF) the state received from the American Rescue Plan Act of 2021. Under the revised calculation, the Department of Finance identified an additional revenue loss of approximately \$2 billion, from an estimate of \$9.2 billion in the 2021 Budget Act to \$11.2 billion in the Governor's proposed budget. The revisions do not change total funding levels for any of the impacted programs and do not result in any net General Fund costs. The language continues to provide the Administration with the flexibility to make adjustments in the allocations of the \$27 billion budgeted from the SFRF for COVID-19 response and recovery activities and requires the Director of Finance to notify the Joint Legislative Budget Committee within 10 days of the transfer of any funds.

11. Makes other minor technical changes.

## COMMENTS

This bill amends the 2021-22 budget act to appropriate \$2.1 billion General Fund for “early budget action” associated with current year fiscal costs. Most of these costs are associated with unanticipated COVID-19 costs that are projected to incur during the current fiscal year. These increase costs in part reflects that impact of the Delta and Omicron variants of the virus on COVID-19 testing and response since the budget was adopted in June of 2021.

This bill also makes changes to the claiming of federal American Rescue Plan Act of 2021 funds, reflecting updated federal guidance since the budget was first adopted. These changes result in no net costs.

This bill will be the fifth time the budget, AB 128 (Ting, Chapter 21 Statutes of 2021), will have been amended by the Legislature: On June 28, 2021, the Legislature passed SB 129 (Skinner, Chapter 69, Statutes of 2021), which made amendments based off of AB 128 and represented the budget agreement between the Legislature and the Administration; On July 8, 2021, the Legislature passed AB 161 (Ting, Chapter 43, Statutes of 2021); On July 14, 2021, the Legislature passed AB 164 (Ting, Chapter 84, Statutes of 2021); which is a Budget Bill Junior that made changes to the Budget Act. On September 9, 2021; the Legislature passed SB 170 (Skinner, Chapter 240, Statutes of 2021).

### According to the Author

This bill amends the 2021 budget act to reflect additional COVID-19 costs and other unanticipated costs for the current year.

### Arguments in Support

None on file.

### Arguments in Opposition

None on file

## FISCAL COMMENTS

This bill makes various changes to the Budget Act of 2021, including appropriating approximately \$2.1 billion from the General Fund.

## VOTES

### SENATE FLOOR: 29-8-2

**YES:** Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**NO:** Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

**ABS, ABST OR NV:** Borgeas, Limón

## UPDATED

VERSION: February 2, 2022

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN:

## SUMMARY

This trailer bill is part of an early action budget package and includes statutory changes in the Human Services area, related to the state budget.

### Major Provisions

This bill does the following:

1. Corrects for a chaptering out issue affecting amendments to Welfare and Institutions Code Section 361.2 that had included the home of a relative as a placement for a child under the supervision of the court and social worker, under certain circumstances, if the court found that the placement does not pose a risk to the health and safety of the child. The same section was amended by both Senate Bill 354 (Chapter 687, Statutes of 2021) and Assembly Bill 172 (Chapter 696, Statutes of 2021).
2. Allows the Department of Social Services (DSS) to, notwithstanding current law and to the extent permitted by federal law and guidance, use federal funds administered by the federal Office of Refugee Resettlement to award contracts and grants to private for-profit organizations to support refugee resettlement efforts within the State of California. For this purpose, the bill:
  - a. Requires DSS to prioritize funding for qualified nonprofit organizations and counties over funding for private for-profit organizations, if practicable.
  - b. Requires DSS to track and document the funding provided to each type of service provider and the purposes for use of this funding and report this information to the appropriate fiscal and policy staff of the Legislature. Requires this reporting to occur on August 1, 2022 and February 1, 2023.
  - c. Exempts the contracts or grants awarded pursuant to this provision from personal services contracting requirements, the Public Contract Code and the State Contracting Manual, and from approval of the Department of General Services.
  - d. Limits the temporary authority provided in this section until December 31, 2022.
  - e. Sunsets the provision on February 28, 2023, after the second reporting date takes effect, and repeals the provision on January 1, 2024.
3. Appropriates twenty-seven million five hundred thousand dollars (\$27,500,000) from the General Fund to DSS, in accordance with a side letter to the current Memorandum of Understanding effective July 26, 2021, through June 30, 2023, between Child Care Providers United-CA and the State of California, to cover administrative costs associated with providing reimbursement rate supplements to family childcare providers pursuant to subdivision (c) of Section 264 of Chapter 116 of the Statutes of 2021. For this purpose, the bill:
  - a. Makes these funds available for encumbrance or expenditure until June 30, 2023.
  - b. Upon approval of the Department of Finance, permits these funds to be transferred to Item 5180-001-0001 of the Budget Act of 2021 to be available for administrative costs

- associated with providing reimbursement rate supplements for eligible child care providers. Requires the Department of Finance to notify the Joint Legislative Budget Committee of the determined methodology of this funding.
- c. Permits DSS to designate another agency or agencies to distribute these funds to child care providers.
  - d. Exempts the contracts or grants awarded pursuant to this provision from personal services contracting requirements, the Public Contract Code and the State Contracting Manual, and from approval of the Department of General Services.
4. States that this act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution and has been identified as related to the budget in the Budget Bill, and requires that the bill take effect immediately.

## COMMENTS

The bill includes a new time-limited section that allows for private entities to augment or provide refugee support services, due to federal allowances enabling this to facilitate state responses to Afghan and other refugee settlement service needs.

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

Key provisions relate to funding provided by the federal Office of Refugee Resettlement for the Refugee Support Services program, which includes \$28 million in 2020-21 and \$85 million projected for 2021-22, according to DSS, for California.

## VOTES

### SENATE FLOOR: 29-8-2

**YES:** Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**NO:** Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

**ABS, ABST OR NV:** Borgeas, Limón

## UPDATED

VERSION: February 2, 2022

CONSULTANT: Nicole Vazquez / BUDGET / (916) 319-2099

FN:

## **SUMMARY**

Makes necessary statutory changes to ratify and implement memoranda of understanding (MOUs) addenda between six bargaining units (BUs) and the State.

### **Major Provisions**

- 1) Approves provisions requiring the expenditure of funds for the addenda entered into by the state and BUs 2, 7, 9, 10, 12, and 13.
- 2) Authorizes the state or any of the bargaining units to reopen negotiations if funds for those provisions are not specifically appropriated by the Legislature. The bill provides that the provisions of the addendum that require expenditure of funds become effective even if those provisions are approved by the Legislature in legislation other than the annual Budget Act.
- 3) Provides employees who are designated as remote-centered with a \$50 per month stipend to help cover expenses related to telework.
- 4) Provides employees who are designated as office-centered with a \$25 per month stipend to help cover expenses related to telework.
- 5) Provides that the stipends are retroactive to October 1, 2021.
- 6) Appropriates \$27,005,000 (\$8,009,000 General Fund) for expenditure in the 2021–22 fiscal year for the purpose of state employee compensation as provided.
- 7) Includes provisions to take effect immediately.

## **COMMENTS**

This bill ratifies addenda to existing agreements for six bargaining units related to telework compensation stipends. Since this bill includes an appropriation for the anticipated costs, these stipends would be available once this bill is chaptered.

### **According to the Author**

This bill implements a collectively bargained change to an existing labor agreement related to telework.

### **Arguments in Support**

None on file.

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

This bill includes an appropriation of \$27,005,000 (\$8,009,000 General Fund) for expenditure in the 2021–22 fiscal year for the purpose of state employee compensation as provided.

## **VOTES**

### **SENATE FLOOR: 29-8-2**

**YES:** Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**NO:** Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

**ABS, ABST OR NV:** Borgeas, Limón

## **UPDATED**

VERSION: February 2, 2022

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN: