



March 4, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – March 2021**

February 19 marked the passage of the deadline for legislators to introduce bills for the 2021 session. The Legislature struggled throughout 2020 to meet legislative deadlines. With only a few hearing rooms large enough to allow social distancing, legislators were forced to conduct their business with fewer hearings. Hundreds of bills failed to pass given that limitation. Then at the end of session the Legislature ground to a halt as the Assembly and Senate fought with each other over their inability to move each other's priority bills fast enough.

Despite all of this, the Legislature was not very gun-shy about its workload, introducing 2300 bills. It's always true that not every introduced bill moves, but this is still a daunting amount of potential work in light of the Legislature's limitations.

The Legislature will address this challenge in a few ways. Normally bills must be in print for 30 days before the Legislature takes any action on them, including hearing the bill or amending it. The Senate has waived this rule allowing them to hear bills immediately. The Assembly has yet to follow suit, but it is likely that policy committee Chairs will be given a lot of latitude to decide which bills to hear and which to let die. At the same time, the reliable rumor is that there will be an unofficial limit placed on the number of bills each Assemblymember can move out of the Assembly.

Golden State Stimulus

Last week, the Legislature passed and the Governor signed a \$7.6 billion stimulus package. As we reported previously, the Governor called on the Legislature to take immediate action on these measures in early January.

The Legislature largely made good on the Governor's promise to put money directly into the pockets of needy Californians approving \$600 one-time payments to Californians making less than \$30,000 per year and for those receiving benefits from CalWorks. The Stimulus package also includes additional funding for an existing grant program to provide small businesses with grants up to \$25,000 and waived a number of business and licensing fees.

School Reopening

Early this week, the Governor and Legislative leadership announced reaching an agreement on a \$6.6 billion school reopening package that aims to get students back in the classroom by April 1. This comes after weeks of public disagreement among the Legislature, the Governor and teachers' unions. The package includes \$2 billion in grants for schools to incentivize reopening for in-person instruction and additional funding for supplemental instruction time, tutoring, mental health services, and school meal programs among other programs.

Recall Update

Proponents of the effort to recall Governor Newsom continue to inch closer to qualifying the recall and reported in mid-February that they have collected over 1.7 million signatures and submitted 1.3 to election officials for validation. To date, just over 668,000 have been confirmed valid. Nevertheless, proponents continue to be optimistic as only a relatively low rate of signatures have been rejected so far.

Meanwhile, up until this week when the school reopening plan was announced, the Governor's potential opponents in a recall election, businessman John Cox and former San Diego Mayor Kevin Faulconer, continued campaigning hard on the fact that the Governor and Legislature had yet to agree to a school reopening plan. It's a good campaign strategy for Republican candidates in a state dominated by Democrats. School reopening has been an issue that frustrates parents regardless of their political affiliations.

While it's good politics, it's hard to say what either candidate would do to improve the situation. When asked by Politico this week if they would suspend collective bargaining, an option that would in all likelihood quickly be overturned by the Legislature, both candidates said no. Cox went on to say that he would seek ways to expand access to Charter schools, another proposal that would meet a swift end in the Legislature.

Faulconer said that "it's about sitting down at the table and demanding results." Having been in negotiations in the Governor's Office many times, we seriously doubt this hadn't been tried already.