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MEMORANDUM

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**To:** East Contra Costa Fire Protection District  
**From:** Townsend Public Affairs  
**Date:** June 5, 2020  
**Subject:** Monthly Report for the ECCFPD— May 2020

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**State Legislative Update**

In May, both the Assembly and Senate returned to the Capitol for legislative business and to continue their work on the State budget. The Assembly reconvened from recess on May 4, while the Senate reconvened on May 11. May 29 was the last day for policy committees to refer fiscal bills to the Appropriations Committee. There are approximately 300 bills pending before the Assembly Appropriations Committee and nearly 60 bills pending in the Senate Appropriations Committee. Both Committees are expected to consider their lists of bills during the first and second weeks of June.

On May 14, Governor Newsom released the May Revise to his January Budget proposal. The May Revise includes significant spending reductions due to decreased state revenue as a result of the COVID-19 pandemic. Total state budget spending from the Governor is now proposed to be \$203 billion, down from \$222 billion in January. The Legislature is constitutionally obligated to pass a budget by June 15 or forfeit their pay. This leaves less than two weeks for the Legislature to complete its budget hearings and release finalized budget bill language by June 12 to comply with the 72-hour bill posting rule.

The Governor had also been holding daily press conferences to address immediate issues such as the ongoing COVID-19 pandemic and protests throughout the State due to the recent death of George Floyd. On May 30, the Governor declared a state of emergency in Los Angeles County and approved the request for Los Angeles to deploy members of the national guard to assist the city, county, and the surrounding areas.

Below are the upcoming tentative dates for the Legislature.

**June 15:** Budget must be passed by midnight

**June 19:** Last day for fiscal committees to report bills to the floor

**June 15 – 19:** Assembly Floor session only

**June 22 – 26:** Senate Floor session only

**June 25:** Last day for a legislative ballot measure to qualify for the November General Election

**June 26:** Last day for each house to pass bills introduced in that house

## Governor's COVID-19 Action Summary

Below is a summary of the major COVID-19 actions taken by the State Administration in the past month:

- **June 3: Safe, Secure, and Accessible Voting.** To mitigate the spread of COVID-19, this Executive Order ensures in-person voting opportunities are available in sufficient numbers to maintain physical distancing. Despite some consolidation of voting locations, at least one voting location will be required per 10,000 registered voters. The order also requires counties to provide 3 days of early voting, while also allowing for ballot drop box locations to be available for nearly a month prior to the general election. This EO follows a previous order that required county elections officials to send vote-by-mail ballots to registered California voters.
- **May 29: Rent Eviction, DMV, Childcare.** Governor Newsom issued an executive order extending authorization for local governments to halt evictions for renters impacted by the COVID-19 pandemic, through July 28. The order also extends the waiver permitting the Department of Motor Vehicles to allow for mail-in renewals of driver's licenses and identification cards, and waives certain programmatic and administrative requirements that restrict child care and afterschool programs from serving children of essential infrastructure workers.
- **May 22: Contact Tracing.** Governor Newsom launched "California Connected", the state's comprehensive contact tracing program and public awareness campaign.
- **May 12: Testing.** Governor Newsom announced that more than 1 million diagnostic tests for the virus have been conducted statewide.
- **May 8: November Election.** Governor Newsom signed an executive order that requires each county's elections officials to send vote-by-mail ballots for the November 3, 2020 General Election to all registered voters.
- **May 7: Phase 2.** Governor Newsom modified the stay-at-home order by issuing industry guidance that allows certain businesses to begin reopening with modifications that reduce risk and establish a safer environment for workers and customers.
- **May 6: Property Taxes.** Governor Newsom issued an executive order that waives penalties on property taxes for residents and small businesses experiencing economic hardship based on COVID-19 and extending the deadline for filing property tax statements.

## May Revise Summary

On May 14, Governor Newsom released the May Revise of his FY 2020-21 State budget. The May Revise represents a dramatic change from the Governor's January Budget, as it reflects the impact of the coronavirus pandemic on the State's economy, as well as the increased demand for many State services. The full impact of the pandemic has led to a projected budget deficit of \$54 billion, with an out-year structural deficit of approximately \$45 billion per year. This deficit has materialized in the last three months, as the State has seen a 22.3% reduction in state revenues generated from sales tax, personal income tax, and corporate taxes.

In response, Governor Newsom has proposed a budget that addresses the short fall through a mix of budget cuts, revenue generating measures, internal borrowing, accessing of state reserves, and increased resources from the federal government. The May Revise budget proposal contains \$133.9 billion in General Fund spending. This represents a reduction in General Fund spending of \$12.5 billion, or a 9.4% decrease, from the current budget year. The budget proposal addresses the projected \$54.3 billion budget deficit by utilizing the following strategies:

- Cancelled Expansions and Other Reductions (\$8.4 billion)
- Reserves (\$8.8 billion)
- Borrowing/Transfers/Deferrals (\$10.4 billion)
- New Revenues (\$4.4 billion)
- Federal Funds (\$8.3 billion)
- Triggered Spending Reductions (\$14.0 billion)

The May Revise incorporates significant funding in the current year, as well as in the upcoming budget year, for response to the coronavirus. The May Revise contains \$1.8 billion in funding for the current year to reflect activities that have been undertaken, which will largely be funded with funding received from the federal government.

In the FY 2020-21 fiscal year, the May Revises proposes:

- **\$450 million to cities from the Coronavirus Relief Fund for eligible homeless and public safety activities (cities with populations above 300,000 will receive direct allocations and all other cities will be provided funding through their counties).**
- \$1.3 billion to counties from the Coronavirus Relief Fund for public health, behavioral health, and other health and human services.
- The remaining Coronavirus Relief Fund dollar will be utilized for state offsets of costs for vulnerable populations and public health and safety activities (\$3.78 billion); and K-12 learning loss mitigation (\$4 billion).
- Maintain the Governor's proposal to waive the \$800 minimum franchise tax for the first year of business creation.

### Fire Related Legislation

**Assembly Bill 2167 (Daly)** establishes the structure of an insurance market action plan (IMAP) designed to make homeowners' insurance more available in high fire risk regions of the state. The IMAP would be required to be filed with the Department of Insurance by insurers and would include rating information, solvency maintenance and mitigation features. The bill passed the Assembly Insurance Committee and the Assembly Appropriations Committee. It will next be heard on the Assembly floor for consideration.

**Senate Bill 292 (S. Rubio)** is the companion bill to AB 2167 and the measures are double joined meaning either bill will only take effect if both are signed into law. SB 292 would implement the wildfire mitigation provisions for the IMAP program set forth in AB 2167 and establishes committees to address wildfire mitigation issues and catastrophic insurance modeling issues. SB 292 also passed the Assembly Insurance Committee and now heads to the Assembly Committee for consideration.

**Assembly Bill 196 (Gonzalez)** would create a stronger response to COVID-19 workers' compensation coverage by establishing a conclusive presumption that the COVID-19 arose out of and in the course of employment and extending the provision to 90 days after the last day the worker worked outside the home.

**Assembly Bill 664 (Cooper)** would create a conclusive presumption of workers' compensation for COVID-19 illness for firefighters, peace officers and hospital workers.

**Assembly Bill 2367 (Gonzalez)** would establish minimum standards for fire-hardened homes and communities by the Wildfire Resilience Task Force and would require insurance companies to underwrite or renew policies that meet the standards.

**Assembly Bill 2421 (Quirk)** would require local agencies to adopt approval procedures for an application to install an emergency standby generator by the physical footprint of a macro cell tower site. This bill is currently on the Assembly floor.

**Assembly Bill 2655 (Gipson)** would make it a misdemeanor for a first responder to take an image of a deceased person and use it for any purpose other than an official law enforcement purpose or a genuine public interest.

**Assembly 2707 (Holden)** would require the Treasurer to establish a COVID-19 Credit Facility to support cash flow borrowing by local governments.

**Assembly Bill 2967 (O'Donnell)** would reduce from 10 days to 7 days the period an employer of a deceased firefighter must provide notice to the Board of Administration of the Public Employees' Retirement System.

### **Federal Legislative Update**

In May, the health and economic impacts of COVID-19 continued to dominate the federal legislative landscape, with Congress and every federal department continuing their efforts to limit the impacts associated with the virus. The rate of infection and mortality slowed throughout the month of May despite the overall number of cases and deaths continuing to trend upward. There is growing concern among health experts that infections and death rates could resurge as all states have begun lifting shelter in place orders and businesses begin to reopen in various capacities.

#### **Coronavirus Aid Packages – HEROES Act**

Congress returned from a short recess and continued work combating the impacts of the COVID-19 pandemic. The House of Representatives passed a \$3 trillion coronavirus relief package. Known as H.R. 6800, the "Health and Economic Recovery Omnibus Emergency Solutions Act" (HEROES Act), the bill passed the House mostly along party lines, 208 to 199. The bill has been sent to the Senate, where Senate Majority Leader Mitch McConnell (R-KY) has already deemed the legislation "Dead on Arrival." Senate leadership indicated they will pause efforts to vote on the bill to wait and see how funding from previously passed stimulus bills impacts the economy.

The HEROES Act provides \$1 trillion in relief to state and local governments, and includes funding for rental and mortgage assistance, student loan debt relief, and hazard pay for essential workers.

The HEROES Act also provides economic relief to families and includes \$9.6 billion to states to provide emergency aid and services to disadvantaged children, families, and households. Additionally, the bill also provides \$850 million to fund child and family care for essential workers as well as \$10 billion for supportive and social services for families, such as Child Care and Development Block Grants.

The bill also provides economic relief as it authorizes an additional round of \$1200 direct relief payments to taxpayers, expands eligibility for and increases the Earned Income Tax Credit (EITC), Child Tax Credit (CTC), the Child and Dependent Care Tax Credit (CDCTC), and eliminates the limitation on the deduction for State and Local Taxes (SALT). The bill also increases deductions for teachers, first responders, and essential workers, and provides \$1 billion for economic support and recovery in distressed communities by providing financial and technical assistance to Community Development Financial Institutions (CDFI).

The HEROES Act also supports small businesses and nonprofits by including another \$10 billion for Economic Injury Disaster Loans (EIDL), which provide advances of \$10,000 obtainable for small businesses who apply. The bill also strengthens the Paycheck Protection Program (PPP) by giving small businesses more than eight weeks to spend their PPP loans and have the debt forgiven. Recipients would have 24 weeks or until the end of December 31 to spend funds, and they would also have until December 31 to rehire employees to remain eligible for full debt forgiveness.

Negotiations will likely continue over the next few weeks, as lawmakers will begin discussing any points of contention to finalize plans for continued funding. While House Democrats feel that they have completed their effort to pass the next round of funding with the HEROES Act, Senate Republican leadership and the White House are taking a more cautious approach.

#### Coronavirus Aid Packages – SMART Act

This month, the “State Municipal Assistance for Response and Transition (SMART) Act,” was introduced by Senators Bob Menendez (D-NJ) and Bill Cassidy (R-LA) and by Representative Mikie Sherrill (D-NJ) in the House. This bill would provide \$500 billion in flexible funding to state, local, and tribal governments to backfill lost revenues and otherwise provide fiscal relief during the COVID-19 crisis.

The SMART Act provides \$16 billion to tribal governments, with the remaining \$484 billion distributed to states, the District of Columbia, and Puerto Rico according to three equally weighted allocators, worth \$161.3 billion each. The allocators are state population, COVID-19 cases (as of June 1, 2020), and relative revenue loss, defined as the amount by which calendar year 2019 revenues exceed those for calendar year 2020.

The bill prohibits the use of funds for deposit into any state or state-affiliated pension fund. Additionally, the bill also prevents eligible entities from cutting taxes or reducing fees specifically to increase their revenue share under the third allocator (revenue losses), by adding any of that money back into to calendar year 2020 revenues.

Spending on the non-federal share for FEMA Public Assistance is subtracted from 2020 revenues. States are guaranteed a combined minimum of \$2 billion, though California and the local governments therein are expected to receive much more. Unlike the HEROES Act, which

provides almost \$1.1 trillion for state and local fiscal relief within a \$3 trillion package, the SMART Act is focused exclusively on aid to state and local governments.

The bill has been introduced in both the House and Senate and has received bipartisan support. Under normal circumstances, the bill would move through the committee hearing process before proceeding to the floor for a vote by the full chamber. However, the recent pattern of pandemic aid packages makes it more likely that bill sponsors and cosponsors will be supporting the legislative language for inclusion in a “Phase 4” aid package. Due to this bill’s bipartisan support, TPA expects this proposal to be included as part of the ongoing negotiations between Congressional leadership.

#### Coronavirus Aid Packages – Special Districts Provide Essential Services Act

On June 2, 2020, Congressman Garamendi introduced H.R. 7073 which would make special districts eligible for direct federal financial assistance allocated by Congress in the future. It would also provide special districts with access to the Federal Reserve’s Municipal Liquidity Facility, something they do not currently have to. This bill is endorsed by the California Special District’s Association, The Fire Districts Association of California, and the California Fire Chiefs Association.

TPA has been working closely with the Congressman’s office to gather support for the bill. The District’s letter of support is attached to this update.

#### Coronavirus Relief Fund Guidance

This month, the Treasury Department released an updated FAQ document, providing additional guidance regarding eligible expenditures and the administration of the Coronavirus Relief Fund payments. This funding was approved as part of the Phase 3 Stimulus Package. Treasury’s guidance addressed FAQs on the following:

- **Types of employees whose payroll may be covered by moneys received from the Fund (Fund Payments):** A state, territorial, local, or tribal government may presume that payroll costs for public health and public safety employees are payments for services “substantially dedicated” to mitigating or responding to the COVID-19 public health emergency.
- **Transfers of Fund Payments to other government units:** States receiving payments may transfer funds to a local government if it qualifies as a necessary expenditure incurred due to a public health emergency and meets other statutory requirements.
- **Ability to use Fund Payments in conjunction with other CARES Act funding or federal funding for COVID-19 relief:** Expenses that have been or will be reimbursed under any federal program (including reimbursement pursuant to the CARES Act of contributions by states to state unemployment funds), are not eligible uses of Fund payments.
- **Use of Fund Payments to support unemployment insurance funds and costs:** States may use Fund Payments to support unemployment insurance funds separate and apart from the State’s obligation to the unemployment insurance fund as an employer to the extent costs incurred by the unemployment insurance fund are incurred due to COVID-19, and may also use Fund Payments for unemployment insurance costs

incurred by the State as an employer if such costs will not be reimbursed by the federal government otherwise under another program.

- **Inability of governments to use Fund Payments for government revenue replacement or capital improvement projects:** Fund Payments may not be used for government revenue replacement, including meeting tax obligations or paying unpaid utility fees, or for capital improvement projects if they are not necessary expenditures incurred due to COVID-19.
- **Return of unspent Fund Payments to Treasury:** Recipients must return to Treasury unspent Fund Payments or amounts received from the Fund that have not been used in a manner consistent with the Guidance and section 601(d) of the Social Security Act.
- **Deposit of Fund Payments in interest bearing accounts:** Permitted as long as the recipient uses the interest earned or other proceeds of the investment only to cover expenditures incurred in accordance with the Guidance and section 601(d) of the Social Security Act.

#### PFAS/PFOA Update

This month, the U.S. Environmental Protection Agency (EPA) took the next step to implement an important per- and polyfluoroalkyl substances (PFAS) requirement of the National Defense Authorization Act (NDAA). The NDAA added 172 PFAS to the list of chemicals required to be reported to the Toxics Release Inventory (TRI), which provides the public with information about the use of certain chemicals by tracking their management and associated activities. Additionally, the NDAA also established a 100-pound reporting threshold for these substances.

The agency is publishing a final rule that officially incorporates these requirements into the Code of Federal Regulations for TRI. As this action is being taken to conform the regulations to a Congressional legislative mandate, this rule becomes effective immediately. As required by the NDAA, the PFAS additions became effective as of January 1, 2020. Reporting forms for these PFAS will be due to EPA by July 1, 2021, for calendar year 2020 data. EPA expects to release raw data from information collected by July 31, 2021.



# East Contra Costa Fire Protection District

## ADMINISTRATIVE SERVICES

June 1, 2020

The Honorable Toni Atkins  
President pro Tempore, California State Senate  
California State Capitol, room 205  
Sacramento, CA 95814

The Honorable Anthony Rendon  
Speaker, California State Assembly  
California State Capitol, room 219  
Sacramento, CA 95814

### **RE: Special District COVID-19 Fiscal Impacts and Request for Access to Fiscal Assistance**

Dear Senator Atkins and Assembly Member Rendon,

On behalf of the East Contra Costa Fire Protection District, I thank you for your leadership and consideration of the budgetary impacts resulting from COVID-19 state and local governments collectively face. ECCFPD provides essential fire service to the communities of Brentwood, Oakley, Discovery Bay, Bethel Island, Byron, Marsh Creek, and the Morgan Terriorty.

I respectfully request your support of special districts being included in any economic relief determinations for local government. Special districts, like our partners at cities and counties, are delivering essential services to our communities. However, unlike cities and counties, special districts have not been included in federal stimulus funding or given access to financial tools.

Special districts seek the partnership of state and federal leaders to be granted access to fiscal assistance and financial tools to help rebound from the steep economic impacts of COVID-19 response, so that we may continue to stand ready against the next disaster and fulfill our mission to provide the resilient, consistent vital local services California communities rely upon.

Across California, independent special districts like mine are on the front lines of COVID-19 response ensuring the delivery of critical local services that impact the quality of life in their community such as fire districts as well as health care delivery, first response, mosquito abatement and vector control, recreation and parks, and cultural and community centers and operating vital infrastructure such as roads, water, waste management, harbors and ports, airports, transit services, levees, and electricity, among others.

And, across California, districts like mine are experiencing budgetary impacts from the COVID-19 health crisis. Statewide, by June 2021 76% of special districts throughout the state – which represents 1500 local governments – will experience significant budget challenges or cashflow issues. Within the next six months, 42% of special districts statewide will draw down reserves to mitigate budget impacts with 42% still needing to cut or decrease staff and 35% needing to cut service levels to their communities. The estimated overall fiscal impact of COVID-19 to special districts as of May 2020 is approximately \$250 million, with \$167million in direct revenue lost and \$80 million in additional unbudgeted expenditures for emergency management.

As the State addresses the unmet needs and service gaps we will be facing in communities across California, it is imperative State leaders consider the essential role of special districts and the impacts COVID-19 has had on our ability to sustain and maintain services.

If you have questions or would like to further discuss any of the above, I welcome the opportunity to assist your efforts in any way possible.

Sincerely,

DocuSigned by:



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Brian Helmick

Fire Chief

East Contra Costa Fire Protection District

CC: The Honorable Gavin Newsom, Governor of California  
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The Honorable Holly Mitchell, Chair, California Senate Budget Committee  
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The Honorable Phil Ting, Chair, California Assembly Budget Committee  
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# East Contra Costa Fire Protection District

## ADMINISTRATIVE SERVICES

June 1, 2020

The Honorable John Garamendi  
2368 Rayburn House Office Building  
Washington, DC 20515

RE: Special Districts Provide Essential Service Act– SUPPORT

Dear Congressman Garamendi:

As Fire Chief of the East Contra Costa Fire Protection District, I'd like to express my support for the "Special Districts Provide Essential Service Act," which will make special districts eligible for federal financial assistance in any subsequent pandemic-response package.

The recently passed CARES Act provided \$150 billion to state, county, and local governments under the Treasury Department's newly established "Coronavirus Relief Fund." Under the Special Districts Provide Essential Service Act, special districts would be eligible for 5% of any amount above the \$150 billion already appropriated by Congress. To date, Congress has not provided direct federal financial assistance to special districts and the House's recently released HEROES Act does not guarantee federal funding to special districts as well.

While emergency funding provided to state and local governments through the recently passed CARES Act was urgently needed, it is by no means sufficient. Special districts are working diligently to maintain essential services and infrastructure during this unprecedented public health emergency. We are working to ensure the delivery of critical local services to California's communities such as fire protection, water, wastewater, healthcare delivery and first response, mosquito abatement and vector control, access to parks and open space, safe and respectful burials, transportation and commerce, and more.

If we are to continue meet these challenges, it is imperative that Congress provide funding specifically for special districts by passing the Special Districts Provide Essential Service Act.

We look forward to working with you and other champions in Congress who support this critical legislation.

Sincerely,

DocuSigned by:  
  
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Brian J. Helmick, Fire Chief  
East Contra Costa Fire Protection District

CC: Senator Diane Feinstein  
Senator Kamala Harris  
Congressman Jerry McNerney