
MEMORANDUM

To: City of Beaumont
From: Townsend Public Affairs
Date: October 30, 2020
Subject: Monthly Report for the City of Beaumont

State Legislative Update

In October, Governor Newsom continued to hold regularly scheduled press briefings to update the public on COVID-19 and the wildfires. The Governor and Dr. Ghaly continued to provide updates for each county's tier status, as well as major actions taken by the Administration to continually combat the spread of the virus. The Governor also announced a COVID-19 Vaccine Scientific Working Group, a new health equity metric to be required of counties when moving between tiers, as well as new Homekey awards for local governments.

State lawmakers have been focused primarily on the upcoming General Election on November 3. Assemblymembers are elected to two-year terms while Senators are elected to four-year terms with 20 of the 40 Senate seats up for re-election this year. The remaining 20 Senate seats will be up for re-election during the 2022 midterm elections. In the Assembly, Democrats currently hold 61 seats compared with Republicans' 17 seats with one independent and one vacancy. In the Senate, Democrats hold 29 seats compared with Republicans' 11 seats. TPA will be providing a post-election summary of the General Election results and updates regarding the Legislature's make-up.

Below are the upcoming relevant dates for the Legislature:

November 3 – General Election

December 7 – Legislature officially sworn in for the 2021-2022 Regular Session

January 1 – Most statutes passed in 2020 take effect

January 4 – Legislature reconvenes to begin legislative business

Governor's COVID-19 Action Summary

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

- **October 28 – Executive Order:** Governor Newsom signed an executive order that will allow the Department of Transportation to more easily issue temporary permits for

businesses along state highways to expand their outdoor dining options along sidewalks and parking areas, will allow seniors over the age of 70 to renew their drivers' licenses by mail, and extends the deadlines for real estate license application and renewal fees.

- **October 19 – Vaccine Workgroup:** Governor Newsom announced the formation of a scientific safety review workgroup to advise the State on forthcoming COVID-19 vaccines. The workgroup, which includes physicians, scientists, and immunization experts, will independently review the safety and efficacy of any vaccine that receives FDA approval for distribution. According to the Governor's office, the workgroup will aim to ensure that a COVID-19 vaccine meets the safety and distribution requirements and including community stakeholders in the group's recommendations.
- **October 16 – Homekey Awards:** Governor Newsom announced the fifth round of Homekey awards to local governments to help localities purchase and rehabilitate housing and convert them into long-term housing for those experiencing homelessness. The announcement includes a total of \$30 million with \$2.2 million for the Yurok Tribe, over \$15 million for the City of San Luis Obispo, and \$13.5 million for the City of Los Angeles.
- **October 9 – Homekey Awards:** Governor Newsom announced the fourth round of Homekey awards to local governments, totaling \$147 million to 12 cities and counties throughout the State. These funds will go towards 1,109 units across the State to help local governments provide long-term housing options for their respective homeless populations.

Assembly Wildfire Hearing

On October 20, the Assembly Budget Sub 3 Committee on Resources and Transportation held an informational hearing on wildfire mitigation. The hearing consisted of three panels of speakers:

- Historical and Current Funding Levels
 - Brian Brown, Principal Legislative Analyst, Legislative Analyst's Office
- Fire Mitigation Needs
 - Nick Jensen, Lead Conservation Scientist, Native Plant Society
 - Michael O'Connell, Executive Director, Irvine Ranch Conservancy
- CalFIRE Fire Prevention Funding
 - Thom Porter, Department of Forestry and Fire Protection

The hearing took place in response to the most devastating wildfire year the State has ever experienced with more than 4 million acres burned and over 30 individuals who lost their lives due to the fires. The committee identified three primary factors that have added to this year's fires: 1) climate change, 2) higher density housing in fire-prone areas, and 3) increasing fuel for fires to burn. The committee also found that 95 percent of fires are caused by some form of human activity such as vehicle sparks, lawn mowers, faulty electrical connections, and utility lines.

Members in attendance for the hearing included Assemblymembers Bloom (Chair), Friedman, Reyes, Ting, Mullin, Luz Rivas, and Garcia. Chair Bloom opened the hearing by noting that the State FY 2020-21 budget contained \$203.3 million for fire prevention and resource management and \$2.3 billion for suppression and response activities. Chair Bloom expressed the need for the State to increase spending on wildfire prevention and resource management without decreasing funding for suppression and response.

Notably, Assemblymember Mullin mentioned the attempts by the Legislature to pass a natural resource and climate bond on the 2020 ballot. Those efforts did not result in a passed bill, but the Assemblymember noted that there will be renewed efforts in 2021 to place a bond measure on the 2022 ballot. The Assemblymember expressed his support for including fire prevention and suppression as a key component of any such bond.

Federal Legislative Update

In October, the federal government focused entirely on four key issues: ongoing negotiations for a fourth coronavirus aid package, the confirmation process for Supreme Court Justice Amy Coney Barrett, President Trump's positive coronavirus diagnosis and subsequent hospitalization, and the impending presidential and congressional elections on November 3.

All four issues have massive implications for the Country, both in this moment and for years to come. As Election Day approaches, chaos is the new normal, as both parties are eager to prevent the other side from being able to claim a win in any scenario.

As we move into November, expect a total federal focus on the election until winners are decided, followed by two major focuses: any shuffling of positions or nominations resulting from a change in control of the Senate or the Presidency, and a full-court-press attempt by the power losing control to finalize any priorities during the lame duck session, or the time between the election and the end of the 116th Congress on January 3, 2021.

Coronavirus Aid Packages

In October, Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin have negotiated consistently but found themselves at a standstill over state and local funding and liability protections.

Early in the month, the House of Representatives reintroduced a new, smaller version of the HEROES Act with a price tag of \$2.2 trillion, which passed in the House with a vote of 225-188. This bill included \$436 billion for state and local governments, return to supplemented unemployment benefits, renewal of small business programs, and additional direct stimulus payments. The Senate did not take it up for a vote.

Later in the month, the Senate voted on a \$120 billion standalone bill to extend the Paycheck Protection Program, however Senate Democrats opposed the piecemeal approach, and it did not pass. The Senate also took another vote on a narrow \$500 billion aid bill similar to the one blocked by Senate Democrats in September, which also did not pass.

While negotiations between Speaker Pelosi and Secretary Mnuchin continue, both sides are far apart on several key issues. Our latest reports indicate that Secretary Mnuchin's offer includes \$1.8 trillion in total spending, \$300 billion in state and local funding, and a stimulus payment to replace the Earned Income Tax Credit.

Throughout the month, President Trump weighed in on the negotiation process, first pressing for a deal on another round of pandemic aid to jolt the U.S. economic recovery, and later indicating he did not support continuing negotiations.

Appropriations

After the stopgap funding bill Congress passed last month, Congress passed no additional legislation to fund the federal government through the end of Fiscal Year 2021 on September 30, 2021. The stopgap funding bill runs out on December 11, 2020, meaning that a lame-duck Congress will have to negotiate additional funding by that date to avoid a government shutdown.

As a reminder, the House has passed nearly all of their appropriations bills for FY2021, whereas the Senate has not yet drafted theirs. Generally speaking, the House and Senate will finalize funding levels for each line item located somewhere between their two proposals, so TPA continues to fight for the Senate and the House to propose as high of numbers as possible to increase the likelihood of funding increases.

Supreme Court

After the death of Supreme Court Justice Ruth Bader Ginsburg in September, the Senate spent a large portion of October on confirmation hearings and votes for President Trump's nominee, Judge Amy Coney Barrett. Judge Barrett received four confirmation hearings and was approved by the full Senate on October 23 in a largely party-line vote. Judge Barrett's nomination marks the third Supreme Court justice nominated by President Trump in his first term.

White House Outbreak

In October, a nomination event for now-Justice Amy Coney Barrett is suspected to have caused the coronavirus infection of a slew of elected officials and staff, including President Donald Trump, First Lady Melania Trump, and their son Barron Trump. The infection resulted in President Trump spending several days in Walter Reed Hospital receiving treatment. Other individuals who later tested positive after attending or being close to someone who attended include White House Press Secretary Kayleigh McEnany, Senator Ron Johnson (R-WI), Former New Jersey Governor Chris Christie, Trump Campaign Manager Bill Stepien, Trump Body Man Nick Luna, California pastor Greg Laurie, Coast Guard Admiral Charles Ray, Coast Guard aide Jayna McCarron, Deputy Press Secretary Jalen Drummond, Rep. Salud Carbajal (D-CA), Presidential Advisor Stephen Miller, Congressman Mike Bost (R-IL), and five members of the Vice President's office including his Chief of Staff.

School Testing

In October, the CDC published new guidance that provides a framework for schools to use when testing for COVID-19. The CDC currently recommends testing staff and students who are showing symptoms of COVID-19 or who have had close contact with confirmed or probable COVID-19 patients. Schools that are at a moderate-to-high level of risk of transmission of the disease may consider repeated or expanded testing. They also recommend prioritizing testing for communities with a disproportionate rise in cases, limited testing availability or with moderate-to-high proportions of racial groups that have been disproportionately impacted by the virus.

Census

In October, the Supreme Court approved the Trump Administration's plan to halt the census count while a lower court's order that it continue is under appeal. A lower court had ordered the government to continue with the count as originally planned through the end of October.

Despite previously requesting an extension to the Census, the Administration opted to end the count early to allow adequate time for apportioning congressional districts by the end of the calendar year. The Court did not offer a written rationale for its decision.

Small Business

This month, the Treasury Department and Small Business Administration (SBA) published new interim final rules that offered an easier path to loan forgiveness for Paycheck Protection Program (PPP) loan recipients.

Businesses will have fewer obstacles to clear to get virus relief loans of \$50,000 or less forgiven and will be exempted from reductions to their forgiveness amount due to decreases in full-time employees or in employee compensation. The government also released a simplified forgiveness form and accompanying instructions.

Even with the simpler application for forgiveness, businesses still have to provide documents to their lenders to verify their payroll and nonpayroll costs, including payment receipts, canceled checks, copies of invoices, quarterly tax filings, and bank account statements.

The U.S. Government Accountability Office's September report noted that SBA's standard loan forgiveness application has been reported to take some businesses up to 15 hours to complete, and can take lenders up to 75 hours to review a complex application and the supporting documentation report.

As a reminder, businesses have 10 months from the end of the time period covered by their loan to submit an application for forgiveness.