

California Fiscal Focus

A Monthly Report from State Controller Betty T. Yee

October 2020

Studies Reveal Gender Divide in COVID-19 Impacts

“The impacts of crises are never gender-neutral, and COVID-19 is no exception.”

These opening words to [From Insights to Action](#), a recent report from the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), highlight a harsh reality being experienced by women around the globe, as the pandemic devastates certain economic sectors while creating a growing need for unpaid work.

Among the reasons given for the gender disparity in COVID-19 impacts: women already earn less than men, on average, and have less in savings for emergencies; and women disproportionately work in the informal economy, where they do not have access to social protections like employer-sponsored health care or unemployment insurance.

Women also make up the majority of single-parent households, and they take on the unpaid work of caring for family needs at a rate of almost two-and-a-half times that of men. With many schools closed, even those women whose workplace has reopened may find it impossible to find – or afford – the child care they would need to return. Many women are working from home while caring for children, overseeing schoolwork, and managing a household.

Four out of five domestic workers are women, and 72 percent of domestic workers worldwide lost their jobs at the start of the COVID-19 pandemic. Forty percent of women work in industries like food service, retail, and entertainment that represent two-thirds of California job losses during the pandemic, compared to 36.6 percent of men. Health care is one female-dominated field where jobs are plentiful, yet women face a 28-percent pay gap and heightened risk of exposure.

The disparities are even wider for women of color. A [Mercury News analysis](#) of data from the U.S. Census Bureau and the California Budget & Policy Center found that from March through May, the number of Black women working in California dropped 23 percent over the previous quarter; Latina employment declined 22 percent. Employment for white women dropped 10 percent, while white men had the smallest employment decline at 7 percent. Only in the Asian Pacific Islander community did more men than women lose jobs.

While the number of people living in extreme poverty has been on the decline for 22 years, the UN Women team expects to see those levels rise in the wake of



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Feminized sectors are likely to be hit the hardest

Women's employment is

19% more at risk compared to men's.

72% of domestic workers, 80% of whom are women, have lost their jobs as a result of COVID-19.

75.4 million workers in the accommodation and food services sectors (54% are women).

Source: UN Women report "From Insight to Action," September 2020

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COVID-19. By 2021, there will be 118 women ages 25 to 34 living in extreme poverty for every 100 men in that same age group. By 2030, without strong intervention, that ratio may be 121 to 100.

Beyond the obvious economic impacts, women facing unemployment find it even more difficult to leave unsafe living situations; they also are more susceptible to sexual violence and human trafficking. Around the globe, the UN Women report predicts 11 million girls will leave school during the COVID-19 pandemic, leading to a greater risk of child marriage or teen pregnancy.

Government intervention and support will be critical to warding off some of the worst-case scenarios explored by UN Women. This can include direct stimulus payments, of which in the United States there has been just one payment of \$1,200 to income-eligible adults and \$500 for their minor children; social systems that support income security, such as enhanced access to affordable

child care; and greater support for informal workers, such as unemployment benefits and health care coverage that is not employer-dependent.

California's sudden \$54.3 billion deficit led to cuts in planned child-care expansion and other critical safety net programs. If sufficient federal funding had been received by October 15, \$300 million would have been allocated to create subsidized child care spaces for 15,000 children and help providers stay open and meet COVID-19 health and safety guidelines. However, that deadline passed without action by the U.S. Senate on the [HEROES Act](#) passed by the House of Representatives in May. Approximately \$81 million in CARES Act funding was used to provide child-care vouchers for essential workers and extend family fee waivers through June 2020.

Governor Gavin Newsom has created an online portal to help parents [find quality local child care](#) statewide.

The California Commission on the Status of Women and Girls has

compiled a [wide range of resources](#) aimed at supporting women, families, and children in these challenging times. These include everything from mental health and addiction support organizations to educational programs and activities for children. The Commission advises women in unsafe living situations on how to [seek help and find safe shelter](#). Help also can be accessed by calling (800) 799-7233 (SAFE).

The California Department of Public Health's Maternal, Child, and Adolescent Division also has assembled a list of resources focused on [family health and wellness](#) during COVID-19. This includes tips on caring for children with special needs during the pandemic, managing stress and anxiety, and locating available food and nutrition resources.

The governor also has created a web page with the [latest news and updates](#) on COVID-19 in California and other available resources. This includes ways individuals can support their neighbors and communities.

Controller Yee Highlights Key Bills from 2019-20 Legislative Session

The 2019-2020 session of the California State Legislature was unlike any other. The COVID-19 pandemic defined this year's process and closed the State Capitol building twice, disrupting business and shortening the time lawmakers had to pass bills. At the onset of the pandemic, the Legislature's priorities dramatically shifted. Lawmakers had to approve the emergency pandemic response, manage an unexpected \$54.3 billion budget deficit, react to catastrophic wildfires, and address inequities in racial justice.

Legislative leaders had to transform the governing process to conduct legislative business and comply with COVID-19 safety guidelines. Committee hearings became large teleconferences; legislative deadlines were extended; and – in the final days before the August 31 constitutional deadline to pass bills – remote voting was instituted. These unprecedented challenges reduced transparency and undermined the public process. Many significant bills were considered at the last minute without the normal level of public vetting and stakeholder input; committee omnibus bills were drafted with much narrower scopes; and budget trailer bills were restricted to policy relating to COVID-19 response.

Despite the extraordinary circumstances facing lawmakers, significant legislation was passed, as was the Budget Act of 2020. A good number of bills considered by Controller Yee to be among the year's most significant were approved by the Legislature, and the vast majority of those were signed into law.

Workforce protections

Assembly Bill (AB) 3216 (Kalra) was the only bill on Controller Yee's watch list to make it to the governor's desk and be vetoed. The measure would have provided protections to workers hardest hit by the pandemic by requiring employers in certain industries to rehire workers who were laid off during the pandemic.

Governor Gavin Newsom signed AB 1867, a budget trailer bill requiring certain large employers to continue providing paid sick leave through the end of the year to workers who contract COVID-19 or are exposed to the virus and unable to work. He also signed AB 276

(Friedman) which allows workers financially affected by the pandemic to borrow from employer-sponsored retirement accounts without penalty.

Eviction prevention

The COVID-19 pandemic and ensuing job losses exacerbated California's long-standing housing crisis, as many more people struggle to make monthly rent or mortgage payments. AB 3088 (Chiu) was approved by the Legislature and immediately signed by the governor in an effort to prevent evictions and provide relief to tenants and property owners who cannot make payments. The new law prohibits evictions through January 31, 2021, for tenants who are struggling financially due to COVID-19 and pay 25 percent of their rent. It also extends the California Homeowner Bill of Rights to small landlords and requires lenders to justify rejected forbearance requests.

Defense of racial equity and justice

Recent demonstrations against police killings of Black Americans have spurred a national conversation about police tactics and needed racial justice reforms. Controller Yee supported Assembly Constitutional Amendment 5 (Weber), which will give voters the option to repeal the state's ban on affirmative action (Article I, Section 31 of the California Constitution). The question appears as Proposition 16 on the November 3 ballot.

Controller Yee, a member of the California Victim Compensation Board (CalVCB), co-sponsored AB 767 (Grayson) to support victims of law enforcement aggression by removing legal barriers that prevent them from accessing compensation available to victims of other types of crimes. Unfortunately, the measure was held in Senate Appropriations Committee.

The governor signed into law AB 979 (Holden) to require publicly held corporations to strive for racial diversity by appointing board directors from underrepresented communities.

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Two key measures to address racism in the court system also were signed into law. AB 3070 (Weber) is intended to prevent removal of minority jurors over the perception the juror is biased because of their race, while Senate Bill (SB) 592 (Wiener) seeks to expand the universe of people selected to serve on juries by including as candidates all those who file income tax returns.

In addition, the governor signed AB 1196 (Gipson) to prohibit certain police restraints, and AB 1506 (McCarty) to expand investigation of officer-involved shootings.

Climate change and wildfire response

At the start of what already is a historic fire season, AB 2147 (Reyes) was signed into law, making it easier for formerly incarcerated people trained in firefighting to obtain work as professional firefighters after their release.

SB 1320 (Stern) will formalize development of the California Climate Change Assessment, requiring it to include an integrated suite of policy tools that report the impacts and risks of climate change and to identify potential solutions to guide climate policy.

Support for survivors of domestic violence

During the pandemic, domestic violence incidents have increased, as have the obstacles survivors face in seeking help and leaving unsafe living situations. The governor signed into law two measures by Senator Susan Rubio to tackle this growing problem. SB 1276 eliminates the 10 percent matching fund requirement for domestic violence shelters to receive state funding. SB 1141 expands the definition of domestic violence to include coercive control and deprivation of liberty. Controller Yee has been a [vocal proponent of this change](#) that expands access to CalVCB resources.

Budget Act of 2020

This year, the sudden economic uncertainty triggered by COVID-19 made adopting a balanced budget in accordance with California law particularly challenging for lawmakers. Anticipating federal assistance, lawmakers passed a placeholder budget on June 15 focused on

responding to the COVID-19 pandemic, funding public health, education, and support for vulnerable communities. When no additional federal relief came, lawmakers passed several Senate and Assembly budget committee bills to supplement the Budget Act of 2020.

SB 115 made changes to the Budget Act of 2020 to cover unexpected costs and expenditures, appropriating \$624.7 million (\$166 million General Fund) above the June spending plan. AB 1876 expanded the California Earned Income Tax Credit and the Young Child Tax Credit to those filing with an Individual Taxpayer Identification Number. This bill will benefit hundreds of thousands of Californians in the undocumented immigrant community who have taxes.

While this year's budget focused largely on expenditures related to the COVID-19 pandemic, several budget trailer bills included substantive policy. SB 823 will reform the state's juvenile justice system by closing juvenile prisons and transferring the responsibility for managing youth offenders to local jurisdictions. AB 1864 creates the Department of Financial Protection and Innovation (formerly the Department of Business Oversight) to provide new authority to regulate financial products and services, and to address consumer complaints.

As lawmakers enter next year's legislative session – or should an extraordinary special session be called by the governor this fall – there is much work ahead to help Californians facing enormous challenges during this public health crisis and to ensure the integrity of California's finances during the pandemic-induced economic recession.

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