



# California Policy & Politics

A PRIMER

2021-2022



**CAL  
MATTERS**

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## ABOUT CALMATTERS

CalMatters is a nonprofit, nonpartisan journalism organization founded in 2015 to cover California policy and politics. Based in Sacramento, CalMatters shares its work at no cost with news organizations across the state. To learn more about the essential work CalMatters does and how you can support it, please visit [CalMatters.org/donate](https://CalMatters.org/donate).

*Sacramento, California*

*December 2021*

**O**ur mission at CalMatters is to help you understand the major issues in this big state and to learn the how and why and who about the decisions made by our policy leaders.

We have a staff of expert journalists around the state who spend each year reading reports, following bills and talking to elected leaders, advocates, experts and those experiencing the problems and changes to life in California.

In these pages we collect what we have learned about California's major developments in 2021. We're grateful to our close partners at The James Irvine Foundation, who both suggested and funded the creation of this Primer.

We hope it helps you learn a bit more about your state and that it informs or even inspires your participation in our democracy.

**– David Lesher**

*Editor-in-Chief, CalMatters*



*In this Jan. 8, 2021, file photo, California Gov. Gavin Newsom speaks about his 2021-2022 state budget proposal during a news conference in Sacramento, California. (AP Photo/Rich Pedroncelli, Pool, File)*

# Introduction

**H**istory will remember 2021 as the year when a windfall of government spending sought to address years of inequality, poverty and a growing population left behind. Trillions of dollars were spent by the federal government, but California, with the nation's highest poverty rate, also saw an unprecedented budget surplus that the state's supermajority Democrats used to expand health and education programs as well as climate change efforts and assistance for the poor.

It was quite a whipsaw from the previous year when California locked up tighter than most states during the pandemic and lawmakers saw a massive budget deficit. It turned out, though, Wall Street continued to do quite well, helping send California more than \$100 billion in unanticipated state and federal funds in 2021. Gov. Newsom touted the new spending as the "[California Comeback Plan](#)" that will "pay dividends for generations to come."

Twenty-twenty-one will also be remembered as the year we learned to live more routinely with the pandemic. The disease still loomed large in the first half of the year with a record high [17% positivity rate](#) in January. Instead of a joint session of the Legislature, Newsom gave his annual State of the State address to an empty Dodger Stadium, symbolizing the number of California lives lost to COVID (54,000) and the site of a newly-opened mass vaccination center.

In the second half of the year, many restrictions on indoor dining and large public gatherings were lifted. Most schools resumed at least some level of in-person instruction. More than 75% of Californians were vaccinated and the positivity rate dropped to about 2%. But while the economy climbed back from the depths of the pandemic, recovering 63% of the jobs lost, it still lagged behind many other states and the nation.

The year's legislative agenda was also modest by normal standards. But after years of stalemate, the Legislature did reach agreement on a breakthrough bill to increase the housing supply by doing away with single-family zoning. Meanwhile, the median price of a California home hit a record \$809,000 in 2021, more than double the national average.

The California agenda in 2021 was also shaped by the hugely disruptive political drama of a special election to recall the governor. The "California Comeback Plan" became a campaign-style tour of events. Speculators wondered about political motivations when controversial legislation was stalled to another time or when COVID-19 restrictions were eased even as case numbers were still threatening. In the end, Newsom's lopsided win in the recall was seen as a public vote of confidence that will likely propel him to re-election in 2022.

"Harnessing the largest surplus in state history, we're making transformative investments across the board that will help bring all our communities roaring back from the pandemic - and pay dividends for generations to come."

Gov. Newsom, as he signed legislation authorizing the California Comeback Plan on July 12.



Recall Newsom volunteer Pat Miller holds up a sign during petition signing event at SaveMart in Sacramento on Jan. 5, 2021. Photo by Anne Wernikoff, CalMatters

# CHAPTER 1

# Administration

**T**he recall election on Sept. 14 was the peak of a mountain that Gov. Newsom had to climb in 2021. It shaped the governor's public posture as the election approached with campaign-style events and caution on controversial topics. And when it was done, many things were right back at the start. Newsom's [approval rating](#) of 53% in September was virtually the same as it was in January.

Out of 28 attempts to recall a California governor in the last 30 years, this was only the second to reach the ballot for three reasons: 1-It required only 1.4 million voter signatures when 5 million voted against Newsom in his landslide 2018 election, 2-A judge granted a three month extension for signature gathering due to the pandemic and 3-Newsom outraged many when he joined a maskless dinner with lobbyists at the affluent French Laundry restaurant.

Even after qualifying, there are many reasons this recall should not have been threatening for the governor. Newsom had an unprecedented budget surplus, allowing him to campaign around the state with events about generational

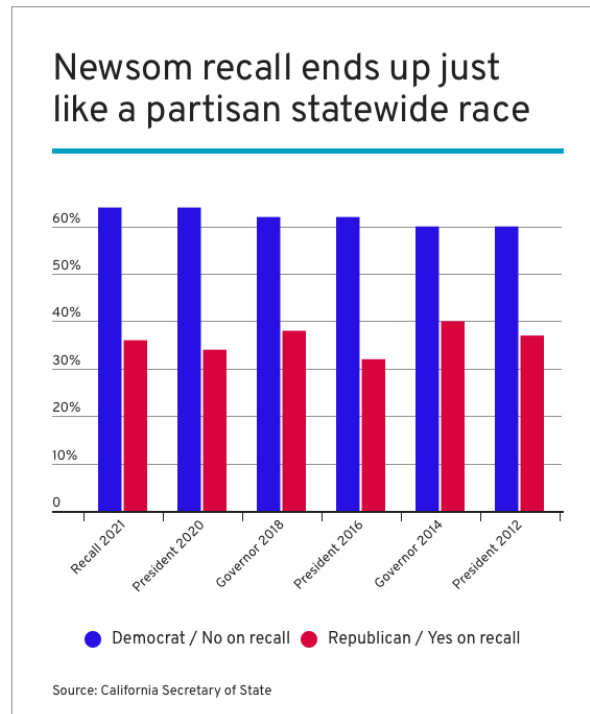
"And look, we've made mistakes. I've made mistakes. But we own them, learn from them, and never stop trying. After all, that's the California spirit. We are bent but not broken. Bloodied but unbowed. Resolved to make it to brighter days ahead - to not let the pain of last year deter the hopefulness of tomorrow. The state of our state remains determined. I remain determined!"

Gov. Newsom in State of the State, March 2021



investments. He raised about \$70 million, more than he did in 2018 and more than all of his opponents combined. He governs a reliably blue state and polls showed the public supported his pandemic policies. Finally, he benefited from a controversial and conservative Republican frontrunner, radio talk show host Larry Elder.

Polls were fine for Newsom until August, when they detected Republicans were motivated and Democrats apathetic. Alarmed, Newsom's team went all in with in-person or television appearances by President Joe Biden and Vice President Kamala Harris as well as Barack Obama, Elizabeth Warren and Bernie Sanders. In the end, Newsom won by a landslide margin of about 26 points, just a little better than he did in his 2018 election and just short of Biden's California score over President Trump in 2020. So actually, it was a [typical California vote](#). The top of the ticket Democrat – for governor or president – has received more than 60% of the vote in every election since 2012.



### IN OTHER ADMINISTRATION NEWS:

- Newsom faced another year of wildfires, although smaller than the record year in 2020, and a severe drought. He declared a [drought emergency](#)

for the whole state in October but stopped short of mandating water restrictions.

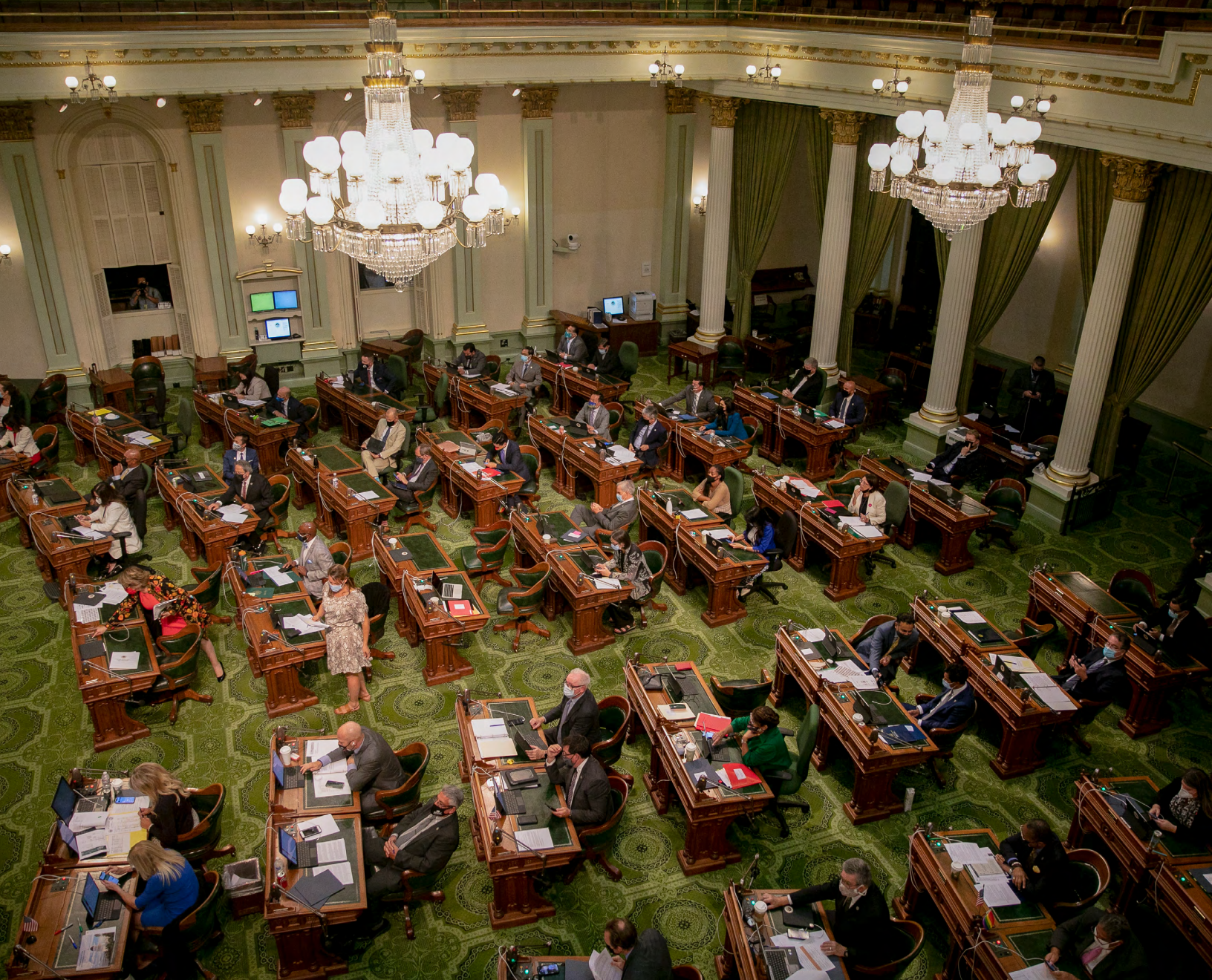
- Newsom navigated the second year of the pandemic by discarding the state’s color-coded guidelines for counties in June, declaring the state was fully reopened. When vaccine demand dropped, he launched a game-show style incentive that gave away prizes of [“dream vacations”](#) and [\\$15 million in cash](#). He also issued “first-in-the-nation” announcements with vaccine mandates for [teachers](#) and [students](#) as well as health workers and state employees.
- On the environment, the governor’s Comeback plan included \$15 billion for [climate policies](#) to mitigate the impact of fire and drought and to reach California emission goals. But he raised speculation about his environmental priorities when he made a late announcement that he would attend the UN climate summit in Glasgow in November and then

### KEY MEMBERS OF THE GOVERNOR’S ADMINISTRATION

- Jim DeBoo, chief of staff
- Ana Matosantos, cabinet secretary
- Angie Wei, chief deputy cabinet secretary
- Keely Bosler, finance director
- Ann Patterson, legal affairs secretary
- Angie Wei, legislative affairs secretary
- Dee Dee Myers, director, Governor’s Office of Business and Economic Development
- Richard Figueroa, deputy cabinet secretary
- Jason Elliott, senior counselor and director of intergovernmental affairs
- Tracy Arnold, chief deputy cabinet secretary
- Jared Blumenfeld, secretary, California Environmental Protection
- Wade Crowfoot, secretary, Natural Resources
- Karen Ross, secretary, Agriculture

a last-minute decision to pull out citing family obligations. Lt. Gov. Eleni Tsakopolous attended in his place.

- Politically, the affirmation he received in the recall portends an easy re-election in 2022. Also, the recall was damaging for Republicans with dismal results for some of their most promising candidates and the strongest score for a conservative considered highly unlikely to win such a blue state.



*The California Assembly seen from above at the State Capitol on the last day to pass legislation for the year on Sept. 10, 2020. Photo by Anne Wernikoff, CalMatters*

# CHAPTER 2

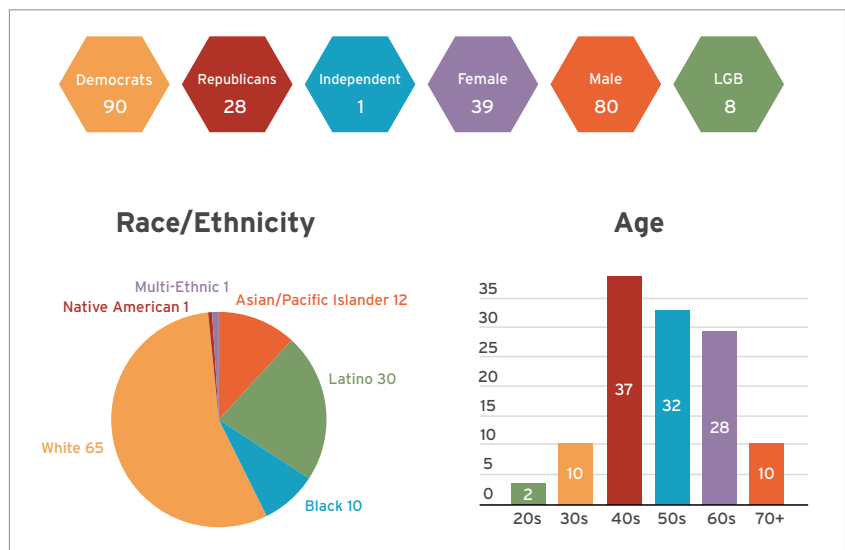
# Legislature

**B**usiness largely returned to normal in the Capitol this year after last year's [pandemic-induced tumult](#). Despite a couple of COVID-19 outbreaks among [staff members](#) and [lawmakers](#), the Legislature maintained a steady pace of work, passing high-profile legislation on [housing](#) and [police](#) that had failed the year before. [Tensions between moderate and liberal Democrats](#) stymied many other proposals. And the campaign to recall Gov. Newsom may have [doomed some controversial legislation](#) as the governor worked to unite his party. In the end, [lawmakers sent Newsom 836 bills](#) and he signed 92% of them into law.

Bills [that stalled](#) included proposals to create single-payer health care, [ban corporate donations](#) to political candidates, [legalize psychedelic drugs](#), sanction [clinics where addicts can use illegal drugs](#) under medical supervision, and allow people to [turn their](#)

[bodies into garden compost](#) after death. Progressive legislation to allow more offenders to have their [records expunged](#) and overhaul the [bail system](#) also stalled amid concerns over California's [rising murder rate](#) and an especially [brutal killing in Sacramento](#).

But Newsom [signed several significant new laws](#) intended to spur [more housing production](#), remove bad [police officers](#) from the profession and improve



conditions for [workers at Amazon warehouses](#). And as he evaluated this year's legislation, the governor made decisions that [impacted many of the donors](#) who had just spent millions of dollars to help him defeat the recall – including labor unions, real estate moguls and tech titans.

Democrats maintained their supermajority, controlling about three-quarters of the seats in both houses. While a handful of legislators shifted into new positions, the partisan breakdown of the body did not change.

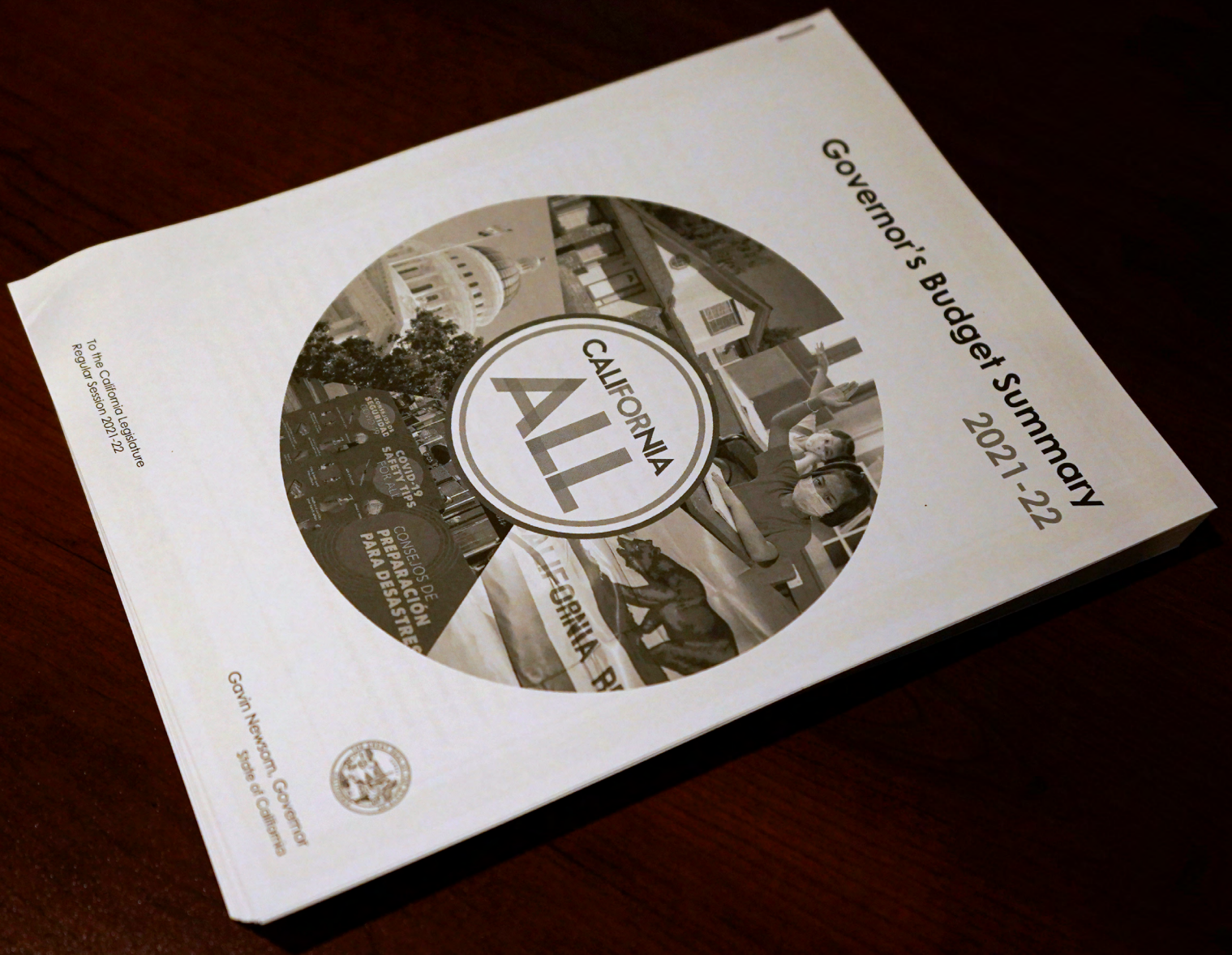
Newsom appointed two Assembly members to statewide office – creating vacancies that were quickly filled by their own family members. Voters elected Mia Bonta to take her husband's Bay Area seat after

#### LEADERSHIP:

- Assembly Speaker Anthony Rendon, D South Gate
- Assembly Republican Leader Marie Waldron, R Escondido
- Senate President pro Tem Toni Atkins, D San Diego
- Senate Republican Leader Pat Bates, R Laguna Hills

[Newsom chose Rob Bonta as attorney general](#), replacing Xavier Becerra, who was named Health and Human Services Secretary by President Biden. And Akilah Weber was elected to replace her mother in representing San Diego after the governor [appointed Shirley Weber secretary of state](#) to replace Alex Padilla, whom Newsom selected as California's first Latino US Senator following the election of Kamala Harris as vice president.

*-Laurel Rosenhall*



*In this Jan. 8, 2021, file photo, a copy of California Gov. Gavin Newsom's budget summary book is seen after he presented his 2021-2022 state budget proposal at a news conference in Sacramento, California. (AP Photo/Rich Pedroncelli, Pool, File)*

# CHAPTER 3

# Budget

**W**ith revenue pouring in from the booming stock market and pandemic assistance from Uncle Sam, California enjoyed a huge surplus this year that allowed Democrats to advance a progressive agenda.

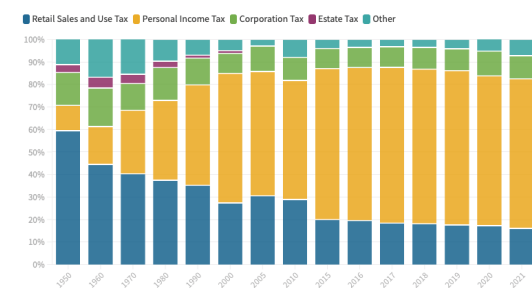
Newsom put the surplus at \$75 billion, a stark contrast with the \$54 billion deficit estimated a year earlier. The surplus was supplemented by an additional \$26 billion in federal stimulus, funding what the governor called his [“California Comeback Plan.”](#) The Legislative Analyst put the surplus at \$38 billion, saying the balance was non-discretionary money.

In June, lawmakers passed the [largest budget in state history, a \\$262.6 billion](#) spending plan meant to alleviate COVID hardships while also achieving some long-standing policy goals.

To wit: preschool for all 4-year-olds; health insurance for low-income [undocumented immigrants age 50 and older](#); free [lunch for all public school students](#); shelter for [thousands of homeless people](#) and construction of new affordable housing. Billions went to [prevent wildfires, adapt to rising sea levels](#) and expand the use of electric vehicles.

The budget also included billions to help Californians recover from the pandemic: \$4 billion in grants for small business owners, \$7 billion in rent and utility relief for people who fell behind on their bills and [\\$600 stimulus payments](#) for most residents.

### California Revenue: Income Tax is Now The Largest Source



Source: Governor's Proposed 2021-22 Budget Summary



Many payments reflected Newsom campaign promises and earlier aspirations. His plan to give children from low-income families [\\$500 in a college savings account](#) builds on a program he championed as San Francisco mayor. His plan to make preschool available to all 4-year-olds echoes a [promise from his 2018 campaign](#).

It was an epic outpouring of social aid made possible, ironically, by [California's staggering wealth gap](#) and the pandemic's uneven toll. While service workers lost [livelihoods](#), [good health](#) and [housing security](#), the state's top earners – mostly Bay Area tech moguls – made a killing from the strong stock market, leading them to pay more into California's progressive tax structure.

By the end of the year, revenue estimates adopted in July for the state's 2021-22 fiscal year budget were still falling short of actual returns. In November, the state's legislative analyst predicted the state would see another [\\$31 billion surplus](#) for its 2022-23 fiscal year budget.

“It’s a privilege to have a hand in crafting such a historic and transformational state budget that will have lasting impact on Californians for decades. We are meeting the challenges of today - helping individuals, families and small businesses still struggling as a result of the pandemic - while also investing in tomorrow with priorities like infrastructure, university expansion, affordable housing supply and climate resilience.”

[Assemblyman Phil Ting, D San Francisco, chair of the Budget Committee](#)

– Laurel Rosenhall



*Cook Martha Garcia preps food in the kitchen at Verde Mexican Rotisserie in South Lake Tahoe, Calif. on Wednesday October 6, 2021. Domi Chavarria, the owner of Verde Mexican Rotisserie, lost about \$10K worth of inventory when they shut down for two weeks due to the Caldor Fire evacuation.*

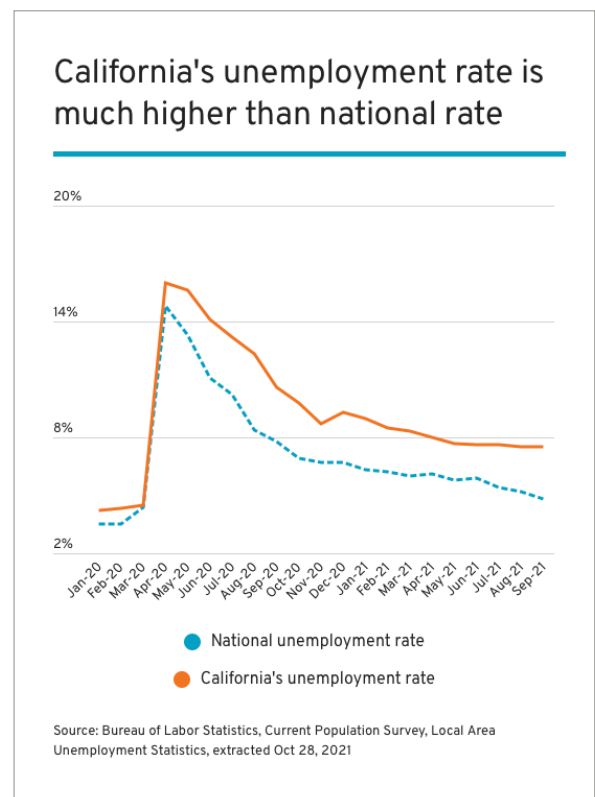
## CHAPTER 4

# Economy

California dug itself out of the depths of coronavirus-fueled job loss. By September, it had regained about 67.4% of the 2.7 million jobs it lost in the early months of the pandemic, according to [state numbers](#).

But the economy did not roar all the way back, to use one of Gov. Newsom's signature phrases. The state's October unemployment rate of 7.3% was the [highest in the nation](#), tied with Nevada, according to data from the Bureau of Labor Statistics. It was far higher than the national rate of 4.6%. Workforce participation for women with young children remained about 7% lower than before the pandemic, according to the [Public Policy Institute of California](#).

There was an ongoing scramble in the labor market as record numbers of workers left their jobs and some employers struggled to fill open roles. More California workers quit their jobs in August than at any point in the last two decades, according to [PPIC](#), and job openings were historically high. As cooped up residents ventured out to dine and travel, restaurants and bars struggled to hire staff and responded with [beefed up benefits and increased pay](#). Wages in the leisure and hospitality sector surged nearly 6.9% from January to September, compared to 1.7% for all private sector workers, according to data from the Bureau of Labor Statistics.



State and federal relief funds buoyed workers and businesses. In July, the “California Comeback Plan” provided \$600 stimulus checks for millions of low and moderate income Californians.

The administration set aside \$4 billion for grants of \$5,000 to \$25,000 for small businesses and nonprofits impacted by the pandemic. Newsom signed off on a one-time, \$110 million expansion of the CalCompetes tax credit, aimed at attracting businesses to the state, and tacked on a \$120 million grant program for businesses that wouldn’t otherwise qualify for the tax credit. The administration created a one-time, \$150 million grant program for event venues and businesses that were impacted by the pandemic. It also expanded financing options available for small businesses, rolled out tax credits for small businesses and the film industry, and directed federal relief dollars to boosting tourism and to the ports.

“Although California began a significant recovery later than some other states because of its stricter public health interventions, (the UCLA) forecast expects the California recovery and expansion, once again, to outpace those of the U.S. as a whole.”

[UCLA Anderson School Forecast, Sept. 2021.](#)

#### IN OTHER ECONOMIC NEWS:

- The battle over how to classify gig workers moved to the courts after voters in 2020 passed Proposition 22, a measure backed by rideshare and delivery

companies to categorize workers as independent contractors instead of employees. In August, an Alameda County superior court judge ruled Proposition 22 unconstitutional. Ride-hailing giant Uber pledged to appeal.

- A spike in consumer demand and manufacturers recovering from the pandemic caused supply chain bottlenecks as cargo ships idled off the coast. In October, President Biden said the Port of Los Angeles would operate around the clock. Newsom directed state agencies to identify ways to alleviate the bottlenecks as business groups called on him to roll back regulations and suspend laws.
- Looking ahead:
  - » Bank of the West chief economist [Scott Anderson forecast](#) that household wealth and personal savings will continue to bolster consumer spending in California, and jobs will grow at a rate of 3.5% in 2022, up from the 2% predicted for 2021.
  - » In September, the [UCLA Anderson Forecast](#) said California experienced a later recovery than some states because of its strict health interventions, but it predicted California will outpace the US in 2022 with 3.9% employment growth.

– Grace Gedye



*Alameda County public health department registered nurse Crystal Scott, center, and Fremont fire department engineer paramedic Frank Carlucci, right, prepare syringes with the Moderna COVID-19 vaccine during a distribution clinic at St. Rose hospital in Hayward on Jan. 27, 2021. Photo by Anne Wernikoff, CalMatters*

# CHAPTER 5

# Health

**B**y the end of the year, Californians were learning to live with the COVID-19 pandemic. Masks were still required on public transportation and in schools. But large public gatherings such as sporting events and concerts resumed and [tourism was nearly double](#) the previous year. In all, since the start of the pandemic, California reported nearly 5 million COVID-19 cases and about 75,000 deaths.

In 2021, all eyes were on vaccines, from the initial lag in supply to concerns over equitable distribution to continued mandates. On Jan. 13, the state opened [vaccination to people 65 and older](#) after reserving the first coronavirus shots for health workers and nursing homes.

“Any rollout like this is bound to run into snags, but this level of problems is concerning. Every day we wait, thousands of people are at risk of dying.”

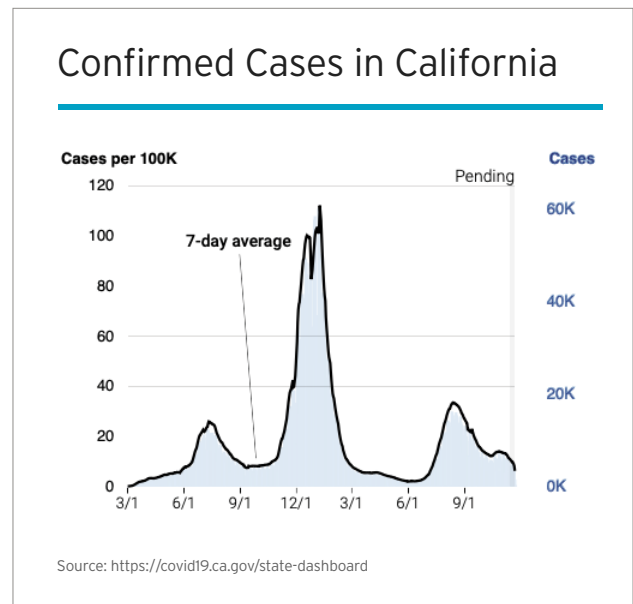
Dorit Rubinstein Reiss, professor and vaccine expert at UC Hastings College of Law.

At one point, California’s vaccine rollout was [among the slowest in the country](#). In an attempt to speed up and streamline distribution, the state issued a \$15 million no-bid contract to [health insurance giant Blue Shield](#) to help coordinate the delivery of doses statewide. That move, however, resulted in pushback from some county leaders who argued they didn’t need more middlemen, but rather more doses.

As supply picked up, the state opened eligibility to people largely based on risk, employment and age. And by mid-April [anyone 16 and over was eligible](#) for a shot. Two months later Gov. Newsom lifted the state’s remaining public health restrictions allowing Californians to revert to [“business as usual.”](#)

The sense of normalcy was short lived, however. In the summer, the more contagious Delta variant prompted another surge in cases just as the demand for vaccines dropped. In response, Newsom announced a first-in-the-nation COVID vaccination mandate for health workers and an order for state employees to get shots or get tested. K-12 students would also be [required to get vaccines](#) as soon as they are fully approved by the FDA, a move that incited [protests among parent groups](#).

By November, [75% of Californians](#) ages 5 and over were at least partially vaccinated. But gaps persist. Vaccination among Latinos and Blacks hovered around 60%. Low-income residents, such as those [enrolled in the state's Medi-Cal program](#), consistently saw lower vaccination rates despite state and local commitments to address access issues and disparities.



#### IN OTHER HEALTH NEWS:

- [The state allocated](#) \$1.3 billion to expand Medi-Cal benefits to income-eligible undocumented residents 50 and older, becoming the first state in the country to do so.
- Federal passage of the American Rescue Plan increased financial assistance



for [Covered California](#), the state's version of Obamacare, prompting 364,000 new enrollees, more than double the normal rate.

- [Legislators criticized the state health department's](#) oversight of nursing homes, the subject of a CalMatters investigation revealing an opaque licensing process plagued by indecision, delays and misleading information. [The pandemic spotlighted](#) an already growing mental health crisis in children, with those from [low-income neighborhoods](#) suffering most. Newsom vetoed a bill to create "crisis psychiatric residential treatment facilities" for youth on Medi-Cal, citing implementation challenges.

– Ana Ibarra



*A row of tents under an overpass in east Los Angeles on Nov. 17, 2021.*

# CHAPTER 6

# Housing & Homelessness

**D**emocrats kicked off the two-year legislative session with ambitious proposals to get at the root cause of the state's monstrous housing prices: supply. And for the first time in years, they successfully pushed through some significant bills. Chief among them: a new law that [does away with the single-family zoning](#), which dominates the majority of the state's developable land. Starting in January, California will allow duplexes and in some cases, as many as four units, on lots that previously allowed only a single house, without a lengthy local approval process. The Legislature also approved sped-up permitting that allows cities to bypass state-mandated environmental review for projects that produce up to 10 units on single-family lots close to transit – as long as a city council first approves with a two-thirds vote.

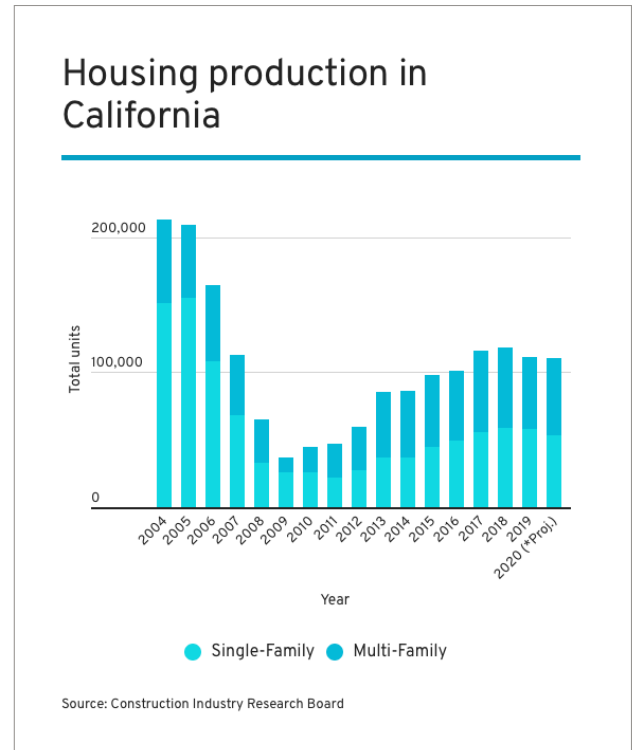
Given current conditions, UC Berkeley's Turner Center estimates the duplex law could lead to about [660,000 new housing units across the state over several years](#) – a sizable but not overwhelming fraction of the 1.8 million to 3.5 million units that experts say California needs to meet its housing shortage. Meanwhile, in the first eight months of 2021, construction permits for residential units were up 25% compared to the previous year, putting the state on track to build about 100,000 units. Better, but still 80,000 units short of what experts estimate the state needs to build each year.

“California continues to have the largest homeless population in the nation, likely in part because its approach to addressing homelessness has been disjointed.”

[California state audit, Feb. 2021](#)

Infighting between the ever-powerful construction unions and affordable

housing developers [spelled the death of several key bills](#), which would have facilitated housing construction and financing in abandoned strip malls and big box stores, around community college districts, and in the county of Los Angeles. [At stake were jobs](#): Unions argued graduates of apprenticeship programs – which they mostly run – should build new housing facilitated by streamlining measures, while developers argued the costs would be too high and labor too scarce.



### IN OTHER HOUSING NEWS:

- Despite the pandemic and the [first population decline](#) since 1850, California saw housing prices spike again to record levels in 2021. The median home price hit a record [\\$809,000](#), more than double the national average. While rents dropped in big coastal cities including Los Angeles and San Francisco, suburbs, exurbs and [inland cities such as Fresno](#) saw what were once somewhat affordable home prices skyrocket.
- A [statewide eviction moratorium](#) that banned landlords from kicking out tenants over missed rent payments was extended in January and again in June. But an investigation by CalMatters found [at least 10,000 households](#) that were locked out between March 2020 and March 2021.
- In October, [eviction protections were mostly lifted](#), raising concern about

increased homelessness. The state directed more than \$5 billion in federal funds to pay landlords their missed rent payments, but less than a fifth of the funds requested [had been paid by October](#).

## HOMELESSNESS

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Homelessness was an Achilles' heel for Newsom during the recall as the major Republican candidates [criticized his policies](#). The unsheltered population is [up 24% since Newsom was elected in 2018](#), to about 161,000 people in 2020. A scheduled count in January 2021 was postponed due to COVID-19.

The increase is especially discouraging after the state spent \$13 billion on homelessness since 2018. A scathing state auditor's report from February points to a main culprit: [a lack of coordination and accountability](#) across the complicated web of state agencies and local counties, cities and service providers. An August audit found that the state [failed to expedite access to \\$316 million in federal relief funds](#) for homelessness, and the department isn't measuring whether the programs actually reduce homelessness.

The 2021-22 state budget allotted [\\$12 billion to address homelessness](#) over the next three years. That includes [\\$2.75 billion to buy and convert hotels, motels, office and commercial buildings into housing for people experiencing homelessness, modeled after Project Homekey, which created about 6,000 housing units for homeless people during the pandemic](#). Another \$2.2 billion is set aside for similar site rehabilitation specifically for behavioral health treatment.

– *Manuela Tobias*



An outreach worker for the Food Bank of Contra Costa and Solano helps a man fill out an application for CalFresh, the state's food stamp program. Photo by Anne Wernikoff for CalMatters

# CHAPTER 7

# Poverty & Inequality

California's poverty rate was already the highest in the nation before COVID-19. Data still lags, but it's expected the pandemic increased poverty and inequality in California, likely more than it did in other states. By October, the [California unemployment rate](#) remained significantly higher than the nation's at 7.5% compared to 4.3%. The state workforce was still nearly 1 million jobs short of its pre-pandemic level.

In the [latest data](#), more than a third of Californians continued to live in or near poverty. Before the pandemic, about 6.3 million Californians - about 16.4% - lacked the resources for basic needs. Poverty rates varied widely across the state, from about 5% to more than 40%, with Los Angeles County at more than 20%. Nearly [half of California](#) children participate in the state's two biggest assistance programs, CalFresh and CalWORKs.

"I'm just very proud that we are a state that reflects the type of values that recognizes that so many people were disproportionately hurt by this pandemic."

Senator Nancy [Skinner](#), D  
Oakland, Budget Committee  
chair

California also lost population for the first time in the state's history in 2021.

There were several contributors to the decline, including young adults unable to gain the stability to begin a household. The average age at first marriage for women passed 30 years for the first time and the share of men and women in their 20s living with a parent grew to almost half.

Given the budget surplus, lawmakers responded with a series of programs to

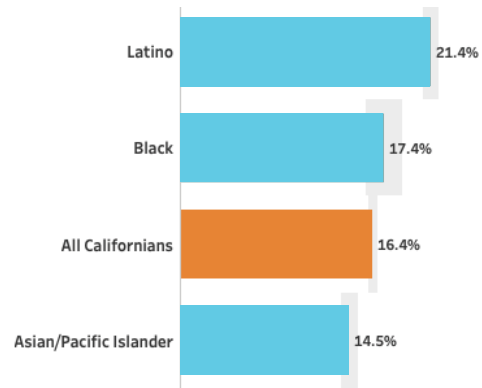
help those hurt by the pandemic and those already suffering from the state's poverty and inequality including:

- A [\\$600 one-time payment](#) approved in February to all households receiving the Earned Income Tax credit with an extra \$600 for undocumented taxpayers who were ineligible for previous federal stimulus payments.
- An additional payment passed in June along with \$5 billion to help renters stay housed and \$2 billion to help pay overdue water and utility bills.

The total cost of the state's stimulus package was \$11.9 billion. Gov. Newsom said 78% of California taxpayers would benefit from the payments.

In March, Congress also approved a \$1.9 trillion virus relief package that included an expanded child tax credit. Combined with the state stimulus, experts predicted the benefits could [reduce child poverty in California by half](#). The federal payments would give \$3,600 per year for each child under 6 and \$3,000 for each child under 18 to single parents earning up to \$75,000 and couples earning \$150,000. That would reach 60% of California households with children.

### Who's in Poverty in California



Source: [www.ppic.org/interactive/whos-in-poverty-in-california/](http://www.ppic.org/interactive/whos-in-poverty-in-california/)



**IN OTHER NEWS ABOUT POVERTY AND INEQUALITY:**

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- Lawmakers approved the [nation's first state-funded guaranteed income program](#) with \$35 million to support a series of experiments around the state. In general, the programs provide between \$500 and \$1,000 per month for one to two years with no strings attached.
- California became the [first state to require warehouses](#) to disclose to workers any quotas or work speed standards, as well as the potential consequences for failing to meet them.
- Newsom signed a bill to [mandate paying garment workers](#) by the hour unless they collectively bargain for a per-piece rate. Advocates for the poor said the per-piece rate, as low as 12-cents per piece, was a form of wage theft.



*Crews deploy skimmers and floating barriers known as booms to try to stop further incursion into the Wetlands Talbert Marsh in Huntington Beach on Oct. 3, 2021. AP Photo/Ringo H.W. Chiu*

# CHAPTER 8

# Environment

The slow creep of drought burgeoned into a full blown crisis in 2021, with more than [80% of the state](#) in the clutches of extreme drought, or worse. By the close of the water year at the end of September, statewide reservoir storage was [60% of average](#). Supplies from [state](#) and federal aqueducts dwindled, [landowners, growers and others](#) faced prohibitions on pumping water from rivers and streams in major watersheds, and [Californians relying on domestic wells](#) reported more than [950 well outages to the state](#).

Gov. Newsom declared drought emergencies [in all 58 counties](#), but did not issue mandatory conservation rules by November. In July, Newsom urged Californians to [cut their water use by 15%](#), but conservation still lags: Residents reduced water use in their homes and businesses [by only about 5% in August](#) compared to August of 2020.

The crisis comes as [the state's second driest](#) water year collides with the [warmest summer on record](#). Thirsty air and soil drank up snowmelt, leaving the state about 700,000 acre-feet short of projected runoff in the Sacramento Valley, the [California Department of Water Resources](#) estimated.

Storms at the end of October dropped much-needed rain and snow, but state water officials are nevertheless bracing for a dry year ahead. Scientists expect to see [more of this whiplash](#) from drought

“Californians always have hope, and that’s healthy. But we need to be prudent. We’re doing more conservative planning than we’ve ever done.”

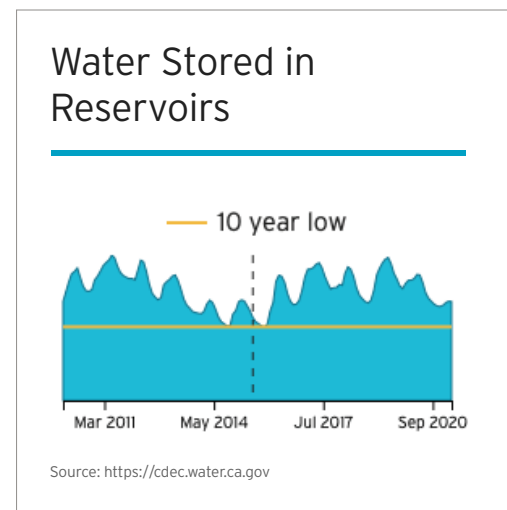
Karla Nemeth, director of the California Department of Water Resources

to deluge and drought again as climate change continues. California lawmakers and the Newsom administration set aside [\\$5.2 billion](#) over three years to respond to the drought and bolster water resilience long term.

### IN OTHER ENVIRONMENTAL NEWS:

- By the end of October, more than [8,300 fires](#) had burned over 3 million acres. The Dixie fire alone killed one person and incinerated more than 963,000 acres in Butte, Plumas, Lassen, Shasta, and Tehama counties – making it [California's second largest](#) wildfire on record. Newsom [was criticized](#), however, for overstating the state's fire prevention efforts.

- In April, Newsom announced an executive order [to bar new oil fracking starting in 2024](#). And in October, he backed a draft rule to prevent new oil and gas wells [within 3,200 feet](#) of schools, hospitals, and homes. Newsom has been [criticized by environmental advocates](#) for [not doing more](#) to reduce fossil fuel production and pollution. [A legislative effort to halt fracking](#) failed this year.



- A major oil spill that began [in federal waters off](#) Huntington Beach slicked a [painstakingly restored wetland](#) and drew attention to the state's rules for the oil and gas industry.
- The legislative session ended with the failure of the [California Climate Crisis Act](#), a controversial bill that would have required California to reach net-zero

greenhouse gas emissions no later than 2045, but also with the passage of a [\\$15 billion climate funding package](#). The multi-year funding includes support for water and drought as well as \$1.5 billion for wildfire and forest management, \$3.7 billion to bolster climate resilience, and \$3.9 billion to speed vehicle electrification.

- Lawmakers took steps in the budget to reform the [beleaguered](#) Department of Toxic Substances Control, [creating a five-member Board of Environmental Safety](#) and giving it authority to set fees in order to better fund investigations, enforcement, and cleanups of hazardous waste.
- California lawmakers took aim at plastics, this year seeing more success with narrower legislation than with the sweeping bills that stalled [last year](#) and [the year before](#). The package of new laws includes one [restricting](#) the items that can bear the “chasing arrows” symbol to only those [deemed recyclable](#), and another [that reclassifies the practice of shipping mixed plastic wastes](#) out of the country as “disposal” rather than counting it towards the state’s recycling targets.

– Rachel Becker



*Rising first graders sanitize their hands before entering the classroom during summer session at Laurel Elementary in Oakland on June 11, 2021. Laurel is a hub program for five district schools hosting 120 kids for the summer with a focus on resocialization in addition to academics. Photo by Anne Wernikoff, CalMatters*

# CHAPTER 9

# K12 Education

**T**he COVID-19 pandemic continued to define California's public education system in 2021.

Most students remained either in fully virtual or part-time in-person instruction through the latter half of the 2020-21 school year. Many districts in their initial reopenings prioritized students with disabilities and those who fell especially behind.

By fall, the laws governing distance learning expired and were replaced by independent study as the only alternative to in-person instruction. While most students and parents eagerly awaited the first fully in-person school year since the start of the pandemic, [the new provisions](#) generated chaos for many districts as the Delta variant fueled case numbers. More parents than expected flocked to independent study, fearing on-campus spread of COVID-19. Districts already struggling with teacher shortages scrambled to find staff adequate to accommodate the independent study demand.

Once the school year started, quarantines became commonplace. But the rules governing independent study made it challenging, and impossible in some cases, to provide instruction while students were stuck at home. Some students in quarantine were often left with no instruction for up to 10 days. Students with disabilities were especially [stuck in limbo](#).

"We know online learning was not ideal, particularly for our most vulnerable students. There's gonna be a huge deficit to make up in the next couple years."

Jenny Hontz,  
communications director  
for the parent advocacy  
group Speak Up based in  
Los Angeles

State mandates to deal with the virus were often controversial. The first mask mandate was issued in mid-July, causing some small and rural school districts to [balk](#). In August, after [months of reluctance](#), Gov. Newsom [issued a mandate](#) requiring teachers to either be fully vaccinated or undergo regular testing.

In mid-September, the board at Los Angeles Unified said all students would have to be vaccinated to attend in-person instruction. Newsom issued a statewide [vaccine mandate](#) for students less than a month later. The mandate will come into effect as soon as a vaccine is fully approved by the FDA. The mandate for students eliminated the regular testing option for teachers.

The mandate for students fueled parent [protests](#) and [lawsuits](#) across the state. It also sparked ongoing disruptions at school board meetings, where parents have been protesting mask mandates as well as the teaching of critical race theory.

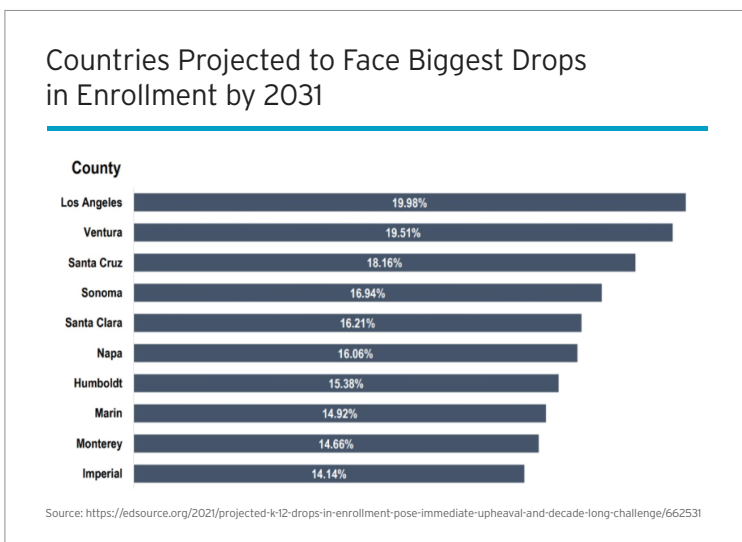
Newsom and state lawmakers worked to soften the impact of the pandemic with [a record \\$123.9 billion K-12 education budget](#) that gave special attention to high-needs students, special education programs and early childhood education. The budget also acknowledged the state's teacher shortage with \$2.8 billion in one-time funding to help districts recruit, retain and train teachers. The overall budget increase also reduced pension costs, a persistent concern for district administrators.

The budget included \$1.8 billion to help districts expand summer school and after-school programs for students. This additional funding will expand to \$5 billion by the 2025-26 school year. In an attempt to combat learning loss, some districts didn't wait to expand summer school offerings [this year](#).



## IN OTHER K12 EDUCATION NEWS:

- Enrollment [dropped 2.6% in 2020](#), raising questions about whether it was a blip due to the pandemic or a harbinger of a trend. The state is predicting an 11.4% drop from pre-pandemic levels – or about 703,000 fewer students – by 2031.
- Newsom signed legislation requiring high school seniors to pass [ethnic studies to graduate](#) starting with the class of 2030. The signing comes after a years-long battle over a model curriculum. Parent protests in the past year have often erroneously conflated the [ethnic studies courses](#) with critical race theory, which is not taught in schools, district officials say.
- Since 2019, the state Board of Education has been developing a controversial new math curriculum that would delay Algebra 1 until 9th grade as well as offer a data science course as an alternative to calculus. The proposal also emphasizes inclusive language and teaching strategies to help historically marginalized students. Critics called the curriculum “woke math” or a misguided attempt to close the achievement gap.
- The polarization around contentious school policies looms over the 2022 election year. By November, dozens of school board members across California received [recall notices](#).



– Joe Hong



*San Diego State University, Fowler College of Business, held their in-person graduation ceremony at Petco Park on May 26, 2021. Graduates are seated at six foot intervals to adhere to California Department of Public Health guidelines. Anne Wernikoff, CalMatters*

# CHAPTER 10

# Higher Education

n-person classes returned in 2021 for most University of California and [70% of California State University classrooms](#). Community college numbers are harder to come by because the system is more like a federation of 73 different districts. About 65% of classes [were still online in fall](#) after virtually all were online last academic year.

California's public colleges and universities went about enforcing vaccine requirements differently. While the UC made its announcement nearly two months before most students started fall classes, CSU issued its decision a few weeks before school started, meaning some students were on [campus and still unvaccinated](#). Meanwhile, just 50 of the community college system's 73 districts require vaccines for students.

California community college enrollment was also down about 11% in fall 2020 - [consistent with nationwide data](#). But while the country's public universities [shed about 1% of students last fall](#), the UC and CSU [stayed steady or even increased slightly](#).

Financially, California public higher education bounced back from a bleak year in 2020. In 2021, college operations and financial aid [saw \\$3.3 billion more in general fund support](#). Overall, higher education got a [whopping \\$47 billion in total funds](#), bolstered by about \$2.3 billion in federal support. Since the overall state budget also grew substantially, however, higher education actually received a smaller-than-usual share of the

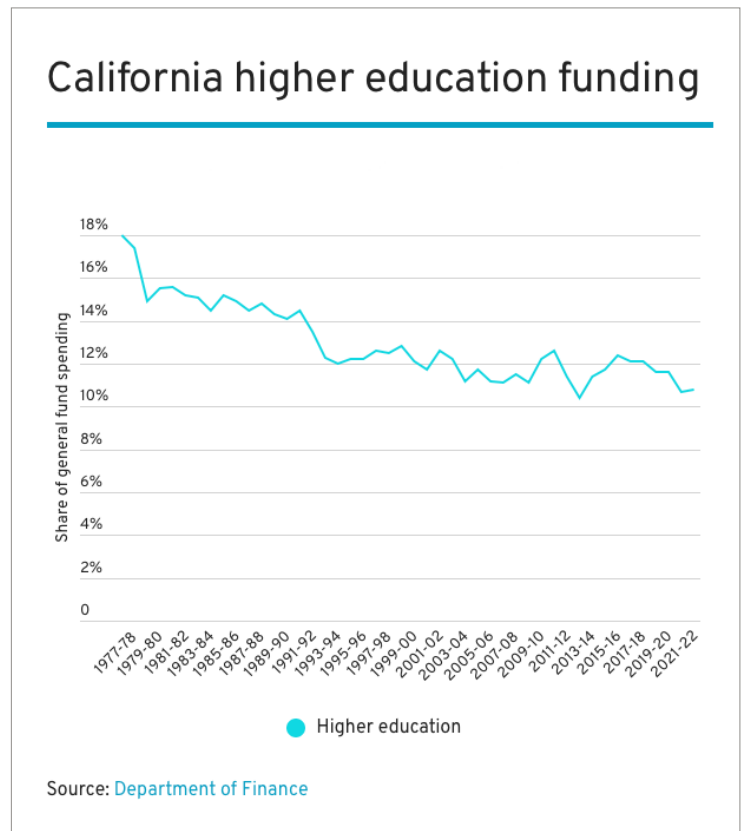
"Eat your heart out, Texas! Eat your heart out, Florida! Eat your heart out, Tennessee! Eat your heart out, fill-in-the-damn-blank!"

[Gov. Newsom](#) touting the state's \$47 billion higher education budget at a college rally, Oct. 2021

general fund. Also, the \$2 billion for student housing would build just a small percentage of what the UC, CSU and community colleges need to provide low-cost living quarters [for the hundreds of thousands of students who need it](#).

### IN OTHER HIGHER EDUCATION NEWS:

- A plan slated for next year will create the [first-of-its-kind debt-free grant](#) – and eventually cost almost \$2 billion annually – for UC and CSU students.
- The 2020 budget expanded the Cal Grant– the state’s chief financial aid tool – to some 133,000 community college students annually.
- For more than two years, UC lecturers have been fighting for a new labor contract that grants them job protections, employee reviews, and other reforms meant to stop the high rate of churn these educators experience, [a CalMatters investigation found](#). The union of 6,000 lecturers threatened to strike, jeopardizing a third of classes, but reached an agreement for higher pay in November.



– Mikhail Zinshteyn



*Inmates pass a correctional officer as they leave an exercise yard at the California Medical Facility in Vacaville. In 30 of the state's 35 prison facilities, less than half of employees have accepted the state's offer to provide vaccination against COVID-19. Photo by Rich Pedroncelli, AP Photo*

# CHAPTER 11

# Justice

California mirrored a nationwide trend in 2021 with a 30% increase in homicides even as it saw a decrease in violent crime statewide. It also put into effect a new law that requires the state Justice Department to investigate every killing of an unarmed civilian by a police officer. There were six such investigations in the three months following the law's effective date in July.

Two progressive district attorneys elected on promises to reduce criminal sentences and forgo gang enhancements faced recall attempts. Organizers attempting to oust Los Angeles DA George Gascon failed to gather the requisite signatures, but the campaign to recall San Francisco DA Chesa Boudin [gained enough signatures](#) to force a recall election in March 2022.

“Both California’s and the nation’s violent crime rates are now roughly where they were a decade ago.”

Public Policy Institute of California

In the courts, Justice Martin Jenkins became the first openly gay member of the California Supreme Court. In perhaps its most significant decision of the term, the Supreme Court held unanimously that defendants who cannot afford bail should not be held without “clear and convincing” evidence that there is no other way to ensure the public’s safety and that a defendant shows up to court.

– Nigel Duara

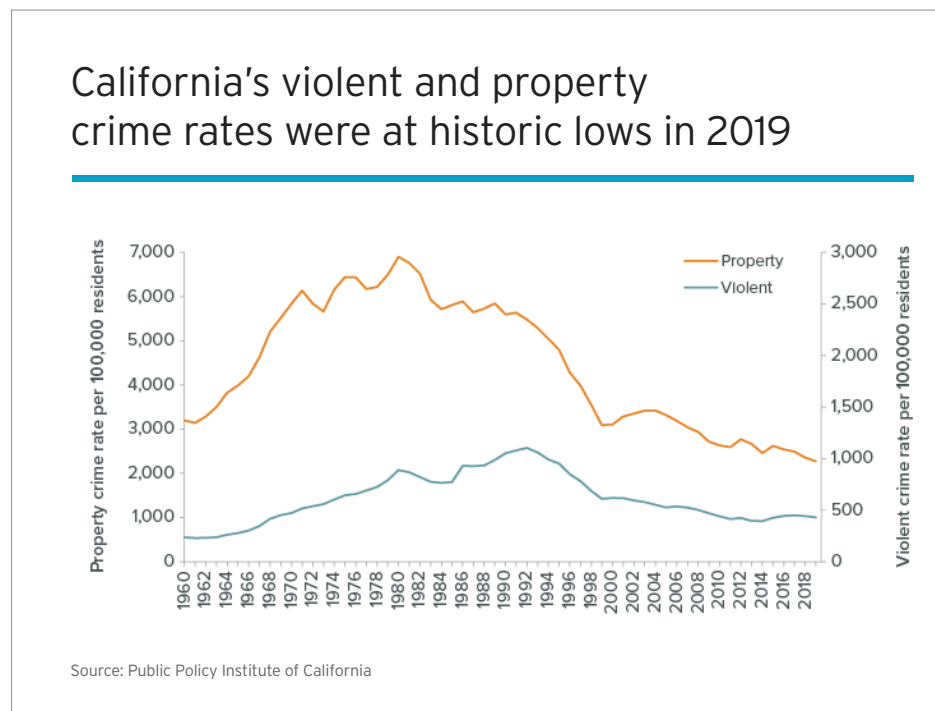
California closed one prison in 2021, the Deuel Vocational Institution in San Joaquin County. The California Correctional Center in Susanville is slated to close in 2022. [A report from the Legislative Analyst’s Office](#) said the state could

close five prisons by 2025 and save the state roughly \$1 billion.

In addition to the closures, California prisons spent most of the year focusing on vaccinating incarcerated people and prison workers. Outbreaks peaked around the beginning of the year, but as the majority of inmates rolled up their sleeves, prison guards were reluctant.

State officials tried various incentives to nudge guards toward vaccinations to no avail. After months of low vaccinations among staffers, a federal [judge mandated that prison guards be vaccinated](#). Gov. Newsom appealed the ruling, which was also opposed by the prison guard union.

– Byrhonda Lyons





*Flags line the National Mall towards the Capitol Building as events get underway for President-elect Joe Biden's inauguration ceremony, Wednesday, Jan. 20, 2021, in Washington. (AP Photo/Julio Cortez)*

# CHAPTER 12

# Federal Relations



**T**here was a dramatically different relationship in 2021 between California and the federal government. In contrast to leading the opposition to the Trump Administration with more than [100 lawsuits](#) against federal changes in 2020, California gained billions of dollars in stimulus payments and infrastructure in 2021. It also sought federal relief with disaster declarations for wildfires, drought and an oil spill.

### **AMONG THE FEDERAL ACTIVITIES INVOLVING CALIFORNIA:**

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- According to the [state budget](#), six federal stimulus bills helped pay for emergency pandemic response, testing and contact tracing, health care, and vaccinations as well as directly supporting the unemployed, expanded tax credits and K-12 schools. The governor's budget said: "Combined ... California and its economy will benefit from over \$600 billion provided through these federal bills."
- The \$1.2 trillion infrastructure bill President Biden signed in November was expected to benefit [California more than most states](#) because its population is heavily reliant on freeways, aqueducts, sea walls, dams and other structures. The bill included more than \$8 billion for Western water projects; money for wildfire prevention such as underground power lines; more charging stations for electric cars and possibly more money for high speed rail. One estimate put the benefit at [\\$5.8 billion over five years](#) in new federal dollars to California.
- In March, the US Department of Agriculture designated 50 California counties as "[primary natural disaster areas due to a recent drought.](#)" The

designation provides access to federal loans for farmers impacted by the drought.

- In September, the White House approved California's request for a Presidential Major Disaster Declaration for the [Dixie and River fires](#). A separate declaration weeks later included counties damaged by the [Caldor Fire](#). The declaration provides access to grants for housing and repairs, as well as low cost loans for business and other programs.
- In October, the US Small Business Administration provided [federal disaster relief](#) to businesses impacted by an oil spill in Huntington Beach that shut down beaches and fisheries and closed a popular air show.
- California has been caught in regulatory whiplash over the past five years, with the Trump administration [acting to revoke California's unique authority](#) to set greenhouse gas standards for tailpipe pollution, and the Biden administration [proposing to restore it](#). The state is still waiting for the move to be finalized.



*The California State House on August 12, 2019. Photo by Anne Wernikoff for CalMatters*

# CHAPTER 13

# Looking Ahead

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**HERE ARE A FEW THINGS WE SEE COMING NEXT YEAR:**

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- It's an election year. In 2022, the primary on June 7 and the general election on Nov. 8 will include all eight of the state constitutional offices including governor, lieutenant governor and attorney general. It will also include all 80 California Assembly seats, 20 of the 40 state Senate offices and all 52 of the state's U.S. House seats.
- It is the first election using new maps for state and federal districts created after the latest census, causing significant upheaval for incumbents. The state [lost one Congressional seat](#) since California's population did not grow as fast as other parts of the nation. The independent citizens commission that drew the maps initially put 63 of the 172 state and federal district officeholders in districts [with another incumbent](#).
- Voters are likely to consider at least a dozen ballot measures in November. The big money likely will be spent on as many as four measures to legalize sports betting, with Indian tribes, on-line wagering corporations, local cardrooms and horse racing tracks involved in competing proposals. Other [likely ballot measures](#) include:
  - » A third effort by unions to impose staffing controls on dialysis clinics.
  - » A duel between medical care providers and personal injury attorneys over damages in medical malpractice lawsuits.
  - » An attempt to repeal [Senate Bill 9](#) and [Senate Bill 10](#), which opened up more land for multi-family projects.

- » A ban on flavored tobacco.
- » Changes to the process for recalling officeholders.
- The fate of the state's troubled bullet train could be determined in 2022. Gov. Newsom wants the Legislature to appropriate \$4.2 billion in bond funds to keep construction in the San Joaquin Valley going, but legislative leaders want the money spent on local commuter rail projects.
- In higher education, lawmakers will consider whether to expand financial assistance through the state's Cal Grant program and expand enrollment at UC and CSU campuses, as well as what the state can do to assist with high student housing costs.
- On the environment, a proposal to require all new medium and heavy trucks sold in California to be zero emission by 2040 will come before the California Air Resources Board in 2022. The rule is a companion to a measure adopted in 2020 that was the world's first mandate to increase sales of zero-exhaust [trucks and buses](#), starting in 2024.
- On homelessness, the state hasn't conducted a tally of how many people sleep unsheltered since it found at least 160,000 in January 2020. Despite billions of dollars spent on the issue, experts say it's likely the homeless population is now larger than ever before.
- On housing, the Legislature identified homeownership as a key to [promote racial equity and upward economic mobility](#), with activists watching for the results of a [\\$3 million research effort](#) by the state treasurer to determine the

feasibility of a state program to help first-time homebuyers.

- On health care: Legislators are expected to revisit a plan to create an “[Office of Health Care Affordability](#)” to set cost targets for health plans, hospitals, physician groups and prescription drugs.
- The single-payer health care debate is likely to re-emerge in 2022 since it was a prominent [campaign promise for Newsom](#) in his 2018 election. Newsom created a commission of experts to explore a plan for getting the state closer to universal coverage and the cost.
- Lawmakers are expecting another huge surplus to spend when they adopt the 2022-23 fiscal year budget in June. As early as November, the Legislative Analyst estimated the surplus at about \$31 billion.