



NOSSAMAN LLP | Memorandum

TO: Monterey County Legislative Committee

FROM: Ashley S. Walker, Senior Policy Advisor

DATE: May 7, 2024

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- a. Status of the Legislature:** The first policy committee deadline for fiscal bills was on April 26. The policy committee deadline for nonfiscal bills is May 3. Appropriations Committees will meet in May and take up measures to meet the May 17 fiscal committee deadline. Bills will then move to the floor and be passed over to the second house. The Legislature will take a summer recess from July 3 until August 5. The final day of the legislative session is August 31. The Governor has 30 days to take actions on all bills presented to him.
- b. State Budget – May Revise:** The May Revise will be released around May 10 and budget negotiations will be ongoing until the end of June. The budget must be passed by June 15 and signed by the Governor by June 30. However, there are budget trailer bills that can continue to be worked on until the end of session. The Legislature already passed, and the Governor signed, the Early Action Budget Plan that was announced and agreed upon to address some of the State’s budget deficit – about \$17 billion of it. The LAO is still predicting a massive state budget shortfall, while the Governor’s office and Department of Finance believe it is slightly less. Either way, there will need to be significant budget adjustments to account for the deficit.
- i. California Rural Legal Assistance Rural Justice Centers:** Assemblymember Eduardo Garcia is requesting support for his \$10 Million state budget request for California Rural Legal Assistance, Inc. (CRLA) Rural Justice Centers program. Recommended position: Support.
- ii. Employee Ownership Hub:** The Worker-Owned Recovery California (WORC) Coalition is requesting support for a \$1.5 Million state budget request to fund the Employee Ownership Hub within the Governor’s Office of Business and Economic Development (GO-Biz). The sign on information is below. Recommended position: Support.

“Dear California budget leaders:

The undersigned organizations respectfully request your support for an investment of \$1.5 million (\$500,000 per year for three years) to fund the Employee Ownership Hub within the Governor’s Office of Business and Economic Development (GO-Biz). When employees become owners, this creates opportunities for wealth building, community stability, union partnerships and other benefits and helps California create a more inclusive, equitable and stable economy fit for the 21st century.

The Employee Ownership Hub was created with unanimous bipartisan support through SB 1407 (Becker, 2022), the California Employee Ownership Act. The California Office of the Small Business Advocate (CalOSBA), the division of GO-Biz that will house the Employee Ownership

Hub, cannot implement the Act without an initial small budget allocation to fund the Hub Manager position and essential programming for the first three years. To fully realize the intent of the Act, a higher level of funding will be needed in the future, but CalOSBA has indicated that this year's modest request can be catalytic in facilitating the launch of the Hub, which is urgently needed and will generate positive financial returns for our state (for example, by retaining jobs during recessions).

As numerous studies have shown, the benefits of employee ownership include stronger business performance, quality jobs and wealth building opportunities for workers, and stronger and more resilient local economies. California has more employee-owned businesses than any other state in spite of limited resources. The modest funds requested here are critical for expanding and maximizing the benefits of employee ownership for California workers, businesses, and communities."

c. **State Budget Member Requests:** Senator Anna Caballero requested the submittal of budget proposals for the 14th Senate District. We submitted a funding request for the clean drinking water project in the community of San Lucas. There have been no other official solicitations for budget requests, but we have informed our delegation of our funding needs.

d. **Legislation:**

- i. **AB 2022 (Addis) Mobilehome parks: emergency preparedness.** Adds new requirements to the emergency preparedness plan and emergency procedures that mobilehome park owners or operators must adopt and comply with, to take effect July 1, 2025. Recommended position: Support.
- ii. **AB 2200 (Bonta) Guaranteed Health Care for All.** Creates the California Guaranteed Health Care for All Act. Recommended position: Watch.
- iii. **AB 2561 (McKinnor) Local public employees: vacant positions.** This bill requires each local public agency that has bargaining unit vacancy rates exceeding 10% for more than 90 days within the past 180 days to promptly meet and confer with the recognized employee organization representative to produce and implement a plan to fill all vacant positions within 180 days. The bill also requires the local public agency to publish the plan on its website for at least one year for public review. Recommended position: Watch.
- iv. **AB 2882 (McCarty) California Community Corrections Performance Incentives.** This bill increases county reporting requirements to the state Board of State and Community Corrections (BSCC) related to realignment implementation and requires BSCC to publish on its website county realignment implementation plans and county spending and outcomes data. Recommended position: Oppose.
- v. **AB 3233 (Addis) Oil and gas: operations: restrictions: local authority.** This bill authorizes a local entity, by ordinance, to regulate, limit, or prohibit oil and gas operations or development in its jurisdiction. Recommended position: Support.

- vi. **SB 1032 (Padilla) Housing finance: portfolio restructuring: loan forgiveness.** This is a CSAC sponsored bill. The bill would authorize the Department of Housing and Community Development (HCD) to approve the forgiveness of loans funded or monitored by the department under specified affordable housing programs, if a borrower demonstrates that the loan is impeding the ability to maintain and operate the project for affordable housing or senior housing. Recommended position: Support.
- vii. **SB 1057 (Menjivar) Juvenile Justice Coordinating Council.** SB 1057 alters the composition of the Juvenile Justice Coordinating Councils and make changes to multiagency juvenile justice plans. In so doing, this bill impedes collaborative and multi-agency approaches currently relied upon which have been essential tools in supporting an entire continuum that prevents juveniles from becoming more formally system involved. Recommended position: Oppose.
- viii. **SB 1060 (Becker) Property insurance underwriting: risk models.** This bill will require a property insurer that employs risk models for underwriting purposes to account for wildfire risk reduction associated with hazardous fuel reduction, home hardening, and defensible space. The bill will also authorize the department to examine underwriting models to ensure compliance with that risk model requirement and to issue orders that are necessary to ensure compliance. Recommended position: Support.
- ix. **SB 1188 (Laird) Drinking water: technical, managerial, and financial standards.** This bill would require the State Water Resources Control Board (State Water Board) to develop and adopt minimum standards related to the technical, managerial, and financial (TMF) capacity of public water systems with fewer than 10,000 service connections. Recommended position: Watch.
- x. **SB 1346 (Durazo) Workers' compensation: aggregate disability payments.** SB 1346 would allow the Workers' Compensation Appeals Board the discretion to extend the potential duration of temporary disability payments for up to 90 days if an injured employee prevails at a workers' compensation independent medical review. Recommended position: Watch.
- e. **Taxpayer Protection and Government Accountability Act (Initiative #1935):** CSAC states "In March 2022, the CSAC Board of Directors voted to oppose Initiative #1935, titled the "Taxpayer Protection and Government Accountability Act," because it would restrict the ability of the state, counties, other local agencies, and the electorate to approve or collect taxes, fees, and other revenues, and endanger local initiatives that have already been approved by voters. CSAC has developed a set of resources to help educate counties about the measure. These resources include a template resolution, an opposition letter, and an informational item." The Legislative Committee should provide direction on a position, and that position will be recommended to the full Board of Supervisors. Recommended position: Oppose.
- f. **Climate Bond Update:** Climate bond negotiations have begun and working groups in the Senate and Assembly have been formed. The current debt capacity for the State is around \$20 billion, with several statewide bonds being negotiated and discussed. In order for any legislative bond to qualify for the November ballot, the Legislature would need to swiftly pass an agreed upon bond bill, and it would need to be signed by the Governor no later than June 27.

The Members on the working groups are as follows:

Senate SB 867 Climate Bond Working Group Members

- Senator Allen (SD 24, including Los Angeles) – Author
- Senator Caballero (SD 14, including Monterey County, Salinas, San Benito County)
- Senator Skinner (SD 9, including Alameda County, Contra Costa County, Alameda, Oakland, Piedmont, Emeryville, Berkeley, El Cerrito, Richmond)
- Senator Limon (SD 19, including Santa Barbara County, Ventura County)
- Senator Gonzalez (SD 33, including Southeast Los Angeles)
- Senator Becker (SD 13, including San Mateo County, Santa Clara County)

Assembly AB 1567 Climate Bond Working Group Members

- Assemblymember Garcia (AD 56, including Los Angeles County and San Gabriel Valley) – Author
- Assemblymember Addis (AD 30, including Monterey, San Luis Obispo, Santa Cruz counties)
- Assemblymember Hart (AD 37, including San Luis Obispo, Santa Barbara counties)
- Assemblymember Wilson (AD 11, including Solano, Contra Costa, Sacramento counties)
- Assemblymember Petrie-Norris (AD 73, including Orange County)
- Assemblymember Papan (AD 21, including San Mateo County)
- Assemblymember Connolly (AD 12, including San Joaquin, Stanislaus counties)
- Assemblymember Bryan (AD 55, including Los Angeles, Orange, San Bernardino counties)
- Assemblymember Soria (AD 27, including Fresno, Madera, Merced counties)
- Assemblymember Zbur (AD 51, including Los Angeles)

- g. Dam Safety Coalition Update:** The LAO proposed the Legislature considering removing funding from the recently created Dam Safety grant program in order to address the anticipated budget deficit. I will provide a verbal report on the May Revise related to dam safety. The most recent coalition letter the County and WRA signed on to urges the Administration and Legislature to maintain dam safety as a priority in budgetary and water and climate bond discussions in 2024. The Coalition has been holding advocacy meetings to relay this message. In addition, ACWA and other has prioritized dam safety funding as an “ask” within the climate bond being negotiated.
- h. Childcare Provider Rate Reform:** According to the Department of Social Services: “To increase positive outcomes for children, families, and the early care and education workforce, California will be setting childcare subsidy payment rates informed by the cost of care, moving away from market rates. The California Department of Social Services (CDSS) is working with national experts, Prenatal to Five Fiscal Strategies (P5), to design and implement an alternative methodology process.” We received feedback from the County that in general, the County supports the alternative methodology process to set provider rates in lieu of a market rate survey. The Rate & Quality Advisory Panel held their final meeting on May 8. We are at the end of the public engagement process for the reform process.
- i. San Lucas Drinking Water Project:** We have requested that our Legislative Delegation advocate for a funding and/or legislative solution to address the lack of safe and clean drinking water in San Lucas. During the CSAC Legislative Conference, we coordinated a meeting with the Speaker’s office to discuss the need for a solution. Supervisor Alejo and Supervisor Lopez attended that meeting.

j. **Governor's Actions and Executive Orders:** The following actions have been taken by the Governor since the last Legislative Committee meeting. This list is compiled from CalOES, California Health and Human Services, California Department of Public Health, and FEMA. Nossaman can provide additional details of any item listed below, should the Legislative Committee desire.

- May 7 – The State announced today that for the first time since 2019 California's groundwater storage has increased – a direct result of state and local actions to capture and store more water underground during last year's historic wet season. California achieved 4.1 million acre-feet of managed groundwater recharge in 2023, with an overall increase in groundwater storage of 8.7 million acre-feet – equivalent to 26.1 million households' usage over an entire year. Governor Gavin Newsom and the state took action to help local communities during last year's wet season, expanding groundwater recharge by 1.6 million acre-feet.
- May 3 - Governor Newsom announced today that Highway 1, severely damaged by recent storms, is on track to reopen to unrestricted signal controlled traffic by May 25 — ahead of Memorial Day. Since the March 30 slip out, crews have been working around-the-clock to stabilize the roadway. The Governor is also taking action that will help secure federal funding for repairs to Highway 1 and other impacted areas around the state, including badly damaged Topanga Canyon Boulevard on State Route 27 in Los Angeles County.
- April 29 - FEMA is reducing the hours of its helpline -- 800-621-3362 -- the number people can call to update their FEMA application or check its status as they continue their recovery from the Jan. 21-23 flooding in San Diego, CA. FEMA specialists will be available daily 7 a.m. – 8 p.m. PT moving forward.
- April 26 – Governor Newsom announced a partnership between the California Highway Patrol and the Bakersfield to target crime in the Central Valley.
- April 23 - Governor Newsom announced the seizure of 1.1 million fentanyl pills in the last week through the California National Guard's Counterdrug Task Force, in support of the San Diego County Sheriff's Department and the U.S. Department of Homeland Security.
- April 21 – President Biden issued a Major Disaster Declaration for the Morongo Band of Mission Indians and the Hoopa Valley Tribe to support recovery efforts following the severe storms of late January and early February.
- April 14 - President Biden approved Governor Gavin Newsom's request for a Presidential Major Disaster Declaration to support ongoing recovery efforts following widespread flooding, mudslides and debris flows during early February storms.
- April 12 - The Internal Revenue Service (IRS) approved a request from Governor Gavin Newsom, Cal OES and the California Franchise Tax Board (FTB) to extend tax deadlines for California taxpayers in San Diego County to June 17, 2024.
- April 10 - Cal OES today announced awarding \$39 million to 193 community groups across the state. This announcement follows Governor Gavin Newsom's additional \$20 million

investment in the program last October to further the state's efforts to bolster safety and security at nonprofit organizations.

- April 2 - Governor Newsom released the state's updated Water Plan to protect California's water supplies from the climate crisis while boosting our ability to capture and store water for when dry conditions return.

k. State Bill/Issues Track: See attached.