Legislative Update

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Legislative Calendar:

- July 3 Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment, provided the Budget bill has been passed.
- August 5 Legislature Reconvenes from Summer Recess
- August 16 Last day for fiscal committees to meet and report bills
- August 19 Floor Session only. No committees, other than conference and Rules committees, may meet for any purpose
- August 23 Last day to amend on the floor
- August 31 Last day for each house to pass bills. Final Recess begins upon adjournment
- September 30 Last day for Governor Newson to sign or veto legislation

November Ballot Measures

This November, voters will decide on ten policy proposals, including crime, health care, rent control, and taxes. This year, there were far more last-minute changes than usual. Five measures were withdrawn by their proponents in deals with lawmakers, and another (the <u>Taxpayers Protection Act</u>) was removed from the ballot by the state Supreme Court in a unanimous decision. And Gov. Gavin Newsom scrapped a crime measure at the last minute. However, legislators added two bond issues on the final day possible, one for climate action and another for school construction. The 2024 ballot will be more crowded than the 2022 one, which had seven measures, the fewest in over a century.

Prop 2 (AB 247)	Authorizes \$10 billion in new bonds - \$4 billion for the modernization
	of school facilities, \$3 billion for new construction of school facilities,
	\$1.5 billion for community college facilities. \$600 million for providing
	school facilities to charter schools, \$600M for facilities for career
	technical education programs.
Prop 3 (ACA 5)	Repeals the provision of the California Constitution that limits marriage
	to a "man and a woman" and replaces it with a provision that expressly
	affirms that the right to marry is a fundamental right.
Prop 4 (SB 867)	Authorizes \$10 billion in new bonds - \$3.8B for safe drinking water,
	drought, flood, and water resilience programs, \$1.5B for wildfire and
	forest resilience programs, \$1.2B for coastal resilience programs, \$1.2B
	for biodiversity protection, \$850M for clean air programs, \$700M for
	park creation and outdoor access programs, \$450M for extreme heat
	mitigation programs, \$300M for climate-smart, sustainable, and resilient
	farms, ranches, and working lands

D 5 (AGA 1)	
Prop 5 (ACA 1)	Proposes amendments to the California Constitution to allow a city, county, or special district, with 55% voter approval, to incur bonded indebtedness or impose specified special taxes to fund projects for affordable housing, permanent supportive housing, or public infrastructure.
Prop 6 (ACA 8)	The California Constitution prohibits slavery and involuntary servitude, except as punishment to a crime. This measure would prohibit slavery in any form and would prohibit the Department of Corrections and Rehabilitation from disciplining any incarcerated person for refusing a work assignment.
Prop 32 (Initiative)	Existing law requires annual increases to California's minimum wage until it has reached \$15.00 per hour for all businesses on January 1, 2023. This measure extends these annual increases (\$1.00 per year) until minimum wage- currently, \$15.00 per hour for businesses with 26 or more employees, and \$14.00 per hour for smaller businesses-reaches \$18.00 per hour. Thereafter, as existing law requires, the minimum wage will annually adjust for inflation. In periods of decreased economic activity, or General Fund deficit, the Governor may suspend annual increase up to two times, thereby extending timeline for reaching \$18.00 per hour.
Prop 33 (Initiative)	Current state law (the Costa-Hawkins Rental Housing Act of 1995) generally prevents cities and counties from limiting the initial rental rate that landlords may charge to new tenants in all types of housing, and from limiting rent increases for existing tenants in (1) residential properties that were first occupied after February 1, 1995; (2) single-family homes; and (3) condominiums. This measure would repeal that state law and would prohibit the state from limiting the right of cities and counties to maintain, enact, or expand residential rent-control ordinances.
Prop 34 (Initiative)	Requires certain health care providers to spend 98% of revenues from federal discount prescription drug program on direct patient care. Applies only to health care providers that: spent over \$100,000,000 in any ten-year period on anything other than direct patient care; and operated multifamily housing with over 500 high- severity health and safety violations. Penalizes noncompliance by revoking health care licenses and tax-exempt status. Permanently authorizes state to negotiate Medi-Cal drug prices on statewide basis.
Prop 35 (Initiative)	Makes permanent the existing tax on managed health care insurance plans, currently set to expire in 2026, which the state uses to pay for health care services for low-income families with children, seniors, people with disabilities, and other groups covered by the Medi-Cal program. Requires revenues to be used only for specified Medi-Cal services, including primary and specialty care, emergency care, family planning, mental health, and prescription drugs. Prohibits revenues from being used to replace other existing Medi-Cal funding. Caps

	administrative expenses and requires independent audits of programs receiving funding.
Prop 36 (Initiative)	Allows felony charges for possessing certain drugs, including fentanyl, and for thefts under \$950—both currently chargeable only as misdemeanors—with two prior drug or two prior theft convictions, as applicable. Defendants who plead guilty to felony drug possession and complete treatment can have charges dismissed. Increases sentences for other specified drug and theft crimes. Increased prison sentences may reduce savings that currently fund mental health and drug treatment
	programs, K-12 schools, and crime victims; any remaining savings may be used for new felony treatment program.

Licensure

Effective July 1, 2024, boards and bureaus under the Department of Consumer Affairs (DCA), like BPELSG, must expedite licensure application processing for service members currently enrolled in the U.S. Department of Defense SkillBridge Program. Service members seeking licensure in California who qualify must provide enrollment documentation, such as an official letter from the commanding officer. Failure to provide proper documentation could result in application processing delays. Applicants must still meet all board or bureau licensing requirements. For questions or assistance regarding licensing requirements, please get in touch with the BPELSG at (916) 999-3600. For more information on licensing resources available to service members, visit www.dca.ca.gov/military.

Legislation

APM/DB/CMaR

AB 1957 (Wilson) This bill authorizes any county to use the "best value" method for construction projects over \$1 million and job order contracts up to \$3 million until January 1, 2030. Chaptered 7/2/2024. **ASCE**: **Support**

Business Issues

AB 2557 (Ortega) This bill violates Article XXII of the Constitution regarding architecture and engineering (AE) services. It would require public agencies to notify employee bargaining organizations at least ten months before contracting for various services, including AE, that are currently or were performed by agency employees in the previous ten years. Location: Senate Appropriations. **ASCE: Oppose**

Codes

AB 2114 (Irwin) Existing law mandates that a homeowners association's board related to a condominium project must organize a visual inspection of the exterior elevated elements every nine years. A licensed structural engineer or architect must conduct the inspection; it is the board's maintenance or repair responsibility. AB 2114 would also permit a licensed civil

engineer to perform these inspections. The bill is proposed as an urgency statute, meaning it will come into effect immediately once passed. Enrolled. **ASCE**: **Support**

SB 1432 (Caballero) This bill extends the January 1, 2030 deadline, which requires hospitals to be capable of continued operations following a significant earthquake, until January 1, 2033, if hospitals submit a seismic compliance plan by January 1, 2026. Permits the Department of Health Care Access and Information (HCAI) to grant hospitals an additional extension up to January 1, 2038, based on an application and demonstration by the hospital that it meets specified criteria. Location: Assembly Appropriations **ASCE**: **Watch**

Groundwater

AB 1563 (Bennett) Prohibits a local agency from approving permits for groundwater wells in a critically over-drafted basin until it obtains a written verification from the relevant groundwater sustainability agency (GSA) determining that the well is consistent with sustainable groundwater management and a report by a licensed professional that the well will not interfere with existing nearby wells. Location: 5/22/2024-S. L. GOV. **ASCE: Disfavor**

Licensure

AB 1862 (Chen) AB 1862 would remove the expiration date in existing law, meaning that the authorization for AE professionals to form limited liability partnerships would remain indefinitely. Location: Senate Appropriations. **ASCE**: **Support**

AB 3253 (Berman) This bill is the sunset review vehicle for the Board of Professional Engineers, Land Surveyors, and Geologists (BPELSG), which, among other things, extends the BPELSG's authority to license and regulate the professions of engineering, land surveying, and geology until January 1, 2029, expands the BPELSG's authority to enforce against certain unlicensed activities, and makes various technical changes. Location: Senate Appropriations. **ASCE**: **Support**

Water

AB 1597 (Alvarez) Authorizes, upon appropriation by the Legislature, funds to be made available to the North American Development Bank (NADBank) for loans, grants, and direct expenditures that address water quality problems of the California-Mexico cross-border rivers, including the New and Tijuana Rivers; authorizes the appropriation of funds to recipients that are allowed to work in Mexico, if recipients are, or consent to be, subject to the jurisdiction of the California courts for enforcement purposes, and if the project will provide water quality benefits to California. Location: Senate Appropriations. **ASCE: Watch**

AB 3023 (Papan) This bill would require the state to align watershed restoration plans and initiatives with forest resilience actions to achieve more integrated and holistic outcomes. The bill would require the state to coordinate relevant boards, departments, and other stakeholders to incorporate planning for permanent conservation into forest and watershed restoration actions to

ensure that landscapes are protected and managed for climate resilience. Location: Senate Appropriations. **ASCE**: **Watch**

SB 1210 (Skinner) This bill requires utilities to post specified information on the connection fees and capacity charges for new housing construction on their websites and allow applicants for these developments to check their status online. A previous version would have imposed a cap on the amount utilities could recover to provide service and upgrade capacity to serve new housing construction. It would have also required utilities to offer financing over ten years for any charges and prioritize housing applications for service. Location: Assembly Appropriations **ASCE: Watch**

Workforce Development

AB 3087 (Fong, Mike) The state budget provides \$22.5 million in ongoing Proposition 98 General Fund to the California Community Colleges (CCC) Economic and Workforce Development (EWD) Program. The program supports CCCs in identifying regional workforce needs and offering associated training programs in collaboration with industry partners. The sunset provision of the EWD has been extended various times. Most recently, AB 183 (Committee on Budget) Chapter 54, Statutes of 2022, extended the sunset for the program from January 1, 2023, to January 1, 2025. This bill extends the program's operation by five years to January 1, 2030. Location: Senate Appropriations. **ASCE**: **Support**

Appointments by the Governor

<u>To Board of Professional Engineers, Land Surveyors and Geologists</u>: **Khaesha Brooks**, Mechanical Engineer Member, Sacramento, Democrat, engineering project manager, Siemens Mobility since 2023. Salary: \$100 per diem.

<u>To the Board of Professional Engineers, Land Surveyors and Geologists</u>: **Clifford Waldeck**, Public Member, Mill Valley, Democrat, substitute teacher for Marin County School Districts since 2021. Salary: \$100 per diem.

<u>To the Lahontan Regional Water Quality Control Board</u>: **Rick Dever**, Crestline, Republican, general manager of the Crestline Sanitation District since 2017. Salary: \$250 per diem

<u>To the Transportation Commission</u>: **Zahirah Mann**, Pasadena, Democrat, president of South Los Angeles Transit Empowerment Zone since 2021. Salary: \$100 per diem.

Reports of Interest

Public Policy Institute of California's Water Policy Center released "Replenishing Groundwater in the San Joaquin Valley: 2024 Update," which compares results from its 2017 and 2023 surveys of local water agencies on their "strategies to replenish groundwater basins," finds that in 2023 respondents had "recharged 5.3 million acre-feet (maf) within their service areas," estimates that "total volume recharged valley-wide was 7.6 maf, an increase of 17% over 2017;" also finds the two most popular recharge methods were "investments... in dedicated recharge

basins" and "letting aquifers replenish by replacing groundwater use with surface water;" recommends the State "prioritize work that will clarify when and how much water can be diverted safely, using watershed-scale assessments that consider effects on downstream water users and the environment." Contact: info@ppic.org.

PPIC also released "Groundwater in California," which says "on average, groundwater basins provide approximately 40% of the water used by California's farms and communities and significantly more in dry years," it also says "in some basins, groundwater pumping has exceeded replenishment for decades, causing groundwater depletion or 'overdraft," including in "much of the southern Central Valley – California's largest farming region – where overdraft is nearly 2 million acre-feet annually (more than 10% of net water use)."

PPIC released "Who Works From Home?," which finds "the share of Californians who work from home has increased dramatically, from 6% in 2018–19 to 19% in 2021–22," says "professional and scientific jobs lend themselves to remote work" and notes that "among those making less than \$20,000 a year, just 7.9% work from home, while for those making \$200,000 or more, 33.7% do so."

California Water Data Consortium released "Economic Brief: Investing in a Modern Water and Ecological Data System to Better Serve California," which says "data infrastructure is critical to the security and effective operation of our water systems," recommends "a \$353 million investment to modernize California's siloed and inaccessible water data infrastructure," which would be "just over one percent of the \$27 billion authorized by water bonds passed since 2000."

PPIC Water Policy Center released "Drought and Groundwater Sustainability in California's Farming Regions," which finds: "Drought exacerbates problems related to groundwater use in California's agricultural regions" and "increased pumping can accentuate a host of negative impacts," including land subsidence, dry wells, seawater intrusion, and "other undesirable results" such as "reducing groundwater quality by concentrating contaminants or causing pollutants to migrate towards wells;" recommendations for local agencies include: "improve groundwater accounting, including groundwater allocation and recharge crediting systems, to incentivize both demand reduction and supply enhancement" and "give growers tools to manage the risks that come with decreased water availability, such as recharge crediting systems and water trading programs." Contact: 916 440 1120.

PPIC Water Policy Center also released "<u>Agricultural Land Use in California</u>," which finds: "California's irrigated crops use about 40% of the state's water or 80% of all water used by homes and businesses," and "they generate over \$40 billion in farm revenue annually, and they supply large dairy and beef sectors, which generate more than \$10 billion;" also finds "nearly half of all cropland (about 4 million acres) lies in critically overdrafted basins" and "at least 500,000 acres of southern Central Valley cropland likely will need to be taken out of irrigated production to reduce demand."

Restore the Delta and Sierra Club California distributed a report published by the <u>University of the Pacific</u> that "challenges the financial feasibility of the Delta Conveyance Project (DCP) as outlined by the Benefit-Cost Analysis released by Dept. of Water Resources," the report finds the analysis "benefit-cost ratio of 2.2 is inflated and unreliable and relies on broad assumptions, such as assuming dramatic urban water demand growth and overlooking cost increases," also finds "that because of minimal agricultural benefits, farmers are also likely to opt-out of the

water project, meaning the DCP would effectively be an urban project in which the Metropolitan Water District is expected to bear 75% of its costs instead of the planned 47%."