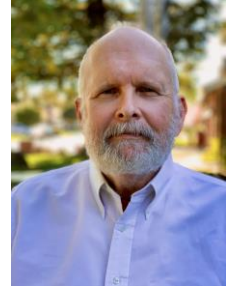


## Legislative Update

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### Legislative Calendar:

- June 15 – Budget bill must be passed by midnight
- June 27 - Last day for a legislative measure to qualify for the Nov. 5 General Election ballot
- 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.

### State Budget

The Legislative Analyst’s Office released “[The 2024-25 Budget: Initial Comments on the Governor’s May Revise](#).” It concluded the Governor “cites a budget problem of \$27 billion” but estimates he “addressed a larger deficit than this – \$55 billion,” primarily by adjusting spending, which represents “nearly 90% of the total solutions,” says of this total, “\$22 billion are related to school and community college funding changes and \$16 billion are spending reductions.” It notes the governor also proposes reducing the state’s reliance on reserves, “using only \$4 billion in reserve withdrawals to cover the deficit, significantly less than the \$13 billion proposed in January,” says “next steps” for the Legislature include considering “whether proposed solutions raise serious concerns,” citing two proposals: “the suspension of net operating loss deductions and unallocated state operations reductions.”

They also released “[The 2024-25 Budget Multiyear Budget Outlook](#),” which says that “assuming the Governor’s May Revision policies are adopted, the budget problem for this year is \$7 billion larger,” with the “main source of this difference” being the “office’s lower revenue estimates” and “if the legislature does not adopt our lower estimates, but our forecast materializes, the legislature will need to solve the additional budget problem that arises in the next budget cycle;” also says “in 2026-27, revenues would need to be at least \$11 billion higher than the May Revision forecast for the budget to be balanced” and that “the state budget is likely balanced over the next couple of years, but a budget problem becomes more likely in later years.”

CalMatters wrote, “Amid ongoing budget negotiations, legislative leaders released their counter-proposal to a [recent plan by Gov. Gavin Newsom](#) to close California’s projected multibillion-dollar deficit. The [legislative proposal](#) rejects some of the major spending cuts that Newsom is

seeking, including to [college scholarships for middle-income students](#), public health programs, subsidized child care slots and [housing development](#), while pushing for more substantial [reductions to prison funding](#). But it aligns with the governor’s approach of minimizing the use of reserve accounts next year, as California faces a revenue shortfall that is expected to continue for several more years beyond that, and suggests doubling the size of the state’s rainy-day fund over time. The legislative plan, an agreement between Democratic leaders in the Senate and Assembly, also endorses Newsom’s ideas of creating a temporary holding account for future projected budget surpluses until the money actually materializes.” [Story](#)

### **State Small Business Symposium**

The California State Transportation Agency, the California Governor's Office of Business and Economic Development, and the California Government Operations Agency held a virtual Small Business Symposium with top California leadership on Wednesday, June 5, 2024. The event also included updates from the Directors and Department Executives at the California Department of Transportation (Caltrans), California High-Speed Rail Authority (HSRA), California Department of General Services (DGS), California Office of the Small Business Advocate (CalOSBA), and the California Department of Technology (CDT). The event was recorded and can be viewed [here](#).

### **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. Location: 5/29/2024-S. APPR. **ASCE: Support**

### **Bonds**

California lawmakers seem poised to ask voters for billions of dollars in bond money to fund two priorities: school facilities and climate change initiatives according to Assemblyman Al Muratsuchi, D-Torrance. He said lawmakers will begin negotiating with Gov. Gavin Newsom to place the two bonds on the November ballot. The governor, Assembly Speaker Robert Rivas, D-Hollister, and Senate President Pro Tem Mike McGuire, D-Healdsburg, face a June 27 deadline to qualify measures for the general election. “It is my understanding that the Assembly and Senate leadership have determined that the school bond and the climate bonds are going to be the top legislative priorities as far as bond measures are concerned,” Muratsuchi said. Bond measures would need first to win legislative approval, then win a majority of voters in November. [Story](#)

**AB 305** (Villapudua) Places a \$4.5 billion flood protection and dam safety improvement bond before the voters on the November 5, 2024, General Election ballot. Location: 5/22/2024-S. N.R. & W. **ASCE: Support**

**AB 1567** (Garcia) This bill would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2023, which, if approved by the voters, would authorize the issuance of bonds for \$15,105,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe

drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs. Location: 5/22/2024-S. N.R. & W. **ASCE: Support**

### **Business Issues**

**AB 2489** (Ward) This bill violates Article XXII of the Constitution regarding architecture and engineering (A&E) services. It would require public agencies to notify employee bargaining organizations at least ten months before contracting for various services, including A&E, that are currently or were performed by agency employees in the previous ten years. Location: DEAD **ASCE: Oppose**

**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: 5/29/2024-S. L. GOV. **ASCE: Oppose**

### **Codes**

**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: 5/22/2024-A. DESK **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: 5/29/2024-S. B., P. & E.D. **ASCE: Support**

### **Stormwater**

**AB 1798** (Papan) This bill requires Caltrans and the State Water Resources Control Board to develop a programmatic environmental review process that includes implementing five pilot projects to prevent N-(1,3-dimethylbutyl)-N'-phenyl-p-phenylenediamine (6PPD) and 6PPD-

quinone (6PPD-q) from entering salmon-bearing and steelhead trout-bearing surface waters of the state. Location: 5/16/2024-A. DEAD ASCE: **Support**

## **Transportation**

**Senators Push Pause on CalTax-Opposed Bay Area Tax Increase Measure** State senators Scott Wiener and Aisha Wahab announced that they would “pause” SB 1031 – their legislation paving the way for tax increases in the San Francisco Bay Area – and will introduce a new version of the bill in 2025. “Due to the need for more time to work through various regional differences, Senators Wiener and Wahab – with the support of bill sponsor Metropolitan Transportation Commission (MTC) – have decided a reset is needed to allow further stakeholder engagement to occur this summer and early fall,” the senators stated in a press release. “The goal is to determine what kind of authorizing legislation will obtain broad enough regional support to pass the Legislature next year and pave the way for a successful ballot measure in 2026.” SB 1031 would have authorized the Metropolitan Transportation District to impose a transaction and use tax, payroll tax, parcel tax, vehicle registration surcharge, or issue bonds in all or some of the nine counties the district operates in and would require that revenue generated from the tax increases be used for transportation improvements. In a joint statement, the senators and MTC leaders wrote: “While we worked very hard to advance SB 1031 in order to empower the Bay Area to chart a sustainable transportation future, it has become clear to us that we need more time to build a consensus on how to structure a regional measure that protects Bay Area transit service into the future. At the request of Senator Wiener and Senator Wahab, MTC looks forward to convening key parties over the summer and into the fall to create regional consensus for 2025 legislation. We are fully committed to that work.” SB 1031 was slated to be heard in an Assembly committee, having passed the Senate on May 24 with a 26-10 vote.

## **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: 5/31/2024-S. E.Q. ASCE: **Watch**

**AB 2933** (Low) This bill requires the Department of Housing and Community Development (HCD) to investigate whether additional water conservation and efficiency measures, including "point-of-use" leak detection technology, are warranted for existing and new multifamily residential construction and mixed-use residential and commercial structures. Location: 5/16/2024-A. DEAD 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: 5/23/2024-S. RLS. 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: 5/21/2024-A. DESK 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: 5/23/2024-S. RLS. ASCE: **Support**

### **Appointments by the Governor**

As deputy director of state water project, Dept. of Water Resources: **John Yarbrough**, Sacramento, no party preference, assistant deputy director, Dept. of Water Resources since 2019. Salary: \$220,056.

### **Reports of Interest**

Public Policy Institute of California released, "[Taking Stock of California's Capacity to House its Homeless Population](#)," finds that since 2020, availability of shelter beds in California "increased by 34%, compared to 14% growth nationally" with "most of the increase" being "in emergency shelters, which provide temporary housing," but "as of the January 2023 point-in-time count, the total number of people experiencing homelessness was estimated to be 181,399, and the state had only 71,131 shelter beds available."

California Assn. of Realtors released its [housing affordability report](#) for the first quarter of 2024, finds 17% of California households "could afford to purchase the \$814,280 median-priced home in the first quarter of 2024, up from 15 percent in fourth-quarter 2023 and down from 20 percent in first-quarter 2023" with a "minimum annual income of \$208,400" being "needed to make monthly payments of \$5,210" on a "30-year fixed-rate mortgage at a 6.86 percent interest rate;" also finds "24 percent of home buyers were able to purchase the \$655,000 median-priced condo or townhome" with a "minimum annual income of \$167,600" being "required to make a monthly payment of \$4,190."

The Department of Water Resources releases its benefit-cost analysis for the Delta Conveyance Project. It forecasts the project's cost to be \$20.1 billion, which is up from a 2020 analysis that forecast the project would cost \$16 billion. However, after accounting for inflation, the "two

estimates are similar.” The analysis also estimates that “for every \$1 spent, \$2.20 in benefits would be generated.”

Public Policy Institute of California’s Water Policy Center released “[Climate-Smart Tools to Protect California’s Freshwater Biodiversity](#),” which identifies “22 tools—including habitat support, rebuilding populations, assisting dispersal and migration, and promoting genetic diversity—that should be evaluated for use in climate-smart conservation plans;” finds that “planning for the possible loss of species is an unfortunate, but necessary, part of conservation,” says “status quo management approaches have largely failed to recover at-risk species, and they will be insufficient to protect many in the future.”

UC Berkeley’s Center for Law, Energy and the Environment released “[Funding, Financing, & Investment Strategies to Advance Clean Mobility Infrastructure in Priority Communities](#),” which makes recommendations that “largely focus on investment in public spaces” and are “divided into two groups,” one being “local coalition approaches that could form the basis of one or more local government-led pilot programs,” such as partnering with transportation network companies like Uber and Lyft to prioritize installing electric vehicle charging infrastructure in “communities where a high proportion of TNC drivers live.” The other is “supporting revenue strategies that could support these pilots and more with large-scale clean, mobility funding,” such as urging the Infrastructure and Economic Development Bank to “craft a Climate Catalyst Fund financing plan focused on charging infrastructure in underserved communities.”