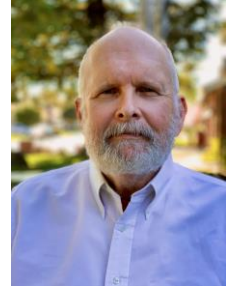


Legislative Update

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Legislative Calendar:

- Mar. 21 – Apr. 1 – Spring Recess
- Apr. 26 – Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
- May 3 – Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house
- May 10 – Last day for policy committees to meet before May 28
- **May 15 – ASCE day at the California Capital**
- May 17 – Last day for fiscal committees to hear and report to the floor bills introduced in their house. Last day for fiscal committees to meet before May 28
- May 20- 24 – Floor Session only. No committees, other than conference or Rules committees, may meet for any purpose.
- May 24 – Last day for each house to pass bills introduced in that house.
- May 27 – Memorial Day.
- May 28 – Committee meetings may resume.

Budget Problems Continue

The Legislative Analyst’s Office released “[The 2024-25 Budget: Deficit Update](#),” where it finds the estimated budget deficit is now \$73 billion based on the office’s “[recent revenue collections data](#),” which has a forecast of “about \$24 billion below the Governor’s budget across 2022-23 to 2024-25;” recommends “revenue increases and spending reductions,” both on a one-time and ongoing basis; identifies \$6.4 billion in “one-time and temporary” spending cuts.

LAO also released various sector reports that analyzed specific programs or departments.

[The 2024-25 Budget: Flood Management Proposals](#),” finds “the Governor’s budget proposes \$95.1 million in 2024-25, primarily from the General Fund, for a variety of flood-related projects and activities” that “meet the high threshold for possible approval,” recommends the Legislature approve \$29.6 million proposed for “early action repairs” and \$33 million proposed for “urban flood risk reduction projects,” also recommends Legislature “weigh the benefits” of \$31.3 million proposed for “Central Valley multi-benefit projects” against “other General Fund priorities.”

“[The 2024-25 Budget: Salton Sea Management Program](#),” finds “the Governor’s budget proposes \$65.2 million from the General Fund in 2024-25 to support the Salton Sea Management Program and authority for 18 new positions phased in over two years,” says “proposed projects have merit” but “given the budget deficit, the Legislature could consider waiting for other

funding sources to materialize or it could modify the proposal,” recommends the Legislature approve “approximately \$700,000 in 2024-25 and \$1.2 million in 2025-26 and ongoing for eight positions to maintain and operate existing projects that are complete or nearly complete.”

[Governor’s Cap-and-Trade Expenditure Plan](#) proposed in his 2024-25 budget finds Governor proposes “roughly \$2.3 billion in discretionary cap-and-trade” expenditures, says “most” of proposed spending would “backfill General Fund reductions while “a significant amount” would be committed to “future spending activities related to zero-emission vehicles that previous budget agreements had initially planned to provide from the General Fund;” suggests legislature consider “using greenhouse gas reduction funds to preserve more urgent and ongoing needs rather than backfilling spending for one-time discretionary activities.”

“[The 2024-25 Budget: Transportation Budget Solutions](#),” says Gov. Newsom “proposes \$4.3 billion in budget solutions from transportation programs during the budget window (2022-23 through 2024-25)” which “would restore about \$3.3 billion of this amount in future years, so the net General Fund savings across the multiyear forecast period totals only \$1.1 billion,” recommends the Legislature “adopt most proposed solutions” to “reduce cost pressures on the General Fund in the near term with minimal impacts to existing programs and infrastructure projects,” as well as identify “options for additional budget solutions in case they are needed.”

“[The 2024-25 Budget: Insolvency Risks for Environmental and Transportation Special Funds](#),” finds “the following special funds likely will become insolvent in the near future: the Dept. of Pesticide Regulation Fund, Energy Resources Program Account, Environmental License Plate Fund, Harbors and Watercraft Revolving Fund, Hazardous Waste Control Account, Motor Vehicle Account, and State Parks and Recreation Fund,” recommends legislature make “plans to address special fund deficits.”

New Legislation

[AB 2114](#) (Irwin D) Current law requires the board of an association of a condominium project to conduct a visual inspection, at least every nine years, of the exterior elevated elements for which the association has maintenance or repair responsibility. Current law requires the inspection to be conducted by a licensed structural engineer or architect. This bill would additionally authorize a licensed civil engineer to perform the inspection.

[AB 2869](#) (Friedman D) requires Caltrans to mitigate the impact of infrastructure projects that interfere with or eliminate trail access to parks and recreational areas by maintaining safe access for users of existing trails or providing alternative safe access to those parks and recreational areas.

[HR 75](#) (Soria D) recognizes and declares March 10, 2024, through March 16, 2024, as Groundwater Awareness Week.

[SB 1239](#) (Grove R) Current law, until January 1, 2025, exempts from CEQA the closure of a railroad grade crossing by order of the PUC if the commission finds the crossing to present a threat to public safety. Current law makes this exemption inapplicable to any crossing for high-speed rail or any crossing for a project carried out by the High-Speed Rail Authority. Current law

requires the lead agency to file the notice of exemption with specified public entities. This bill would delete the sunset date of January 1, 2025, permanently applying these provisions.

Appointments by the Governor

To the Central Valley Regional Water Quality Control Board: **Arthur Baggett**, El Portal, Democrat, partner at AG Baggett and PJ Weber Inc. since 2011. Salary: \$250 per diem.

To the North Coast Regional Water Quality Control Board: **Jake Mackenzie**, Rohnert Park, Democrat, former Rohnert Park city councilmember. Salary: \$250 per diem.

To the San Diego Regional Water Quality Control Board: **Yen Tu**, San Diego, Democrat, president of Yen Tu Consulting since 2000. Salary: \$250 per diem.

Reappointed to the Veterans Board: **Martin Juarez**, Los Angeles, Democrat, former special agent at the Internal Revenue Service. No salary.

Reappointed to the Central Valley Flood Protection Board: **Joseph Countryman**, Sacramento, Democrat, self-employed engineer consultant since 2011; **Mary Jane Griego**, Olivehurst, Democrat, senior district representative for US Rep. John Garamendi since 2017; **Brian Johnson**, San Francisco, Democrat, California director at Trout Unlimited since 2005. Salary: \$55,738.

Reports of Interest

The California Strategic Growth Council released “[California Landscape of Climate Finance](#),” published by the Climate Policy Initiative; findings include: “California is making substantial progress in increasing climate finance, with a 26% annual growth rate from 2019 to 2022,” and “\$39 billion of spending in 2022,” notes that “private sector investments is the largest source of finance with 77% of the total, driven by an increase in passenger zero-emission vehicle sales,” estimates the state “will need between \$40 and \$83 billion of climate finance annually to meet its climate goals.” Contact: sgc.info@sgc.ca.gov.

The Public Policy Institute of California Economic Policy Center released “[Priorities for California’s Economy: Building Prosperity](#),” which examines “key economic challenges on California’s doorstep,” including “new forms of automation and artificial intelligence,” “high levels of income inequality and poverty” and “the shift toward a slowly growing or shrinking population;” recommends the state prioritize policies that “prepare for these transitions, accurately monitor regional needs, and assess the impact” of “investments in infrastructure and climate.”

The Legislative Analyst’s Office released “[Key Fiscal and Policy Issues Facing California](#),” which identifies “some of the biggest and most complex policy issues facing the state and its policymakers” in different categories that include “economic growth and opportunity,” “health, safety, and well-being” and “fiscal health, governance, and oversight,” findings include: “economic well-being varies dramatically among Californians” with the state being “home to some of the richest people in the world, while at the same time over 10 percent of the state’s population lives in poverty” and that “an average California home costs 2.3 times the national average” and the “average monthly rent” being “about 50 percent higher than the rest of the country” with “around 2.5 million low-income households” spending “more than 30 percent of their incomes on housing” and “over 1.5 million low-income renters” spending “more than half of their income on housing.” Contact: 916 445 4656.