

To: East Contra Costa Fire Protection District
From: Townsend Public Affairs, Inc.
Date: June 3, 2021
Subject: Legislative Report for ECCFPD – May 2021

State Legislative Update

Over the course of the last month, the Legislature has been busy working to meet several legislative deadlines to advance bills, as well as to examining the Governor's May Revise proposal as they work to finalize the FY 2021-22 state budget.

The beginning of May saw work in legislative policy committees wrap up, as bills were either held for the year or approved for further consideration. On May 20th, the Assembly and Senate Appropriations committees met to determine which fiscal bills would advance in their respective houses. The Senate Appropriations Committee considered 357 bills on its Suspense File, while the Assembly Appropriations Committee met to consider 537 bills. The bills that were approved off of the Suspense File, over 600 in total, advanced to the Senate and Assembly Floor for consideration. Both chambers conducted a number of floor sessions in order to consider bills prior to the June 4th House of Origin deadline.

In addition to reducing the overall number of active bills through the committee process, on May 19th, Senate Pro Tem Atkins and Assembly Speaker Rendon issued a memo to all members of the Legislature indicating that they would be limiting members to no more than 12 bills, per office, for the 2021 legislative year. The memo indicated that each Senator and Assembly Member would only be allowed to send 12 bills to the opposite house, and any additional bills would need to be moved to the Inactive File. This move will allow the Legislature to focus their time for the remainder of the session on the most critical issues facing the state.

On the budget side, all 11 budget subcommittees (five in the Senate, six in the Assembly) met several times in late May to consider the various proposals included in the Governor's May Revise. During these hearings, budget committees heard from Administration officials, fiscal and policy experts such as the LAO, and provided the public with opportunities to provide feedback on the Governor's priorities. The budget subcommittees then made recommendations to the full Budget committees to consider prior to agreeing on a budget package. Typically, both houses will hold a conference committee to reconcile the differences between the budget items, but in a departure from the norm, the Assembly and Senate reached agreement of a legislative budget without the need for a conference committee. By agreeing on a legislative budget outside of conference committee, legislative leaders will work directly with the Newsom Administration to resolve differences between the Legislature and Administration and will then present a finalized budget. The Legislature must pass a budget bill by June 15th and the bill must be in print for 72-hours before it can be considered on the Assembly or Senate Floor.



Governor Newsom's May Revise

As noted above, on May 14th, Governor Newsom announced his May Revision to the FY 2021-22 State Budget. Leading up to the release of the May Revise, the Governor held multiple events throughout the State to preview the opportunity for the State to come “roaring back” from the pandemic, to address long standing challenges, and to provide opportunity for every California family. The May Revise includes a projected \$75.7 billion surplus, combined with \$25 billion in federal relief from the American Rescue Plan.

The State Gann limit caps the amount of revenues from tax proceeds that can be appropriated by the State. Revenues over the two-year limit must be reallocated evenly between schools and taxpayer refunds. The Governor's Budget projects that the State could exceed that limit by \$16.2 billion, and as such, the Governor is allocating that \$16.2 billion to tax refunds and to K-14 schools.

The key highlights are summarized below:

Overview

- The FY 2021-22 Budget proposes \$196.8 billion in General Fund expenditures
- Includes \$24.4 billion in total reserves, including a \$15.9 billion balance in the State Rainy Day Fund

Equitable and Broad Based Recovery

- Golden State Stimulus II
 - \$1.5 billion in additional funding, including an additional round of stimulus checks to middle class families that make an adjusted \$75,000 or less.
 - Qualified families with dependents, including undocumented families, will be eligible for an additional \$500 payment.
 - \$1.5 billion for three additional rounds of Small Business Grants
- \$250 million for GoBiz to allocate to California ports
- Workforce Development
 - \$1 billion to establish a Learning Aligned Employment Program
 - \$160 million to expand existing workforce program
 - \$7 billion investment over three years to expand broadband infrastructure, increase affordability, and enhance access to broadband for all Californians

Pandemic Response and Federal Assistance

- State Funding from the American Rescue Plan - \$27 billion
 - \$4.9 billion to address public health impacts
 - \$13.7 billion to support special district utilities to help pay for water and utility arrearages and provide grants to small businesses
 - \$7.3 billion to address deferred maintenance on water infrastructure and promote access to broadband
 - 41.1 billion for the state's unemployment insurance fund



Emergency Response

- \$250 million to develop and implement a proposal to prepare California to build disaster resistant communities and increase statewide resiliency
- \$150 million to support the development and enhancement of community resilience centers – including improving local fairgrounds
- \$38.9 million to augment CalFire’s resources for the 2021 fire season

Health and Human Services

- \$475 million to expand the CalWORKS Housing Support program
- \$280 million to expand the Bringing Families Home program
\$150 million for Project Roomkey
- \$35 million for a 5 year Universal Basic Income Pilot program
- \$1.69 billion to expand Medi Cal
- \$14.29 million increase to CalWORKS maximum aid payment levels
- \$1.1 billion for services to children and families in child welfare programs

Department of Public Health

- \$1.08 billion for COVID-19 response
- \$100 million over five years for behavioral health outreach for young people

Housing and Homelessness

- \$1.75 billion to help support HCD affordable housing projects
- \$45 million to continue to streamline the development of housing on available excess state sides
- \$500 million for HCD to provide planning and implementation grants to regional entities for infill development projects
- \$2.75 billion for Homekey Family Housing
- \$40 million over 5 years to local jurisdictions to develop action plans that address family homelessness
- \$53 million to Caltrans to address homeless encampments along California streets and freeways

Climate Change - \$11.8 billion

- \$5.1 billion for a water resilience package
 - \$2.6 billion to expand drinking water, wastewater infrastructure, groundwater supply projects, water recycling and treatment systems for PFAS
- \$989 million for immediate drought support
- \$708 million to support the Forest Resilience Action Plan and fully fund the Climate Catalyst Fund
 - Attached is the complete proposed Wildfire and Forest Resilience Expenditure Plan (including the early actions already taken by the Legislature)
- \$1.3 billion over multiple years to support the Governors efforts to conserve 30 percent of our lands and coastal waters by 2030
- \$826 million in additional investments for Zero Emission vehicles, infrastructure, and manufacturing



Natural Resources - \$11.4 billion

- \$108.1 million for outdoor environmental education and access programming
- \$125 million to invest in community open spaces through the Urban Greening Program
- \$14 million to expand coastal access programming
- \$9.1 million to launch a pilot program to expand parks pass distribution for youth in disadvantaged communities
- \$507.3 million to enhance and restore state park facilities

Environmental Protection - \$8.8 billion

- \$55 million to provide grants for new anaerobic digester facilities and to expand capacity to increase organic waste recycling

Local Public Safety

- \$9 million in ongoing funding and \$100 million in one time funding for CalVIP program for grants for services like community education, diversion programs, and violence reduction programs
- \$23.6 million for county probation departments to supervise the temporary increase in released offenders as a result of Proposition 57
- \$50 million in one time funding for the Nonprofit Security Grant program to help nonprofit organizations that are at a high risk of violence and hate crimes

Digital Transformation

- \$50 million to fund technology modernization solutions
- Modernization at the DMV

Labor and Workforce Development

- \$1.1 billion Jobs Package
- \$750 million from the American Rescue Plan to fund the Community Economic Resilience Fund to support regional and local planning and implementation of strategies
- \$160 million for training opportunities and other workforce development programs
- \$157 million for new efforts between workforce development and the CA Community Colleges
- \$305.4 million to address the challenges of the Employment Development Department

Transportation - \$11 billion

- \$1 billion for statewide transit and rail projects
- \$500 million Active Transportation augmentation
- \$4.2 billion for High Speed Rail
- \$2 billion for the State Highway Rehabilitation and Local Roads and Bridges programs
- \$1.4 billion for zero emission green buses or trucks

State Retirement Contributions

- \$5.5 billion in one time funding to the CalPERS system
- \$1.5 billion in one time Proposition 2 debt repayment



LAO Local Government Fiscal Report

On May 12th, the Legislative Analyst Office (LAO) issued a report entitled: “An Initial Look at Effects of the COVID-19 Pandemic on Local Government Fiscal Condition”. The report analyzes various impacts of the pandemic on local governments’ fiscal condition over the last year. While the report admits that not all effects are yet known and the variance between local governments can be wide, the report makes initial assessments and recommendations on how the State can mitigate the financial impact to cities.

While the pandemic has resulted in unprecedented economic impacts to local governments, the report found that property tax revenue, one of local governments’ most significant sources of revenue, has remained relatively stable. Sales and use tax, as well as transit occupancy tax (TOT) revenues have been more directly impacted, as have local government finances. These revenue changes have also come at a time when the pandemic has increased the costs of local governments to provide essential services to residents.

While the state and federal governments have issued flexible relief dollars to local governments, there have been significant differences in which local governments received their funding. The report states that some local governments have received sizable relief funding, particularly in comparison to their losses and overall annual budgets, and some have received less or none of the funding authorized in state and federal law.

Lastly, the LAO recommends that the Legislature not spend all of its federal American Rescue Plan Act (ARPA) dollars at once, but rather wait until the impact of the pandemic is more fully understood. Then, should the Legislature decide to assist local governments with a portion of California’s ARPA funds, it should do so in a targeted way that considers whether the local government has experienced:

- Significant reduction in sales tax revenue
- Significant reduction in TOT revenue
- Significant reduction in user fee revenue
- Lower levels of federal relief funding

The report notes that the state has until December 31, 2024 to spend its ARPA allocation and recommends taking a measured, thoughtful, and slower approach to allocating its funds.

June 15th Re-Opening Guidance

On May 21st, the Department of Public Health announced that the State will move beyond the Blueprint for a Safer Economy to allow businesses to return to normal operations by June 15th. All sectors listed in the current activities and business tier chart may return to “usual operations” with limited exceptions. Additionally, the State has released general health recommendations, including:

- No capacity limitations
- No physical distancing limitation for attendees, customers, and guests who are fully vaccinated



- Face mask requirements to follow CDC guidelines
- Travel restrictions to follow the CDC recommendations
- Verification of fully vaccinated status or pre-entry negative test results will be required to attend “Indoor Mega Events” (5,000 attendees or more). For “Outdoor Mega Events” (10,000 attendees or more), vaccination or negative tests will be strongly recommended

The State has recommended that employers should monitor and review the directives in the regions where they operate and monitor the latest COVID-19 prevention measures. The requirements for testing and vaccine verification will be in place from June 15 – October 1. In September, the State will assess the current conditions to determine whether additional updates are needed.

Priority Legislation

The legislative deadlines to for introduced to pass out of its House of Origin is June 4th. Any bills not passed out of its House of Origin by that date will become a two-year bill and will be ineligible for additional consideration until January 2022.

Below are the upcoming relevant dates for the Legislature:

June 4th – Last day for bills to pass their House of Origin

June 15th – Legislature must approve Budget Bill

July 14th – Last day for policy committees to pass bills in the Second House

July 16th – Legislative summer recess begins

August 16th – Legislature returns from Summer Recess

August 27th – Last day for fiscal committees to pass bills in the Second House

September 10th – Last day for Legislature to pass bills. Interim recess begins upon adjournment

Below are bills that have been introduced that may be of interest to the District.

AB 267 (Valladares) – CEQA: exemption: prescribed fire, thinning, and fuel reduction projects

Current law, until January 1, 2023, exempts from the requirements of CEQA prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the federal National Environmental Policy Act of 1969. Current law requires the Department of Forestry and Fire Protection, beginning December 31, 2019, and annually thereafter until January 1, 2023, to report to the relevant policy committees of the Legislature the number of times the exemption was used. This bill would extend the exemption from CEQA and the requirement on the department to report to the relevant policy committees of the Legislature indefinitely. CalChiefs/FDAC: Recommend Support. **This measure was approved by the Assembly (62-2) and has been referred to the Senate Natural Resources and Water Committee.**

AB 450 (Gonzalez) – Paramedic Board of California

The bill would create the Paramedic Board of California to take disciplinary actions previously granted to the authority against an EMT-P license holder and to hear appeals regarding the authority's denial of licensure, among other things. The bill would specify the composition and appointment of the 7-member board, which would be required to select a salaried executive officer



to perform duties delegated to them by the board. CalChiefs/FDAC: Support. **This measure was approved by the Assembly (78-0) and is currently in the Senate awaiting referral to policy committee.**

AB 642 (Friedman) – Wildfires

This bill is an omnibus fire prevention bill that makes various changes to support cultural and prescribed fire, including the creation of a Cultural Burning Liaison at the Department of Forestry and Fire Protection (CAL FIRE), and requires a proposal for creating a prescribed fire training center in California. CalChiefs/FDAC: Support. **This measure was approved by the Assembly (73-0) and is currently in the Senate awaiting referral to policy committee.**

ACA 1 (Aguiar-Curry) – Affordable housing and public infrastructure: voter approval

The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. CalChiefs/FDAC: Support. **This measure has been referred to the Assembly Local Government Committee. The measure has not yet been set for a hearing.**

SB 12 (McGuire) – Planning and Zoning: wildfires

Current law requires that the Office of Planning and Research, among other things, coordinate with appropriate entities, including state, regional, or local agencies, to establish a clearinghouse for climate adaptation information for use by state, regional, and local entities. This bill would require the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after July 1, 2024, whichever occurs first, to be reviewed and updated as necessary to include a comprehensive retrofit strategy to reduce the risk of property loss and damage during wildfires and would require the planning agency to submit the adopted strategy to the Office of Planning and Research for inclusion into the above-described clearinghouse. CalChiefs/FDAC: Support. **This measure was approved by the Senate (31-8) and is currently in the Assembly awaiting referral to policy committee.**

SB 63 (Stern) – Fire prevention: vegetation management: public education grants

Would promote fire prevention efforts by expanding where enhanced fire safety building standards apply and providing grant opportunities for local assistance programs to support defensible space and vegetation management projects. CalChiefs/FDAC: Support. **This measure was approved by the Senate (38-0) and is currently in the Assembly awaiting referral to policy committee.**

SB 109 (Dodd) – Office of Wildfire Technology Research and Development

Would establish the Office of Wildfire Technology Research and Development within the Office of Emergency Services under the direct control of the Director of the Office of Emergency Services. The bill would make the office responsible for studying, testing, and advising regarding procurement of emerging technologies and tools in order to more effectively prevent and suppress wildfires and serving as the central organizing hub for the state government's identification of



emerging wildfire technologies. CalChiefs/FDAC: Support. **This measure was approved by the Senate (39-0) and is currently in the Assembly awaiting referral to policy committee.**

Federal Legislative Update

In May, the House and Senate continued negotiations on a number of legislative and budgetary issues, including a bi-partisan agreement on an infrastructure package, as well as funding priorities for the upcoming fiscal year. Congressional leaders have been meeting with the Administration to finalize the size and scope of a transportation re-authorization but are not expected to come to a compromise as the cost differences between both proposals are more than \$700 billion. More than likely, Congressional Democrats will need to whip votes in order to pass a package by a slim majority.

The House Appropriations Committee is also planning to begin marking up its FY 2022 spending bills in the month of June with floor activity to follow in July. The Senate plans to begin its work on its spending bills in July, however, a continuing resolution is the likely vehicle to avoid a government shutdown in October.

President Biden Releases Federal Budget Proposal

On May 28th, President Biden proposed a \$6 trillion budget for fiscal year 2022. The budget proposal includes aggressive increases in federal spending that will seek to transform the American economy as the country emerges from the COVID pandemic. The proposal calls for the most sustained period of spending in more than half a century. The President's budget serves more as a marker of administration priorities and would invest heavily in infrastructure, education, research, public health, paid family leave and childcare.

The proposal includes the American Jobs Plan and the American Families Plan, as well as the \$4 trillion infrastructure, jobs and economic proposal that the President had previously laid out and is negotiating with lawmakers. It also outlines additional funds to launch a new health research agency to focus on diseases like cancer, and funds to address gun violence, tackle the climate crisis, help end homelessness and curb the opioid epidemic.

Budget projections show a \$6 trillion price tag with spending steadily increasing each year until the budget reaches \$8.2 trillion in 2031. The budget would reduce the annual deficit beginning in 2030 and by increasing amounts in the following years and would shrink deficits by more than \$2 trillion in the subsequent decade. Under this budget, projections show debt as a percentage of Gross Domestic Product has already reached 100% and will increase to 117% by 2031.

President Biden is asking Congress for \$932 billion for discretionary, non-defense programs for fiscal year 2022 -- a significant increase from last year. The President has also proposed \$756 billion in defense funding, which is also an uptick from last year.

In addition to the American Jobs Plan and the American Families plan, the budget proposal includes the following:

- \$36.5 billion for Title I schools, in which children from low-income families make up at least 40% of enrollment. It's a \$20 billion increase from 2021 enacted levels



- \$8.7 billion in discretionary funding for the US Centers for Disease Control and Prevention
- \$10.7 billion in discretionary funding in the Department of Health and Human Services, an increase of \$3.9 billion from 2021 enacted levels. The proposal also includes \$621 million specific to the Department of Veterans Affairs' Opioid Prevention and Treatment programs
- An increase of more than \$14 billion compared to 2021 enacted levels across nearly every agency to tackle the climate crisis
- \$2.1 billion for the Department of Justice to address gun violence, which is an increase of \$232 million above 2021 enacted levels
- \$30.4 billion for Housing Choice Vouchers to expand housing assistance to 200,000 additional families, and a \$500 million increase for Homeless Assistance Grants to support more than 100,000 households, including survivors of domestic violence and homeless youth
- \$1 billion for Department of Justice Violence Against Women Act programs, which is nearly double 2021 enacted levels
- Increases the budget of the Executive Office for Immigration Review by 21% to \$891 million to reduce court backlogs and hire 100 new immigration judges and support teams

Notably, the package does not include a healthcare public option – the President is looking to Congress to help him create a public option as well as pass a bill that permits Medicare to negotiate with pharmaceutical companies on drug prices.

Federal budget funding expires on September 30, 2021 with the new federal fiscal year beginning on October 1, 2021. Current federal budget funding was authorized through HR 133, the pandemic and omnibus package that was signed into law by former President Trump on December 27, 2020 during the lame duck session.

Non-discretionary spending must be re-authorized by Congress each year, beginning with all 12 funding bills originating in the House Appropriations Committee. The Committee has already begun its work on the FY 2021-22 federal budget, and a budget resolution has already been passed that allowed for the most recent COVID-19 relief bill to be passed through the budget reconciliation process.

State and Local Funding

Last month, the Department of Treasury issued guidance on the Coronavirus State and Local Fiscal Recovery Fund. States, counties, and metropolitan cities can begin requesting funding through the US Treasury's Submission Portal. For non-entitlement jurisdictions, funding will be distributed from the State, and there is no need to request funding through the portal. The American Rescue Plan requires States to distribute the first tranche of funding to non-entitlement jurisdictions within 30 days, and as expected, the funding will be given in two tranches with the second tranche being paid 12 months after the first payment.

Recipients may use these funds to:

- **Support public health expenditures**, by, for example, funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff, includes capital investments in public facilities to meet pandemic operational needs like health clinics or other adaptations to public buildings



- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, households impacted industries, and the public sector
 - Also includes rehiring local government staff and premium pay for eligible workers
 - Includes funding for industries impacted by tourism
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic. This is the most flexible category of funding.
 - Defines “general revenue” to include revenues collected by a recipient and generated from its underlying economy including intergovernmental transfers between state and local governments.
 - Government services includes any projects that a local jurisdiction would normally fund, including but not limited to, street repairs, parks and recreation projects, library services, and senior services.
 - Proves a formula to calculate loss
- **Invest in water, sewer, and broadband infrastructure**

Other eligible uses include:

- Expenses of providing paid sick and paid family and medical leave to public employees
- Supportive housing or other programs to improve access to affordable housing
- Housing vouchers
- Development of affordable housing

The Department indicated that the final rule will be published in the Federal Register and would solicit comments on or before July 16, 2021.

CDC Mask Guidance

On May 13, the Center for Disease Control changed its guidance to indicate that fully vaccinated Americans can largely do away with wearing masks, which is the most significant shift in federal guidelines since the start of the pandemic. Formal guidance on the CDC’s website specifies that the agency still recommends vaccinated people wear masks on “planes, buses, trains and other forms of public transportation.” Other exceptions include wearing masks in health-care facilities, prisons, and homeless shelters, as well as places where state and local governments or businesses are requiring masks. Approximately 59 percent of American adults have received at least one shot, and the Covid-19 vaccine made by Pfizer and BioNTech was cleared for use in children ages 12 to 15 years old in May.

District Legislative Priorities

TPA works to further the mission of the East Contra Costa Fire Protection District in Sacramento and Washington DC. In addition to providing feedback on the priorities of the State and Federal government, the District has its own priorities that we continue to advance.



Legislative Priority 1 – Chapter 13 EMS System Modifications

California operates on a two-tiered emergency medical services (EMS) system. EMSA is the lead agency and centralized resource to oversee emergency and disaster medical services. The California Emergency Medical Services Authority (EMSA) is charged with providing leadership in developing and implementing local EMS systems throughout California, and in setting standards for the training and scope of practice of various levels of EMS personnel. California has 33 local EMS systems that provide EMS for California's 58 counties.

Local EMS agencies are responsible for planning, implementing, and managing local trauma care systems, including assessing needs, developing the system design, designating trauma care centers, collecting trauma care data, and providing quality assurance.

In late 2019, EMSA issued proposed Chapter 13 regulations that would have aimed to define the standards, policies, and procedures for all local EMS systems. Additionally, the proposed regulations would have clarified and made specific criteria for determining whether a city or fire district that has contracted for, or provided prehospital EMS as of June 1, 1980, has consistently provided that service without any reduction in the level of service since that time. The regulations would have also made specific criteria for the determining when an exclusive operating area may be created without a competitive process and the process to be used when awarding an exclusive operating area via a competitive process.

The EMSA proposed regulations garnered opposition from numerous entities. Additionally, CFCA's legal counsel requested that EMSA withdraw the proposed Chapter 13 regulations for failure to comply with certain substantive and procedural requirements for rulemaking under the Administrative Procedures Act. Ultimately, in August 2020, EMSA gave notice that it decided not to proceed with the rule making action related to Chapter 13.

While EMSA has withdrawn its previous regulatory proposal, it is possible that they could re-initiate the rule-making process or pursue statutory changes through the Legislature. TPA is coordinating efforts with the District to be prepared in the event of future legislative or regulatory action. TPA has provided the District with more detailed background information on this subject and possible avenues for action. Additionally, TPA has working to coordinate with industry partners to educate legislators and staff on this issue, as well as to prepare for any potential legislative or regulatory action.

There is one bill introduced in the current legislative session directly related to local EMS agencies, AB 389 (Grayson). AB 389 would authorize a county to contract for emergency services with a fire protection district that is governed by the county's board of supervisors and provides those services through a written contract with a private ambulance provider. This bill would also authorize a fire protection district to enter into a written subcontract with a private ambulance service. AB 389 is sponsored by Contra Costa County. AB 389 was approved by the Assembly (67-0) and is currently in the Senate awaiting referral to a policy committee.

Legislative Priority 2 – Job Order Contracting

Job order contracting is a procedure that allows for the awarding of contracts based on prices for specific construction tasks, rather than bids, for a specific project. A catalog or book identifies all



work that could be performed, typically maintenance or modernization, and the unit prices for each of those tasks. The tasks are based on accepted industry standards and process include the cost of materials, labor, and equipment for performing the work, but exclude overhead and profit. A contractor, who has been prequalified, rather than bid a total price for the project, will bid an adjustment factor, which reflects specified costs, to the preset unit prices.

The State Legislature first authorized job order contracting on a pilot basis at Los Angeles Unified School District from 2004 through 2007. The Legislature later extended and modified the pilot program. Based on the results of the pilot program, legislation was approved in 2015 that authorized all school districts that have entered into a project labor agreement to utilize job order contracting. Additional legislation was approved in 2017, which further authorized community college districts that have entered into a project labor agreement to utilize job order contracting.

Current law does not provide special districts with the ability to utilize job order contracting and legislation would be needed to grant this permission. Since job order contracting utilizes accepted industry standards to form the basis of the preset unit prices for work to be performed, it is likely that legislation would need to apply to a class of special districts, such as fire protection districts, to make practical sense.

As noted above, previously approved bills related to job order contracting has limited its use to those that have entered into a project labor agreement that applies to all public works in excess of \$25,000. Given the politics surrounding the previous legislative efforts, it is unlikely that future job order contracting legislation will be successful unless it contains the existing provisions related to project labor agreements. As such, the District may wish to consider the potential benefits of job order contracting, in conjunction with other actions that may be required to take in order to utilize job order contracting.

Prior to the bill introduction deadline, Assembly Member Low introduced AB 846, related to job order contracting. This bill would extend the current December 31, 2021 sunset date that allows school districts and community colleges to utilize job order contracting until January 1, 2027. Additionally, the bill modifies the job order contracting provisions to specify that any entity awarded a contract in excess of \$25,000 shall provide an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the job order contract that falls within an apprenticeable occupation in the building and construction trades. AB 846 was approved by the Assembly (57-16) and is currently in the Senate awaiting referral to a policy committee.

Legislative Priority 3 – Mitigation Fee Act

Under existing law, the Mitigation Fee Act authorizes local agencies to impose fees to offset the impacts of new development in the form of new services and/or facilities required. The Mitigation Fee Act also imposes a variety of administrative requirements on the fees collected. No voter approval is required to impose impact fees. The same does not apply to a District board, who is prohibited from charging a fee on new construction or development.

Last year, numerous bills were introduced that attempted to modify the Act in ways that would have resulted in a decreased ability for public agencies to collect impact fees. The aim of these legislative efforts has been to reduce the overall cost of housing in California and provide more



opportunities for home ownership or for people to be able to afford to rent housing near employment centers.

This year there have not been nearly as many bills introduced dealing with mitigation fees as there were last year. Building on the roundtable discussions that were held early last year, Assembly Member Grayson has introduced two measures, AB 602, and AB 678, to continue the conversation around mitigation fees.

AB 602 includes provisions related to nexus studies, including best practices and standards for transparency, assessment based on proportional square footage, and cleanup on posting fee schedules. This language is intended to be a starting point for conversations, and additional language may be considered as the bill moves through the legislative process. The measure was approved by the Assembly (76-0) and is currently in the Senate awaiting referral to a policy committee.

Legislative Priority 4 – Professional Services

Under existing law, the Public Contract Code provides that contracts over \$25,000 must be awarded to the lowest bidder. In addition to be a low threshold, Section 20812 is inconsistent with the requirements for many public agencies, and inconsistent with other laws pertaining to Professional and Special Services.

This session legislation has been introduced by Assembly Member Gallagher, AB 577, which would establish a \$50,000 threshold amount for county drainage districts, levee districts, and reclamation districts for the requirement to award to the lowest bidder. AB 577 was referred to the Assembly Local Government Committee for consideration, but was not set for hearing by the committee, and as such, the measure is now a two-year bill.

Legislative Priority 5 – Parcel Tax

Currently, a parcel tax requires a two-thirds vote to pass and must be applied to all parcels equally. This means that a residential property, a commercial property, and an undeveloped property would have to be assessed the same amount for fire service even though they place different levels of demand for service on the Fire District.

On December 7th, Assembly Member Aguiar-Curry reintroduced ACA 1 which would create an exception to the 1% limit that would authorize a city, county, or special district to levy an ad valorem tax to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, if the proposed tax measure is approved by 55% of voters. For purposes of the bill, “public infrastructure” includes public safety buildings or facilities, equipment related to fire suppression, emergency response equipment, or interoperable communications equipment for direct and exclusive use by fire, emergency response, police, or sheriff personnel.

Last year, ACA 1 was supported by a coalition of individual public agencies and associations, including: California Special Districts Association, League of California Cities, California State Association of Counties, East Bay MUD, and East Bay Parks. The measure also received significant support from labor, including from California Professional Firefighters.



ACA 1 has been referred to the Assembly Local Government Committee, which is chaired by the bill's author, Assembly Member Aguiar-Curry. Since constitutional amendments are not subject to the same legislative timelines as regular bills, so the measure may still be considered by the Assembly Local Government Committee despite being past the deadline for policy committees to consider bills in their House of Origin. Last session, ACA 1 was approved by the committee on a 5-2 vote.

Legislative Priority 6 – Proposition 218

Proposition 218 restrict local governments' ability to impose assessments and property-related fees, as well as requires elections to approve many local government revenue raising methods. Over time, the responsibilities expected of local fire districts have grown, however, their share of local tax revenue has not grown to meet the increased demand.

Every few years, efforts have failed to modify the State Constitution to reduce the vote threshold for parcel tax measures to 55%. That included an effort earlier in the 2019-20 legislative session, ACA 1 (Aguiar-Curry). While that measure was unsuccessful, the Legislature was able to approve a measure, ACA 11 (Mullin), for the November ballot, which appear on the ballot as Proposition 19. Proposition 19 was approved at the November 2020 General Election and allows homeowners who are over 55, disabled, or victims of wildfire or natural disaster to transfer their primary residence's property tax base value to a replacement residence of any value, anywhere in the state. An individual could use these rules up to three times in their lifetime. The measure would also limit the ability of new homeowners who inherit properties to keep their parents' or grandparents' low property tax payments. The measure would allocate most resulting state revenue to fire protection services and reimbursement to local governments for taxation-related changes.

SB 539 (Hertzberg) has been introduced this year to assist with the implementation of Proposition 19. SB 539 provides statutory detail for taxpayers to claim base year value transfers under Proposition 19, as well as implements the proposition's limitations on parent-child/grandparent-grandchild change of ownership exclusions. SB 539 is currently moving through the Senate and is awaiting consideration on the Senate Floor.

Legislative Priority 7 – Building a Coalition

With the assistance of the California Special District's Association and the California Fire District's Association, TPA is working to build a coalition with other special fire districts in California that are impacted by Proposition 13 allocations, and growth since Proposition 13 was enacted. This coalition will also provide support for the long-term priorities listed above, as well as future priorities. A coalition will support efforts to show the long-term implications of Proposition 13 are a statewide issue and not unique to the District.

TPA continues to work with the California Special Districts Association in efforts to further strengthen the relationship between CSDA and the District, as well as to ensure alignment on issues of importance to fire districts. To that end, going forward CSDA will include the District on their "Secondary List" for the CSDA Legislative Committee. This list will provide the District with access to all of the materials that are prepared for the CSDA Legislative Committee and will also



allow the District to participate in the Legislative Committee meetings as a non-voting participant. Additionally, CSDA has encouraged the District to consider applying for a full voting position on the CSDA Legislative Committee for 2022. TPA is working with CSDA and the District to complete the CSDA process for applying for a position on the Legislative Committee. The applications to be on the committee are due by July.

In addition to participation in the CSDA Legislative Committee, TPA and ECCFPD staff have been working closely with CSDA to generate support for the inclusion of funding, within the state budget, to reimburse special districts for costs incurred in response to the COVID-19 pandemic. These efforts have included generating support for budget funding from Contra Costa County, as well as the cities served by the District. Additionally, the District has worked with CSDA to publish an op-ed outlining the important role that special districts have in their communities, and the need to direct coronavirus response funding to special districts. These efforts, along with the efforts of other stakeholders, resulted in the Legislature including \$100 million in their proposed budget to reimburse special districts for costs incurred in response to COVID-19. TPA and ECCFPD continue to work with CSDA, and other stakeholders, to support the Legislature's proposal and encourage the Newsom Administration to support its inclusion in the final budget agreement.

