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Senate and Assembly Committees Decide on Fiscal Measures; Prepare for Final Floor Votes

Legislators are set to vote on hundreds of measures in these final two weeks of the 2017 Legislative Session. Last Friday, the members of the Appropriations Committees of both houses decided the fate of measures that require significant funding or appropriations. They approved many measures including some with amendments and now move to the Senate and Assembly floors, and listed below as “Pass.” Others were “Held” on suspense, meaning they are tabled and ineligible for further action this session. *For more, see Page 2.*



Session Snapshots and CitiPAC Reception Update for the 2017 Annual Conference

This year, the League of California Cities® Annual Conference & Expo will feature over 55 educational sessions. The topics explored at the conference cover current issues important to the changing needs of local officials. The League’s [Annual Conference webpage](#) has information on speakers, sessions and more. Here is a sample of a couple of sessions and a special event that will be offered. *For more, see Page 2.*



FAQ Available on the Road Maintenance and Rehabilitation Account and SB 1

The Road Repair and Accountability Act of 2017 (SB1 Beall) provides for allocations of various funds to state and local agencies for transportation purposes. Among those funds are formula based allocations from the Road Maintenance and Rehabilitation Account (RMRA). In order to receive RMRA funds, cities and counties must meet a “maintenance of effort” (MOE) requirement to ensure that these new roads funds do not supplant existing levels of general revenue spending on streets and roads. CaliforniaCityFinance.com has prepared a [FAQ on SB1’s Transportation Funding Maintenance of Effort](#). *For more, see Page 3.*

Below is a complete listing of all bills on which the League has adopted a position that were pending this week on either the Senate or Assembly Appropriations Suspense Files. To access bill language, the League's position letters and sample letters, please visit www.cacities.org/billsearch and plug in the bill number into the search function.

Senate Appropriations

Oppose

- AB 570 (Gonzalez Fletcher) Workers' compensation: permanent disability apportionment — *Pass*

Oppose Unless Amended

- AB 943 (Santiago) Land use regulations: local initiatives: voter approval — *Held*
- SB 79 (Allen) Sales and use taxes: exemption: used electric vehicles — *Held*

Support

- AB 76 (Chau) Adult-use marijuana: marketing — *Held*
- AB 175 (Chau) Cannabis marketing: packaging and labeling — *Held*
- AB 420 (Wood) Personal income tax: deduction: commercial cannabis activity — *Held*
- AB 735 (Maienschein) Swimming pools: public safety — *Held*
- AB 1002 (Cooley) Center for Cannabis Research — *Held*
- AB 1408 (Calderon) Crimes: supervised release — *Pass*
- SCA 9 (Glazer) Property tax: new construction exclusion: rainwater capture system — *Pass*

Assembly Appropriations

Oppose

- SB 63 (Jackson) Unlawful employment practice: parental leave — *Held*
- SB 649 (Hueso) Wireless telecommunications facilities — *Pass*

Oppose Unless Amended

- SB 21 (Hill) Law enforcement agencies: surveillance: policies — *Held*

Concerns

- SB 623 (Monning) Water quality: Safe and Affordable Drinking Water Fund — *Held*

Support

- SB 199 (Hernandez) The California Health Care Cost, Quality, and Equity Atlas — *Held*
- SB 378 (Portantino) Alcoholic beverages: licenses: emergency orders — *Held*
- SB 421 (Wiener) Sex offenders: registration: criminal offender record information systems — *Held*
- SB 541 (Allen) Water: School facility water capture practices — *Pass*

Public Safety Sessions

Providing emergency services is an essential part of any city's public safety program. The Ghost Ship Fire in Oakland tragically highlighted that buildings and occupancies designed for one use are being used very differently. Learn from a multidiscipline panel of experts on the issues and

best practices in the areas of code enforcement, fire, life safety and broader community policy concerns.

The conference will also cover topics related to licensed activities under Proposition 64, the Adult Use of Marijuana Act. Discover the types of funding available to local governments for enforcement actions — including emergency response for indoor cultivation and manufacturing.

Learn about current laws that affect the use and seizure of legal and illegal fireworks, including the stockpiling of seized materials, industry viewpoints, and regulatory options for consideration.

AB 1825 Training: Harassment, Discrimination, and Retaliation for Elected Officials

State law requires elected officials to receive two hours of training on workplace harassment, discrimination and retaliation, applicable legal standards, reporting and investigating obligations, abusive conduct, and potential legal damages and remedies. Join two dynamic employment attorneys who will offer practical strategies and solutions for dealing with workplace conduct that can lead to legal liability. This session also addresses issues specifically related to elected officials, including online communications, the Public Records Act, and personal liability for intentional torts. Sign-in will begin 30 minutes prior to the session and participants must be present the full two hours to receive a certification of attendance.

Be Our Guest

Following the host city reception on the first day of the conference, CitiPAC presents the 12th Annual Leadership Reception, hosted by Keenan & Associates. The *California Dreamin* event will feature food, beverages, music, and entertainment along with the newly opened Unity Center at the California Museum (1020 O Street, Sacramento 95814). The center's interactive multimedia exhibits highlight leaders in the state's rich civil rights history and encourage visitors to find common ground while embracing their own individuality. A shuttle schedule will be provided in the conference program.

On-Site Registration Is Available

While online registration has officially closed, you can still register for the Annual Conference on-site at the Sacramento Convention Center.

'FAQ' Continued from Page 1...

This helpful FAQ answers a variety of questions such as:

- Can I use my CIP and operational costs to meet my MOE requirement?
- Why is my MOE number so high?
- What do I do if I think my number is too high?

Water Conservation and Efficiency Discussions Continue

California is pulling out of a historic drought that drastically changed how people use water. Beginning with Gov. Jerry Brown's declaration of a [State of Emergency](#) in January 2014, and escalating to declaring the first [mandatory water reductions](#) in 2015, California saw a shift towards conserving water on a level not previously seen. The state saw success in reducing its overall water consumption by 25 percent from 2013 levels. With this groundswell of conservation momentum, the Governor released his plan, [Making Water Conservation a California Way of Life](#). This plan, along with a number of water conservation bills, will shape the future of California's water conservation and use landscape.

Both the Senate and Assembly are engaged in discussions about the future of water conservation, efficiency, and target setting. The Assembly created a water-working group earlier this year that has been working with stakeholders on addressing issues around water conservation and efficiency.

Sens. Nancy Skinner (D-Berkeley) and Robert Hertzberg (D-Van Nuys) and Assembly Member Laura Friedman (D-Glendale) are currently drafting a package of water use efficiency bills that they hope to pass by the end of this year's legislative session. Their plan will focus on creating urban water standards, water use targets, and drought contingency plans. This plan is aimed at eliminating unnecessary uses of water, prepare and plan for extended periods of drought, and to clarify the roles and responsibilities of state and local water agencies among many other objectives.

Negotiations between the Senate, the Assembly, the Administration, and other water stakeholders continue through the last weeks of the legislative session.

Below are identical bills that the Senate and Assembly are considering as possible vehicles for addressing water conservation:

- [AB 1668 \(Friedman\)](#)
 - [SB 606 \(Skinner and Hertzberg\)](#)
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Cap-and-Trade Expenditure Plan Released

In July, the Legislature passed and the Governor signed legislation to extend the Cap-and-Trade market mechanism through 2030. With this step complete, leaders have now begun conversations about how to spend the revenues. Both the Senate and Assembly budget subcommittees held hearings introducing the discussion of how to expect Cap-and-Trade revenues and hear public testimony. The League testified at both hearings to express our priorities for funding.

As with previous expenditure plans, 60 percent of the Cap-and-Trade revenues in the Greenhouse Gas Reduction Fund (GGRF) are continuously appropriated and the remaining 40 percent have been appropriated by the legislature on an annual basis. Cities and other local governments are eligible for a number of GGRF-funded programs.

Continuous Appropriations

Consistent with current law, \$900 million of projected GGRF revenue would be continuously appropriated to the following programs:

- \$375 million for high-speed rail;
- \$300 million for the Affordable Housing and Sustainable Communities Program;
- \$150 million for transit and intercity rail capital; and
- \$75 million for transit operations.

New Proposed Expenditure Plan

Governor Brown released a \$1.5 billion [expenditure plan](#) last week for the remaining 40 percent of GGRF funds for FY 2017-18. This plan aligns with the new spending priorities set forth in AB 398 (E. Garcia), which extended the Cap-and-Trade system through Dec. 31, 2030 and made other changes. Among other priorities, \$350 million would be directed to assist the California Air Resources Board (CARB) and local air districts implement the new air monitoring and quality program established by AB 617 (C. Garcia).

The chart below contains the proposed appropriations for the 40 percent of GGRF funds:

Figure CLL-01
2017-18 Cap and Trade Expenditure Plan
(Dollars in Millions)

<i>Investment Category</i>	<i>Program</i>	<i>Amount</i>	<i>AB 398 Categories</i>
AB 617 Implementation	Community Action Plans	\$300	Air Toxic and Criteria Air Pollutants & Low and Zero Carbon Transportation
	State and Local Implementation Costs	\$45	
	Technical Assistance to Community Groups	\$5	
Low Carbon Transportation	Clean Vehicle Rebate Project	\$140	Air Toxic and Criteria Air Pollutants & Low and Zero Carbon Transportation
	Freight Hubs/Ports: Zero Emission Freight Equipment Pilot Commercial Deployment Projects	\$125	
	Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$125	
	Clean Truck and Bus Voucher Incentive Project	\$132.5	
	Agricultural Diesel Engine Replacement & Upgrades	\$85	
Sustainable Agriculture	Methane Reduction	\$99	Short-Lived Climate Pollutants & Air Toxic and Criteria Air Pollutants
	Energy Efficiency	\$60	
	Renewable Energy	\$6	
	Healthy Soils	\$5	
Sustainable Forests	Fire Prevention	\$200	Healthy Forests and Urban Greening & Climate Adaptation and Resiliency
	Local Fire Response	\$25	
	Backfill SRA Fund	\$80	
Waste Diversion	Recycling Infrastructure	\$40	Short-Lived Climate Pollutants
Clean Energy	Black Carbon Woodsmoke	\$5	Short-Lived Climate Pollutants & Air Toxic and Criteria Air Pollutants
Energy Efficiency	Low Income Weatherization	\$20	Climate Adaptation and Resiliency
Research and Development	University of California Energy Research	\$2.5	Climate and Clean Energy Research
Total		\$1,500	

Among these allocations, local governments are expected to be eligible for a number of these programs, including waste diversion and some of the low carbon transportation programs. The Legislature must pass an expenditure plan, which must be signed by the Governor, before funds can be appropriated.