

# PLATINUM | ADVISORS

Meeting of December 15, 2023

TO: Gerald Cochran, Chair, Governmental Affairs and Public Information Committee  
Michael Theriault, President, Board of Directors  
Denis J. Mulligan, General Manager

FR: Platinum Advisors, LLC

RE: **STATE UPDATE FROM THE DISTRICT'S LEGISLATIVE ADVOCATES, PLATINUM ADVISORS, LLC**

**New Chairs:** Speaker Rivas showed who he was thankful for by announcing new chairs and leadership changes the day before Thanksgiving. This was an announcement that has been long awaited, and was preceded by a flurry of rumors about who was in and who was out. The only real surprise was the demotion of Assemblyman Isaac Bryan who was relieved of his duties as Majority Leader only five months after being named to the post. The following are some of the other changes announced:

- Assemblymember Jim Wood has been named Speaker Pro Tempore
- Assemblymember Cecilia Aguiar-Curry has been named Majority Leader
- Assemblymember Matt Haney has been named Majority Whip
- Assemblymember Buffy Wicks has been named chair of Appropriations
- Assemblymember Jesse Gabriel has been named chair of Budget
- Assemblymember Lori Wilson has been named chair of Transportation

**New Pro Tem:** With Senate President Pro Tem Toni Atkins being termed out in 2024, the Senate Democrat Caucus in August elected Senator Mike McGuire to be the next Senate leader. However, this election did not specify a transition date. On December 4<sup>th</sup>, it was announced Senator McGuire will be sworn in as the next President Pro Tempore of the Senate on February 5<sup>th</sup>.

Senator McGuire will take the helm at fiscally turbulent time. The state budget deficit could potentially reach \$40 billion according to the LAO. While the new Pro Tem will have to make difficult decisions, this early transition date will enable Senator McGuire to have his team in place to meet this challenge.

**Task Force:** CalSTA is working overtime to create the Transit Transformation Task Force. Among the many elements in SB 125, the transportation budget trailer bill, it included the formation of the Task Force with the goal of completing a report on the state of public transit and how to fund transit service by October 21<sup>st</sup>, 2025.

SB 125 directs CalSTA to create the Task Force by the end of this year. The deadline to submit an application to participate was November 29<sup>th</sup>. CalSTA is expected to name the Task Force members by December 8<sup>th</sup>, the first meeting will be held on December 19<sup>th</sup>.

SB 125 did not specify the size of the Task Force other than the type of stakeholders that should be named to the board. There has been a significant number of entities expressing interest in being named to the Task Force. In order to provide adequate representation and maintain a manageable size, CalSTA is considering a Task Force ranging from 20-25 members. To provide an opportunity for a wider range of participants, the formation of the Task Force may also include several subcommittees that will focus on specific issues.

The breadth and depth of the work facing the Task Force is significant. The review must include an assessment of existing transit service and funding sources, as well as workforce development and consideration of service efficiency, fare coordination and service integration, to name a few of the topics listed in SB 125.

With the deadline to submit the report in October 2025, the pressure will be on to complete the review in 2024, to have time to write the report and conduct workshops on its content.

***End of Session Update to the Update:*** The California Legislature wrapped up its 2023 session just moments before midnight on September 14<sup>th</sup>. The Legislature is now on pause until January 3rd.

The shadow of a new Assembly Speaker, Robert Rivas, loomed large. His ascent to one of California's most influential positions, after a tumultuous year-long struggle, marked a significant shift in the state's political landscape. It is rumored Speaker Rivas used his new position to ensure passage of SB 253 (Wiener) in the Assembly. Last year's attempt to require large corporations to provide detailed reports on carbon emissions narrowly failed on the Assembly floor. This year SB 253 was approved with the minimum votes needed for passage.

As the session concluded, Governor Newsom found himself with a desk laden with 1,046 bills awaiting his decision. The Governor completed his review of these bills on October 13<sup>th</sup>. He signed 890 bills into law, and vetoed 156 bills, for a veto rate of 14.9%. This is on par with veto rates from prior years.

The following highlights some of the major measures sent to the Governor:

### **Climate & Energy Issues**

***AB 1373 – Renewable Energy:*** Governor Newsom signed into law [\*\*AB 1373 \(Garcia – D\)\*\*](#), which enables California to procure offshore wind, geothermal, and other long lead-time energy resources that are foundational to our clean energy future, all while creating tens of thousands of California jobs. The bill authorizes the Department of Water Resources (DWR) to serve as a central procurement entity to procure energy resources to help the state meet its renewable and zero-carbon energy resources and reliability goals should the California Public Utilities Commission (CPUC) identify a specific procurement need and make a request of DWR.

***SB 253 – Climate Corporate Data Accountability Act:*** [\*\*SB 253 \(Wiener – D\)\*\*](#) was also signed into law. This bill would require large U.S.-based companies doing business in California to publicly report their annual greenhouse gas emissions. Proponents claim that the goal is to discourage corporate greenwashing, or marketing that falsely portrays a company's efforts to reduce climate-warming emissions. During Climate Week events in New York, Governor Newsom stated his intention to sign this measure, but he also indicated he would seek clean-up changes to the bill.

In his signing letter, Governor Newsom stated, *“the implementation deadlines in this bill are likely infeasible, and the reporting protocol specified could result in inconsistent reporting across businesses subject to the measure. I am directing my Administration to work with the bill's author and the Legislature next year to address these issues. Additionally, I am concerned about the overall financial impact of this bill on businesses, so I am instructing CARB to closely monitor the cost impact as it implements this new bill and to make recommendations to streamline the program.”*

### **Constitutional Amendments**

A pair of constitutional amendments aimed at the 2024 ballot would lower or preempt barriers to raising revenue, sparking a clash between Labor and cities on one side and business and real estate groups on the other. Constitutional amendments do not require the Governor's approval and are sent directly to the ballot upon approval by the legislature.

***Lowering the Threshold:*** [ACA 1 \(Aguiar-Curry – D\)](#) would lower the voter threshold to 55% for the approval of local levies intended to take on bonded debt or to introduce specific special taxes. These funds would be earmarked for capital projects such as affordable housing, permanent supportive housing, or public infrastructure, including public transit projects. Presently, a supermajority—often at least two-thirds—is mandated for many such proposals.

***Countering Supermajorities:*** [ACA 13 \(Ward – D\)](#) comes as a counter to a 2024 ballot proposition put forth by the California Business Roundtable. The Roundtable's proposition seeks to mandate a two-thirds vote for all tax hikes at both the state and local levels. In a strategic move, Democrats countered this with ACA 13, which would necessitate a two-thirds vote for any proposal aiming to increase a voter threshold. This is a direct challenge to the Roundtable's initiative.

### **Labor Issues:**

***AB 316 --Autonomous Vehicles:*** In a move that underscores the tension between safety and technological advancement, Labor-backed [AB 316 \(Aguiar-Curry – D\)](#) requires human drivers to remain behind the wheel of autonomous vehicle greater than 10,000 pounds on state highways for a minimum of five years.

Governor Newsom wasted little time in vetoing this measure. While the Legislature cites safety concerns as the driving force behind the bill, Newsom's office raised alarms about potential stifling of innovation. The Governor's veto message stated, *“Assembly Bill 316 is unnecessary for the regulation and oversight of heavy-duty autonomous vehicle technology in California, as existing law provides sufficient authority to create the appropriate regulatory framework.”*

However, Governor Newsom signed into law AB 96 (Kalra), which would require a public transit employer to provide written notice to an exclusive representative of the workforce affected by autonomous transit vehicle technology, and that collective bargaining commence within a certain timeframe.

**SB 799 – Unemployment Insurance for Striking Workers:** In a move inspired by California's summer of strikes, [SB 799 \(Portantino – D\)](#) emerged as a last-minute legislative effort to grant unemployment benefits to workers on strike after a two-week wait period. While states like New York and New Jersey have adopted similar measures, California's current stance restricts those

who leave work due to a "trade dispute" from accessing unemployment benefits, which are financed by a business payroll tax.

In a major departure with California's labor groups, Governor Newsom vetoed SB 799. In his veto message he stated, *"Any expansion of eligibility for UI benefits could increase California's outstanding federal UI debt projected to be nearly \$20 billion by the end of the year and could jeopardize California's Benefit Cost Ratio add-on waiver application, significantly increasing taxes on employers. Furthermore, the state is responsible for the interest payments on the federal UI loan and to date has paid \$362.7 million in interest with another \$302 million due this month. Now is not the time to increase costs or incur this sizable debt."*

**SB 553 – Workplace violence prevention program** -- Governor Newsom signed into law SB 553 (Cortese), which adds to the required elements of an employer's injury prevention program a workplace violence prevention plan (WVPP), subject to review at least annually. The bill requires employers to record information in a violent incident log about every workplace violence incident and provide effective training on the plan. SB 553 authorizes collective bargaining representatives to seek a temporary restraining order (TRO) and order after hearing on behalf of an employee who has suffered unlawful violence or a credible threat of violence from any individual.

The following are measures we closely monitored or advocated for on behalf of the District.

	Subject	Status	Position
<a href="#"><u>AB 321</u></a> <a href="#"><u>(Wilson D)</u></a> Sales and Use Tax: exemptions: zero-emission public transportation ferries.	AB 321 would provide a partial exemption to the state sales tax for the purchase of a "zero-emission public transportation ferry" by a city, county, city and county, transportation district, transit district, or other public agency that provides transit services to the public. This exemption would sunset on June 1, 2028. This exemption also mirrors the existing exemption for the purchase of zero emission buses.  AB 321 was approved by the Assembly Revenue & Taxation Committee, but the general fund impact resulted in AB 321 being held of the Assembly Appropriations Committee's Suspense File.	Assembly Appropriations Suspense File	Co-Sponsor

	Subject	Status	Position
<p><b><u>AB 463</u></b> <b>(Hart D)</b> Electricity: prioritization of service: public transit vehicles</p>	<p>The goal of AB 463 is to ensure utilities take into consideration the electricity needs to charge electric buses when planning for power shutoffs.</p> <p>This measure would require the CPUC to consider the economic, social equity, and mobility impacts of a temporary power discontinuance to customers that rely on electrical service to operate public transit vehicles. In addition, AB 463 would require electric utilities to include in their public safety power shutoff plans protocols related to mitigating those public safety impacts on public transit vehicle charging infrastructure.</p>	<p>Assembly Appropriations</p> <p>Suspense File</p>	<p>SUPPORT</p>
<p><b><u>AB 740</u></b> <b>(Gabriel D)</b> Department of General Services: drone cybersecurity.</p>	<p>AB 740 would establish cybersecurity and privacy standards for data collected by drones that are operated by California state and local government entities.</p> <p>It would require the California Department of Technology (CDT) to issue regulations meant to ensure the confidentiality, integrity, and availability of data collected, transmitted, and stored by government drones. The regulations, at minimum, would have to ban the use of drones made by certain entities identified by the federal government; forbid government entities from selling drone data; and require that these entities collect, process, and use drone data in a manner that is reasonably necessary and proportionate to the lawful purposes for which it is collected.</p>	<p>Assembly Accountability &amp; Administrative Review Two-Year Bill</p>	<p>Watch</p>
<p><b><u>AB 1464</u></b> <b>(Connolly D)</b> Richmond- San Rafael Bridge.</p>	<p>AB 1464 would require the Bay Area Toll Authority (BATA) and Caltrans to consider specific operational changes if they plan to open a third lane on the westbound level of the Richmond-San Rafael Bridge to motor traffic.</p>	<p>Assembly Appropriations Suspense File</p>	<p>Watch</p>

	Subject	Status	Position
	<p>The specific changes to be considered include:</p> <ul style="list-style-type: none"><li>• Add a moveable “zipper” barrier to the eastbound level of the bridge similar to the barrier on the westbound level so that a continuously operated bicycle and pedestrian lane is maintained.</li><li>• Operate the moveable zipper barriers on both levels of the bridge in such a manner so as to allow the most efficient flow of traffic in either direction while preserving an open bicycle and pedestrian lane.</li></ul>		