Government Finance and Administration Policy Committee Meeting
CSAC Legislative Conference
Thursday, April 21, 2022 — 9:00am – 10:30am
SAFE Credit Union Convention Center, Ballroom B06
Sacramento County, California

Supervisor Amy Shuklian, Tulare County, Chair
Supervisor Luis Alejo, Monterey County, Vice Chair

9:00 am  I. Welcome and Introductions

9:05 am  II. Show Me the Money – How the State Appropriations Limit Rules the 2022 Budget Debate
Jason Sisney, State Budget Advisor, Office of Assembly Speaker Anthony Rendon
Ann Hollingshead, Principal Fiscal & Policy Analyst, Legislative Analyst’s Office

9:30 am  III. Will You Complete Me? – Broadband Infrastructure and County Technical Assistance Grants
CPUC Staff

9:55 am  IV. Help Me, Help You – How CERF Can Promote Regional Prosperity
Derek Kirk, Community-Based Solutions Supervisor, GO-Biz

10:20 am  V. What’s Cooking in the Capitol – Brown Act, Broadband, and More

10:30 am  VI. Adjournment
Show Me the Money – How the State Appropriations Limit Rules the 2022 Budget Debate

Attachment One ................................. CSAC Memo: Show me the Money – How the State Appropriations Limit Rules the 2022 Budget Debate

Attachment Two ................................. LAO Report: State Appropriations Limit Implications

Will You Complete Me? – Broadband Infrastructure and County Technical Assistance Grants

Attachment Three ................................. CSAC Memo: Will You Complete Me? – Broadband Infrastructure and County Technical Assistance Grants

Attachment Four ................................. CPUC: Local Agency Technical Assistance Overview

Attachment Five ................................. CPUC: Broadband Implementation for California

Help Me, Help You – How CERF Can Promote Regional Prosperity

Attachment Six ................................. OPR: CERF Overview

Attachment Seven ................................. OPR: CERF Regions

Attachment Eight ................................. CERF FAQ March 2022

What’s Cooking in the Capitol – Brown Act, Broadband, and More

Attachment Nine ................................. GFA Bills of Interest
CSAC Memo: Show Me the Money – How the State Appropriations Limit Rules the 2022 Budget Debate
April 6, 2022

To: CSAC Government Finance and Administration Policy Committee

From: Geoff Neill, CSAC Legislative Representative
Danielle Bradley, CSAC Legislative Analyst

Re: Show Me the Money – How the State Appropriations Limit Rules the 2022 Budget Debate

Background
California’s budget writers face a counterintuitive problem this year: the bigger the state’s surplus gets, the bigger the cuts they will need to make.

This puzzling situation results from the confluence of budget-limiting ballot measures over the last 45 years, primarily Proposition 4 in 1979 as later modified by Proposition 111 in 1990.

Since the passage of Prop. 4, California governments have been subject to an appropriations limit, often called the Gann limit after the lead proponent of the initiative. The limit applies individually to each county, city, and special district, while school districts share their limits collectively with the state, a nod to the shared responsibility for funding education. Each year, the allowable level of appropriations under the limit rises by a formula based on changes in income and population.

The state has reached its limit. Once a government entity’s revenues reach its appropriations limit, it must return each dollar over that amount to taxpayers within two years (or in the state’s case, send half of it to schools). The only alternatives are to spend the excess funds on infrastructure, debt service, local subventions, or emergency response.

However, the state is also required to allocate much of its tax revenue by formula regardless of the appropriations limit. Proposition 98 dictates that 38 percent of the state’s general fund revenues must flow to education, Proposition 2 requires spending on reserves and debt, and Proposition 63 mandates certain income tax revenues pay for behavioral health.

The Legislative Analyst reports that these obligations together mean that the state is required to spend $1.60 for each $1.00 of revenue over the limit.

While infrastructure spending, debt service, and local subventions take care of the dollars over the limit, they do not relieve the state of its other budget obligations under Propositions 98, 2, or 63. So now that the state’s revenues are over the appropriations limit, the more money that comes in, the more spending policy makers will have to curtail.
For these reasons, the state appropriations limit will rule budget negotiations this year, and spending on tax rebates, tax credits, and infrastructure are likely to be at an all-time high.

**Staff Contact**
Please contact Geoff Neill at gneill@counties.org or Danielle Bradley at dbradley@counties.org.
Attachment Two

LAO Report: State Appropriations Limit Implications
Summary

SAL Will Constrain the Legislature’s Choices This Year; State Likely to Face Challenges Balancing the Budget in the Next Couple Years. Based on recent tax revenue collection data, the state will face a significant state appropriations limit (SAL) requirement—possibly in the tens of billions of dollars—at the time of the May Revision. The Legislature and Governor can address that requirement with tax reductions and/or with more spending on specific purposes, such as capital outlay. This year, the surplus likely will be large enough to cover those requirements. In future years, however, it is very unlikely this would be the case, requiring the Legislature to make reductions to existing spending. Under our estimates, this could happen as soon as next year.

Under the Governor’s Budget, the State Is Very Likely to Face Future, Serious Budget Challenges. If the Legislature adopts the Governor’s budget proposals and the economy continues to grow, the state would not have surpluses large enough to pay for large and growing SAL requirements in future years. If the economy does not continue to grow, the state would face budget problems due to revenue shortfalls. For this analysis we examined 10,000 possible revenue and economic scenarios. In over 95 percent of scenarios, the state faces a budget problem by 2025-26 either due to constitutional spending requirements or a recession. In these scenarios, the state would need to make cuts to existing services to bring the budget back into balance.

Options for Avoiding Budget Problems in Future Years. The Legislature has options to avoid budget problems from arising over the next few years. For example, the Legislature can delay paying SAL requirements (for up to two years), change the definition of subventions, and/or reject nearly $10 billion in Governor’s budget proposals and save those funds to meet future SAL requirements. In fact, we recommend all, or nearly all, of the Governor’s budget proposals that do not help the state meet SAL requirements be rejected. However, all of these options are short-term remedies, not long-term solutions. Over the long term, as long as the economy continues to grow, the Legislature has two choices: (1) reduce taxes in order to slow revenue growth or (2) request the voters change the SAL.
A budget problem occurs when state spending under current law exceeds state resources available. Because the state must pass a balanced budget, when a budget problem occurs, the Legislature must take actions to bring the budget into balance, like cutting spending or raising revenues. Budget problems most commonly occur during recessions. Now, however, we have determined that future budget problems are likely to occur whether revenues grow slower, faster, or as expected. The remainder of this section explains these dynamics assuming the Governor’s budget proposals are adopted.

Revenue Growth Can Vary Widely. The budget is based on a projection of revenues. Our projections aim to represent the median revenue outcome—in which there is an equal chance that actual revenue collections fall above or below our projection. However, revenues could differ substantially from this median (dotted line in Figure 1)—either higher or lower. Figure 1 shows the range of likely outcomes. The most likely outcomes are shown in the darker shaded area. Less likely outcomes are shown in the lighter shaded region. Some scenarios outside these shaded areas also are possible, but would be outcomes associated with major unforeseen events that dramatically shift the state’s economic situation.

If Revenue Growth Falls Below Median, State Likely to Have a Budget Problem. Because the state usually plans to spend all or nearly all of its forecasted revenues, the state typically faces a budget problem if revenues grow slower than expected. Figure 2 shows the size of annual budget problems under an average recession (assuming the Legislature adopted the Governor’s budget).

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**Figure 1**

SAL Revenue Growth Can Vary Widely

(In Billions)

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SAL = state appropriations limit.
If Revenue Growth at or Above Median, SAL Requirements Grow Significantly...

In contrast, if revenues grow at or above the median, the state would have growing state appropriations limit (SAL) requirements. As described in more detail in other publications (see The State Appropriations Limit), the SAL restricts the use of revenue above a certain threshold. We refer to the restrictions on the use of those revenues as SAL requirements. (See the nearby box for more information on key terms and concepts used in this report, including how SAL requirements work.)

Figure 2

If Revenue Growth Is Slower Than Expected, The State Faces Significant Operating Deficits

Median Operating Deficits (In Billions)

Key Terms and Concepts in This Report

**State Appropriations Limit (SAL) Requirements.** Amounts the state is required to allocate to meet its constitutional requirements under Proposition 4 (1979). In short, a SAL requirement arises when the state’s appropriations subject to the limit are expected to exceed the limit itself. The Legislature can meet SAL requirements in one of three key ways: (1) lowering proceeds of taxes (for example, by providing taxpayer rebates), (2) spending more on excluded purposes (for example capital outlay or money to local governments), or (3) issuing taxpayer rebates and providing more funding to schools and community colleges.

**How Does the State Pay for SAL Requirements?** This brief assumes that the Legislature uses General Fund discretionary funds to meet its SAL requirements. That is, we assume the state: (1) meets all of its commitments under current law and policy, including its constitutional requirements; (2) pays for the Governor’s budget proposals; and (3) uses General Fund monies to pay for any SAL requirements that arise as a result of the calculation described above. If the state’s General Fund resources are insufficient to cover these three categories of costs, the result is a budget deficit.

**Proposals That Do Not Meet a SAL Requirement.** Any budget proposals that do not meet one of the three categories listed in the first paragraph do not help the state meet its SAL requirements. This includes, for example, most spending on program benefits, such as for health and human services programs; required or voluntary contributions to the state’s retirement systems; and deposits into the state’s reserves.

**The SAL and Budget Surpluses.** The state has a surplus when spending under current law is lower than resources available in a single year. SAL requirements can exist in tandem with a surplus, but need not. For example, the state can have a surplus that is larger than its SAL requirements (as it likely will this year) or smaller than its SAL requirements (as is the case for many of the scenarios shown in this brief). In fact, the state can even have a SAL requirement and no surplus at all. That is because these calculations are wholly separate—the availability of a surplus depends on how much the state has committed to spending over time, while SAL requirements exist because revenues exceed a limit established by voters in 1979.
As Figure 3 shows, if revenues grow faster than the median (as shown in figure 1) the state is very likely to face large— and growing—SAL requirements, reaching somewhere between $20 billion and $45 billion by 2025-26. (Note that these scenarios assume the state addresses the 2021-22 SAL requirement. That is, the estimates already assume the state takes some action similar to the various tax rebate proposals introduced by the Legislature and Governor in recent weeks.)

As Do Budget Problems. For each dollar of General Fund revenue, the state is required to provide a certain amount to schools and community colleges and a certain amount to reserves and debt payments. Once tax revenues reach the appropriations limit, the state not only faces a dollar-for-dollar SAL requirement, but also continues to be required to spend a portion of each General Fund dollar on schools and community colleges and reserves and debt payments. As a result, for each dollar collected once the state reaches the appropriations limit, the state faces roughly $1.60 in constitutional requirements. (We describe this dynamic in more detail in our recent post The 2022-23 Budget: Initial Comments on the State Appropriations Limit Proposal.) Consequently, if revenues grow at or above the median, constitutional spending requirements would grow faster than available resources, causing potentially significant budget problems. In this scenario, the state would be required to cut non-constitutionally required spending to solve the budget problems.

Regardless of Revenue Growth, Future Budget Problems Are Very Likely Under the Governor’s Budget. As a result of these two dynamics— either slower revenue growth resulting in operating deficits or faster revenue growth resulting in larger constitutional spending requirements— the budget is very likely to face budget problems in the coming years. Figure 4 shows the range of likely budget problems assuming the Legislature approved all of the Governor’s budget proposals. As the figure shows, the state most likely would face budget deficits ranging from $5 billion to $20 billion as soon as next fiscal year regardless of revenue growth. By 2025-26, those deficits would most likely grow to $20 billion to $60 billion.

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**Figure 3**

If the Economy Continues to Grow, The State Faces (Large and Growing) SAL Requirements

(In Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>SAL Requirementsa</th>
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<tbody>
<tr>
<td>2020-21</td>
<td>-50</td>
</tr>
<tr>
<td>2021-22</td>
<td>-40</td>
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<tr>
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<td>2023-24</td>
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<td>2025-26</td>
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Most likely scenarios assuming revenues grow faster than the median

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a This figure shows the annual difference in appropriations subject to the limit and the limit itself. When this amount is negative, the state has a SAL requirement, which it must meet by: (1) spending more on excluded purposes, (2) lowering taxes, or (3) making taxpayer rebates and additional payments to schools.

SAL = state appropriations limit.
The State Cannot “Grow Its Way Out” of Budget Problems. Higher revenues do not increase the state’s ability to meet SAL requirements. In fact, the opposite is true. As described above, because of the state’s constitutional spending requirements—including that the SAL requires the state to dedicate all revenues above a certain threshold for SAL requirements, no matter how much revenues grow—higher revenue growth means each $1 collected results in $1.60 of spending requirements. This dynamic puts the state in an untenable fiscal situation.

HOW CAN THE LEGISLATURE RESPOND IN THE SHORT TERM?

While the budget could face problems either as a result of a recession or continued economic growth—both on the upside and downside—this post focuses on the steps the Legislature can take to mitigate the budget’s upside risk. That is, how the Legislature can promote the chances that budget stays balanced if revenues come in at or above expectations. This section outlines three steps the Legislature can take to mitigate risks in the short term.

Reject a Significant Share of the Governor’s Budget Proposals

Reject All of the Governor’s Proposals That Do Not Meet a SAL Requirement...
The Legislature can forestall budget deficits for a few years by rejecting all of the nearly $10 billion in Governor’s budget proposals that do not meet a SAL requirement and then saving those funds in order to meet future SAL requirements.
(The Governor’s proposals that meet SAL requirements could be adopted. However, the Legislature could adopt alternative proposals as long as they meet the SAL requirements.) Figure 5 shows how this action would change the budget outlook. As the figure shows, under the Governor’s budget policies (orange bars), the state is most likely to face large and growing budget deficits as soon as 2023-24. If the Governor’s budget proposals that do not meet a SAL requirement are rejected (and those funds are saved instead [blue bars]), the state can most likely delay those deficits until 2025-26. (We list the Governor’s budget discretionary spending proposals that do not help the state meet its SAL requirements in our post The 2022-23 Budget: Initial Comments on the State Appropriations Limit Proposal. We also describe this concept—proposals that do not meet a SAL requirement—in the box on page 3.) Consequently, we recommend rejecting these proposals.

...And Save Funds to Meet Future SAL Requirements. The scenario shown in Figure 5 assumes the state saves $10 billion in 2022-23 and then uses those funds to pay for SAL requirements in 2023-24 and/or 2024-25. As such, the nearly $10 billion in funds available as a result of rejecting these proposals must be saved to help balance the budget in the future. That is because, in the coming years, the state is likely to face large SAL requirements without a surplus large enough to pay for them. (The box on page 3 also described the relationship between the surplus and SAL requirements.) The Legislature would not get the same benefit if it rejects these proposals and then spends the funds on excluded purposes because such an action would not help it meet these future requirements.

Figure 5

Budget Risks Mitigated if Legislature Rejects All of the Governor’s Proposals That Do Not Meet SAL Requirements
Median SFEU Balance (In Billions)

-40  -30  -20  -10  0  10  20  30  40


Proposals Are Rejected That Do Not Meet SAL Requirements
Governor’s Budget

Delay SAL-Required Payments

State Also Can Ease Some Short-Term Pressure by Pushing Out Payments... Another way the state can manage this risk in the short term is by delaying when SAL requirements are paid. Under the Constitution, when state revenues exceed the limit over two years, the Legislature has an additional two years to return the excess to taxpayers and make additional payments to schools. Delaying these payments can ease some of the short-term pressure because the state has an additional year or two of revenue growth—and therefore more resources available—to meet the requirements.

...But the State Must Set Aside Funds for Future Requirements or Risk Very Severe Budget Deficits. However, if the Legislature chooses to continuously delay making these payments, but does not set aside as much as it can to pay for those requirements in the future, it eventually will face the worst-case scenario:
a future, unfinanced SAL requirement coupled with a recession. Consequently, delaying action on the current-year requirement without setting aside funds to meet the requirement in future years would be unwise.

**Change the Definition of Subvention**

_The Legislature Also Could Change the Definition of Subvention._ Another way to address this issue in the short term is to change the definition of subvention. Under the Constitution and statute, subventions—funding provided to local governments on an unrestricted basis—meet SAL requirements and are counted, instead, at the local level. The state could amend the definition of subvention in order to count more funding provided at the local level. For example, instead of specifying that only unrestricted funds provided to local governments should count as subventions, statute could state that any funds provided to local government count as subventions. We understand that courts generally uphold legislative interpretations of constitutional amendments so long as they are reasonable and consistent with the purpose of the statute. We think both of those criteria would apply in the case of this change. Counting more subventions at the local level would maintain the spirit of Proposition 4 (1979). The aim of that measure was to keep government appropriations, at all levels of government, below the adjusted 1978-79 level. This change would still adhere to that basic principal, but would count some spending within local government limits, instead of the state's limit.

_This Change Would Provide a Short-Term Reduction in Appropriations Subject to the Limit._ If the state excluded all funds to local governments, regardless of restriction and/or method of distribution, we estimate there is around $10 billion in existing spending that would no longer count toward the state’s limit, but rather count at the county, city, or special district level. (As of 2018-19, cities and counties had over $150 billion in collective room under their limits. As a result, changing this definition is unlikely to result in very many local governments exceeding their limits. However, the Legislature could also adopt a mechanism to ensure the change in policy does not cause any single entity to exceed their limits.)

**HOW CAN THE LEGISLATURE RESPOND IN THE LONG TERM?**

_Under Current Law, State Government Very Likely Cannot Grow More._ In the previous section, we outlined three options to address the short-term budgetary risks currently faced by the state. However, none of these, even all together, would indefinitely forestall the long-term reality of the state's constitutional constraints. The reality is that state tax revenues are growing faster than the limit and the size of state government has reached the limit set by voters in the 1970s. Revenue growth has exceeded growth in the limit for a variety of reasons, including faster income growth among higher-income earners, policy decisions by the Legislature, and growth in school spending. As a result of this differential growth, over the long term the Legislature has only two choices: (1) reduce taxes in order to slow revenue growth or (2) request the voters change the limit. (If the economy does not continue to grow, the Legislature will have other, even more difficult, budget choices to make.)

_Reduce Taxes on an Ongoing Basis._ The first long-term alternative for the Legislature is to reduce taxes so that they no longer are growing faster than the limit. Under this alternative, tax revenues and associated spending could still grow, but they could not grow faster than the limit itself. As a result, the Legislature’s ability to make new program expansions would be severely constrained. While the Legislature could still reallocate funds among programs—for example, by spending less in one area, it could make expansions in another—further expansions to programs not coupled with such reductions would not be feasible.
Alternatively, the Legislature Could Request the Voters Change the Limit. The Legislature’s second long-term option is to ask the voters to approve changes to the SAL. As we noted in a 2021 report on the SAL, there are policy justifications for requesting that the voters change school districts’ limits. For instance, asking for a change to the calculation of districts’ limits—like the changes made to city, county, and special district limits under Proposition 111—would maintain spending limits for schools while providing greater flexibility in the calculation of those limits. However, the voters are permitted to make any changes to the SAL that they deem appropriate. Instead of a narrower change like this, the Legislature also could request more far-reaching or permanent changes, increases, or modifications to the SAL.
TECHNICAL APPENDIX

In this section, we describe the basic assumptions and specifications of our methodology for arriving at the estimates in this post.

Examined Many Possible Combinations of Key Variables. Several key variables in our analysis—particularly General Fund revenues, special fund revenues, capital gains tax revenues, and personal income growth—cannot be forecasted precisely. Many possible future values of these variables are plausible. Variation in these variables could lead to vastly different budget situations for the state. To account for this variation, we examined 10,000 scenarios comprised of unique combinations of these key variables. Our method seeks to mimic how these variables have varied from year to year historically, as well as how these variables move together over time. Specifically, we modeled these variables (with transformations applied in some cases) using a multivariate normal distribution, with standard deviations and covariances set to match historical levels over the last 40 years. Our analysis does not include variation in some parameters, such as non-Proposition 98 spending, non-tax revenue, or state appropriations limit (SAL) exclusions. These parameters reflect the policy choices of the Governor’s budget and therefore leaving them fixed reflects the best estimate of the state’s budget position given those policies. Moreover, variation in any of these parameters would be very narrow compared to variation in tax revenue.

For Each Scenario, Calculated SAL Requirements and SFEU Balance. For each of these 10,000 scenarios, we calculated SAL requirements based on General Fund and special fund tax revenues and holding exclusions fixed. Using those calculated SAL requirements, we estimated Special Fund for Economic Uncertainties (SFEU) balances for each scenario that:

• Assumed Proposition 98 Spending Would Remain in Test 1. We assumed Proposition 98 spending was a fixed share of General Fund taxes (38.028 percent), with slight variation by year to account for the effects of the state’s Transitional Kindergarten policy. Under our current average daily attendance forecasts, this is a reasonable assumption.

• Assumed SAL Requirements Were Paid in the Second Year of a Two-Year Net Overage. This analysis assumes SAL requirements are paid in the second year of a net two-year overage. That is, each time the state has negative room in one year, and a second year of room or negative room that results in net excess revenues across the two-year period, we assume the state pays for those excess revenues in that second year.

• Assumed Proposition 2 (2014) Infrastructure Spending Offsets Baseline Costs. For each scenario, we calculate a Proposition 2 requirement—including Budget Stabilization Account deposit, debt payments, and infrastructure spending, if applicable—based on General Fund tax revenues, total General Fund revenues, and capital gains revenues. For years in which infrastructure spending was required, we assumed that spending would offset baseline non-Proposition 98 spending (consistent with the administration’s treatment in their multiyear forecast). This slightly improves the budget bottom line compared to the alternative assumption.

Used Governor’s Budget Non-Proposition 98 Spending Estimates. We took the Governor’s budget estimates of other spending as given and did not vary these, up or down, with economic and revenue conditions. While this could mean we understated the severity of budget problems during a recession or slightly overstated the severity of budget problems as a result of constitutional spending constraints, these effects generally would be small compared to the figures in this report. For context, in our 2019-20 Fiscal Outlook analysis, we estimated that non-Proposition 98 spending would increase about $1 billion at the height of a moderate recession. Meanwhile, the median operating deficits shown in Figure 2 averaged around $10 billion to $12 billion.
April 6, 2022

TO: CSAC Government Finance and Administration Policy Committee

FROM: Geoff Neill, Legislative Representative
       Danielle Bradley, Legislative Analyst

SUBJECT: Will You Complete Me? – Broadband Infrastructure and County Technical Assistance Grants

Background
Following last year’s historic investments in broadband infrastructure, California agencies are under pressure to dedicate and complete projects under federal funding deadlines. SB 156, which was signed into law last July, dedicates $6 billion in federal and state funding for middle-mile and last-mile broadband infrastructure to expand affordable, high-quality access for all Californians. Importantly, these investments include new, dedicated funding for counties and other local agencies for technical assistance.

Local Agency Technical Assistance (LATA) Program:
The LATA grant program consists of $50 million to reimburse local agencies and Tribal entities for eligible pre-construction expenses to provide last-mile connections to unserved and underserved communities. Of this $50 million, at least $5 million is set-aside for Tribes. Applications, which are anticipated to be posted in early May, will be for up to $500,000 in reimbursable expenses per local agency per fiscal year. Examples of reimbursable expenses include contracting with consultants, environmental studies, network design, and costs incurred in forming a joint powers authority dedicated to providing broadband.

Middle-Mile:
SB 156 dedicated the largest portion of the new funds for the development, construction, and maintenance of a statewide, open-access middle-mile network. All $3.25 billion allocated for a middle-mile network comes from the federal American Rescue Plan Act (ARPA). Therefore, these funds must be dedicated by the end of 2024 and all middle-mile projects must be completed by December 2026.

Last Mile:
SB 156 also dedicated $2 billion, consisting of state general funds and federal ARPA funds, for last-mile broadband infrastructure. The CPUC has worked swiftly to establish program guidelines to address details not specified under SB 156, including how much funding will go to projects in each county, what types of organizations are eligible to apply, and what affordability requirements will be attached to these projects.
Loan Loss Reserve Fund:
The $750 million Loan Loss Reserve Fund, also established by SB 156, was created to assist local governments and nonprofit organizations secure financing for local broadband infrastructure deployment. Unlike other programs created through SB 156, the Loan Loss Reserve Fund is funded through state General Fund dollars and is not tied to the same strict timelines as the federally funded programs. Draft program rules are expected to be released in the late summer for stakeholder comment. CPUC anticipates opening funding cycles for the Loan Loss Reserve program between April-June of 2023.

Key Broadband Legislation:

**AB 1934 (Rodriguez):** This measure would establish a new grant program within the Office of Emergency Services to provide funding for fairgrounds, including county fairgrounds, to build and upgrade broadband infrastructure. Although the current language of the bill lacks an appropriation, the bill states the intent to dedicate at least $125 million for this program. CSAC supports AB 1934.

**AB 2252 (Aguiar-Curry):** This bill would require the CPUC to collect information from broadband providers related to efforts to restore, repair, or replace broadband infrastructure damaged during a disaster. CSAC supports AB 2252.

**AB 2256 (Quirk-Silva):** This bill would add a local government official, appointed by the Speaker of the Assembly, to the membership of the Middle Mile Advisory Committee. This bill is sponsored by Monterey County and co-sponsored by CSAC.

**AB 2635 (Levine):** This measure would amend DIVCA to require video franchise holders to provide the same level of quality for Public, Educational, and Government Access channels as commercial channels.

**AB 2641 (Gipson):** This measure would revise the focus of the California Emerging Technology Fund (CETF) to promote digital inclusion and equity by assisting nonprofit community-based organizations that provide services to lift low-income residents out of poverty. Additionally, this measure would require CETF to prioritize funding to nonprofit organizations that reach the highest level of low-income residents.

**AB 2702 (Gipson):** This bill would require the CPUC to prioritize grants and loans from the CASF Broadband Public Housing fund that benefit publicly supported housing developments, and to streamline and simplify applications to the fund for these applicants. Additionally, this bill explicitly provides that farmworker housing qualifies as low-income communities for the purposes of the fund.
**AB 2748 (Holden):** This bill would significantly strengthen DIVCA, the state law that implemented a state franchise system for digital video services. The companies that provide digital video services also provide broadband in those same service areas. Previously, counties and cities could negotiate franchises locally with cable and telecom companies to ensure they could not cherry-pick which neighborhoods they wanted to serve. CSAC supports AB 2748.

**AB 2749 (Quirk-Silva):** This bill would expand eligibility under the Broadband Infrastructure Grant Account from projects that provide last-mile broadband access to households that are unserved by a broadband provider to “areas that include” households that are unserved by a broadband provider. Additionally, this bill would establish new application review requirements for the CPUC and allow implementation of a streamlined, ministerial process for approving CSAF applications.

**AB 2750 (Mia Bonta):** This bill would require the Department of Technology to develop, in collaboration with stakeholders, a state digital equity plan that identifies barriers to digital equity for vulnerable or marginalized communities in the state. The measure also directs the Department of Technology to seek available federal funding to develop and implement the new plan.

**AB 2751 (E. Garcia):** This measure would prohibit the state from doing business with an internet service provider (ISP) unless the provider offers affordable home internet services to households participating in public assistance programs, such as CalFresh, Medi-Cal, and Supplemental Security Income. While many providers currently offer an affordable service option, providing these services are optional for the ISPs. By limiting state contracts to ISPs that offer affordable programs, the state can compel ISPs to do their part in ensuring affordable connectivity is an option for all.

**AB 2752 (Wood):** This bill would require the CPUC to include developed last-mile broadband service connections that link to the statewide middle-mile broadband network currently being developed on their interactive broadband service maps. CSAC supports AB 2752.

**AB 2753 (Reyes):** This bill would establish the “Digital Equity Bill of Rights,” which would require the CPUC to adopt rules to facilitate equal access to broadband service by the beginning of 2025. Additionally, this measure directs the CPUC to develop best practices for local government entities to use to ensure ISPs do not engage in digital discrimination.

**SB 857 (Hueso):** This measure would extend the sunset date for both the California High-Cost Fund A (CHCF-A) and the California High-Cost Fund B (CHCF-B) in order to continue to provide affordable basic telephone service to rural California. These two funds were established to create subsidies that ensure reasonable rates for basic telephone service in many rural and hard to reach areas of the State. CSAC supports SB 857.

**Staff Contact**
Please contact Geoff Neill at gneill@counties.org or Danielle Bradley at dbradley@counties.org.
Attachment Four

CPUC: Local Agency Technical Assistance Overview
Local Agency Technical Assistance

About the Program

In its ongoing commitment to bridging the digital divide, the CPUC established the Local Agency Technical Assistance grant program for eligible pre-construction work that facilitates last-mile broadband infrastructure projects. The program has a streamlined process for awarding $50 million to eligible local agencies and Tribal entities in California by the end of 2026, including a $5 million set-aside for Tribes. An overview of the Local Agency Technical Assistance grant program can be found here. Information about related federal funding for last-mile projects can be found at Broadband Implementation for California.

Funding Focus

Technical assistance grants support Tribes and local agencies in their efforts to expand broadband to communities lacking sufficient Internet. Grant recipients are reimbursed for eligible pre-construction expenses to provide last-mile connections to unserved and underserved communities. Examples of reimbursable expenses:

- Consultant or staff time for conducting needs assessments, environmental and engineering studies, network design, and broadband strategic plans.
- Costs incurred in forming a Joint Powers Authority for the purpose of bringing broadband to areas in need of sufficient Internet connections.

Eligibility and Timing

Application packets are estimated to be available and posted on this webpage by early May 2022. Grant applications may be submitted at any time after that by:

- Local agencies in California, including any local governments authorized to provide broadband service, are eligible to apply for technical assistance grants.
- California Tribes with or without federal recognition are eligible for Local Agency Technical Assistance funding and also may continue to apply to the CPUC’s existing Tribal Technical Assistance broadband grant program, which is being maintained as a separate program.

Resources and More Information

Local Agency Technical Assistance grant applications and guidance materials will be posted by early May 2022. Links for more information:

• **Tribal Technical Assistance Grant Program** – A separate funding source also available to California Tribes

• **Broadband Implementation in California** – Information about related federal funding for last-mile projects

• **California Advanced Services Fund** – Information about additional broadband funding programs

**Upcoming Webinars**

Communications Division staff will host two webinars about the Local Agency Technical Assistance grant program and application process. Links to register will be posted soon.

The April webinars have been postponed and new dates will be posted here.

Contact [statewidebroadband@cpuc.ca.gov](mailto:statewidebroadband@cpuc.ca.gov) with questions.
Broadband Implementation for California

Governor Gavin Newsom signed historic broadband legislation in July 2021 to help bridge the digital divide and provide reliable and affordable internet access to all Californians. Senate Bill 156 (Chapter 112, Statutes of 2021) expands the state’s broadband fiber infrastructure and increases internet connectivity for families and businesses.

The goal of this investment is to provide equitable access to high-speed broadband to unserved and underserved populations in California. The $6 billion is allocated for the following:

- $3.25 billion for an open-access statewide broadband middle-mile network,
- $2 billion for broadband last-mile infrastructure projects,
- $750 million for a loan loss reserve to support local government broadband infrastructure development, and
- $50 million for local agency technical assistance grants including funding for Tribal entities.

The California Public Utilities Commission (CPUC) is implementing these investments and requesting public input through the Broadband Infrastructure Deployment Proceeding Rulemaking 20-09-001 and through the California Advanced Services Fund (CASF) Rulemaking 20-08-021. Here is a summary of the budget package and an overview presentation about broadband implementation in California.

Open-Access Middle-Mile Network

The State of California will acquire, build, maintain and operate an essential open-access statewide middle-mile network, which will be overseen by the California Department of Technology (CDT). The CPUC requested formal public comments twice on the open-access middle-mile. Here is a draft presentation providing an overview of public comments the CPUC received in response to an August 6, 2021 Ruling requesting input on middle-mile locations and a September 9, 2021 Ruling focused on network characteristics. More information on the CPUC’s middle-mile activities can be found here.

Last-Mile Federal Funding Account

To complement the middle-mile network, the Broadband Infrastructure Package includes $2 billion to build last-mile infrastructure to provide Californians with access to high-speed broadband service. The money will be issued through the Federal Funding Account administered by the CPUC.
Local Agency Technical Assistance

The technical assistance grant program provides $50 million to reimburse eligible local governments and Tribal entities for work that facilitates last-mile broadband infrastructure to communities lacking sufficient Internet. On February 24, 2022, the CPUC adopted the technical assistance decision and program guidelines (D. 22-02-026) as part of the California Advanced Services Fund Rulemaking 20-08-021.

Loan Loss Reserve

A $750 million Broadband Loan Loss Reserve Fund supports costs related to the financing of local broadband infrastructure development. The reserve fund expands local governments' ability to secure financing for building last-mile projects, with an emphasis on public broadband networks. The CPUC’s procedural schedule for establishing the program is outlined in a September 16th ruling in the California Advanced Services Fund Rulemaking 20-08-021. A staff proposal for implementing this fund, including a request for public comments, is anticipated by Spring 2022.

Participate and Learn More

Provide Input to the CPUC

We recommend subscribing to the service list to track a relevant proceeding. You may also consider becoming a party if you would like to participate in a proceeding. The Open-Access Middle-Mile and Last-Mile Federal Funding Account are part of the Broadband Infrastructure Deployment Proceeding Rulemaking 20-09-001. Local Agency Technical Assistance and the Loan Loss Reserve Fund are part of the California Advanced Services Fund (CASF) Rulemaking 20-08-021. The CPUC Public Advisor’s Office can help with following and participating in agency processes as a formal party or via informal public comments. https://www.cpuc.ca.gov/pao

Contact Us

Media Inquiries: news@cpuc.ca.gov

Questions and Requests: StatewideBroadband@cpuc.ca.gov
COMMUNITY ECONOMIC RESILIENCE FUND (CERF)

**OVERVIEW:** CERF’s planning phase will establish regional, inclusive planning tables to develop blueprints and align resources for each region’s economic future. These regional tables will result in recommended investments throughout the region that will build economic resilience, bolster equity outcomes, and facilitate the transition to carbon neutrality.

**PROGRAM VISION:** Deliver a sustainable and equitable economic future that meets communities and regions where they are by supporting new regional plans and investing in strategies and projects that help diversify regional economies and develop or expand environmentally sustainable industries that create high-quality, broadly accessible jobs for all Californians.

**Program Objectives**

- Support the development of meaningfully inclusive regional planning processes that produce regional roadmaps for economic development efforts that prioritize the creation of accessible, high-quality jobs in sustainable industries.
- Invest in projects proposed by regional planning tables that align with regional strategies and meet criteria for equity, job quality, and sustainability, among others.
- Align and leverage state investments (e.g., High Road Training Partnerships, community capacity building programs), federal investments (e.g., Infrastructure Investment and Jobs Act), and philanthropic and private-sector investments in regions to maximize economic development efforts.

**What Does Success Look Like?**

- **Planning phase.** Inclusive, diverse, transparent, and accountable regional planning that results in a holistic strategy and recommended series of investments to grow sustainable industries, diversify regional economies, and increase access to high quality jobs.

- **Implementation phase.** Projects throughout the region that advance globally competitive and sustainable industries and high-quality jobs with clear employment pathways for underserved and incumbent workers, and bolster equity, climate, and health outcomes for all Californians.

**Program Detail**

1. **Phase 1—Regional Planning Grants:**
   
   a. Create 13 Regional Collaboratives that will receive ~$5M each.
b. Establish new, inclusive regional planning tables starting in summer 2022. Much like a “team of teams,” they will incorporate existing local efforts to address planning on a broader regional scale.

c. Develop tailored economic transition plans that meet regions where they are. Plans will include analysis of industry sectors and labor markets, with actionable research and consultation from expert institutions. Strategies should complement, incorporate, or expand on existing plans such as Comprehensive Economic Development Strategies (CEDS), as applicable and relevant.

d. Embed locally-hired coordinators to facilitate ongoing engagement, partnership, and relationship-building activities with business, labor, community, government, education, economic development, federally and non-federally recognized tribes, and other key stakeholder groups.

e. Support participants to increase access and broaden participation in the planning process.

f. Provide technical assistance to guide convening, evaluation, research priorities, and other needs during the planning phase.

g. Recommend investments that diversify the economy, and develop or grow sustainable industries that create accessible, well-paying jobs, especially for disinvested communities.

2. **Phase 2—Implementation Grants:**

   a. Provide approximately $500M in rolling, competitive grants from fall/winter 2022 to October 2026. Includes reserve funding for each region for competitive bidding.

   b. Fund projects in localities across the regions based on regional plans developed and criteria outlined.

   c. Ensure projects support economic resilience and transition for regions, while promoting economic diversification, sustainability, and equity. Outcomes will drive the growth of globally competitive, sustainable industries with well-paying, accessible jobs and bolster equity outcomes by race, ethnicity, gender, and geography.
## Best-Case Scenario Timelines

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| February/March 22 | • Continue to develop guidelines with stakeholder input  
|                 | • Conduct focused listening sessions                                               |
| April 2022      | • Release Planning Phase Draft Guidelines for Round 2 Public Comment               
|                 | • Host Regional Guidelines Workshops                                              |
| May/June 2022   | • Incorporate comments from Round 2 Public Comment Period                          
|                 | • Release Planning Phase Solicitation                                             
|                 | • Bidder’s Conference                                                             |
| Summer 2022     | • Planning Phase Solicitation Awards and Initiate Contracting Process              |
| Fall 2022       | • Release Implementation Phase Draft Guidelines for Public Comment                
|                 | • Incorporate comments on Implementation Phase Guidelines                          
|                 | • Host Guidelines Workshops                                                       |
| Winter 2023     | • Release Implementation Phase Solicitation                                       
|                 | • Bidder’s Conference                                                             |
| October 2026    | • Encumbrance deadline                                                            |

### Resources
- SB-162 Community Economic Resilience Fund Program
- Community Economic Resilience Fund - Office of Planning and Research (ca.gov)

### Contact Information
- Mary Collins, Governor’s Office of Planning and Research. Mary.Collins@opr.ca.gov
Attachment Seven

OPR: CERF Regions
Finalized CERF Regions and Responses to Frequently Asked Questions

We thank everyone for submitting comments and voicing your suggestions and concerns. The CERF Team has thoroughly reviewed all comments submitted, and below we provide finalized economic regions with high-level responses to some common themes and questions.

Final CERF Regions:
# Economic Regions and Corresponding Counties:

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| Inland Empire                     | • Riverside                         |
|                                   | • San Bernardino                    |
| Los Angeles County                |                                     |
| Orange County                     |                                     |
| Central Coast                     | • Monterey                          |
|                                   | • San Benito                         |
|                                   | • Santa Barbara                      |
|                                   | • Santa Cruz                         |
|                                   | • San Luis Obispo                    |
|                                   | • Ventura                            |
| Northern San Joaquin Valley       | • Merced                             |
|                                   | • San Joaquin                        |
|                                   | • Stanislaus                         |
| Central San Joaquin Valley        | • Fresno                             |
|                                   | • Kings                              |
|                                   | • Madera                             |
|                                   | • Tulare                             |
| Kern County                       |                                     |
| Eastern Sierra                    | • Alpine                             |
|                                   | • Amador                             |
|                                   | • Calaveras                          |
|                                   | • Inyo                               |
|                                   | • Mariposa                           |
|                                   | • Mono                               |
|                                   | • Tuolumne                           |
| Bay Area                          | • Alameda                            |
|                                   | • Contra Costa                       |
|                                   | • Marin                              |
|                                   | • Napa                               |
|                                   | • San Francisco                      |
|                                   | • San Mateo                          |
|                                   | • Santa Clara                        |</p>
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**Frequently Asked Questions:**

1. Q: My region already has some existing economic development planning efforts. Will the CERF-funded regional planning table overtake or erase our efforts? In other words, how will subregional efforts tie into the CERF economic regions?

   a. CERF seeks to build on, not overtake existing economic development efforts. Think of these new, regional planning tables as a “team of teams.” Existing local planning efforts (e.g., Comprehensive Economic Development Strategies, High Road Training Partnerships, recovery task forces, etc.) will be incorporated into the larger planning table, alongside representatives from other voices and/or corners of the region that
may have not been involved in prior planning efforts. The organization that serves as the “neutral intermediary” or “convener” will help facilitate setting these new, inclusive planning tables. The momentum and activities of more localized planning efforts will be able to continue.

2. Q: My region is large and diverse. The delineation of regions does not reflect the reality of many communities and economies, and I worry that rural, tribal, and minority communities will not be meaningfully included in the process.
   a. The aim of this program is to create meaningfully inclusive planning tables to collaborate in the design of a blueprint for a region’s recovery from COVID-19 and transition to a carbon-neutral economy. Just like a “team of teams,” representatives from various community groups throughout the CERF economic region—from urban to rural to tribal—must be at the table to provide their input, perspective, and expertise. That’s what makes this program so transformational and meaningful: a community and worker-centered approach to economic development planning.

3. Q: Industries don’t fit neatly within the CERF economic regions. How do we accommodate for this in our processes?
   a. We understand that industries may exist in several regions, and/or industries may cross regional borders. The planning phase may account for this, and implementation projects can support projects that cross regional boundaries. During the planning process, you are encouraged to collaborate with any of the other economic regions, especially those who have similar industries and/or economic challenges. To the extent feasible, the state team can help support making these connections among economic regions.

4. Q: You mentioned specific examples of local and regional economic development planning efforts that have been taking place in California. If I’m located in the same region as one of these planning processes but am not already part of that effort, have we already missed the opportunity to be at the table?
   a. No, these regional tables will be new tables and there will be opportunity to engage regardless of what previous activity has occurred in your area. The CERF economic planning process is an opportunity to engage many new voices and communities who may not have previously participated in economic development efforts in your region.
5. Q: Your memo failed to highlight the uniqueness of my county or region, and/or did not include the specific efforts that my organization is doing.
   a. A: We understand that each locality, county, and region is unique. Moreover, we realize there are impressive efforts happening around the state, ranging from High Road Training Partnerships to Economic Development Councils, among others. We certainly did not attempt to touch on all the unique localities and partnerships in our large and diverse state, and instead we opted for a more manageable, higher-level memo.

6. Q: Why will regions receive the same amount for planning efforts?
   a. We are providing all regions with the same amount for planning because each region faces different types of difficulties as it relates to recovery from COVID-19, and we aim to provide resources to all parts of the state.

7. Q: This all seems to be moving very quickly. Why?
   a. The funds are from the American Rescue Plan Act and must be encumbered by June 30, 2024 for both the planning and implementation phases. Therefore, we aim to strike a balance between providing enough time for public comments and feedback on the program, while also ensuring that each region has enough time to come together to work on planning processes.

8. Q: I have questions about the planning phase, such as what entities are eligible to apply.
   a. A: We welcome your questions and feedback on the planning phase. Draft guidelines will be available for public comment in December 2021.
General

What is CERF?

The Community Economic Resilience Fund (CERF) is a $600 million fund established in September 2021 to promote a sustainable and equitable recovery from the economic distress of COVID-19 by supporting new plans and strategies to diversify local economies and develop sustainable industries that create high-quality, broadly accessible jobs for all Californians. In February 2022, the governor signed Senate Bill 115, switching the CERF funding source from the American Rescue Plan Act (APRA) State & Local Fiscal Recovery Fund to the State General Fund. Due to this change, the state extended its timeline and a second public comment period on draft guidelines is expected to be opened in April 2022. CERF Planning Phase Draft Guidelines: Round 1 Public Comment Summary can be found here.

Who is administering CERF?

CERF is administered by the state’s CERF Leadership Team consisting of the California Labor and Workforce Development Agency (LWDA), the Governor’s Office of Planning and Research (OPR) and the Office of Business and Economic Development (GO-Biz).

How will CERF be implemented and funded?

CERF implementation will consist of two phases:

1. Phase 1: Regional High Road Transition Planning Grants of $5M each across 13 regional collaboratives to:
   a. Develop localized integrated recovery and transition plans, including analysis of industry sectors and labor markets, with actionable research and consultation from expert institutions, such as the University of California.
   b. Embed local coordinators to facilitate ongoing engagement, partnership, and relationship-building activities with business, labor, community, government, education, economic development and other key stakeholder groups.
   c. Create a holistic investment strategy that addresses disproportionate impacts of COVID-19 by diversifying the economy, and developing or growing sustainable industries that create accessible, well-paying, high-quality jobs. Strategies should complement or expand on plans such as Comprehensive Economic Development Strategies (CEDS).

2. Phase 2: Regional Implementation Grants (~$500M total) to:
   a. Support economic recovery and transition for populations and/or industries disproportionately impacted by COVID-19.
   b. Promote economic diversification, sustainability, and equity. Drive the growth of globally competitive, sustainable industries with well-paying, high quality, accessible jobs. Bolster equity outcomes by race, ethnicity, gender and geography.
   c. Example projects include, but are not limited to, the following:
      i. Infrastructure that supports economic diversification, the development of environmentally sustainable industries and improved outcomes.
      ii. Entrepreneurship and commercialization programs.
      iii. Programs to connect small- and minority-owned businesses to industrial hubs and research institutions.

What will the first step be in this planning process?

The first few months will consist of table-building and relationship-building to forge new connections across your region, as well as coalesce existing frameworks that represent efforts underway in your region.
FAQ

Community Economic Resilience Fund (CERF)

What is a “high road” transition?
According to the state’s CERF leadership team, “high road” refers to a set of economic and workforce development strategies to achieve economic growth and equity, shared prosperity and a clean environment. High road strategies include efforts that:

- improve job quality and job access, including for women and people from underserved and underrepresented populations;
- meet the skill and needs of employers; and
- meet the economic, social and environmental needs of the community.

About the CA FWD & PolicyLink Collaboration
California Forward (CA FWD) and PolicyLink – two nonprofit organizations committed to building equitable economies for all – are collaborating to support equitable implementation of CERF. This collaboration will provide information, guidance, technical support and advice to support:

- Development of diverse, inclusive, equitable, cross-sector, multi-jurisdictional High Road Transition Collaboratives
- Coordination of regional efforts to maximize resources and impact
- Preparation, submission and implementation of CERF applications
- Development of data-driven frameworks to measure success and ensure accountability
- Design and deployment of effective community engagement processes
- Collaboration with funders to implement equitable regranting for capacity-building in regions and communities

Learn more at calcerf.org.

Timeline

Once the planning solicitation is announced, how much time will be given to the region to develop their proposal?

The state released an updated timeline in March 2022. Some of these new key milestone dates include:

**Phase 1 Planning Grants:**

- April 2022: Release Planning Phase Draft Guidelines for Round 2 Public Comment and host regional guidelines workshops
- May/June 2022: Incorporate comments from Round 2 Public Comment Period, release Planning Phase Solicitation, hold Bidder’s Conference
- Summer 2022: Planning Phase Solicitation Awards and initiate contracting process

**Phase 2 Implementation Grants:**

- Fall 2022-Winter 2023: Release Implementation Phase Draft Guidelines for Public Comment, host guidelines workshops, release solicitation and more.

For the full timeline from the state, check out the updated timeline document here. And, for more up-to-date information, we encourage you to visit the state’s CERF website here.

Funding

It looks like the implementation round includes almost 10x the funding as the planning round. Is the planning phase essential to align?

We encourage regions to take full advantage of the planning phase to coordinate regional efforts. This will ensure a greater likelihood of implementation success and equitable outcomes in the regions over the long-term.
FAQ

Community Economic Resilience Fund (CERF)

Are implementation grants only awarded to those who have secured planning grants?
The collaborative’s current understanding is no, although the planning process would certainly yield another set of implementable projects that could be considered during implementation. Implementation phase of the funding can support initiatives or projects that perhaps have already emerged as regional priorities through other non-CERF related processes (i.e., a CEDs process). Note that the final planning guidelines will dictate the final verdict on this.

Is there a base allocation of implementation funding for each County?
The collaborative’s understanding is that there won’t be a base allocation per county, in the sense that projects will have to compete against other projects throughout the state. However, this could change based on public comment input.

Is Phase 2 a multi-year grant?
Based on the initial draft guidelines released by the state, Phase 2 will “provide approximately $500M in rolling, competitive grants. This includes reserve funding for each region for competitive bidding.” The state has not yet announced additional details on how they will set parameters for the funding.

Regional Map

How were regions mapped?
The state released a request for public comments regarding the proposed 13 regions that closed on November 19, 2021. The state released the final regions December 17, 2021. You can view those regions here. In addition, you can read the state’s methodology on how they mapped the regions beginning on page 3 of this memo from the state.

What considerations were made in the regional mapping to account for a community engagement processes?
The state used its own discretion with the help of intermediaries to reach out and include diverse stakeholders within these processes. From our experience, the state has used different methods to reach audiences who have been historically excluded. There is also a degree of creativity required to reach various audiences, depending on regional contexts.

Regional Collaboratives & Table Building

What are regional collaboratives?
Regional collaboratives are inclusive planning groups that include balanced representation from labor, business, community, government, indigenous communities, economic development, philanthropy, education, workforce and other partners.

How many regional collaboratives will be awarded per region?
Only one regional collaborative will be selected per region. Funds can then be regranted to other organizations/sub-regional collaboratives.
What if there are multiple candidates looking to become a regional collaborative in a region?
One or more organizations can collaborate to form a regional collaborative as long as at least one of the partners has a demonstrated financial history and can act as the fiscal sponsor.

What organizations can apply?
Non-profit organizations, District Organization of an EDA-designated Economic Development District (EDD), Institution of higher education or a consortium of institutions of higher education and Indian Tribe or a consortium of Indian Tribes.

Will CERF subgroups follow existing Economic Development District identified projects (ex. CEDS, multiple EDDs)?
They won’t necessarily follow. Our collaborative encourages partners to think about where work has already been done that can apply to CERF; rather than duplicating the work, think about how to bring into new planning projects and use as a foundation to provide existing projects prioritized as a region the resources and momentum needed to move forward.

Will there be a requirement that the regional tables have a certain amount of representation from specific groups (e.g., workers, unions, community organizations, etc.)?
Yes, according to the draft Planning Phase guidelines, High Road Transition Collaboratives are “inclusive regional planning groups that consist of balanced and meaningful representation from labor, business, community, government, tribal, economic development, philanthropy, education, workforce, and other partners. Like a “team of teams,” it incorporates existing local planning efforts and organizations from across the region.” Additional requirements on specific numbers of groups and individuals are not specified.

Has the state indicated criteria or characteristics on the backbone organization for each regional table – the applicant to receive a $5M planning grant?
There will be more detail to come, but some qualifications would be an indication of history and experience of coordinating across of the region’s economics, leading diverse actors, demonstrated commitment to equity outcomes in the region and proven relationship and credibility with stakeholders in the community. If the organization doesn’t have a fiscal history, it can partner with a fiscal agent that has had a government contract. You can stay up to date on newly released qualifications from the state by signing up for their listserv here.

What can regional leaders do in the upcoming weeks to prepare for CERF?
Our advice is for regional leaders to consider their aspirations for what success looks like in their region. We know each region is unique with various perspectives on how to contribute to this opportunity. Be prepared to lean into collaboration; building relationships will be critical to driving outcomes because no one sector will be solving it all. And, be open to change.

Grant Scoring

Will grants be ranked higher if the full region is participating, versus just 2 or 3 counties?
There have been no official guidelines released for grant scoring, though the state has been clear that their goal is for all counties in a region participate. We encourage regions to consider how to bring together various existing sub-regional efforts throughout the planning processes.
The legislation establishing the CERF program envisioned a significant role for research in the planning phase/grants, and this intention was reiterated in the draft program guidelines which require several types of data and policy analyses, including a regional summary describing economic conditions and vulnerable populations, a SWOT analysis, a labor market analysis, an industry cluster analysis and a COVID-19 recovery strategy informed by these analyses. The research must prioritize equity and identify specific negative impacts of the pandemic, vulnerable communities that face economic barriers and geographies with low economic diversification and resiliency. Read the collaborative’s memo providing recommendations on research support and evaluation of the program.

What is the latest thinking on what kind of new indicators and outputs this results framework will need to measure impact? On what systemic levels? How will grant seekers be prepped or set up to measure on all the new indicators?

In the collaborative’s memo to the state submitted on December 16, 2021, CA FWD and PolicyLink recommended that the state put forth a results framework that establishes program goals and a set of indicators to guide the work across regions. The collaborative recommended five program goals, including:

1. Sustainable industries,
2. Good jobs and economic security for all,
3. Healthy communities of opportunity,
4. Thriving businesses, and
5. Inclusive governance.

We recommended 24 indicators that align with these program results, proposing that the collaboratives select two indicators for each result area as their “North star” indicators to track progress toward large-scale results over the long-term, and to inform the selection of key strategies and their refinement over time. After selecting strategies, the collaboratives would choose a set of performance measures for tracking their own progress. We expect to learn more about how the state plans to evaluate programs in the coming weeks.

Can you describe the role for research on the impact of this funding?

The legislation establishing the CERF program envisioned a significant role for research in the planning phase/grants, and this intention was reiterated in the draft program guidelines which require several types of data and policy analyses, including a regional summary describing economic conditions and vulnerable populations, a SWOT analysis, a labor market analysis, an industry cluster analysis and a COVID-19 recovery strategy informed by these analyses. The research must prioritize equity and identify specific negative impacts of the pandemic, vulnerable communities that face economic barriers and geographies with low economic diversification and resiliency. Read the collaborative’s memo providing recommendations on research support and evaluation of the program.

More Information

Will there be additional opportunities to engage and receive support?

Yes, the state’s CERF Leadership Team will be hosting Q&A sessions after the RFP launches, and it is currently looking to build capacity to better provide support to CERF applicants. CA FWD and PolicyLink are also ready to support regions’ equitable implementation of CERF. Learn more and get engaged at calcerf.org.

How can I learn more?

CA FWD and PolicyLink are collaborating to support the equitable implementation of CERF. We will co-host listening sessions to provide information, support, and more importantly, listen to regions identify assets, needs, opportunities and potential work to be leveraged in their region. Learn more at calcerf.org.

Information from the state’s CERF Leadership Team consisting of the California Labor and Workforce Development Agency (LWDA), the Governor’s Office of Planning and Research (OPR) and the Office of Business and Economic Development (GO-Biz), can be found here.
GFA Bills of Interest

Broadband

**AB 1934**  
**Rodriguez (D)**  
Office of Emergency Services: broadband communications grant program: fairgrounds.  
*Current Text:* Amended: 3/28/2022  
*Summary:* Current law, the California Emergency Services Act, establishes the Office of Emergency Services within the Governor’s office under the supervision of the Director of Emergency Services and makes the office responsible for the state’s emergency and disaster response services for natural, technological, or man-made disasters and emergencies. Current law sets forth various provisions on fairgrounds owned or operated by a district agricultural association, the California Exposition and State Fair, county fairs, and citrus fruit fairs. This bill would, upon an appropriation by the Legislature for this purpose, require the Office of Emergency Services to establish a grant program on or before January 1, 2024, to provide fairs with grant funding for purposes of building and upgrading broadband communication infrastructure on fairgrounds. The bill would require the office to establish standards to determine how fairs receive grant funding based on the fairgrounds’ need for broadband capabilities in order to service an emergency response operation.  

**CSAC Position**  
Support

**AB 2252**  
**Aguiar-Curry (D)**  
Broadband infrastructure: disasters: reports.  
*Current Text:* Amended: 3/3/2022  
*Summary:* Would, following a state or local disaster for which the Governor has issued a declaration of emergency, require the Public Utilities Commission, within 12 months of the declaration of the emergency, to collect specified information from broadband service providers relating to the provider’s efforts to restore, repair, or replace broadband infrastructure that was damaged as a result of the disaster, as specified. The bill would require that the information collected from broadband service providers by the commission be broken down by each disaster, submitted annually in a report by the commission to the appropriate policy committees of the Legislature, and posted in a conspicuous area on the commission’s internet website. The bill would authorize the commission to make that information public, consistent with the commission’s procedures.  

**CSAC Position**  
Support

**AB 2256**  
**Quirk-Silva (D)**  
Office of Broadband and Digital Literacy: reports.  
*Current Text:* Amended: 3/10/2022  
*Summary:* Current law requires the Department of Technology to provide oversight and policy input for the statewide open-access middle-mile broadband network. Current law requires the department to establish a broadband advisory committee to oversee the construction and establishment of the statewide open-access middle-mile broadband network. Current law requires that committee to be comprised of various representatives, including a representative of the department, the Department of Finance, and 2 ex officio members of the Assembly. This bill would additionally include a local government official, appointed by the Speaker of the Assembly, as a member of the committee.  

**CSAC Position**  
Co-Sponsor

**AB 2748**  
**Holden (D)**  
*Current Text:* Introduced: 2/18/2022  
*Summary:* Would revise and recast the Digital Infrastructure and Video Competition Act of 2006 to, among other things, (1) rename the act as the Digital Equity in Video Franchising Act of 2022, (2) revise the definition of "gross revenue" for purposes of calculating the franchise fee for a local jurisdiction, (3) require a franchise applicant to submit a description of the households that are known to be unserved in the video service area footprint that is proposed by
the applicant, (4) establish the policy of the state that subscribers and potential subscribers of a state video franchiseholder should benefit from equal access, as defined, to service within the service area and prohibit a cable operator or video service provider that has been granted a state franchise from denying equal access to service to any group of potential residential subscribers because of the income of the residents in the local area in which the group resides, and (5) repeal the maximum amount of fine that could be assessed for a violation of the equal access requirement.

CSAC Position
Support

**AB 2752**
(Wood D) Broadband infrastructure: mapping.

Current Text: Introduced: 2/18/2022 [html][pdf]

Summary: Would require the Public Utilities Commission, in collaboration with relevant state agencies and stakeholders, to additionally include all developed last-mile broadband service connections from the statewide open-access middle-mile broadband network on that interactive map.

CSAC Position
Support

**SB 857**
(Hueso D) Telecommunications: universal service programs.

Current Text: Amended: 3/21/2022 [html][pdf]

Summary: Current law establishes the state’s 6 universal service funds in the State Treasury, including the California High-Cost Fund-A Administrative Committee Fund and the California High-Cost Fund-B Administrative Committee Fund, and provides that moneys in each of the state’s universal service funds are the proceeds of rates and are held in trust for the benefit of ratepayers and to compensate telephone corporations for their costs of providing universal service. Moneys in the funds may only be expended to accomplish specified telecommunications universal service programs, upon appropriation in the annual Budget Act or upon supplemental appropriation. Current law, until January 1, 2023, requires the Public Utilities Commission to develop, implement, and maintain a suitable program to establish a fair and equitable local rate structure aided by universal service rate support to small independent telephone corporations that serve rural areas and are subject to rate-of-return regulation by the commission (the CHCF-A program). Current law, until January 1, 2023, requires the commission to develop, implement, and maintain a suitable, competitively neutral, and broad-based program to establish a fair and equitable local rate support structure aided by universal service rate support to telephone corporations serving areas where the cost of providing services exceeds rates charged by providers, as determined by the commission (the CHCF-B program). This bill would extend the CHCF-A program and CHCF-B program requirements to January 1, 2028.

CSAC Position
Support

Cybersecurity/Digital Privacy

**AB 1711**
(Seyarto R) Privacy: breach.


Summary: Current law requires an agency or a person or business that conducts business in California that owns or licenses computerized data that includes personal information to disclose a breach of security of the system following discovery or notification of the breach in the security data to certain residents of California, as specified. This bill would require an agency to post a notice on the agency’s internet website when a person or business operating a system on behalf of the agency is required to issue a security breach notification for that system pursuant to the above-described provisions, as specified.

CSAC Position
Pending
**AB 2677**  (Gabriel D)  **Information Practices Act of 1977.**

**Current Text:** Introduced: 2/18/2022  [html](#)  [pdf](#)

**Summary:** The Information Practices Act of 1977 prescribes a set of requirements, prohibitions, and remedies applicable to agencies, as defined, with regard to their collection, storage, and disclosure of personal information, as defined. Current law exempts from the provisions of the act counties, cities, any city and county, school districts, municipal corporations, districts, political subdivisions, and other local public agencies, as specified. This bill would recast those provisions to remove that exemption for local agencies and include, among other things, genetic information, IP address, online browsing history, and location information within the definition of "personal information" for the act’s purposes.

CSAC Position
Pending

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**Brown Act**

**AB 1944**  (Lee D)  **Local government: open and public meetings.**

**Current Text:** Introduced: 2/10/2022  [html](#)  [pdf](#)

**Summary:** Current law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would specify that if a member of a legislative body elects to teleconference from a location that is not public, the address does not need to be identified in the notice and agenda or be accessible to the public when the legislative body has elected to allow members to participate via teleconferencing.

CSAC Position
Support

**AB 2449**  (Rubio, Blanca D)  **Open meetings: local agencies: teleconferences.**

**Current Text:** Introduced: 2/17/2022  [html](#)  [pdf](#)

**Summary:** Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would authorize a local agency to use teleconferencing without complying with those specified teleconferencing requirements if at least a quorum of the members of the legislative body participates in person from a singular location clearly identified on the agenda that is open to the public and situated within the local agency’s jurisdiction. The bill would impose prescribed requirements for this exception relating to notice, agendas, the means and manner of access, and procedures for disruptions. The bill would require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law.

CSAC Position
Support

**AB 2647**  (Levine D)  **Local government: open meetings.**

**Current Text:** Introduced: 2/18/2022  [html](#)  [pdf](#)

**Summary:** The Ralph M. Brown Act requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. Current law requires a local agency to make those writings distributed to the members of the governing board available for public
inspection at a public office or location that the agency designates. This bill would instead require a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates or post the writings on the local agency’s internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

CSAC Position
Support

SB 1100 (Cortese D) Open meetings: orderly conduct.
Current Text: Amended: 3/21/2022  html  pdf
Summary: Current law authorizes the members of the legislative body conducting the meeting to order the meeting room cleared and continue in session, as prescribed, if a group or groups have willfully interrupted the orderly conduct of a meeting and order cannot be restored by the removal of individuals who are willfully interrupting the meeting. This bill would authorize the presiding member of the legislative body conducting a meeting to remove an individual for willfully interrupting the meeting. The bill, except as provided, would require removal to be preceded by a warning by the presiding member of the legislative body that the individual is disrupting the proceedings, a request that the individual curtail their disruptive behavior or be subject to removal, and a reasonable opportunity to cease the disruptive behavior. The bill would similarly require a warning, a request that the individual curtail their disruptive behavior or be subject to removal, and a reasonable opportunity to cease the disruptive behavior before clearing a meeting room for willful interruptions by a group or groups. The bill would define “willfully interrupting” to mean intentionally engaging in behavior during a meeting of a legislative body that substantially impairs or renders infeasible the orderly conduct of the meeting in accordance with law and applicable rules, as specified.

CSAC Position
Sponsor

Elections

AB 1696 (Lee D) Elections: nonpartisan candidates’ party preference.
Current Text: Amended: 3/10/2022  html  pdf
Summary: Current constitutional and statutory law prohibits including the party preference of a candidate for nonpartisan office, defined as any judicial, school, county, or municipal office, including the Superintendent of Public Instruction, on the ballot for that office. This bill would require the ballot for the above offices, except for judicial offices, to contain the candidate’s party preference or, if applicable, lack of party preference.

CSAC Position
Oppose

AB 2582 (Bennett D) Recall elections: local offices.
Current Text: Introduced: 2/18/2022  html  pdf
Summary: Current law requires a recall election to include the question of whether the officer sought to be recalled shall be removed from office and an election for the officer’s successor in the event the officer is removed from office. This bill would instead require a recall election for a local officer to include only the question of whether the officer sought to be recalled shall be removed from office. If a local officer is successfully removed from office in a recall election, the bill would provide that the office becomes vacant and would require it to be filled according to law.

CSAC Position
Pending

ACA 12 (Lee D) Elections: nonpartisan office.
Current Text: Introduced: 3/16/2022  html  pdf
Summary: The California Constitution designates as nonpartisan all judicial, school, county, and city offices, including the Superintendent of Public Instruction. The California Constitution prohibits including the political party preference of a candidate for nonpartisan office on the ballot for the office. This measure would instead permit the political party preference, or lack of a political party preference, of a candidate for nonpartisan office, except for judicial offices, to be indicated on the ballot in the manner provided by statute.

CSAC Position
Oppose

SB 1439  (Glazer D)  Campaign contributions: agency officers.
Current Text: Amended: 3/16/2022  html  pdf
Summary: The Political Reform Act of 1974 prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than $250 from any party, participant, or a party or participant’s agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 3 months following the date a final decision is rendered in the proceeding, if the officer knows or has reasons to know that the participant has financial interest, as defined. The act also prohibits a party, participant, or participant’s agent from making a contribution of more than $250 to an officer of the agency during the proceeding and 3 months following the date a final decision is rendered. This bill would remove the exception for local government agencies, thereby subjecting them to the prohibition described above. The bill would extend the prohibition on contributions from 3 to 12 months following the date a final decision is rendered in the proceeding.

CSAC Position
Pending

Property Tax

AB 2258  (Wood D)  Property Assessed Clean Energy program: wildfire safety improvements.
Current Text: Amended: 3/30/2022  html  pdf
Summary: Current law authorizes a legislative body of any public agency, defined to mean a city, county, or city and county, that has accepted the designation of very high fire hazard severity zone to designate an area for contractual assessments to finance the installation of wildfire safety improvements, as defined, that are permanently fixed to real property. This bill would instead authorize a public agency that has established a PACE program, as specified, to enter into voluntary contractual assessments with property owners to finance the installation of wildfire safety improvements, as defined, that are permanently fixed to real property and would provide that wildfire resiliency and safety improvements that contribute to the defensible space Zones 1 and 2 of a property, as specified, are wildfire safety improvements for purposes of those provisions.

CSAC Position
Pending

SB 852  (Dodd D)  Climate resilience districts: formation: funding mechanisms.
Current Text: Amended: 3/9/2022  html  pdf
Summary: Current law authorizes certain local agencies to form a community revitalization authority (authority) within a community revitalization and investment area, as defined, to carry out provisions of the Community Redevelopment Law in that area for purposes related to, among other things, infrastructure, affordable housing, and economic revitalization. Current law provides for the financing of these activities by, among other things, the issuance of bonds serviced by property tax increment revenues, and requires the authority to adopt a community revitalization and investment plan for the community revitalization and investment area that includes elements describing and governing revitalization activities. This bill would authorize a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. The bill would define “eligible project” to mean projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified.
SB 1340  (Hertzberg D)  Property taxation: new construction: active solar energy systems and nonqualified active solar energy systems.
Current Text: Amended: 3/15/2022  html  pdf
Summary: The California Constitution generally limits the maximum rate of ad valorem tax on real property to 1% of the full cash value of the property and defines “full cash value” for these purposes as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. Pursuant to constitutional authorization, current property tax law excludes from the definition of “newly constructed” for these purposes the construction or addition of any active solar energy system, as defined, through the 2023–24 fiscal year. Under current property tax law, this exclusion remains in effect only until there is a subsequent change in ownership, but an active solar energy system that qualifies for the exclusion before January 1, 2025, will continue to receive the exclusion until there is a subsequent change in ownership. This bill would indefinitely extend the exclusion described above, except with respect to nonqualified active solar energy systems, as defined.

CSAC Position
Pending

Sales & Use Tax

Current Text: Amended: 3/22/2022  html  pdf
Summary: Current sales and use tax laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, and provides various exemptions from the taxes imposed by those laws. This bill would exempt from those taxes, until January 1, 2025, the gross receipts from the sale of, and the storage, use, or other consumption of, COVID-19 prevention and response goods, as defined.

CSAC Position
Pending

AB 1951  (Grayson D)  Sales and use tax: exemptions: manufacturing.
Current Text: Introduced: 2/10/2022  html  pdf
Summary: Current sales and use tax laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Sales and Use Tax Law provides various exemptions from those taxes, including a partial exemption from those taxes, on and after July 1, 2014, and before July 1, 2030, for the gross receipts from the sale of, and the storage, use, or other consumption of, qualified tangible personal property purchased by a qualified person for purchases not exceeding $200,000,000, for use primarily in manufacturing, processing, refining, fabricating, or recycling of tangible personal property, as specified; qualified tangible personal property purchased for use by a qualified person to be used primarily to maintain, repair, measure, or test any qualified tangible personal property, as provided; and qualified tangible personal property purchased by a contractor purchasing that property for use in the performance of a construction contract for the qualified person, that will use that property as an integral part of specified processes. Current law, on and after January 1, 2018, and before July 1, 2030, additionally exempts from those taxes the sale of, and the storage, use, or other consumption of, qualified tangible personal property purchased for use by a qualified person to be used primarily in the generation or production, as defined, or storage and distribution, as defined, of electric power. Current law does not apply this exemption to an apportioning trade or business, as specified. Existing law provides that qualified tangible personal property does not include consumables with a useful life of less than one
This bill would recast and restate these provisions to clarify the application of the exemption provided, and update certain definitions to correspond to current federal guidelines.

**CSAC Position**
Oppose Unless Amended

**AB 2887**  
(Garcia, Eduardo D)  
Public resources: Sales and Use Tax Law: exclusions.

**Current Text:** Amended: 3/24/2022  
**Summary:** The Sales and Use Tax Law imposes taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority. The act authorizes, until January 1, 2026, the authority to provide financial assistance to a participating party in the form of specified sales and use tax exclusions for projects, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, reduction of greenhouse gases, or reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions from exceeding $100,000,000 for each calendar year. This bill would increase the limit on sales and use tax exclusions to $150,000,000 for each calendar year.

**CSAC Position**
Oppose Unless Amended

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**General Government**

**SB 938**  
(Hertzberg D)  

**Current Text:** Amended: 4/4/2022  
**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. Under current law, in each county there is a local agency formation commission (commission) that oversees these changes of organization and reorganization. Current law authorizes a commission to dissolve an inactive district if specified conditions are satisfied. This bill would also authorize a commission to initiate a proposal for the dissolution of a district, as described, if the commission approves, adopts, or accepts a specified study that includes a finding, based on a preponderance of the evidence, that, among other things, the district has one or more documented chronic service provision deficiencies, the district spent public funds in an unlawful or reckless manner, or the district has shown willful neglect by failing to consistently adhere to the California Public Records Act.

**CSAC Position**
Support

**AB 1972**  
(Ward D)  
Grand juries.

**Current Text:** Amended: 3/17/2022  
**Summary:** Current law permits a grand jury to inquire into all public offenses committed or triable within the county and present them to the court by indictment. Current law requires the fees for grand jurors to be $15 per each day’s attendance as a grand juror. This bill would require that fee to be equal to 8 hours of the hourly prevailing wage of the county for each day’s attendance, and would entitle grand jurors to compensation that is at least the prevailing wage of the respective county for hours served, as specified. By increasing the fee for grand jurors, this bill would impose a state-mandated local program.

**CSAC Position**
Oppose Unless Amended
AB 2819  
(Cooley D)  
The Rural California Infrastructure Act.  
Current Text: Amended: 3/17/2022  
Summary: The Bergeson-Peace Infrastructure and Economic Development Bank Act establishes in the State Treasury the California Infrastructure and Economic Development Bank Fund (I-Bank Fund) for the purpose of implementing the objectives and provisions of the act and continuously appropriates moneys in the fund, except as prescribed. This bill, the Rural California Infrastructure Act, would authorize the I-Bank to establish the Rural California Infrastructure Program for the purpose of making competitive grant awards to eligible local agencies for rural infrastructure projects, as prescribed. The act would require the Controller to transfer a sum of $1,000,000,000 to the Rural California Infrastructure Account in the I-Bank Fund, which the bill would create and continuously appropriate for purposes of the act.  
CSAC Position  
Support

SB 1490  
(Committee on Governance and Finance)  
Validations.  
Current Text: Introduced: 2/28/2022  
Summary: Would enact the First Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.  
CSAC Position  
Support

SB 1491  
(Committee on Governance and Finance)  
Validations.  
Current Text: Introduced: 2/28/2022  
Summary: Would enact the Second Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.  
CSAC Position  
Support

SB 1492  
(Committee on Governance and Finance)  
Validations.  
Current Text: Introduced: 2/28/2022  
Summary: Would enact the Third Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.  
CSAC Position  
Support

Retirement

AB 2782  
(Mayes I)  
Public employment: health benefits and reimbursement: Medicare.  
Current Text: Introduced: 2/18/2022  
Summary: The Public Employees’ Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of the Public Employees’ Retirement System, governs the funding and provision of postemployment health care benefits for eligible retired public employees and their families. PEMHCA prohibits employees, annuitants, and family members who become eligible to enroll on or after January 1, 1985, in Part A and Part B of Medicare from being enrolled in a basic health benefit plan. Current provides that if the employee, annuitant, or family member is enrolled in Part A and Part B of Medicare, they may enroll in a Medicare health benefit plan. This bill would prohibit a person who enters into service with the state or any agency, department, authority, or instrumentality of the state or a contracting agency subject to PEMHCA, on or after January 1, 2023, from being reimbursed for, or receiving, any
subsidy for health care expenses or coverage after retirement from service, if that the person is eligible to enroll in Part A and Part B of Medicare.

CSAC Position
Pending

**SB 1173 (Gonzalez D)**  
**Public retirement systems: fossil fuels: divestment.**

**Current Text:** Introduced: 2/17/2022  [html](#)  [pdf](#)  
**Summary:** Would prohibit the boards of the Public Employees’ Retirement System and the State Teachers’ Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before July 1, 2027. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board’s fiduciary responsibilities established in the California Constitution.

CSAC Position
Oppose

**SB 1328 (McGuire D)**  
**Prohibited investments and contracts: Russia and Belarus.**

**Current Text:** Amended: 3/23/2022  [html](#)  [pdf](#)  
**Summary:** Would prohibit the boards of specified state and local public retirement systems from investing public employee retirement funds in a company with business operations in Russia or Belarus or a company that supplies military equipment to Russia or Belarus, as defined. The bill would require those boards to contract with a research firm or firms to determine those companies with business operations in those countries, and to conduct their own review of companies with business operations in those countries, as specified. The bill would require the boards to determine whether a company has business operations in Russia or Belarus or supplies military equipment to Russia or Belarus. The bill, except as specified, would require the board to notify companies determined to have business operations with those countries, and request the company to take substantial action, as defined and specified. If the company fails to complete substantial action, the bill would prohibit the board from making additional or new investments in that company, and to liquidate the investments of the board in that company, as specified.

CSAC Position
Pending

**SB 1420 (Dahle R)**  
**Public employees’ retirement: reciprocal benefits: actuarial liability.**

**Current Text:** Introduced: 2/18/2022  [html](#)  [pdf](#)  
**Summary:** Would require that an agency participating in PERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context, that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2023.

CSAC Position
Pending
Personnel Management

**AB 1041** *(Wicks D)* Employment: leave.
- **Current Text:** Amended: 9/3/2021  [html]  [pdf]
- **Last Amend:** 9/3/2021
- **Summary:** Would expand the population that an employee can take leave to care for to include a designated person. The bill would define "designated person" to mean a person identified by the employee at the time the employee requests family care and medical leave. The bill would authorize an employer to limit designation of a person, as prescribed.

  CSAC Position
  Oppose

**AB 2381** *(Daly D)* Address confidentiality.
- **Current Text:** Amended: 3/24/2022  [html]  [pdf]
- **Last Amend:** 3/24/2022
- **Summary:** Current law authorizes reproductive health care service providers, employees, volunteers, and patients to complete an application to be approved by the Secretary of State for the purposes of enabling state and local agencies to respond to requests for public records without disclosing a program participant’s residence address contained in any public record and otherwise provide for confidentiality of identity for that person, subject to specified conditions. This bill would authorize an applicant seeking address confidentiality under this program to submit a certified statement by the employee, patient, or volunteer for a reproductive health care services facility that they have been the target of threats or acts of violence, or a workplace violence restraining order issued because of threats or acts of violence connected with a reproductive health care services facility, as specified, instead of a certified statement from a representative of the reproductive health care services facility.

  CSAC Position
  Support

**AB 2932** *(Low D)* Workweek: hours and overtime.
- **Current Text:** Amended: 3/24/2022  [html]  [pdf]
- **Last Amend:** 3/24/2022
- **Summary:** Would require that work in excess of 32 hours in a workweek be compensated at the rate of no less than 1 1/2 times the employee’s regular rate of pay. The bill would require the compensation rate of pay at 32 hours to reflect the previous compensation rate of pay at 40 hours and would prohibit an employer from reducing an employee’s regular rate of pay as a result of this reduced hourly workweek requirement. The bill would exempt an employer with no more than 500 employees from the above provisions. By expanding the scope of a crime, this bill would impose a state-mandated local program

  CSAC Position
  Pending

**SB 1044** *(Durazo D)* Employers: state of emergency or emergency condition: retaliation.
- **Current Text:** Amended: 3/23/2022  [html]  [pdf]
- **Last Amend:** 3/23/2022
- **Summary:** Would prohibit an employer, in the event of a state of emergency or an emergency condition, as defined, from taking or threatening adverse action against any employee for refusing to report to, or leaving, a workplace within the affected area because the employee feels unsafe. The bill would also prohibit an employer from preventing any employee from accessing the employee’s mobile device or other communications device for seeking emergency assistance, assessing the safety of the situation, or communicating a person to confirm their safety. The bill would require an employee to notify the employer of the state of emergency or emergency condition requiring the employee to leave or refuse to report to the workplace, as specified. The bill would clarify that these provisions are not intended...
to apply when an official state of emergency remains in place but emergency conditions that pose an imminent and ongoing risk of harm to the workplace, the worker, or the worker’s home have ceased.

CSAC Position
Oppose

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**Labor Relations/ MMBA**

**AB 2463**  
**[Lee D]** Public works: exemption.  
Current Text: Amended: 3/21/2022  
Last Amend: 3/21/2022  
Summary: Pursuant to existing law, all workers employed on public works projects are required to be paid not less than the general prevailing rate of per diem wages for work, except as specified. Current law exempts, until January 1, 2024, from these requirements work performed by a volunteer, a volunteer coordinator, or a member of the California Conservation Corps or a community conservation corps. This bill would extend that exemption until January 1, 2031.

CSAC Position
Support

**SB 931**  
**[Leyva D]** Deterring union membership: violations.  
Current Text: Introduced: 2/7/2022  
Summary: Current law prohibits a public employer from deterring or discouraging public employees or applicants to be public employees from becoming or remaining members of an employee organization, authorizing representation by an employee organization, or authorizing dues or fee deductions to an employee organization. Current law generally vests jurisdiction over violations of these provisions in the Public Employment Relations Board. This bill would authorize an employee organization, as described, to bring a claim before the Public Employment Relations Board alleging that a public employer violated the above-described provisions.

CSAC Position
Oppose Unless Amended

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**Risk Management**

**AB 2959**  
**[Committee on Judiciary]** Childhood sexual assault: claims.  
Current Text: Introduced: 3/8/2022  
Summary: Current law requires that specified actions for recovery of damages suffered as a result of childhood sexual assault, as defined, be commenced within 22 years of the date the plaintiff attains the age of majority or within 5 years of the date the plaintiff discovers or reasonably should have discovered that psychological injury or illness occurring after the age of majority was caused by the sexual assault, whichever occurs later. The Government Claims Act generally requires the presentation to a public entity of a written claim for money or damages against the entity before the commencement of an action, as specified. The Government Claims Act excludes from this requirement a claim brought against a local public entity for the recovery of damages suffered as a result of childhood sexual assault. This bill would provide that a claim for damages is not required to be presented to any government entity prior to the commencement of an action, as specified.

CSAC Position
Pending
**Workers Compensation**

**AB 1751**  
(Daly D)  
*Current Text:* Introduced: 2/1/2022  
*html  pdf*  
*Summary:* Current law defines "injury" for an employee to include illness or death resulting from the 2019 novel coronavirus disease (COVID-19) under specified circumstances, until January 1, 2023. Existing law create a disputable presumption, as specified, that the injury arose out of and in the course of the employment and is compensable, for specified dates of injury. Current law requires an employee to exhaust their paid sick leave benefits and meet specified certification requirements before receiving any temporary disability benefits or, for police officers, firefighters, and other specified employees, a leave of absence. Existing law also make a claim relating to a COVID-19 illness presumptively compensable, as described above, after 30 days or 45 days, rather than 90 days. Current law, until January 1, 2023, allows for a presumption of injury for all employees whose fellow employees at their place of employment experience specified levels of positive testing, and whose employer has 5 or more employees. This bill would extend the above-described provisions relating to COVID-19 until January 1, 2025.

CSAC Position  
Oppose Unless Amended

**SB 213**  
(Cortese D)  
Workers’ compensation: hospital employees.  
*Current Text:* Amended: 1/25/2022  
*html  pdf*  
*Last Amend:* 1/25/2022  
*Summary:* Current law establishes a workers’ compensation system, administered by the Administrative Director of the Division of Workers’ Compensation, to compensate an employee for injuries sustained in the course of employment. Current law creates a rebuttable presumption that specified injuries sustained in the course of employment of a specified member of law enforcement or a specified first responder arose out of and in the course of employment. Current law, until January 1, 2023, creates a rebuttable presumption of injury for various employees, including an employee who works at a health facility, as defined, to include an illness or death resulting from COVID-19, if specified circumstances apply. This bill would define "injury," for a hospital employee who provides direct patient care in an acute care hospital, to include infectious diseases, cancer, musculoskeletal injuries, post-traumatic stress disorder, and respiratory diseases. The bill would include the novel coronavirus 2019 (COVID-19), among other conditions, in the definitions of infectious and respiratory diseases.

CSAC Position  
Oppose

**SB 284**  
(Stern D)  
*Current Text:* Amended: 8/30/2021  
*html  pdf*  
*Last Amend:* 8/30/2021  
*Summary:* Current law, under the workers’ compensation system, provides, only until January 1, 2025, that, for certain state and local firefighting personnel and peace officers, the term "injury" includes post-traumatic stress that develops or manifests during a period in which the injured person is in the service of the department or unit, but applies only to injuries occurring on or after January 1, 2020. Existing law requires the compensation awarded pursuant to this provision to include full hospital, surgical, medical treatment, disability indemnity, and death benefits. This bill would make that provision applicable to active firefighting members of the State Department of State Hospitals, the State Department of Developmental Services, the Military Department, and the Department of Veterans Affairs, and to additional peace officers, including security officers of the Department of Justice when performing assigned duties as
security officers and the officers of a state hospital under the jurisdiction of the State Department of State Hospitals or the State Department of Developmental Services, among other officers.

CSAC Position
Oppose

**SB 1127**  (Atkins D)  Workers’ compensation: liability presumptions.
Current Text: Introduced: 2/16/2022  [html](#)  [pdf](#)
Summary: Current law requires an injured employee to file a claim form with the employer. Under existing law, except for specified injuries, if liability is not rejected within 90 days after the date the claim form is filed with the employer, the injury is presumed compensable and the presumption is rebuttable only by evidence discovered subsequent to the 90-day period. This bill would reduce those 90-day time periods to 60 days for all injuries and employees and, for certain injuries or illnesses, including hernia, heart trouble, pneumonia, or tuberculosis, among others, sustained in the course of employment of a specified member of law enforcement or a specified first responder, would reduce those time periods to 30 days.

CSAC Position
Oppose

Current Text: Introduced: 2/18/2022  [html](#)  [pdf](#)
Summary: Current law provides certain methods for determining workers’ compensation benefits payable to a worker or the worker’s dependents for purposes of temporary disability, permanent total disability, permanent partial disability, and in case of death. This bill would increase the payment of disability benefits by the percentage of disparity in earnings between genders, as specified. The bill would apply prospectively to injuries occurring on or after January 1, 2023.

CSAC Position
Oppose

A full list of bills currently being tracked by the CSAC GFA staff can be found [here](#).