

PLATINUM | ADVISORS

August 14, 2024

Session Status: The legislature returned from Summer Recess on August 5th for the final month of session, which must end by midnight on August 31st. The key deadline facing the legislature when they return is the fiscal committee deadline on August 16th. The Appropriations Committees in both houses are expected to act on Suspense File items on August 15th. While there are exceptions to any rule, any measure that remains in a policy committee is considered dead, and any measure that fails to move out of the Appropriations Committees by August 16th is considered dead.

Adding more pressure to get things done, a delegation from the Women's Caucus, and other members, are expected to attend the Democratic Convention, which will result in at least 15 Senators and Assembly members missing almost a week of Floor Sessions. This will force votes on any controversial or $\frac{2}{3}$ threshold bills to be taken up during the final week of session.

The condensed time frame between the Legislature's return and the end of the session on August 31st, will be an intense period of negotiations, amendments, and floor votes. Platinum will be prepared for rapid developments and potential last-minute changes to bill language. It is the time for end of session shenanigans where entirely new proposals are placed in print for the first time in order to push controversial measures through during the final weeks of session.

Focus on Remaining Major Legislative Packages: Upon their return, the Legislature is expected to prioritize work on three significant policy packages:

- a) **Insurance Reform Package:** This comprehensive set of bills aims to address various challenges in California's insurance market.
- b) **California Made Package:** A package of legislation is being drafted to expedite the development of clean energy projects. These projects range from hydrogen production, offshore wind development, and general permit streamlining.
- c) **Retail Theft Prevention and Enforcement Package:** In response to growing concerns about organized retail crime, legislators will consider measures such as:
 1. Enhanced penalties for repeat offenders
 2. Increased funding for local law enforcement task forces
 3. Support for loss prevention technologies
 4. Reforms to address root causes of retail theft

These legislative packages are sure to generate significant debate. Platinum Advisors will closely monitor developments related to these initiatives and any new proposal and

provide updates as needed. In addition, the final round of budget trailer bills should be in print next week.

Ballot Measures: The California ballot for the upcoming election has been finalized, featuring 10 propositions that address a diverse range of policy areas including retail theft, healthcare, climate change, rent control, and taxation. This year's ballot measure process has been characterized by an unusual number of last-minute changes and political maneuvering.

The following 10 propositions have been officially certified for the ballot:

Proposition 2: \$10 billion bond proposal to make improvements at K-12 schools and community colleges.

Proposition 3: Reaffirm the right of same-sex couples to marry. This proposal would repeal the unconstitutional provisions in the Constitution that limits marriage to a man and a woman.

Proposition 4: \$10 billion bond for climate programs. This bond proposal includes funding for a wide range of climate related improvements. However, it does not include any funding for zero emission vehicle programs.

Proposition 5: Lower voter approval requirements for local housing bonds. This proposal includes the amendments proposed by ACA 1, and the amendments made by ACA 10. As it appears on the ballot, Proposition 5 would establish conditions whereby local housing bonds could be approved by 55% of the voters.

Proposition 6: Limit forced labor in state prisons. This proposal would amend the Constitution to prohibit the use involuntary servitude as a punishment for a crime.

Proposition 32: Raise the state minimum wage to \$18 an hour. This proposal would increase the minimum wage, and annually adjust the minimum wage based on inflation starting in 2026.

Proposition 33: Allow local governments to impose rent controls. This proposal would eliminate the Costa-Hawkins law, and allow local governments to control rents for any housing. This proposal does not affect any existing local rent control laws.

Proposition 34: Require certain health providers to use nearly all revenue from a federal prescription drug program on patient care. Proposition 34 creates new rules about how certain health care entities spend revenue from the federal drug discount program. Specifically, the entities would have to spend at least 98 percent of their net revenue earned in California on health care services provided directly to patients.

Proposition 35: Make permanent a tax on managed health care insurance plans. Proposition 35 makes the existing health plan tax permanent beginning in 2027. The state would still need federal approval to charge the tax.

Proposition 36: Increase penalties for theft and drug trafficking. Under this proposal people convicted of certain drug or theft crimes could receive increased punishment, such as longer prison sentences. In certain cases, people who possess illegal drugs would be required to complete treatment or serve up to three years in prison.

LEGISLATION

CALACT EXISTING POSITION

	Subject	Status	Position
<p><u>AB 364</u> (Bryan D) Street furniture data: statewide integrated data platform.</p>	<p>This bill directs Caltrans to develop an open source and publicly available database listing the type and location of “street furniture” such as covered bus stops.</p> <p>The intent of AB 364 is to create a database that would provide transit riders with better data on where they can find bus stops with shaded structures to avoid the heat.</p>	<p>Senate Transportation</p> <p>Dead</p>	<p>WATCH</p>
<p><u>AB 761</u> (Friedman D) Local finance: enhanced infrastructure financing districts.</p>	<p>AB 761 was finally gutted and amended to remove the Transit Transformation Task Force language.</p> <p>As amended, AB 761 would allow an enhanced infrastructure financing district enacted primarily to develop and construct passenger rail projects in Los Angeles County to last 75 years instead of 45 years.</p>	<p>Senate Floor</p>	<p>Watch (prior version)</p>
<p><u>AB 817</u> (Pacheco D) Open meetings: teleconferencing: subsidiary body.</p>	<p>AB 817 would authorize a “subsidiary body” to remotely hold a public meeting if specified conditions are met.</p> <p><i>AB 817 failed passage in the Senate Local Government Committee because the author would not accept all the amendments proposed by the Committee. Reconsideration of the</i></p>	<p>Senate Local Government</p> <p>Dead</p>	<p>SUPPORT</p>

	Subject	Status	Position
	<p><i>bill was granted in the event the author changes her mind.</i></p> <p>The Committee proposed several amendments to narrow the application of the bill to specific types of advisory bodies, which the author accepted. However, there were two amendments the author would not accept. This resulted in the chair voting “no” causing the rest of the committee to hold off, or vote no. The two changes that are holding up this bill include the following:</p> <ul style="list-style-type: none"> • The provisions of the bill would not apply to advisory bodies where the members are compensated. • Require a quorum to be present at a single public location; however, members of the body that have “specific needs” may count toward the quorum even if they participate remotely. 		
<p><u>AB 1837</u> (Papan D) San Francisco Bay area: public transit: Regional Network Management Council.</p>	<p>This bill would basically codify the existing Regional Network Manager Council that consists of specified Bay Area transit general managers. The bill would require MTC to create a council consisting of 11 representatives that would consist of the general managers from the large operators plus 4 additional general managers selected by specified general managers.</p> <p>The purpose of this council is to provide guidance on regional transit policies.</p>	<p>Senate Transportation</p> <p>Dead</p>	<p>Watch</p>

	Subject	Status	Position
<p><u>AB 1904</u> (Ward D) Transit buses: yield right-of-way sign.</p>	<p>AB 1904 was approved by Senate Transportation, and the bill now moves to the Senate Floor.</p> <p>Existing law allows Santa Clara VTA and Santa Cruz Metropolitan Transit District to equip buses with a “yield right-of-way” sign to inform motorists when the bus re-entering a traffic lane.</p> <p>AB 1904 would expand this authorization to allow any transit operators to equip its bus with yield right-of-way signs. Under AB 1904 these signs could be an illuminated sign or a static decal.</p>	Senate Floor	Watch
<p><u>AB 2043</u> (Boerner D) Medi-Cal: nonmedical and nonemergency medical transportation</p>	<p>AB 2043 directs the State Department of Health Care Service to do the following:</p> <ul style="list-style-type: none"> • Ensure the fiscal burden of providing nonemergency Medi-Cal trips is not unfairly placed on public paratransit providers. • Direct Medi-Cal managed care plans to reimburse public paratransit providers at the state’s fee for service rates. • Engage with public paratransit providers to understand the unique challenges the paratransit providers face, and by June 1, 2026, provide updated guidance that ensures the fiscal burden is not placed on public paratransit providers. 	Senate Appropriations Suspense File	Support
<p><u>AB 2302</u> (Addis D) Open meetings:</p>	<p>AB 2302 clarifies the number of meetings that a member of a legislative body may attend remotely pursuant to the Ralph M. Brown Act’s</p>	Senate Floor	Watch

	Subject	Status	Position
<p>local agencies: teleconferences.</p>	<p>teleconferencing requirements, as modified by AB 2449.</p> <p>AB 2302 would adjust the number of times a member can use teleconference based on the following restrictions:</p> <ul style="list-style-type: none"> • Two meetings per year, if the legislative body regularly meets once per month or less. • Five meetings per year, if the legislative body regularly meets twice per month. • Seven meetings per year, if the legislative body regularly meets three or more times per month. 		
<p><u>AB 2557</u> <u>(Ortega D)</u> Local agencies: contracts for special services and temporary help: performance reports.</p>	<p>As amended AB 2557 would require a Board of Supervisors, City Council, or District Board, starting on July 1, 2025, entering into a contract for special services for functions that are currently, or were in the prior five years, performed by unionized employees to post the contract and any related documents, including any required performance reports, that are subject to the California Public Records Act (CPRA) on its internet website.</p> <p>Starting July 1, 2026, each new contract awarded shall include specified information such as objectives/deliverables, number of employees assigned to the contract, names of any subcontractors.</p> <p>AB 2557 would not apply to contracts valued at less than \$100,000, and for contracts for “work not usually performed by public employees.”</p>	<p>Senate Appropriations</p> <p>Suspense File</p>	<p>Watch</p>

	Subject	Status	Position
<p><u>AB 2561</u> (McKinnor D) Local public employees: vacant positions.</p>	<p>AB 2561 has been scaled back a bit.</p> <p>As amended, the bill requires each public agency with high vacancy rates for more than 180 days to, at the request of the recognized employee organization to meet and confer with the employee group on how to address the high vacancy rate, and hold a public hearing within 90 days on high vacancy rates. AB 2561 was amended to define high vacancy rate to be 15% or more of the budgeted permanent full-time equivalent positions for classifications in the department have been unfilled for 180 days or more.</p> <p>The employee organization is entitled under AB 2561 to make a presentation at a public meeting on the vacancy rate issue, but may only make this request once per year.</p>	<p>Senate Appropriations</p> <p>Suspense File</p>	<p>Oppose</p>
<p><u>AB 2892</u> (Low D) Vehicles: financial responsibility: self-insurance</p>	<p>AB 2892 continues to move through the process with unanimous support.</p> <p>This bill would codify Department of Motor Vehicles (DMV) requirements for an applicant with more than 25 vehicles registered in their name to qualify as a self-insurer.</p>	<p>Senate Appropriations</p> <p>Suspense File</p>	<p>Watch</p>
<p><u>SB 537</u> (Becker D) Department of General Services: memorial to forcibly deported Mexican Americans and Mexican immigrants</p>	<p>SB 537 was removed from the Inactive File and then gutted and amended. As amended, the bill would grant permission to construct a memorial on state property in Los Angeles.</p> <p>The provisions in the bill that provided some flexibility for remote participation in public meetings by multi-jurisdictional, cross-county local</p>	<p>Assembly Floor Dead</p>	<p>Watch</p> <p>Prior version</p>

	Subject	Status	Position
	agencies with appointed members have been removed.		
<p><u>SB 960</u> (Wiener D) Transportation: planning: transit priority projects: multimodal.</p>	<p>SB 960 would place in statute the requirement for Caltrans to include “complete street” improvements to all transportation projects.</p> <p>The bill was amended on July 3rd to reflect suggested changes by Caltrans. While the amendments provide some flexibility to Caltrans, the overall intent of the bill remains in place. Caltrans suggesting amendments bodes well for SB 960 being signed into law.</p> <p>This bill also requires inclusion of bicycle, pedestrian, and transit priority facilities in the Transportation Asset Management Plan, the State Highway System Management Plan, and the plain language performance report of the State Highway Operation and Protection Program (SHOPP). This bill requires any project in the SHOPP to include bicycle, pedestrian, and transit priority projects unless a specified exception applies.</p>	<p>Assembly Appropriations</p> <p>Suspense File</p>	Support
<p><u>SB 1031</u> (Wiener D) San Francisco Bay area: local revenue measure: transportation improvements.</p>	<p>Given growing debate over the content of the bill, Senators Wiener and Wahab decided to shelve the bill for this year in order to provide more time to develop a consensus measure that will be introduce next session.</p> <p>The language in SB 1031 is extensive. The bill contains 2 proposals. The first directs CalSTA to study the consolidation of all Bay Area transit</p>	<p>Assembly Desk</p> <p>DEAD</p>	Watch

	Subject	Status	Position
	<p>operators, and then develop a plan for consolidation.</p> <p>The second area provides MTC with the authority to seek a regional funding measure for transit operations and capital programs. The regional measure also includes provisions that consolidated funding and policy authority over transit operations with MTC.</p>		

Employment Legislation

	Subject	Status	Recommended Position
<p><u>AB 2404</u> (Lee D) State and local public employees: labor relations: strikes.</p>	<p>AB 2404 protects a public employee from legal or disciplinary or any other adverse action arising from that public employee's refusal to do any of the following:</p> <ul style="list-style-type: none"> • Enter property that is the site of a primary strike; • Perform work for another employer involved in a primary strike; and • Go through or work behind any primary strike line. 	<p>Assembly Appropriations</p> <p>Dead</p>	<p>Watch</p>
<p><u>AB 2499</u> (Schiavo D) Unlawful employment practices: discrimination for time off.</p>	<p>AB 2499 makes the following changes:</p> <ul style="list-style-type: none"> • Expands the list of crimes for which employees are entitled to take time off; • Allows employees to take time off to help family members, as defined, who are the victims of the specified crimes for specified purposes; • Authorizes employers to limit the amount of time the employees can 	<p>Senate Appropriations</p> <p>Suspense File</p>	<p>Watch</p>

	Subject	Status	Recommended Position
	<p>take off of work for the above purposes, as specified; and</p> <ul style="list-style-type: none"> • Authorizes employees to use their entitled paid sick leave for these purposes. 		
<p><u>AB 2751</u> (Haney D) Employer communications during nonworking hours.</p>	<p>Requires public and private employers to establish a workplace policy that provides employees the right to disconnect from communications from the employer during nonworking hours. However, an employee may be contacted regarding an emergency or for scheduling issues. The provisions of the bill do not apply to an employee covered by a collective bargaining agreement.</p>	<p>Assembly Appropriations</p> <p>Dead</p>	<p>Watch</p>
<p><u>SB 1116</u> (Portantino D) Unemployment insurance: trade disputes: eligibility for benefits.</p>	<p>SB 1116 failed passage in the Assembly Insurance Committee.</p> <p>This bill proposed to allow striking workers after being on strike for two weeks to claim unemployment insurance (UI) benefits. In addition, the ineligibility to claim benefits would not apply in the event of an employee lockout. Because the UI Fund is paid for entirely by employers, SB 1116 will effectively add more debt onto California employers.</p>	<p>Assembly Insurance</p> <p>Dead</p>	<p>Watch</p>
<p><u>SB 1345</u> (Smallwood-Cuevas D) Employment discrimination: criminal history information.</p>	<p>SB 1345 would limit employers from considering conviction history of an applicant, existing employee, or contractor in employment or contracting decisions, unless the employer can show a business necessity for the criminal background check.</p>	<p>Senate Labor & Public Employment</p> <p>Dead</p>	<p>Watch</p>

	Subject	Status	Recommended Position
<p><u>SB 1434</u> <u>(Durazo D)</u> Unemployment insurance: benefit and contribution changes.</p>	<p>SB 1434 would increase unemployment insurance (UI) taxes to fund UI benefit hikes, as well as providing for subsequent increases based on inflation. Also creates a new UI program to provide benefits to workers who do not qualify for traditional UI, to be funded by a new tax on California employers.</p>	<p>Senate Labor & Public Employment</p> <p>Dead</p>	<p>Watch</p>