

KP

FLC Annual Meeting

Legislative Update

May 6, 2022



KP Public Affairs

Brian White

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2022 Legislative Session Overview

- **COVID release** - finally coming out of COVID restrictions (sort of); Legislature back to holding in-person hearings in new building; may slowly transition from virtual testimony but remains to be seen
- **Budget Surplus** – billions more \$\$\$. . . more money, more problems
- **Top Legislation** – 2,100 bills introduced; top issues include education funding, energy reliability, supply chain, wildfire prevention/home hardening, COVID vaccinations
- **Election Year** – several resignations and term limits impacting policy priorities
- **Newsom Administration Shakeup** – new leadership in key positions – CalFire, Dept of Finance, CPUC, Gov’s Office

State Budget Still Dominates Legislative Discussion

- Governor's proposed **January Budget for 2022-23 at \$286 billion**; proposes spending 60 percent on discretionary resources, one-time or temporary programs
- Another **large budget surplus** for the 2022-23 fiscal year - **projected at \$68 billion** (was \$45 billion in January); a record \$76 billion surplus in 2021)
- **Gann Limit** – lower tax revenues, provide tax rebates, spend on infrastructure
- **Proposed Wildfire and Forest Resilience Package** - **requests \$1.2 billion** investment in forest health and fire prevention across two years; **\$800 million General Fund**; **\$400 million Greenhouse Gas Reduction Fund** over two fiscal years (2022-23 and 2023-24) to address and wildfires/forest health
- ❖ **Proposed wildfire budget builds on \$1.5 billion investment enacted last year** (includes early action items); several funded wildfire prevention programs slow to commit funds; **Administration provides new report detailing 2021 funds spent**
- **Governor's May 2022 Budget Revision** – updated fiscal numbers likely to result in additional funding (as proposed by Senate); wildfire season at the door!

NATURAL RESOURCES AGENCY

Legislative Budget Report on 2021 Investments



April 2022



CALIFORNIA
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CalEPA
California Environmental
Protection Agency

Legislative Budget Report on 2021 Investments

- Newsom Administration's new report tracks investments in wildfire resilience supported by the \$1.5 billion package approved by the Governor and the Legislature in 2021
 - Agency claims 552 wildfire resilience projects completed in less than a year.
 - **The Agency notes 32 CFIP projects have been awarded from the Early Action Funding. Of these 32 projects, a total of 2126 acres is proposed for treatment**
 - An estimated 145,000 trees are proposed for tree planting
- <https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Forest-Stewardship/Wildfire-Resilience-Program/2022-04-29-Wildfire-Resilience-Budget-Report.pdf>

Gov Newsom's January 2022 Proposed Multi-year Package

(IN MILLIONS, NOT INCLUDING 2021 EARLY ACTION ITEMS)

Program	Department	2021-22	2022-23	2023-24
Resilient Forests and Landscapes				
➤ Forest Health Program	CalFire	\$155	\$120	\$120
➤ Stewardship of state-owned land	CDFW/Parks	\$145	\$65	\$65
➤ Forest Improvement Program	CalFire	\$40	\$11	\$14
➤ Urban forestry	CalFire	\$20	\$20	\$10
➤ Forest Legacy Program	CalFire	\$10	\$14	\$19
Wildfire Fuel Breaks				
➤ Fire prevention grants	CalFire	\$120	\$115	\$117
➤ Prescribed fire and hand crews	CalFire	\$49	\$35	\$35
➤ CalFire unit fire prevention projects	CalFire	\$40	\$20	\$20
Community Hardening				
➤ Home hardening	CalOES, CalFire		\$13	\$12
➤ Defensible space inspectors	CalFire	\$13	\$5	\$5
Forest Sector Economic Stimulus				
➤ Biomass transportation grants	CalFire		\$5	\$5

Senate Democrat's 2022 Budget Priorities

- **\$18 billion more for climate change** - unveiled its budget priorities last week, including to spend \$18 billion more for climate change programs than Gov. Newsom's plan
- **\$6.6 billion for wildfire preparedness and response** - total of \$6.6 billion is planned over five years for fuel reduction, biomass accumulation, workforce development and training, regional conservancies, and expanding CalFire firefighting staffing for all fire engines. Some specifics:
 - \$1.5 billion for fuel reduction
 - **\$95 million to address biomass accumulation**
 - \$35 million for workforce development and training
 - \$675 million for regional conservancies
 - \$220 million for fire engine staff (3 to 1 ratio)

2022 Key Legislation Landscape

- **AB 522 (Fong)** extends the forest fire prevention exemption from five years after the effective date of emergency regulations adopted by the Board of Forestry (BOF), which is February 19, 2024, until January 1, 2026. **Status: In Senate. Position: Support**
- **AB 1154 (Patterson)** exempts from CEQA an egress route project to improve emergency access to and evacuation from a subdivision without a secondary egress route if the subdivision has been identified by the BOF, and the BOF recommends the creation of a secondary access to the subdivision. **Status: In Senate. Position: Support**
- **AB 1717 (Aguiar-Curry)** expands the definition of public works, for which prevailing wage must be paid to workers, to include publicly funded fuel reduction work performed as part of a fire mitigation project. **Status: Assembly Appropriations Suspense File. Position: Pending – Recommend Oppose**

2022 Key Legislation Landscape – continued

- **AB 2322 (Wood)** requires the Building Standards Commission (BSC) to adopt, approve, codify, and publish mandatory building standards for fire resistance based on occupancy risk categories in very high, high, and moderate California fire severity zones in state responsibility areas, and local responsibility areas. **Status: Position: Watch**
- **AB 2377 (Muratsuchi)** establishes within CAL FIRE, a new Chief of Wildfire Prevention to be appointed by the Governor. This position would be responsible for prioritizing acres for fire and fuels treatment and executing those treatments; streamlining required regulatory approvals; and achieving the state’s goal of treating 500,000 acres annually by 2025. **Status: Assm Appropriations Committee. Status: Position: Pending – Recommend Support**
- **AB 2672 (Flora)** requires CAL FIRE to procure or establish a statewide defensible space and home hardening online platform for use by property owners to support and augment CAL FIRE in defensible space inspection requests. **Status: In Assembly Appropriations. Position: Watch**

2022 Key Legislation Landscape – continued

- **AB 2479 (Wood)** requires CAL FIRE to report to the Legislature how it will increasingly use, develop, implement, facilitate, and support prescribed burn, cultural fire, and managed wildfire projects to burn an unspecified number of acres by January 1, 2030. **Status: In Assembly Appropriations. Status: Watch**
- **AB 2878 (Aguiar-Curry)** establishes the Forest Biomass Waste Utilization Program to develop an implementation plan for using biomass waste, including requiring the CPUC to to adopt measures to use biomass waste to support rural microgrids; provide incentives for electricity and pipeline interconnection for forest biomass projects; and consider increasing the megawatt cap of the Bioenergy Market Adjusting Tariff. **Status: In Assembly Appropriations. Position: Pending – Recommend Support**

2022 Key Legislation Landscape – continued

- **SB 926 (Dodd)** requires the CAL FIRE, on or before January 1, 2023, to establish the Prescribed Fire Liability Pilot Program (PFL Pilot Program) and a \$20 million Prescribed Fire Claims Fund (Fund) to support coverage for losses from permitted prescribed fires by individuals and nonpublic entities. **Status: On Senate Appropriations Suspense File. Position: Pending – Recommend Support**
- **SB 1109 (Caballero)** seeks to increase, extend, and expand requirements on electric utilities to procure energy from biomass generating electric facilities. Original bill would have expanded the 125-megawatt program to 225 MW; revises the financial commitments for utilities from five years to up to 15 years; and require existing contracts to be extended for an additional five years. New amendments deleted the increase of the additional 100 MW due to concerns raised by Senate Energy Committee. **Status: In Senate Appropriations. Position: Support**

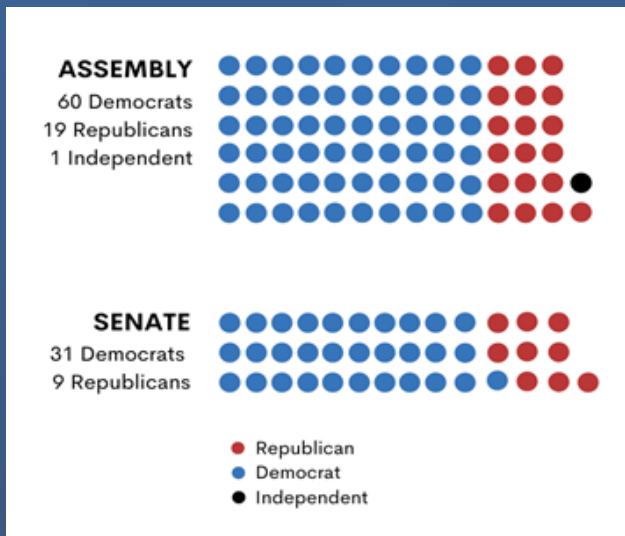
Looking Forward – The Political Landscape

June Primary and November 2022 General Election

- All Statewide Offices
- New Seats, New Faces - redistricting impact on legislative districts
- Even Numbered State Senate Seats
- All State Assembly Seats
- Various Ballot Initiatives

Balance of Power

Democrats Have a Supermajority in Both Houses



- **Redistricting has already had huge impacts, with record numbers of resignations (at least 20 to date).**

Democrats are still projected to have a supermajority.

- Assembly Democrats need only 41 legislators to pass majority vote bills and Senate Democrats need 21 votes to pass majority vote bills. Tax and urgency bills require 2/3 vote

Impact of Term Limits

Will Term Out in 2022


- Senator Bob Hertzberg (D)
- Senator Ben Hueso (D)
- Senator Pat Bates (R)
- Senator Richard Pan (D)
- Senator Jim Nielsen (R)
- Senator Bob Wieckowski (D)

- **Close to 40 legislators will be termed out by 2024, primarily Assembly Democrats**

Will Term Out in 2024

- Senator Scott Wilk (R)
 - Senator Anthony Portantino (D)
 - Senator Steve Bradford (D)
 - Senator Toni Atkins (D)
 - Senator Melissa Melendez (R)
 - Senator Brian Dahle (R)
 - Senator Nancy Skinner (D)
 - Senator Richard Roth (D)
 - Senator Bill Dodd (D)
 - Senator Susan Eggman (D)
 - Senator Steve Glazer (D)

 - Assm Chris Holden (D)
 - Assm Cristina Garcia (D)
 - Assm Adrin Nazarian (D)
 - Assm Richard Bloom (D)
 - Assm Jones-Sawyer (D)
- Speaker Anthony Rendon (D)
 - Assm Jose Medina (D)
 - Assm Jim Patterson (R)
 - Assm Marie Waldron (R)
 - Assm Adam Gray (D)
 - Assm Kevin Mullin (D)
 - Assm Bill Quirk (D)
 - Assm Mark Stone (D)
 - Assm Tom Daly (D)
 - Assm Brian Maienschein (D)
 - Assm Rudy Salas (D)
 - Assm Freddie Rodriguez (D)
 - Assm Phil Ting (D)
 - Assm Frank Bigelow (R)
 - Assm Ken Cooley (D)
 - Assm Marc Levine (D)



Thank You!

QUESTIONS

