

## LEGISLATIVE COMMITTEE MEETING AGENDA

June 13, 2023 – 3:00 P.M.  
Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371 &  
Monterey County Fair RV Park  
2004 Fairground Road, Monterey, California, 93940  
& Remotely (see below)

### LEGISLATIVE COMMITTEE MEETING – 3:00 P.M.

**Call to Order** – Pledge of Allegiance

#### Roll Call

1) **Approval of Agenda**

2) **Public Comment** – Under this item, any member of the public wishing to directly address the Board on any item of interest that may or may not be within the subject matter jurisdiction of the Board, but not listed on the agenda, may do so at this time. However, the Board is prohibited by law from taking any action on any item not appearing on the agenda unless the action is otherwise authorized by the Brown Act. Any member of the public wishing to directly address the Board on any item listed on the agenda may do so when the item is being considered by the Board. Speakers are requested to be brief in their remarks. The Chair may limit each speaker to a comment period of five (5) minutes.

3) **Acceptance of Minutes**

4) **Updates from Representatives**

- Congress
- State Senate
- State Assembly
- County Supervisor

5) **Review of May-June CSDA Legislative Brief**

6) **Staff Report**

7) **Committee Comments**

8) **Review of Action Items**

- a) **Prior Meeting**
- b) **Current Meeting**

9) **Set Agenda for Next Meeting** – September 12, 2023

10) **Adjournment**

*Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above-*



#### **Mission Statement:**

*The Mission of the Phelan Piñon Hills Community Services District is to efficiently provide authorized services and maximize resources for the benefit of the community.*

#### **Authorized Services:**

- Water
- Parks & Recreation
- Street Lighting
- Solid Waste & Recycling

*Agendized public meeting should be directed to the District's General Manager at (760) 868-1212 at least 24 hours prior to said meeting.*

Agenda materials can be viewed online at [www.pphcsd.org](http://www.pphcsd.org)

- **Remote Viewing:**

To watch the livestream (view only – nonparticipating), visit our YouTube channel:

[PPHCSD YouTube Channel Link](#)

- **Remote Participation:**

To provide public comment, or otherwise participate remotely, select the meeting you wish to attend on the District's website and then click the "Join Remote Meeting" option.

<https://www.pphcsd.org/meetings>

*Please be advised that remote participation and livestreaming options are provided as a courtesy to the public and technical issues could occur, resulting in delays or the inability to participate remotely or livestream. It is recommended that you attend in person to ensure you are able to participate.*

- **Written Comments:**

You may also email your public comment to the Board Secretary at [ksevy@pphcsd.org](mailto:ksevy@pphcsd.org) by the meeting start time listed on this agenda. Your comment will be added to the record by the Board Secretary.

*Please check the District website for updates on this meeting. We encourage you to sign up for our email notifications by emailing [ksevy@pphcsd.org](mailto:ksevy@pphcsd.org) or by visiting our website and completing the signup form at [www.pphcsd.org](http://www.pphcsd.org) under the "Agendas and Minutes" tab.*

## LEGISLATIVE COMMITTEE MEETING MINUTES

March 14, 2023

Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371  
& Remotely Via Zoom or Conference Call

**Board Members Present:** Greg Snyder, Chair  
Chuck Hays, Director

**Board Members Absent:** None

**Staff Present:** Kim Ward, HR & Solid Waste Manager/District Clerk

### Call to Order

The meeting was called to order at 3:00 p.m.

### Roll Call

All committee members were present at Roll Call.

#### 1) Approval of Agenda

Director Snyder moved to approve the Agenda. Director Hays seconded the motion.  
Motion passed unanimously.

#### 2) Public Comment – None

#### 3) Appointment of Committee Chair – Greg Snyder was selected as Committee Chair.

#### 4) Approval of Minutes

Director Snyder moved to approve the Minutes. Director Hays seconded the motion.  
Motion passed unanimously.

#### 5) Update from Representatives – None

#### 6) Review of March CSDA Legislative Brief

The committee reviewed the brief provided in the agenda packet; no action requested.

#### 7) Review of State Ballot Initiative #21-0042A1

The committee reviewed the ballot initiative provided in the agenda packet.

ACTION ITEM: White paper on ballot initiative.

#### 8) Review of Committee Roles & Responsibilities

The committee reviewed the Committee Roles & Responsibilities; no changes recommended.

9) **Staff Report**

Staff provided an update on the Western Joshua Tree budget trailer bill.

Public Comment was provided by Cheryl Rhoden regarding the Western Joshua Tree.

10) **Review of Action Items**

a) **Prior Meeting** – None

b) **Current Meeting**

- White paper on Initiative #21-0042A1
- Send reminder of upcoming Legislative Committee meetings to representatives

11) **Set Agenda for Next Meeting** – June 13, 2023

12) **Adjournment**

With no further business before the Committee, the meeting adjourned at 3:18 p.m.

Agenda materials can be viewed online at [www.pphcsd.org](http://www.pphcsd.org)



# TAKE ACTION BRIEF

## May-June 2023

Over 200 special district leaders converged in Sacramento in May to meet with State leaders on some of the biggest public policy issues facing special districts. During brunch meetings with 40 legislative offices participating, attendees discussed Brown Act remote meetings, design-build, and zero emission vehicle mandates among other advocacy priorities. The event took place the week after Governor Gavin Newsom unveiled his May Revise to the 2023-24 State Budget and attendees shared CSDA’s key budget requests.

Copies of the slide decks presented at Special Districts Legislative Days are available at [legislatedays.csdanet.net/schedule](http://legislatedays.csdanet.net/schedule). Be sure to save the date for next year’s event, back at the Sheraton Grand Sacramento May 21-22, 2024.

With the Governor’s May Revise in hand, the Budget Subcommittees are now in full swing as the Legislature faces a June 15 Constitutional deadline to pass a balanced budget. May 19 was the last day for the Appropriations Committees to pass bills to the floor and June 2 is the “House of Origin Deadline” when all bills must be passed out of the house in which they were introduced. Policy committees taking up bills in their second house will then have until July 14 to consider legislation prior to the Summer Recess.

### Inside this edition of the Take Action Brief:

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### Contact a local CSDA representative near you!

Chris Norden	Northern Network	<a href="mailto:chrisn@csda.net">chrisn@csda.net</a>
Dane Wadlé	Sierra Network	<a href="mailto:danew@csda.net">danew@csda.net</a>
Colleen Haley	Bay Area Network	<a href="mailto:colleenh@csda.net">colleenh@csda.net</a>
Melissa Green	Central Network	<a href="mailto:melissag@csda.net">melissag@csda.net</a>
Charlotte Holifield	Coastal Network	<a href="mailto:charlotteh@csda.net">charlotteh@csda.net</a>
Chris Palmer	Southern Network	<a href="mailto:chrisp@csda.net">chrisp@csda.net</a>



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## ➤ Legislative Priorities: Advocated at Special Districts Legislative Days

### SPECIAL DISTRICTS WEEK – SPONSOR

#### [Senate Concurrent Resolution 52 \(Alvarado-Gil\)](#)

Status: Senate Floor (as of 5.4.23)

**Important Facts:** Proclaims May 14 – 20, to be Special Districts Week. The resolution encourages Californians across the state to engage with their local communities and be actively involved with their government, particularly with special districts and the areas they serve.

### OPEN MEETINGS: LOCAL AGENCIES: TELECONFERENCES – SPONSOR

#### [Assembly Bill 557 \(Hart\)](#)

Status: Assembly Floor (as of 5.4.23)

**Important Facts:** Would preserve the emergency remote meeting procedures added to the Ralph M. Brown Act by Assembly Bill 361 (R. Rivas, 2021) by eliminating a January 1, 2024, sunset on those procedures. Would change, from 30 days to 45 days, the duration of required local agency resolutions passed as part of the process. The procedures will continue to require a Governor-declared emergency.

### LOCAL AGENCY DESIGN-BUILD PROJECTS: AUTHORIZATION – SUPPORT

#### [Assembly Bill 400 \(Rubio\)](#)

Status: Assembly Committee on Appropriations (as of 5.4.23)

**Important Facts:** Would extend the sunset date for local governments to use the design-build (DB) project delivery method for public works projects from January 1, 2025, until January 1, 2031. Local governments, including certain authorized special districts (wastewater facilities, solid waste management facilities, water recycling facilities, or fire protection facilities), use DB to build infrastructure projects efficiently.

### PUBLIC CONTRACTS: PROGRESSIVE DESIGN-BUILD: LOCAL AGENCIES – SUPPORT

#### [Senate Bill 706 \(Caballero\)](#)

Status: Assembly Desk (as of 5.4.23)

**Important Facts:** Would expand local agency progressive design-build (PDB) authority for public works construction contracts to any type of project, not just water projects as provided for under current law.

### MEDIUM- AND HEAVY-DUTY ZERO-EMISSION VEHICLES: PUBLIC AGENCY UTILITIES – SUPPORT

#### [Assembly Bill 1594 \(Garcia\)](#)

Status: Assembly Committee on Appropriations (as of 5.4.23)

**Important Facts:** Would require any state regulation on the procurement of medium- and heavy-duty zero-emission vehicles (ZEVs) by a public agency utility, such as California Air Resources Board (CARB) ZEV Advance Clean Fleet (ACF) regulation, to ensure that fleet vehicles are able to support a public agency utility's ability to maintain reliable water, sewer, and electric services, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide.



## ➤ FEEDBACK REQUESTED: Governor’s “BUILD” Proposals

On Friday, May 19, Governor Gavin Newsom announced new permitting and project reforms, called “Build More, Preserving Jobs” or “BUILD”. Please send your feedback to CSDA Legislative Representative Heidi Hannaman via email to [heidih@cdda.net](mailto:heidih@cdda.net):

- **Administrative Records Review**  
Clarifies and streamlines procedures related to the preparation of the public record for the judicial review of level challenges brought under CEQA in order to reduce the litigation time.
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **CEQA Judicial Streamlining**  
Provides for expedited judicial review of challenges to certain water, transportation, clean energy, and semiconductor or microelectronic projects under CEQA.
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Green Financing Programs for Federal Inflation Reduction Act (IRA) Funding**  
Allows I-Bank and DWR to access and utilize federal funding provided in the Inflation Reduction Act, to finance projects that reduce greenhouse gas emissions.
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Accelerating Environmental Mitigation**  
Streamlines the implementation of environmental mitigation measures for the efficient delivery of Caltrans projects.
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **National Environmental Policy Act (NEPA) Delegation Authority**  
Removes the current sunset provision and permanently authorizes the consent of California to the jurisdiction of federal courts and waiver of immunity by the California Transportation Agency (CalSTA) with regards to the performance of certain federal environmental responsibilities under the National Environmental Policy Act (NEPA).
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Direct Contracting (Public Private Partnership Authority I-15 Wildlife Crossings)**  
Authorizes Caltrans to directly contract to construct three wildlife crossings over Interstate 15 as part of the Brightline West high-speed rail project between California and Nevada.
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Job Order Contracting**  
Authorizes Caltrans to use the job order contracting method to complete routine transportation projects and maintenance work quickly and easily.
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Progressive Design-Build Authority for CalTrans and DWR**  
Allows the DWR and Caltrans to establish a progressive design-build pilot program until 1/1/2031.
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Fully Protected Species Reclassification**  
To ensure better species conservation and improved permitting for essential infrastructure projects, repeals the four existing statutes designating species as “fully protected” under California law. The bill would reclassify the 37 fully protected species.
  - [Fact Sheet](#) and [Trailer Bill Language](#)
- **Delta Reform Act Streamlining**  
Makes refinements to the Delta Reform Act that will streamline certain review processes with the intent that Delta Plan projects can be planned, permitted, and built faster while protecting the environment.
  - [Fact Sheet](#) and [Trailer Bill Language](#)



## ➤ May Revise to Governor’s Proposed 2023-24 State Budget

On Friday, May 12, Governor Gavin Newsom released the [May Revision](#) to his 2023-24 State Budget proposal. When the Governor released his proposal in January there was a projected \$22.5 billion deficit to the State Budget. The May Revision projects an additional \$9.3 billion revenue shortfall, bringing the total anticipated deficit to \$31.5 billion.

To address the funding shortfall, the Governor’s administration has proposed a series of cuts, delays, and reductions to funding. While the May Revise does not contain new trigger cuts, it does maintain most of the \$3.9 billion in trigger reductions included in the Governor’s January budget proposal. Among the top issues of interest to special districts:

### **Climate**

In the May Revision, there is a continuation of a multi-year wildfire and forest resilience package worth \$2.7 billion. Additionally, the revision contains an allocation of \$290 million for a flood-related funding package that targets the reduction of flood risk and enhances flood system resilience. The Governor’s Office will continue to work with the Legislature to pursue a climate bond in the upcoming months. Due to decreased revenue projections and increased budgetary pressures, the May Revision includes an extra \$1.1 billion General Fund realignment across climate resilience programs which are bond eligible. Specific funding sources transitioning to the climate bond include: \$270 million for water recycling, \$100 million for the Regional Resilience Program, \$100 million for urban greening, \$60 million towards the Sustainable Groundwater Management Act (SGMA) implementation, \$50 million for dam safety and flood management, and \$20 million for multi-benefit land repurposing.

### **Zero-Emission Vehicles (ZEV) Acceleration**

The Governor’s office has touted that recent data indicates the state has achieved putting 1.5 million Zero Emission Vehicles (ZEVs) on the road two years before the projected timeline. The Administration has committed to maintaining 89 percent or \$8.9 billion in investments to expand ZEV deployment. Some of the initiatives related to ZEV deployment have also had their funding sources replaced; \$635 million will be sourced from the Greenhouse Gas Reduction Fund (instead of the General Fund) to underwrite certain ZEV programs. The Administration’s ZEV investments include a wide range of initiatives such as the improvement of short-haul trucks, school buses, and passenger vehicles. Investments will also include provisions for infrastructure development and incentives to support in-state manufacturing.

### **Homelessness**

Despite the allocation of \$7.3 billion of funds in 2021 and \$10.2 billion designated in the 2022 Budget, the state continues to confront a surge in homelessness. To address this issue, the California Interagency Council on Homelessness (Cal ICH) has been tasked with advancing a cohesive response. The Governor has provided nearly \$3 billion to local governments through four rounds of the Homeless Housing, Assistance and Prevention (HHAP) Program, with an additional \$1 billion proposed for a fifth round of HHAP grants, and \$400 million for a third round of the Encampment Resolution Funding (ERF) Program to resolve encampments.

### **Property Taxes**

Preliminary data suggest statewide property tax revenues increased around 7.4 percent in 2022-23, which is 1.4 percentage points higher than the 6 percent growth rate anticipated in the Governor’s budget forecast. Property tax revenues are expected to grow 4.5 percent in 2023-24, which is 0.5 percentage point lower than the 5 percent growth expected in the Governor’s budget. Strong growth in 2022-23 is likely due to home price increases that took place in 2021. More moderate growth is expected in 2023-24 due to higher interest rates that led to lower property transfers and price declines in 2022.





# KEY BUDGET REQUESTS

## Meeting the Needs of California's Communities



### **Paying Off State Mandate Debt Owed to Local Governments**

**Amount TBD (Approximately \$830 million as of the end of 2022)**

The State of California owes local agencies millions of dollars for mandate reimbursements required under the Constitution. Reimbursement would fund compliance with the Brown Act and other important laws and ensure these statutes remain enforceable. This expenditure would relieve the State of its Constitutionally obligated debt.

*CSDA Contact:* Marcus Detwiler (marcusd@cda.net)



### **Increased Mosquito Abatement Measures to Combat Spread of Non-Native Species**

**\$5 million ongoing**

The Mosquito and Vector Control Association of California has seen tremendous growth in the spread of non-native mosquitoes. This budget request supports increased mosquito control district activities associated with preventing the local transmission of mosquito-borne diseases such as: dengue, Zika, and chikungunya.

Primary Contact: Mosquito and Vector Control Association of California, Vanessa Cajina (VCajina@ka-pow.com)

*CSDA Contact:* Heidi Hannaman (heidih@cda.net)



### **Resource Conservation District Financial Assistance Program**

**\$10 million**

This budget request will allow the California Department of Conservation to provide two years' worth of financial assistance to help grow the capacity of Resource Conservation Districts (RCDs). Funding will enable RCDs to expand work on fire prevention, sea-level rise, flood protection, water quality and supply, and more.

Primary Contact: California Association of Resource Conservation Districts, Nancy Wahl-Scheurich (nancy-wahlscheurich@carcd.org)

*CSDA Contact:* Heidi Hannaman (heidih@cda.net)



### **Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program (AR Program), California Department of Water Resources**

**\$10 million**

\$10 million identified in the Governor's Proposed 2023-24 Budget will be used to continue advancing operational AR forecast tool integration with DWR water supply management, align AR Program results and products with forecast-informed reservoir operations (FIRO) to increase water management flexibility and continue innovations that improve AR, precipitation, and snow level prediction capabilities.

Primary Contact: Scripps Institution of Oceanography, Ian Clamptett (iclampett@ucsd.edu)

*CSDA Contact:* Aaron Avery (aaron@cda.net)



### **Protect Existing Funding for Organic Waste Recycling**

**Approximately \$345,000,000**

CSDA and coalition partners recently submitted a letter in support of Governor Newsom's January budget proposal to protect the \$345 million from FY 21-22 and FY 22-23 for SB 1383 Implementation Grants and the Organic Waste Infrastructure Program. This funding is critical to support local governments to comply with SB 1383's organic waste recycling requirements and to spur much-needed organic waste recycling infrastructure development.

*CSDA Contact:* Heidi Hannaman (heidih@cda.net)



### **Deny California Air Resources Board Budget Change Proposal (BCP)**

CSDA and coalition partners submitted a letter asking the legislature's budget committees to deny the California Air Resources Board (CARB) budget change proposal (BCP) (3900-010-BCP-2023-GB) to support its Advanced Clean Fleets (ACF) regulations. CARB's current draft of the ACF regulations will create significant administrative burdens for local government fleet operators. The current BCP is based on a burdensome system that requires local government agencies to submit exemption requests to CARB because the vehicle technology is not available in the quantities required, at feasible prices or even available at all for public fleets to meet the proposed implementation timelines. The letter asks the legislature to deny CARB's ACF BCP request and instead require the department to develop a less administratively onerous exemption request process than what is being contemplated in the CARB BCP.

*CSDA Contact:* Heidi Hannaman (heidih@cda.net)

## **FEDERAL BUDGET REQUESTS**



### **Precipitation Forecasting for Water Management**

**\$15 million**

For the U.S. Weather Research Program under the National Oceanic and Atmospheric Administration's (NOAA's) Office of Oceanic and Atmospheric Research appropriations account to support a pilot project in the Western U.S. to improve subseasonal to seasonal (S2S) precipitation forecasting to improve water management.

*CSDA Contact:* Aaron Avery (aaron@cda.net)



# Advocacy Priorities

## Protecting Local Revenue



- Preserving sources and uses of local revenue for special districts, including through protecting development impact fees, ratemaking authority, and local property tax
- Preserving the ability to fund and maintain appropriate reserves
- Enhancing, not limiting, local funding tools for growing communities

## Prioritizing Infrastructure and Project Delivery



- Ensuring special districts have equitable access, as compared to other service providers, to state and federal funding to support investments in communities they serve
- Maintaining infrastructure—including mitigation of damage to that infrastructure such as that arising from the statewide homelessness crisis and cybersecurity threats
- Ensuring the most beneficial projects are built in the most efficient manner, such as through permit streamlining or public works bidding and design flexibilities

## Funding Climate Adaptation and Resilience



- Confronting the threats and impacts of drought, wildfire, flooding, seawater intrusion and air pollution.

*For more information or to meet with local service specialists leading the way on these issues of critical statewide concern, contact CSDA's Advocacy and Public Affairs Team at [advocacy@csda.net](mailto:advocacy@csda.net).*



**California Special Districts Association**  
*Districts Stronger Together*

# WHAT ARE SPECIAL DISTRICTS?

*There are just over 2,000 independent special districts in California*

Special districts are local public agencies created by community residents to deliver specialized services essential to their health, safety, economy, and well-being.



Like cities and counties, special districts are public agencies; however, they **provide necessary services that many cities and counties do not.**

Districts are subject to sunshine laws and **governed by a board of directors directly accountable to their constituents.**

Special districts serve all kinds of communities from agricultural, rural, and disadvantaged—nearly 60 percent of California’s special districts serve disadvantaged communities—to incorporated cities and major metropolitan regions, **driving innovation and achieving efficiency through focused-service and economies of scale.**

Collectively, special districts serve as the backbone of California’s infrastructure and economy, **addressing California’s biggest statewide problems at the local level.**

## HOW ARE SPECIAL DISTRICTS FUNDED?



**SPECIAL DISTRICT SERVICES, INFRASTRUCTURE AND CAPITAL NEEDS ARE FUNDED THROUGH A VARIETY OF SOURCES.**

- Revenue sources include fees for services, property taxes, special taxes, benefit assessments, impact fees, and grants.
- California law demands a strict process for voter approval of the taxes and fees that fund special districts.
- Due to strong local oversight and constitutional provisions, special districts often must find a way to do more with less than other government agencies.

## WHY ARE SPECIAL DISTRICTS NECESSARY?



**SPECIAL DISTRICTS ARE FORMED BY COMMUNITIES WHEN IT’S SOMETHING:**

- The community needs
- The community wants done well
- The community wants done with local control

**2K**

Just over 2,000 independent special districts provide services and infrastructure that in some way benefits every one of California’s **40 million residents.**



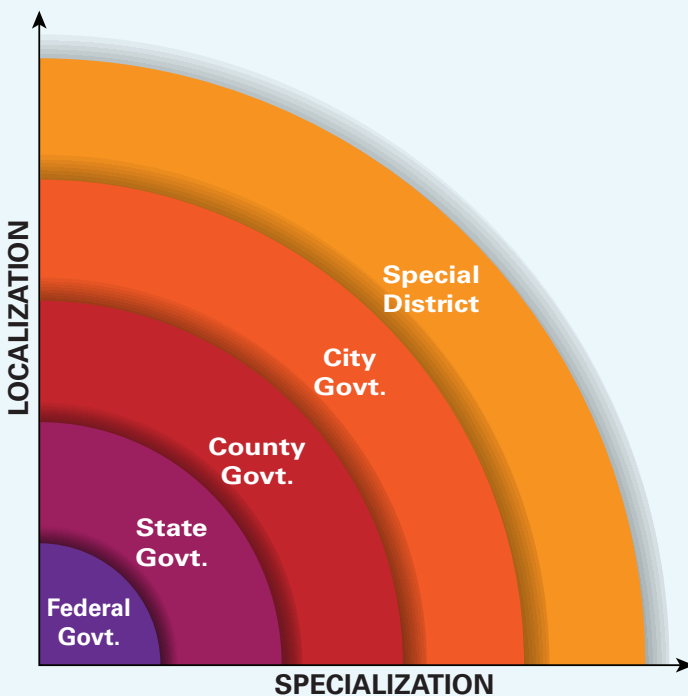
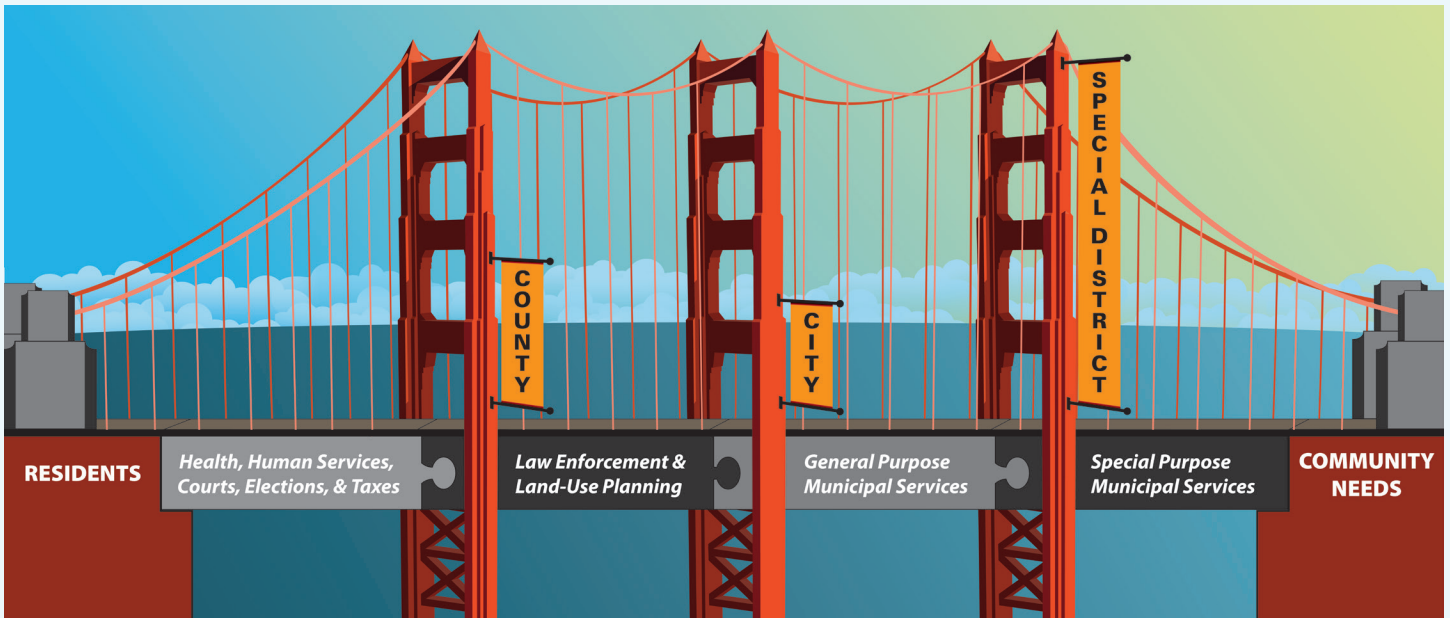
Many districts **provide infrastructure services the U.S. Department of Homeland Security deems “critical,”** such as water, irrigation, wastewater and agriculture services.

## SPECIAL DISTRICTS SEEK PARTNERSHIP WITH THE STATE AND FEDERAL GOVERNMENTS TO:

- Ensure safe and reliable services for our communities.
- Build resiliency to prepare for and overcome adversity, such as wildfires or other natural disasters.
- Grow the economy and serve more Californians through investment in local and regional infrastructure.



# Where Special Districts Fit in the Public Services Puzzle



California's communities are diverse in the nature and extent of public services they need. The result is a network of public service agencies, each with a purpose under state law. Within this framework, **special districts are formed, governed, and "owned" by the community.** They are created to meet the essential needs of local families and economies, and are directly accountable to the communities they serve.

Like cities and counties, special districts are subject to "sunshine laws," audits, and regulatory compliance requirements. Special districts are also the most responsive form of government because they are established, operated, and controlled by local voters, and employ highly-trained experts focused on a single mission to most efficiently and effectively meet the community's needs.

**Special districts are focused on providing a "special-purpose" municipal service, like water, sanitation, fire protection, parks, mosquito abatement, cemeteries, resource conservation, ports and harbors, airports, or libraries where a city or county does not.**



**California Special Districts Association**  
*Districts Stronger Together*

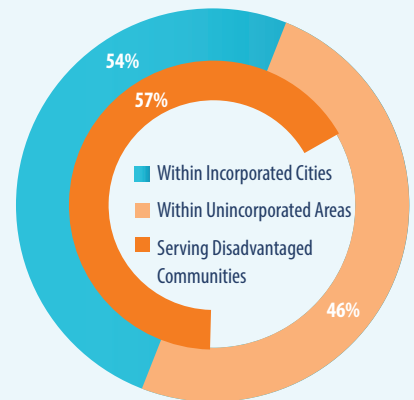
# SPECIAL DISTRICTS: COMMUNITY DRIVEN AND FUTURE FOCUSED

## Special Districts are Addressing California’s Biggest Statewide Problems—At The Local Level

California is the world’s fifth largest economy and plays an integral part in the continued prosperity of the country as a whole. The state is faced with many challenges, any one of which could be considered the biggest issues of our time. Climate change, wildfires, drought, homelessness, and mental health, all require thoughtful approaches built from the ground up, and they are all being tackled every day by the locally-focused experts of California’s special districts.

Special districts, sometimes referred to as special services districts, are locally-formed and independently administered units of local government, created to oversee everything from how people get their water and power to how they enjoy their parks and open spaces. Our state simply could not function without them.

### SPECIAL DISTRICTS SERVE VARIED COMMUNITIES



## Special Districts Are Truly the Backbone of California’s Economy

California’s Special Districts provide essential services that many cities and counties do not, such as fire protection, health and wellness programs, and core infrastructure, including transit, airports, ports and harbors as well as access to reliable water, wastewater, and electricity. Across California, more than 2,000 special districts serve the needs of nearly every one of California’s 40 million residents—many in disadvantaged communities—and employ more than 120,000 front-line workers.

## Special Districts Operate at the Nexus of Cutting-Edge Technology and Community Engagement

Special Districts are addressing the biggest statewide problems by taking what the experts learn at the local level and turning that knowledge into future-focused, long-term solutions. Scientists, firefighters, engineers, healthcare professionals, water operators, lab technicians, environmental analysts, and many other specialists provide special district services. Their expertise allows special districts to respond to a rapidly changing world and develop and implement technologies quickly when evolving needs require new, state-of-the-art tools of the trade.

Whether responding to drought conditions with more effective water conservation and groundwater sustainability technologies, mitigating wildfire risk and recovery, addressing transportation needs with innovative strategies, or simply serving the physical, mental, and emotional health needs of diverse populations, special districts are developing world-class solutions to the everyday needs of the communities they serve.



# TAKE ACTION BRIEF

## ➤ OTHER WAYS TO TAKE ACTION

### Learn More

#### Share Your Knowledge with Special District Leaders!

*Calling all speakers!* CSDA is currently planning our 2024 Professional Development calendar and would love to consider your session as an in-person workshop, virtual workshop, or webinar. Webinars are offered at no charge to CSDA members and are typically 1 – 2 hours in length. CSDA in-person and virtual workshops are offered for a fee, take a deeper dive into comprehensive content, and are typically six hours in length over the course of two days (virtual) or one full day (in person).

Share your proposal: <https://csdaforms.wufoo.com/forms/q1bi22el1lz2sei/>

Hurry! Deadline for submissions is COB Friday, June 30, 2023. We anticipate making final selections in August. You will be notified only if your proposal is accepted. The call for 2023 CSDA Conference proposals will take place in November / December of this year, so keep an eye on your inbox!

*\*These session proposals must be educational in nature and not refer to a specific product or service. Preference is offered to CSDA Members. Not a member? Contact Eric Spencer at [erics@csda.net](mailto:erics@csda.net) to learn more.*

### Join Today

Join an Expert Feedback Team to provide CSDA staff with invaluable insights on policy issues. Visit [csda.net/get-involved](http://csda.net/get-involved) or email [updates@csda.net](mailto:updates@csda.net) to inquire about joining one of the following teams:

- Environment & Disaster Preparedness
- District Operations
- Governance
- Human Resources and Personnel
- Public Works, Facilities, and State Infrastructure Investment & Partnership
- Local Revenue

### Stay Informed

In addition to the many ways you can **TAKE ACTION** with CSDA’s advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district’s legislative and public outreach. Make sure you’re reading these resources:

- CSDA’s weekly e-Newsletter
- Districts in the News
- CSDA’s *California Special Districts Magazine*

Email [updates@csda.net](mailto:updates@csda.net) for help accessing these additional member resources.



**BALLOT INITIATIVE #21-0042A1 (AKA #1935)  
LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE  
REVENUES FOR GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL  
AMENDMENT.**

Eligible for November 5, 2024 California General Election Ballot

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**BACKGROUND**

The purported “Taxpayer Protection and Government Accountability Act,” a statewide initiative measure to amend the California Constitution sponsored by the [California Business Roundtable](#) (“CBRT”), is the most consequential proposal to limit the ability of the state and local governments to enact, modify, or expand taxes, assessments, fees, and property-related charges since the passage of Proposition 218 (1996) and Proposition 26 (2010). If enacted, public agencies would face a drastic rise in litigation that could severely restrict their ability to meet essential services and infrastructure needs.

On February 1, 2023, California Secretary of State Shirley Weber issued a [memo to all county clerks/registrar of voters](#) announcing that proponents of Initiative 21-0042A1, or Initiative 1935 as now numbered by the Secretary of State, had filed the necessary number of valid signatures to make it eligible for the November 5, 2024 General Election ballot. Proponents now have until June 27, 2024 to consider withdrawing the initiative before the Secretary of State officially certifies it for the ballot.

**SUMMARY**

Ballot Initiative [21-0042A1](#) would result in the loss of billions of dollars annually in critical state and local funding, restricting the ability of local agencies and the State of California to fund services and infrastructure by:

- Adopting new and stricter rules for raising taxes, fees, assessments, and property-related fees.
- Amending the State Constitution, including portions of Propositions 13, 218, and 26 among other provisions, to the advantage of the initiative’s proponents and plaintiffs; creating new grounds to challenge these funding sources and disrupting fiscal certainty.
- Restricting the ability of local governments to issue fines and penalties to corporations and property owners that violate local environmental, water quality, public health, public safety, fair housing, nuisance and other laws and ordinances.





The initiative includes provisions that would retroactively void *all* state and local taxes or fees adopted after January 1, 2022 if they did not align with the provisions of this initiative. This may also affect indexed fees that adjust over time for inflation or other factors. Effectively, it would allow voters throughout California to invalidate the prior actions of local voters, undermining local control and voter-approved decisions about investments needed in their communities.

Specifically, among other provisions effecting the state government, the initiative would impact local agencies through changes to the California Constitution as follows:

### **Restricting Local Tax and Fee Authority to Provide Local Services**

#### *Fees:*

- With few exceptions, fees and charges shall not exceed the “actual cost” of providing the product or service for which the fee is charged.
  - “Actual cost” is defined as the “...*minimum amount necessary...less other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds...*”
- The burden on the local government to prove the fee or charge does not exceed “actual cost” is heightened from a “*preponderance of the evidence*” to “*clear and convincing evidence*”.
- In addition to limiting fees and charges to the actual cost to the local government for providing the service, fees and charges must also be “reasonable” to the payor themselves; no definition is provided for this new subjective reasonableness test that is separate and apart from the test as to how closely the fee or charge is related to the cost of service.
- Defines *all* sources of revenue as either taxes or “exempt charges.”
- Includes Article XIID charges in Proposition 218 under the definition of “exempt” charges subjecting them to potential litigation.
- Exposes previously established fees indexed to inflation or other metrics to new standards and legal challenges.
- Adds to the Constitution a requirement for a board action to adopt, enact, create, establish, collect, increase, or extend any and all fees.

#### *Taxes:*

- Increases the threshold for voters to pass a local special tax initiative placed on the ballot by voters from a simple majority to a two-thirds majority, likely to address concerns over the 2017 California Supreme Court decision in *California Cannabis Coalition v. City of Upland*.
- Requires voter approval when an expansion of boundaries extends existing taxes or fees to new territory.
- New taxes can be imposed only for a specific duration.



### *Fines and Levees:*

- Interferes with local enforcement efforts, by making it more difficult to impose fines and penalties for state and local law violations related to activities such as water discharge, waste recycling, weed abatement, fireworks, and housing code violations and unlawful commercial marijuana sales, just to name a few. The measure converts administratively imposed fines and penalties into taxes unless a new, undefined, and ambiguous “adjudicatory due process” is followed.

### **Increasing Litigation Exposure**

- Significantly increases a public agency’s burden of proof from “preponderance of evidence” to “clear and convincing evidence” to prove compliance with the new fee requirements. By changing evidence standards to favor corporations suing public agencies, the initiative will promote costly litigation.
- The local government would bear the burden of proving by clear and convincing evidence that a levy, charge or exaction is an “exempt charge” and not a tax. Moreover, the local government would bear the burden of proving by clear and convincing evidence that the amount of the exempt charge is *both* “reasonable” to the payor and that the amount charged does not exceed the “actual cost” of providing the service or product to the payor.
- By enacting a new requirement that all fees must be “reasonable” to the payor but offering no definition as to what “reasonable” means, the initiative provides a new avenue to challenge fees by enabling a plaintiff to claim a fee is not reasonable even if the fee meets the actual costs of service.
- Prop. 218 currently requires fees cover the *reasonable* cost of service. This initiative amends Prop. 218 to require the near-impossible standard of predicting *actual* costs years into the future. To compound this challenge, the new standard also factors in the receipt of external revenues that are constantly shifting and typically outside the control of the local agency. It defines “actual costs” as:
  - “(i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing “actual cost” the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.”
- Fosters endless litigation challenging local fees claiming they are not the “minimum amount necessary”. For instance:
  - Do roads need to be paved every 10 years or 50 years?
  - Does infrastructure need to be upgraded or replaced or not improved at all?
  - What is the minimum emergency response time necessary?

### **IMPACTS**



- Could prevent virtually any new fees or assessments to fund water, sewer, trash, fire protection, parks and recreation, and other essential services and infrastructure.
  - Places over \$20 billion of local government fee and charge revenues over 10 years at heightened legal peril.
- Jeopardizes the public health and safety of communities by cutting off new revenue intended to pay for essential local services and infrastructure.
  - Substantially increases the legal and administrative cost of public infrastructure financing.
- With billions of dollars in deferred maintenance and unmet needs for California's infrastructure, exacerbates the neglect and deterioration of our roads, dams, waterways, and other facilities.
- By limiting revenues to the "minimum amount necessary", imposes a "race-to-the-bottom" in California that will halt investment in technological advancements that future generations will depend upon.
- Prevents critical investments in climate adaptation and community resilience to address drought, flooding, and wildfire as well as reduce emissions and harmful pollutants.
- Exposes taxpayers to a new wave of costly litigation, limits the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure.
- Restricting local services and infrastructure to the lowest and minimum amount possible will disproportionately impact the most underserved communities the hardest.

## **SUPPORT**

- California Business Roundtable (CBRT) – Sponsor
  - Financial contributors to the initiative and CBRT Issues PAC include, but are not limited to:
    - Aera Energy
    - Albertsons Safeway
    - AMR Holdco Inc.
    - Blackstone Real Estate Partners
    - California Business PAC, Sponsored by CalChamber
    - CJ Segerstrom & Sons
    - Cypress Management Company
    - Dart Container
    - Douglas Emmett Properties
    - Enterprise Rental Car
    - Five Point Operating Company
    - Grimmway Enterprises
    - Howard Jarvis Taxpayers Association
    - Kilroy Realty
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- Michael K. Hayde
- Pacific Ethanol
- PEPSICO
- Pharmaceutical Research and Manufacturers of America
- Sempra Energy
- State Farm Insurance
- Sutter Health
- 7-Eleven
- In addition to the CBRT Issues PAC, direct contributors to the initiative include, but are not limited to:
  - AMR Holdco, Inc.
  - Michael K. Hayde, Including Western National Group and Affiliated Entities
  - Kilroy Realty
  - Hudson Pacific Properties and Affiliated Entities
  - Douglas Emmett Properties, LP and Affiliated Entities
  - Shorenstein Realty Services and Affiliated Entities

**OPPOSITION**

- Alliance for a Better California
- AFSCME California
- CalCities (League of California Cities)
- California Alliance for Jobs
- California Contract Cities Association
- California Professional Firefighters
- California Special Districts Association
- California State Association of Counties
- California State Council of Laborers
- Rebuild SoCal Partnership
- SEIU California
- Nearly 200 local agencies, including over 80 special districts