

California Farm Bureau's government affairs team is at the Capitol, advocating for farmers, ranchers and agriculture's future. Here are some key issues Farm Bureau is focused on this week.

**June 3, 2022**

## Budget

The Senate and Assembly have released their version of the proposed 2022-2023 state budget titled “Delivery Prosperity and Strengthening Future: Putting Wealth to Work.” This budget proposal, akin to Governor Newsom’s May Revision, reflect \$300 billion in spending, increases the reserves to \$37.5 billion, and a focus on one-time allocation. The following is a truncated summary of the main components of the budget proposal relevant to agriculture:

- \$8 billion to offer \$200 rebates per taxpayer and dependent for households up to \$250,000 (in lieu of gas tax rebate)
- \$200m for the Workers Tax Fairness Credit—turn union dues from tax deductions to tax credits
- \$250m for small business and nonprofits under 150 employees to offset costs of Paid Sick Leave
- \$100m for COVID Relief Small Business Grants
- \$75m for the CA Small Agricultural Business Drought Relief Grant Program at CDFA
- \$21 billion as a placeholder for climate and energy investments
  - \$2 billion to “rebalance state water supply and water rights”
    - \$1.5 billion for new CA Water Trust to acquire land with senior water rights from “willing sellers”
    - \$500 million to Department of Conservation for acquisition and repurposing of SGMA impacted lands
  - \$1.5 billion drinking water
  - \$1.5 billion watershed climate resilience regional improvement
  - \$1.5 billion Drought Resilient Water Supply Grants (recycling, stormwater capture, and groundwater cleanup)
  - \$1 billion for flood management and dam safety
  - \$6.6 billion over 5 years for wildfire management
    - \$1.5 billion for fuels reduction
    - \$95 million for biomass accumulation
  - \$3.3 billion for sea level rise
  - \$1 billion to offset impacts on climate change for disadvantaged communities
  - \$1 billion to implement 30x30
    - \$500 million for 30x30 acquisition
    - \$200 million for urban greening/forestry
    - \$300 million for outdoor access
  - Establish Climate Equity Trust Fund to offset rising electricity costs (details pending)
- \$75 million one time for CSU Farms

- \$50 million ongoing base increase for the University of California, which may translate to base funding increases for UCANR
- \$62 million this year and \$52 million ongoing for California food banks; \$50 million one time for food bank climate resilience and infrastructure
- \$300 million for Encampment Resolution grants to manage local governments with transitioning unhoused populations
- \$100 million for the Joe Serna Jr. Farmworker Housing Program
- \$39 million for Farm to School Grants
- \$300 million ongoing for [AB 617](#) Community establishment to promote environmental justice
- \$1.2 billion over two years for freight related infrastructure at ports
- \$10.9 billion in a transportation package (details pending)
- Cannabis tax reform

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## Agricultural Employment

The summary of the 2022-2023 state budget released jointly by legislative leaders and the governor provides \$870 million for rebates to employers for upcoming increases in federal unemployment insurance taxes. These tax increases will occur as a consequence of the requirements of federal law to repay the nearly \$20 billion deficit in the state's unemployment insurance trust fund that occurred as a result of massive COVID-19-related unemployment. Federal law requires specified escalating increases in federal unemployment insurance taxes until that deficit is paid off. The budget proposal calls for employers to receive rebates covering federal tax increases for an employer's first 250 employees for the first two years of tax increases. It is unclear what relief if any will occur after 2024 when escalating federal tax increases will continue, nor is there any provision to spend any of the surplus to directly repay the federal trust fund deficit, as several other states have done with their budget surpluses.

The 2022-2023 budget summary also calls for \$250 million in grants to defray costs employers of up to 150 employees will incur providing [SB 114](#) COVID-19 paid sick leave. SB 114 requires employers to provide up to 40 hours of paid sick leave upon an employee's request, with 40 additional hours available if an employee can show proof of their own COVID illness or that of some other person to whom the employee must provide care. *Staff: Bryan Little, [blittle@cfbf.com](mailto:blittle@cfbf.com)*

## Cannabis

### Cannabis Licensing, Drought, Disaster Relief

As California's drought continues to worsen, the Department of Cannabis Control (DCC) is encouraging cannabis licensees impacted by the drought, including cultivators who are seeking to conserve water, to request disaster relief. State and local agencies across California are already working to promote water conservation — including, for example, programs in certain local jurisdictions in which cultivators may conserve water by fallowing their crops. If relief from DCC

licensing requirements would make it economically feasible to participate in local fallowing programs, or would otherwise support California's water conservation efforts, DCC encourages licensees to request disaster relief.

Disaster relief may be offered to licensees who are unable to comply with DCC licensing requirements due to a disaster, such as the ongoing statewide drought emergency. Licensees should be prepared to identify the specific DCC regulations from which they are requesting relief and to explain why the relief is needed in light of the relevant disaster. Licensees seeking disaster relief are encouraged to submit a [Request for Disaster Relief](#) to [DisasterRelief@cannabis.ca.gov](mailto:DisasterRelief@cannabis.ca.gov).

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## Climate Change

The Assembly will be hosting a joint informational hearing on Monday, June 6<sup>th</sup> at 4pm to discuss a proposal to increase the personal income tax on households over \$2 million annually to fund programs to reduce greenhouse gas emissions. Farm Bureau will participate and likely testify at this hearing. You can view the hearing [here](#). Staff: Taylor Roschen, [troschen@cfbf.com](mailto:troschen@cfbf.com)

## Forestry & Wildfire

### CALFIRE Wood Products and Bioenergy Grants

The California Department of Forestry and Fire Protection (CALFIRE) has awarded \$33 million to business development and workforce development projects that support healthy, resilient forests and the people and ecosystems that depend on them.

CALFIRE's Wood Products and Bioenergy Team awarded 30 grants to applicants that include non-profit organizations, businesses, universities and community colleges, and local governments. These partners are implementing projects to create a robust and diversified wood products industry to facilitate the economic and sustainable management of California's forests, as outlined in California's Wildfire and Forest Resilience Action Plan.

Ten workforce development projects will train over 5,000 individuals in prescribed fire, fuels treatment, firefighting, and forestry. Grants will educate and prepare students for careers in forest management, increase prescribed fire training, and prepare and support formerly incarcerated people for employment in fire suppression, fuels treatment, and forestry. A total of 14 businesses were awarded grants that will create 120 jobs and utilize 750,000 tons of forest biomass that would otherwise remain in the woods or be burned in open piles. Two of the projects will support reforestation by expanding the State's native tree seed bank and growing seedlings. Additional funds went to six research and development efforts that seek novel uses for forest biomass sourced from wildfire mitigation projects.

The economic opportunities provided by these investments are in addition to the expected benefits from carbon storage in wood products and the substitution of fossil fuels and steel, concrete, and other nonrenewable building materials. CALFIRE's workforce and business grants were made

available through State of California General Funds. The solicitation remains open to new grant applications. Please visit CALFIRE's Wood Products and Bioenergy webpage for details [here](#). To see the awarded grants, click [here](#). Staff: Peter Ansel; [pansel@cfbf.com](mailto:pansel@cfbf.com)

## Forestry Related Bills Moving in the Senate

Last week we looked at Senate bills moving onto the Assembly. This week, we'll look at Assembly bills being heard in Senate policy committee hearings. [AB 267](#) (Vallardes) and [AB 522](#) (Fong) - both supported by California Farm Bureau - were to be heard in Senate Natural Resources on Wednesday June 1, 2022. Under current law, until January 1, 2023, prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the federal National Environmental Policy Act of 1969, are exempted under the California Environmental Quality Control Act (CEQA).

[AB 267](#) would extend the CEQA exemption until 2026. The bill was held up in the Senate last year, and this year it passed but only after considerable discussion. Senate Democrats want to make sure the CEQA exemption is actually being utilized to speed up the pace and scale of wildfire mitigation work and do not want to keep a CEQA exemption in statute if its not being used. Chair Limon did not vote.

[AB 522](#) would extend a limited forest and fire prevention exemption that is due to expire in 2024 that allows a person engaged in forest management whose activities are limited to the harvesting of trees to reduce the rate of fire spread, duration and intensity, fuel ignitability, or ignition of tree crowns from having to file a timber harvest plan. The bill was pulled from the hearing by Assembly member Fong and was not heard. Staff: Peter Ansel; [pansel@cfbf.com](mailto:pansel@cfbf.com)

## Land Use

The California Natural Resources Agency's 30x30 Advisory Committee is hosting a virtual meeting on June 29<sup>th</sup> from 3-4:30pm. They will be discussing next steps in implementing the final [Pathways to 30x30: Accelerating Conservation of California's Nature](#) strategy. You can participate in the zoom meeting by registering [here](#). Staff: Taylor Roschen, [troschen@cfbf.com](mailto:troschen@cfbf.com)

## Water

[AB 1164](#) (Heath Flora, R-Ripon) would enable irrigation districts to construct and maintain regulating reservoirs to store and efficiently convey irrigation water in the same manner as private agricultural entities came short by two votes (Senators Eggman and Jones were absent) of garnering the necessary votes to get out of the Senate Natural Resources and Water Committee this week. However, the measure was granted reconsideration and will be heard again at a later date. Senators Eggman and Jones support for the measure will get AB 1164 out of committee when it is heard again. Farm Bureau is in support. Staff: Danny Merkley, [dmerkley@cfbf.com](mailto:dmerkley@cfbf.com)

[SB 1372](#) (Henry Stern, D-Los Angeles) would not allow the approval of a groundwater sustainability plan (GSP) by the Department of Water Resources to determine the allocation of groundwater

pumping rights. The measure will be heard in the Assembly Water, Parks and Wildlife Committee next week. Farm Bureau views the measure favorably. *Staff: Danny Merkley, [dmerkley@cfbf.com](mailto:dmerkley@cfbf.com)*

The State Board of Food and Agriculture will be meeting on Tuesday, June to hear from state water officials, agricultural organizations and the Public Policy Institute of California (PPIC) on drought issues. Items will also include Proposition 1, the Governor's May Revise, updates from the Sacramento-San Joaquin Delta, and farm impacts, specifically those on the tree nut sector. Presenters include staff from the Natural Resources Agency, the State Water Commission, the State Water Board, PPIC, American Pistachio Growers, the Walnut Commission, and the Almond Board. The meeting will be held on June 7, 2022, from 10am to 2:30 pm at the California Department of Food and Agriculture, 1220 N Street – Main Auditorium, Sacramento, CA 95814. It will also be available via Zoom with the following information. Log In: <https://us06web.zoom.us/j/88354050303> Passcode: Board2022! *Staff: Danny Merkley, [dmerkley@cfbf.com](mailto:dmerkley@cfbf.com)*

## **Wildlife**

As Farm Bureau members might recall, **in 2019 the Fish and Game Commission voted to grant candidacy status to four subspecies of bumble bees under the California Endangered Species Act (CESA)**. When a species becomes a candidate, it is given the full protections of CESA and take without a permit or other authorization is prohibited. The Fish and Game Commission's decision was concerning as the Fish and Game Code grants CESA candidacy to mammals, fish, amphibians, reptiles, or plants, but not insects. In spite of the weight of that authority saying insects cannot be listed, the Commission proceeded to grant all four bumble bees candidate status based on the fact that under CESA fish can be listed and a different provision of the Code defines fish to include invertebrates.

Farm Bureau, along with other ag stakeholders, filed a petition of writ of mandate in superior court asking the court to clarify that bumble bees are not fish, and therefore cannot be listed under CESA. In 2020, a Sacramento County Superior Court Judge issued a decision concluding that insects cannot be listed, and the California Office of Administrative Law and Department of Fish and Wildlife have also concluded that insects cannot be listed under CESA. The Fish and Game Commission appealed the superior court's decision.

This week, the Third District Court of Appeal in Sacramento overturned the previous ruling, finding that bees can be listed under CESA. The court stated that CESA was intended to be interpreted broadly and should be read to cover all imperiled invertebrate species, including bees. With this crucial decision, the Commission can now continue proceedings on officially listing the four subspecies. Farmers and ranchers can expect that additional petitions to list insects will likely follow – including the monarch butterfly. Farm Bureau recognizes that honeybees are responsible for nearly half of California's agricultural production (both directly and indirectly), and that placing restrictions on their access to forage is likely to have broader impacts throughout California's agricultural economy. California's farmers and ranchers have made significant investment in efforts to improve habitat for pollinators around the state. They've planted hedgerows to provide habitat and

implemented best management practices to reduce impacts from pesticide use. Farm Bureau remains engaged in various pollinator efforts including the California Pollinator Coalition and CDFA's Pollinator Habitat Program which was allocated \$30 million from the state budget for two years. We will remain engaged with the Fish and Game Commission as they proceed with the petition. *Staff: Katie Little, [klittle@cfbf.com](mailto:klittle@cfbf.com)*

**This week, CA Farm Bureau joined a large coalition to oppose the CESA listing of the Western Joshua Tree (WJT).** After reviewing the petition, CAFB and our partners support the recommendation by the Department of Fish and Wildlife that the recommended action to list the WJT as threatened is not warranted and urge the California Fish and Game Commission to deny the petition. According to the Department as stated in its report, "The recent demographic trend information available to the Department suggests that density or extent of some populations may decline by the end of the 21st century (2100), but due to continuing recruitment, high abundance, widespread distribution, and the longevity of the species, the available demographic data does not currently suggest that western Joshua tree is likely to be at risk of disappearing from a significant portion of its range during this timeframe." The Department's report further states that "the best scientific information available to the Department at this time indicates that WJT is not in serious danger of becoming extinct throughout all, or a significant portion, of its range due to one or more causes, including loss of habitat, change in habitat, overexploitation, predation, competition, or disease, and is not likely to become an endangered species in the foreseeable future in the absence of special protection and management efforts required by CESA." For these reasons, the organizations who signed onto the coalition letter respectfully request that the California Fish and Game Commission deny the petition to list the Western Joshua Tree as threatened. *Staff: Katie Little, [klittle@cfbf.com](mailto:klittle@cfbf.com)*

## Work Development

The California Department of Food and Agriculture is now accepting applications for the Beginning Farmer and Farmworker Training and Workforce Development Program (BFFTP). This grant program will provide funding for organizations looking to create or expand beginning farmer and farmworker training/apprenticeship programs, with a particular focus on socially disadvantaged and/or beginning farmers and ranchers in the first ten years of business, and farmworkers who need job skills training. Applicants can apply for a program planning and curriculum grant (\$100,000) or a program implementation grant (\$1 million). Applications are due August 1<sup>st</sup> by 5pm. Eligible entities include non-profit organizations, tribes, and community colleges. More information about the program can be found [here](#). There will be a training session for those applicants new to using Amplifund, the grant administration portal, on Monday, June 13<sup>th</sup> from 1-2:30pm. There will also be two informational sessions hosted by the Department as follows:

- Session 1: Wednesday June 15th 1pm-2:30pm. To register for this session, click [here](#).
- Session 2: Wednesday June 29th 1pm-2:30pm. To register for this session, click [here](#).

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