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MEMORANDUM

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**To:** City of Beaumont  
**From:** Townsend Public Affairs  
**Date:** February 13, 2020  
**Subject:** Legislative Report for the City of Beaumont

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**State Legislative Update**

As members seek to finalize their legislative package for the upcoming legislative session a few bills currently stand out and are outlined below. TPA will be reviewing the bills after the introduction deadline next week and provide a more comprehensive list in the upcoming weeks.

Below is a list of upcoming legislative deadlines:

**February 19:** State of the State presented by Governor Newsom  
**February 21:** Last day for bills to be introduced  
**April 2:** Spring Recess begins

**Energy and IOU's:** Senator Wiener has introduced a number of bills targeting IOU's based on their actions during wildfire season the last few years.

**SB 917 (Wiener)** California Consumer Energy and Conservation Financing Authority: eminent domain: Northern California Energy Utility District: Northern California Energy Utility Services. This bill is also known as the "PG&E State takeover bill". The structure would be modeled after the Long Island Power Authority in New York. According to the Senator, the change would shift the utility's focus away from profit and instead to providing more reliable, safer and affordable power to customers.

**SB 804 (Wiener)** Public capital facilities: electric utilities: rate reduction bonds. Currently, the Mark-Roos Local Bond Pooling Act of 1985 allows only certain Publicly Owned Utilities (POUs) to receive rate bonds issued by joint powers authorities. This bill would expand the definition of POUs in the Act to include Utilities that provide "power", so that electric POUs could then receive rate bonds. These rate bonds could provide POUs with the tools needed to successfully acquire Investor Owned Utility (IOU) assets, and with money to finance solar projects/storage, microgrids, grid hardening, and other projects beneficial to electricity consumers.

**SB 378 (Wiener)** Electrical corporations: de-energization events: procedures: allocation of costs: reports.

This bill imposes stricter standards on IOU's decision to shut off power during times associated with higher fire risk. IOUs must submit an annual report to the CPUC's "Wildfire Safety Division" on age, useful life, condition, records, etc. of its infrastructure. The CPUC and Public Advocates Office must establish a reimbursement procedure for customers and local governments effected by imprudent power shutoffs, by 6/1/21. Furthermore, this bill will establish civil penalties of at least \$250,000 for every 50,000 customers affected per hour.

**Impact fees:** As you know, Assembly Member Grayson introduced a highly contested piece of legislation last year, AB 1484 regarding the reduction of local impact fees, and pushback from different stakeholders prompted their office the host a few roundtable discussions across the state at the end of last year. TPA has been keeping an eye on impact fee issues and has been in frequent contact with Assembly Member Grayson and his Chief of Staff. We followed up with him on February 12 and below is a rundown on their office's direction with regards to impact fee legislation:

- As for AB 1484, they are going to keep pushing it- but do not plan on hosting a stakeholder meeting in Sacramento despite previous discussions of one. They plan to move the bill prior to June, though it may be difficult to push through policy committees such as Senate Governance and Finance.
- In addition to the newest impact fee legislation- AB 1924 (which would make impact fees proportionate to square footage of a housing development)- the Assembly Member is planning to introduce another bill regarding impact fees sometime next week. TPA continues to closely monitor these efforts.

## Federal Legislative Update

### President's Budget Proposal

The Trump Administration released its Fiscal Year (FY) 2021 budget proposal, outlining the President's tax and spending priorities over the next decade. The Administration estimates that the budget would balance within 15 years and put debt on a downward path relative to the economy after 2022.

### Background

Overall, domestic discretionary spending as a percentage of the U.S. economy would be cut in half over the course of a decade under President Donald Trump's fiscal 2021 budget proposal, with the Department of Commerce, Environmental Protection Agency and State Department seeing some of the steepest cuts.

Here's a quick in-depth overview of spending by Department:

- **Agriculture:** Trump seeks an 8.2% cut, or \$1.9 billion, from the Department of Agriculture's base discretionary funds, requesting \$21.8 billion for fiscal 2021.
- **Commerce:** The Department of Commerce would receive \$7.9 billion under the proposal, a 48% decrease from the fiscal 2020 enacted level.
- **Defense:** The Pentagon's \$705.4 billion budget proposal for the next fiscal year would provide funding for nuclear weapons systems including intercontinental ballistic missiles, submarines and F-35 jets, as well as providing more money for emerging technology research and the Space Force.
- **Education:** The President's budget incorporates 7.8% in proposed cuts to the Department of Education over enacted funding from fiscal 2020.
- **Energy:** The White House is proposing to slash the Energy Department's budget by \$3.1 billion to \$35.4 billion. This is an 8% decrease from the \$38.5 billion offered in fiscal 2020.
  - The department's proposed cut is deeper than the number suggests because it consists of a \$6.3 billion cut to the department's energy programs. However, the proposal boosts National Nuclear Security Administration funding by \$3.2 billion.
- **EPA:** The budget seeks \$6.7 billion for the Environmental Protection Agency, which equates to \$2.4 billion, or 26.5% below the \$9.1 billion Congress approved for the EPA in December.
  - The White House is also seeking \$6 billion for the U.S. Army Corps of Engineers, which is \$1.7 billion or 22% below the enacted levels for the current year.
- **Health:** The budget is seeking to implement \$9.4 billion in funding cuts to the Department of Health and Human Services, which is a 9% reduction from last year.

- **Homeland Security:** The budget calls for the Department of Homeland Security to receive a 3.4% increase in federal spending, which equates to \$49.7 billion in spending requests.
- **Housing:** President Donald Trump's fiscal 2021 budget proposed an \$8.6 billion cut to Housing and Urban Development Department programs, largely in line with previous years' proposals.
- **Interior:** The President's budget calls for the Department of the Interior to receive a \$2 billion budget cut in the next fiscal year compared to the enacted fiscal 2020 budget. Trump is calling for the Department's funding to be cut 13.6%, from \$14.7 billion to \$12.7 billion.
- **Department of Justice:** The Department of Justice would receive a \$730 million cut to current funding under the Administration's fiscal 2021 budget proposal. The \$31.7 billion request reflects a 2.3% drop from DOJ's \$32.4 billion in funding for the current fiscal year.
- **Labor:** The Labor Department would see an 11% decrease in federal spending. The budget proposes \$11 billion to be spent on the department next year, which is down from the \$12.4 billion that Congress enacted for the Department in the current fiscal year.
- **Transportation:** The President's budget calls for \$810 billion over 10 years for the nation's highways, rail, and transit systems, and another \$190 billion for other infrastructure issues, such as coordinating megaprojects and delivering broadband to rural communities.
- **Veterans Affairs:** The Veterans Affairs Department would receive a \$12.3 billion discretionary budget increase under President Trump's budget request. The budget asks for \$105 billion in discretionary funds for the VA, most of which would be provided in advance for health-care programs in fiscal 2022.

### Moving Forward

As a reminder: this is the president's budget **request**, meaning it is not a piece of legislation and is not typically considered as-is in Congress. As such, it acts as sort of a wish-list for the Administration. Thus, Congress will not adopt the recommended cuts wholesale and will be debating this for months to come. We will have a full breakdown, including the triumphant return of the stoplight chart, which we'll include with appropriations letters. This should help illuminate things in even greater detail. If you have any questions, please don't hesitate to reach out for clarification.