

CALIFORNIA LEGISLATURE

2021–22 REGULAR SESSION

ASSEMBLY JOURNAL

RECESS JOURNAL NO. 12

INTERIM STUDY RECESS

Assembly Chamber, Sacramento
Monday, October 11, 2021

Pursuant to the provisions of Joint Rule 59, the following Assembly Journal for the 2021–22 Regular Session was printed while the Assembly was in Interim Study Recess.

COMMUNICATIONS

The following communications were presented by the Chief Clerk, and ordered printed in the Journal:

September 16, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Mia Bonta to the Select Committee on Ports and Goods Movement for the 2021–22 Regular Session.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

October 4, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

Dear Ms. Parker: Please be advised that I have established the Select Committee on the Social Determinants of Health for the 2021–22 Regular Session and have appointed the following membership:

Assemblymember Akilah Weber, Chair
Assemblymember Joaquin Arambula
Assemblymember Autumn Burke
Assemblymember Sabrina Cervantes
Assemblymember Megan Dahle
Assemblymember Laura Friedman
Assemblymember Reginald Jones-Sawyer
Assemblymember Ash Kalra
Assemblymember Jim Wood

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

October 11, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

Dear Ms. Parker: Please be advised that I have established the Select Committee on the Orange County Oil Spill for the 2021–22 Regular Session and have appointed Assemblymember Cottie Petrie-Norris as Chair.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Jacqui Irwin to
the California Cradle-to-Career Data System Governing Board

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Jacqui Irwin to the California Cradle-to-Career Data System Governing Board. This is a pleasure appointment effective September 27, 2021. This is a newly created board and Assemblymember Irwin will be the first Assemblymember to serve on this important board.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Ash Kalra to
the California Law Revision Commission

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Ash Kalra to the California Law Revision Commission. This is a pleasure appointment starting September 27, 2021. Assemblymember Kalra will be replacing Assemblymember Chau.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Isaac Bryan to
the California Cultural and Historical Endowment Board

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Isaac Bryan to the California Cultural and Historical Endowment Board. This is a pleasure appointment effective September 27, 2021. Assemblymember Bryan will be replacing Assemblymember Low.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Tasha Boerner Horvath to
the Milton Marks Little Hoover Commission on California
State Government Organization and Economy

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Tasha Boerner Horvath to the Milton Marks Little Hoover Commission on California State Government Organization and Economy. This is a pleasure appointment effective September 27, 2021. Assemblymember Boerner Horvath will be replacing Assemblymember Quirk.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Steve Bennett to
Pacific Fisheries Legislative Task Force

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Steve Bennett to the Pacific Fisheries Legislative Task Force. This is a pleasure appointment effective September 27, 2021. Assemblymember Bennett will be replacing Assemblymember Gloria, who resigned last year.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Chad Mayes to
State Allocation Board

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Chad Mayes to the State Allocation Board. This is a pleasure appointment starting September 27, 2021. Assemblymember Mayes will be replacing Assemblymember Jordan Cunningham.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Al Muratsuchi to
Board of Directors, Western Climate Initiative, Inc.

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Al Muratsuchi to the Board of Directors of the Western Climate Initiative, Inc. This is a pleasure appointment effective September 27, 2021. Assemblymember Muratsuchi will be replacing Assemblymember Bloom.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Steve Bennett to
Wildlife Conservation Board

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Steve Bennett to the Wildlife Conservation Board. This is a pleasure appointment effective September 27, 2021. Assemblymember Bennett will be replacing former Assemblymember Limón who resigned last year.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Jacqui Irwin to
State Public Works Board

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Jacqui Irwin to the State Public Works Board. This is a pleasure appointment beginning September 27, 2021. Assemblymember Irwin will be replacing Assemblymember Kalra.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Freddie Rodriguez to
State Public Works Board

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Freddie Rodriguez to the State Public Works Board. This is a pleasure appointment starting September 28, 2021. Assemblymember Rodriguez will be replacing Assemblymember Jim Frazier.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*RE: Appointment of Alex Lee to
Blockchain Working Group

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Alex Lee to the Blockchain Working Group. This is a pleasure appointment starting September 28, 2021.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*RE: Appointment of Brian Maienschein to
California Commission on Disability Access

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Brian Maienschein to the California Commission on Disability Access. This is a pleasure appointment starting September 28, 2021. Assemblymember Maienschein will be replacing Assemblymember Frazier.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*RE: Appointment of Janet Nguyen to
California Commission on Disability Access

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Janet Nguyen to the California Commission on Disability Access. This is a pleasure appointment starting September 28, 2021. Assemblymember Nguyen will be replacing Assemblymember Lackey.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Cottie Petrie-Norris to
California Debt and Investment Advisory Commission

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Cottie Petrie-Norris to the California Debt and Investment Advisory Commission. This is a pleasure appointment starting September 28, 2021. Assemblymember Petrie-Norris will be replacing Assemblymember Kalra.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

*Sue Parker
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Jesse Gabriel to
the Commission on Uniform State Laws

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Jesse Gabriel to the Commission on Uniform State Laws. This is a pleasure appointment effective September 27, 2021. Assemblymember Gabriel will be filling a vacancy.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Blanca Rubio to
Domestic Violence Program Advisory Council (OES)

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Blanca Rubio to the Domestic Violence Program Advisory Council (OES). This is a pleasure appointment starting September 28, 2021. Assemblymember Rubio will be replacing Assemblymember Burke.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Mia Bonta to
Education Commission of the States

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Mia Bonta to the Education Commission of the States. This is a pleasure appointment starting September 28, 2021.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Bill Quirk to
Governor's Military Council

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Bill Quirk to the Governor's Military Council. This is a pleasure appointment starting September 28, 2021. Assemblymember Quirk will be replacing Assemblymember Irwin.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Randy Voepel to
Governor's Military Council

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Randy Voepel to the Governor's Military Council. This is a pleasure appointment starting September 28, 2021. Assemblymember Voepel will be replacing Assemblymember Mathis.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 27, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Cristina Garcia to
Mobilehome Park Inspection Program Task Force

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Cristina Garcia to the Mobilehome Park Inspection Program Task Force. This is a pleasure appointment effective September 27, 2021. Assemblymember Cristina Garcia will be replacing Assemblymember Ed Chau.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Robert Rivas to
State Coastal Conservancy

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Robert Rivas to the State Coastal Conservancy. This is a pleasure appointment starting September 28, 2021. Assemblymember Rivas will be replacing Assemblymember Gonzalez.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Christopher Ward to
State Council on Interstate Compact on
Educational Opportunity for Military Children

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Christopher Ward to the State Council on Interstate Compact on Educational Opportunity for Military Children. This is a pleasure appointment starting September 28, 2021.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*RE: Appointment of Laura Friedman to
Wildlife Conservation Board

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Laura Friedman to the Wildlife Conservation Board (Alternate). Assemblymember Friedman will be replacing Assemblymember Al Muratsuchi. This is a pleasure appointment starting September 28, 2021.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 28, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*RE: Appointment of Luz Rivas to
Wildlife Conservation Board

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Luz Rivas to the Wildlife Conservation Board. This is a pleasure appointment starting September 28, 2021. Assemblymember Rivas will be replacing Assemblymember Friedman.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 29, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*RE: Appointment of Isaac Bryan to
California Child Welfare Council

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Isaac Bryan to the California Child Welfare Council. This is a pleasure appointment starting September 29, 2021. Assemblymember Bryan will be replacing Assemblymember Blanca Rubio.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 29, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Brian Maienschein to
California Child Welfare Council

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Brian Maienschein to the California Child Welfare Council. This is a pleasure appointment starting September 29, 2021. Assemblymember Maienschein will be replacing Assemblymember Reyes.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

October 5, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Carlos Villapudua to
the Commission for Economic Development

Dear Ms. Parker: Please be advised that I have appointed Assemblymember Carlos Villapudua to the Commission for Economic Development. This is a pleasure appointment effective October 5, 2021. Assemblymember Villapudua will be filling the vacancy.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

September 22, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Margaret Peña to
High-Speed Rail Authority

Dear Ms. Parker: Please be advised that I have appointed Ms. Margaret Peña to the High-Speed Rail Authority. This is a pleasure appointment starting September 22, 2021. Ms. Peña will be replacing Mr. Andre Boutros.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

October 5, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Manuela Paloma Aguirre to
California Coastal Commission

Dear Ms. Parker: Please be advised that I have appointed Ms. Manuela Paloma Aguirre to the California Coastal Commission. This is a pleasure appointment beginning October 5, 2021. Ms. Aguirre will be filling the vacancy.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

October 7, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Dr. Su Jin Jez to
California Cradle-to-Career Data System Governing Board

Dear Ms. Parker: Please be advised that I have appointed Dr. Su Jin Jez to the California Cradle-to-Career Data System Governing Board. This is a term appointment effective October 7, 2021, and the expiration date is October 7, 2023.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

October 7, 2021

*Sue Parker**Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Marisol Avina to
California Cradle-to-Career Data System Governing Board

Dear Ms. Parker: Please be advised that I have appointed Ms. Marisol Avina to the California Cradle-to-Career Data System Governing Board. This term appointment begins October 7, 2021, and the expiration date is October 7, 2023.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

October 11, 2021

Sue Parker

*Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

RE: Appointment of Nilza Serrano to
Task Force on Addressing Workforce Impacts of
Transitioning Seaports to a Lower Carbon Economy

Dear Ms. Parker: Please be advised that I have appointed Ms. Nilza Serrano to the Task Force on Addressing Workforce Impacts of Transitioning Seaports to a Lower Carbon Economy. This is a term appointment effective October 11, 2021, and the expiration date is October 11, 2024.

Sincerely,

ANTHONY RENDON
Speaker of the Assembly

SPECIAL COMMITTEE MEETINGS

By unanimous consent, the following committees were permitted to meet:

Select Committee on California’s Lithium Economy, on Wednesday, October 6, 2021, at 11 a.m., in Room 4202;

Higher Education, on Wednesday, November 3, 2021, at 1:30 p.m., in Room 4202;

Select Committee on Economic Development in the Inland Empire, on Wednesday, October 13, 2021, at 1:30 p.m., in Room 4202;

Education, to convene jointly with Health; Budget Subcommittee No. 2 on Education Finance; and Budget Subcommittee No. 1 on Health and Human Services, on Wednesday, October 13, 2021, at 9 a.m., in Room 4202;

Budget Subcommittee No. 2 on Education Finance, on Monday, November 8, 2021, at 10:30 a.m., in Room 4202;

Budget Subcommittee No. 4 on State Administration, to convene jointly with Accountability and Administrative Review, on Monday, October 25, 2021, at 11 a.m., in Room 4202;

Health, to convene jointly with Judiciary, on Wednesday, December 8, 2021, at 9 a.m., in Room 4202;

Select Committee on Social Housing, on Wednesday, October 20, 2021, at 10 a.m., at the Elihu M. Harris State Building, Oakland;

Joint Committee on Fisheries and Aquaculture, on Thursday, November 4, 2021, at 10 a.m., in Room 4203;

Select Committee on Latina Inequities, on Thursday, October 21, 2021, at 10 a.m., at the San Diego County Administration Building, San Diego.

REPORTS

The following letters of transmittal were presented by the Speaker and ordered printed in the Journal:

California State Auditor

2021-615.1
September 16, 2021

*The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 3196
Sacramento, California*

Members of the Assembly: This report provides an update on our assessment of the State's management of funding provided to the states by the federal government to address the impacts of the COVID-19 pandemic (federal COVID-19 funding) as a high-risk statewide issue. In August 2020, we designated the State's management of federal COVID-19 funds as high risk after concluding that the likelihood of mismanagement of these funds is great enough to create substantial risk of serious detriment to the State and its residents. The Department of Housing and Community Development (HCD) manages \$1.8 billion to administer California's program to provide rental assistance benefits to eligible households with residents at risk of eviction. This report focuses exclusively on HCD's progress in committing and awarding rent relief program benefits to eligible California households by the first crucial federal deadline, which is September 30, 2021.

Because of the looming deadline and effect it may have on the State if critical requirements are not met, it is important to issue this first report of our audit to notify you of the urgent risk of losing federal funds that the State faces. Given the narrow time frame set by the federal government, we wanted to impress upon you the need for continued attention in order to minimize the risk and the amount of funds the State could lose beginning September 30, 2021. We plan to issue a separate audit report in 2022 that will evaluate HCD's management of the federal COVID-19 funding for the rental assistance program. Although HCD is making significant progress toward meeting the first federal deadline, it must commit additional benefits to eligible households in order to reduce the State's risk of losing millions of dollars in federal funds for this program at the end of September 2021.

Background

Since the spread of COVID-19 reached pandemic proportions in March 2020, Congress has enacted various laws to provide funds to Americans and to state and local governments for basic needs related to the pandemic's economic impact. As unemployment surged in 2020, many Americans struggled to make monthly rent and utility payments, both of which Congress considers to be key components of stable housing.

To support those faced with possible evictions from their homes, Congress established a nationwide Emergency Rental Assistance program (ERAP) through the Consolidated Appropriations Act, 2021, in December 2020. This federal law required the U.S. Department of the Treasury (Treasury) to provide states and local jurisdictions—cities and counties—with populations greater than 200,000 (federal grantees) with funding to provide their residents with rental assistance. In March 2021, Congress passed the American Rescue Plan Act of 2021, which established a second round of ERAP funding for federal grantees. We refer to the initial round of ERAP funds from the Consolidated Appropriations Act, 2021, as *Round 1* and the second round of ERAP funds from the American Rescue Plan Act of 2021 as *Round 2*. California used its \$1.5 billion of Round 1 ERAP funds to develop a new rental assistance program in January 2021, and the Legislature assigned HCD to administer the program.

Federal law established different timelines and requirements for Round 1 and Round 2 funding. To mitigate the impact of potential widespread evictions during the pandemic, Round 1 federal grantees must provide specific assistance to eligible households for existing debt and future rent or utilities payments (rental assistance). However, for Round 2, federal grantees can also use the funding more broadly for other affordable rental housing and eviction prevention activities beginning in late 2022. The text box shows that the eligibility requirements are the same for both rounds of funding, but Round 1 has a much shorter timeline for spending than Round 2.¹ To ensure that the funds quickly get to those who need them, the Round 1 federal program requirements specify that Treasury must recapture all funds that federal grantees have not *obligated* beginning on September 30, 2021. Treasury has defined *obligated funds* as the total amount of funds a federal grantee has approved for payment to or for participating households and for a federal grantee’s approved administrative expenses. Treasury must then reallocate these recaptured funds to other eligible federal grantees—those that have obligated at least 65 percent of their original allocations and that demonstrate a need for them. Federal grantees have until September 30, 2022, to spend all of their Round 1 funds and until September 30, 2025, to spend all of their Round 2 funds. This report focuses on HCD’s efforts to meet the September 30, 2021, deadline for obligating as much of the State’s Round 1 funds as possible.

As Figure 1 shows, California received a total of \$2.6 billion in Round 1 ERAP funds: Treasury appropriated \$1.5 billion to the State and \$1.1 billion directly to 49 cities and counties with a population of 200,000 or more. In January 2021, using the federal allocation to the State, the Legislature created a rent relief program, which directed HCD to allocate its \$1.5 billion throughout the State based on population, including to those 49 local jurisdictions that received direct federal allocations and the 30 counties with populations less than 200,000 (small counties) that did not receive funds directly from Treasury. State law requires HCD to administer the rental assistance program for those 30 small counties.

¹ Although the eligibility requirements are the same for both rounds of funding, Round 1 applicants must also attest in writing that one or more individuals in the household experienced a reduction in income, incurred significant costs, or experienced other financial hardship because of the COVID-19 pandemic.

Of the 49 local jurisdictions that received direct federal allocations, 27 opted to have HCD administer their portions of the state allocation through the State's rental assistance program. Eleven of these 27 jurisdictions also transferred their direct federal allocations, totaling \$292 million, to HCD to administer on their behalf. As we describe below, the remaining 22 local jurisdictions that received direct federal allocations requested *block grants*—grants from HCD of their portion of the State's allocation—to administer local rent relief programs on their own using both their federal allocations and their block grants from the State. HCD does not have oversight of any of the \$821 million in other direct federal allocations that Treasury paid directly to the remaining 38 federal grantees.

State law also allows HCD to provide funding through block grants to certain local jurisdictions that operate their own local rental assistance programs instead of participating in HCD's statewide program (state grantees). These block grants allow state grantees to receive their portion of the state allocation to administer their own local rental assistance programs independently from HCD. Twenty-two jurisdictions with populations greater than 200,000 opted to receive block grants totaling \$553 million to administer their local rental assistance programs in conjunction with their direct federal allocations from Treasury. For example, San Diego County received a direct federal allocation from Treasury of nearly \$49 million and a block grant from HCD of \$59 million to administer a local rental assistance program of almost \$108 million for its residents. However, as the original recipient of the federal funding used for these block grants, HCD remains responsible for ensuring that the obligation of the block grant funds complies with Treasury's deadline. Therefore, in total, HCD is responsible for overseeing \$1.8 billion in federal Round 1 ERAP funding.

As authorized by state law, HCD contracted with a vendor to implement and administer the State's rental assistance program. State law requires that the vendor have sufficient capacity and experience to manage the State's rental assistance program services and distribute funding to eligible applicants. HCD entered into a contract for these services on March 4, 2021. HCD's vendor established its online application system in time to accept its first application by March 15, 2021, as the law required. The vendor is responsible for accepting and reviewing all rental assistance applications, including determining eligibility, and disbursing benefit funds to approved applicants for the 57 jurisdictions that are participating in HCD's state rental assistance program. As part of its administration, state law requires HCD to prioritize payments for the applicants who fall within the populations described in the text box.

As explained above, the 22 state grantees—local jurisdictions that requested block grants from HCD—administer their rental assistance programs independently from HCD. As part of this local administration, state grantees are responsible for reviewing and processing applications from residents in their jurisdictions and for paying rental assistance benefits to approved applicants. State law requires state grantees to report to HCD weekly on the amount of funding they have obligated and the amount of benefits they have paid. In order to ensure that the State qualifies for the federal reallocation after September 30, 2021, state law authorized HCD to reallocate unused local rental assistance funds from

the state grantees that had not obligated at least 65 percent of their block grants by June 1, 2021.

The Legislature subsequently revised state law and, as a result, local jurisdictions that received block grants had additional time to obligate their rental assistance funds before HCD could begin to reallocate unused funds in advance of the federal September 30, 2021, deadline. Specifically, the revised law requires state grantees to obligate at least 65 percent of their Round 1 block grant funds by August 1, 2021. State grantees that failed to meet this requirement must repay to HCD any unused block grant funds not obligated or spent at that time. HCD may then reallocate those funds to other eligible local jurisdictions based on certain factors, such as unmet need. This reallocation process allows California to obligate as much rental assistance funding as possible to eligible households before the federal deadline of September 30, 2021. The revised state law also extended the State's eviction moratorium through the end of September 2021. Figure 2 shows a timeline of California's establishment of ERAP and progress in obligating federal funds.

Under federal law, Treasury must recapture unobligated funds for the ERAP program beginning on September 30, 2021. Additionally, federal law provides that HCD will only be eligible to receive another allocation of these recaptured funds from Treasury if it has obligated at least 65 percent of the \$1.8 billion total allocation for which it is responsible, or \$1.2 billion. Treasury must base its reallocation decisions on the demonstrated need within a federal grantee's jurisdiction.

Although HCD Has Defined Its Obligated Funds In Alignment With Treasury's Guidance, It Did Not Use That Definition in Its Recent Report to Treasury

Although Treasury did not issue guidance that defines *obligated funds* until late June 2021, HCD developed a definition of obligated funds to report to the Legislature. State law requires HCD to report to the Legislature monthly on its obligation of funds for rental assistance as well as other program data, which required HCD to establish a definition of obligated funds in the absence of Treasury guidance. In its first report to the Legislature on June 4, 2021, HCD defined funds as obligated when the funds had been identified for and committed to an eligible household pending final application approval. HCD's glossary for its data dashboard further explains that these funds are committed when its vendor has reviewed a resident's application and preliminarily approved the applicant as eligible for rental assistance benefits. According to the vendor's procedures, before preliminarily approving an application, the vendor reviews documentation to verify the applicant's eligibility, including validating household income and rent calculations. For purposes of reporting obligated funds to its data dashboard and to the Legislature, HCD uses these amounts to represent HCD's commitment to pay these funds. After an application is preliminarily approved, HCD's vendor performs its quality control reviews, which include, for example, checking for duplication of benefits and potential fraud before paying benefits to approved households. In its initial reporting guidance on June 30, 2021, Treasury provides that federal grantees may use a definition contained in existing policies and procedures, which indicates the amount obligated should

reflect the amount of payments to or for participating households that the federal grantee has agreed to pay. Therefore, HCD has taken a reasonable approach in defining its amount of obligated funds as those preliminarily approved because this approach aligns with Treasury's reporting guidance.

However, HCD has been inconsistent in how it has reported its obligated funds to Treasury and the Legislature. HCD reported a total of \$446 million in obligated funds to the Legislature through the end of June 2021, using its definition of *obligated funds*—those funds preliminarily approved for applicants. It also reported obligated funds using this definition to the Legislature through July 2021. However, HCD reported to Treasury that it had obligated \$1.6 billion—90 percent of its funds—in its rental assistance program through the end of June 2021. HCD explained that this new total obligated amount includes its forecast of payments to eligible households to further demonstrate the ongoing need in California, and that it calculated this amount by using the average monthly assistance approved for each household and forecasted it for the allowable program period (15 months). In August 2021, HCD's data dashboard began showing this new calculation of obligated funds as more than \$1.9 billion in *total obligated assistance*.

By reporting its obligated funds in this way, HCD's approach does not align with Treasury's reporting guidance and risks overstating its obligated amounts to Treasury. Therefore, despite HCD's reporting to Treasury in August 2021 that it had obligated 90 percent of its Round 1 funds, Treasury may reject HCD's method of interpreting its obligated totals when it assesses them after September 30, 2021. HCD stated that because Treasury has not indicated the exact formula it will use to determine funds obligated under federal statute, HCD has developed several models of potential interpretations. HCD explained that the model it reported to Treasury, which forecasts obligation totals, is similar to obligation calculations it has used for other federally funded housing-related programs for which it must obligate the full amount of funding an eligible household can expect to receive over the life of the program. It further explained that by failing to obligate funds that eligible households may receive in the future, programs risk exhausting available funds before recipients gain their full allowed benefit. Although federal law requires Treasury to base any reallocation amounts on demonstrated need within a grantee's jurisdiction beginning on September 30, 2021, Treasury's reporting guidance does not direct federal grantees to report on any data related to forecasted or future need. Therefore, the risk exists that Treasury will not accept HCD's reporting of obligation amounts that are based on forecasted obligation totals. Moreover, another of HCD's models uses its definition of obligated funds that aligns with current Treasury guidance. As we note in the next section, our analysis based on this model shows that HCD had obligated 81 percent of its total as of September 8, 2021.

Despite Its Progress in Obligating Rental Assistance Benefits, HCD Remains at Risk of Losing Federal Funds

HCD remains at risk of losing federal funds, and it must employ every effort possible to increase its amount of funds obligated before the federal deadline of September 30, 2021. Since its first report to the Legislature on June 4, 2021, HCD's data indicate substantial progress in the amount it has obligated and the amount paid for rental assistance. Through September 8, 2021, HCD's data show that it has increased its obligated amount to more than \$1.4 billion, or 81 percent of its \$1.8 billion in allocated funds from Treasury. Therefore, HCD is eligible for reallocated funds from Treasury after September 30, 2021. However, it continues to be important that HCD obligate as much of the \$1.8 billion as possible so that the State is in the best position to potentially receive additional federal funds for rental assistance. Specifically, if HCD does not obligate any funds beyond this 81 percent by September 30, 2021, it may lose up to \$337 million of its remaining unobligated funds, but it would remain eligible for a portion of the Round 1 reallocated funds from Treasury.

Based on rental assistance amounts requested, California residents still have a demonstrated need for rental assistance. As of September 8, 2021, HCD reported that it had received applications for rental assistance totaling more than \$993 million and for utilities assistance totaling \$108 million that it has not yet processed. Although these requested benefits do not apply toward HCD's obligation total for the September 30, 2021, federal deadline, it indicates that there is enough demand for HCD to demonstrate additional need for reallocated funds from Treasury. Federal law requires Treasury to base its reallocation decisions on the demonstrated need of federal grantees. In California, the demand for rental assistance varies by local jurisdiction, with some local jurisdictions receiving applications that far exceed their original allocation of funds from HCD. For example, the City and County of San Francisco (San Francisco) received an allocation from HCD of \$29 million, but HCD's data dashboard as of September 8, 2021, reports receiving applications from San Francisco households totaling more than \$76 million, leaving an unmet demand of \$47 million, if all applications are valid. Other large jurisdictions under HCD's administration have experienced similar levels of demand. Moreover, as we show in Figure 1, because 22 jurisdictions within California operate their local rental assistance programs independently from HCD using block grants and their direct federal allocations, there is likely additional demand for rental assistance within those jurisdictions that HCD's data do not include.

Changes to the State's Rent Relief Program Have Slowed HCD's Ability to Reallocate Funds Throughout the State

In June 2021, state law changed requirements for the rent relief program, and incorporating these changes has delayed HCD's original plan to reallocate funds in August 2021 ahead of the September 30, 2021, federal deadline. Amended state law allowed state grantees to request a change to their option for administering their rental assistance programs for Round 1 or Round 2 funds, subject to HCD's approval. After the revisions to state law that became effective in late June 2021, HCD allowed the 49 federal grantees within the State to change their administrative option in July 2021 for implementing Round 1. Specifically, HCD invited jurisdictions to join HCD's statewide program or to request block grants to help minimize confusion among residents, streamline application processing, and enable timely payments using all available funds. HCD explained that in order to properly administer ERAP and ensure that there is no duplication of benefits, it must consolidate and account for the Round 1 rental assistance funds for each jurisdiction that changes its administrative option before HCD can reallocate funds to other areas within the State.

It has taken HCD time to process the administrative changes to the rental assistance program, which has delayed its ability to reallocate funds. Amended state law also requires local jurisdictions that received block grant funds from HCD to have obligated at least 65 percent of their block grant funds by August 1, 2021. For grantees that did not meet this requirement, state law requires them to repay funds to HCD that they have not obligated or spent and allows HCD to reallocate these funds to other jurisdictions that demonstrate a need for additional funds. However, state law also authorizes HCD to waive the requirement for state grantees to repay these funds, if the grantees demonstrate that they will obligate and spend any unused block grants within the federal law time frames. For those funds that HCD reallocates, state law requires HCD to prioritize this reallocation of funds to other local jurisdictions based on factors such as unmet need and rate of application submissions.

As of September 8, 2021, HCD had not reallocated any unused funds. Although 22 local jurisdictions requested block grants from HCD totaling \$553 million to operate their own rental assistance programs, HCD had only transferred block grant funds totaling \$426 million to 14 state grantees that have completed their agreements with HCD. According to the department, the remaining eight grantees have either chosen to join HCD's statewide rental assistance program or are in the process of finalizing local approval for their agreements with HCD. Although HCD still has access to the block grant funds for these eight state grantees without signed agreements, HCD explained that it must finalize the changes to local jurisdictions' administrative options before reallocating funds from Round 1.

Although HCD originally planned to reallocate funds in early August 2021 from the state grantees that had not obligated at least 65 percent of their block grants, HCD explained that program changes delayed its ability to do so. HCD staff explained that the department does not want to reallocate funding away from jurisdictions where there continues to be need and the capacity to move the resources in a timely manner. Further, HCD explained that permanently reallocating funds

now could force it to move funds again once the jurisdictions have finalized their administrative options for Round 2. According to HCD, this would overcomplicate the process and make it more difficult for the department to track the funds. Regardless, the longer it takes HCD to finalize these administrative options in order to reallocate to other areas of the State with a demonstrated need, the less time HCD and local jurisdictions have available to maximize their obligation of funds before the impending September 30, 2021 deadline. Therefore, the State remains at risk of losing critical ERAP funds that are not obligated by the deadline.

Conclusion

Although HCD recently reported to Treasury that it has obligated 90 percent of its total ERAP funds based on forecasted totals, there is risk that Treasury may reject HCD's interpretation of the obligated totals it reported. Using totals aligned with Treasury guidance, HCD surpassed the 65 percent obligation threshold, which makes it eligible to receive a reallocation from Treasury. However, it still risks losing any remaining unobligated funds because federal law requires Treasury to recapture unobligated funds beginning on September 30, 2021. Further, because Treasury has not guaranteed a reallocation to each eligible jurisdiction, HCD may not receive a reallocation from Treasury or, if it does, the reallocation may not adequately cover the current unmet need for rental assistance in California. Therefore, it is important that HCD obligates as much of the \$1.8 billion as possible before September 30, 2021, so that the State minimizes its loss of critical federal funding.

Treasury has allocated an additional \$2.6 billion to California and the 49 other federal grantees in California through Round 2 ERAP funding, which, when combined with Round 1 funding, totals \$5.2 billion in funding for California's rental assistance program. We plan to issue a separate audit report in 2022 that will evaluate HCD's management of the federal COVID-19 funding for ERAP.

Agency Perspective

Because it interprets federal law differently, HCD disagrees with our conclusion that there is risk that Treasury will recapture any of its Round 1 ERAP funds beginning September 30, 2021.

We conducted this audit under the authority vested in the California State Auditor by Government Code section 8543 et seq. and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives specified in the Scope and Methodology section of the report. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,

ELAINE M. HOWLE, CPA
California State Auditor

Above report referred to the Committee on Health.

California State Auditor2021-808
September 23, 2021

*The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 3196
Sacramento, California*

Members of the Assembly: As required by Government Code section 8546.10, subdivision (e), my office conducted a follow-up audit of the city of Lynwood (Lynwood), which we initially determined in 2018 to be at high risk under our local government high-risk program. During that initial audit, we identified numerous risk areas pertaining to Lynwood's inadequate financial management, its susceptibility to fraud and waste, and its ineffective organizational management. In this follow-up report, we conclude that Lynwood remains high risk.

Although Lynwood has taken some action to address the risk areas we identified in our 2018 audit, the city's financial stability continues to be at risk because its general fund expenditures are projected to outpace its revenue during the next two fiscal years while its financial reserves have fallen below recommended minimum balances. Despite such uncertainty about its long-term fiscal outlook, the city has not implemented monitoring procedures, such as preparing multiyear revenue and expenditure projections or providing interim budget reports to the city council at regular intervals.

Moreover, the city remains at risk of violating state law because it has been subsidizing its general fund with restricted revenue from water and sewer fees. In addition, Lynwood has neither developed a strategic plan nor undertaken other efforts that would allow the city to provide meaningful guidance to its departments on aligning resources with citywide goals and priorities. To address these concerns, we present several recommendations, which include following best practices to develop and monitor its budget, maintaining sufficient financial reserves, discontinuing its inappropriate use of water and sewer revenue, and engaging in strategic planning.

Respectfully submitted,

ELAINE M. HOWLE, CPA
California State Auditor

Above report referred to the Committee on Local Government.

ENGROSSMENT AND ENROLLMENT REPORTS

Assembly Chamber, September 13, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- | | |
|-----------------------|-----------------------|
| Assembly Bill No. 7 | Assembly Bill No. 323 |
| Assembly Bill No. 63 | Assembly Bill No. 340 |
| Assembly Bill No. 70 | Assembly Bill No. 430 |
| Assembly Bill No. 72 | Assembly Bill No. 446 |
| Assembly Bill No. 100 | Assembly Bill No. 453 |
| Assembly Bill No. 223 | Assembly Bill No. 461 |
| Assembly Bill No. 242 | Assembly Bill No. 480 |
| Assembly Bill No. 277 | Assembly Bill No. 483 |

And reports the same correctly enrolled, and presented to the Governor on the 13th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 13, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- | | |
|-----------------------|-----------------------|
| Assembly Bill No. 511 | Assembly Bill No. 779 |
| Assembly Bill No. 514 | Assembly Bill No. 843 |
| Assembly Bill No. 576 | Assembly Bill No. 849 |
| Assembly Bill No. 592 | Assembly Bill No. 914 |
| Assembly Bill No. 599 | Assembly Bill No. 945 |
| Assembly Bill No. 603 | Assembly Bill No. 948 |
| Assembly Bill No. 640 | Assembly Bill No. 957 |
| Assembly Bill No. 764 | Assembly Bill No. 970 |

And reports the same correctly enrolled, and presented to the Governor on the 13th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 13, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- | | |
|------------------------|------------------------|
| Assembly Bill No. 1020 | Assembly Bill No. 1363 |
| Assembly Bill No. 1183 | Assembly Bill No. 1405 |
| Assembly Bill No. 1191 | Assembly Bill No. 1455 |
| Assembly Bill No. 1200 | Assembly Bill No. 1461 |
| Assembly Bill No. 1250 | Assembly Bill No. 1477 |
| Assembly Bill No. 1331 | Assembly Bill No. 1542 |
| Assembly Bill No. 1347 | Assembly Bill No. 1570 |

And reports the same correctly enrolled, and presented to the Governor on the 13th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 15, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- | | |
|-----------------------|------------------------|
| Assembly Bill No. 163 | Assembly Bill No. 177 |
| Assembly Bill No. 167 | Assembly Bill No. 226 |
| Assembly Bill No. 172 | Assembly Bill No. 361 |
| Assembly Bill No. 173 | Assembly Bill No. 898 |
| Assembly Bill No. 174 | Assembly Bill No. 1055 |
| Assembly Bill No. 175 | Assembly Bill No. 1096 |
| Assembly Bill No. 176 | Assembly Bill No. 1281 |

And reports the same correctly enrolled, and presented to the Governor on the 15th day of September, 2021, at 5 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 15, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 3	Assembly Bill No. 396
Assembly Bill No. 48	Assembly Bill No. 438
Assembly Bill No. 101	Assembly Bill No. 451
Assembly Bill No. 107	Assembly Bill No. 462
Assembly Bill No. 118	Assembly Bill No. 515
Assembly Bill No. 229	Assembly Bill No. 526
Assembly Bill No. 333	Assembly Bill No. 532
Assembly Bill No. 390	Assembly Bill No. 539

And reports the same correctly enrolled, and presented to the Governor on the 15th day of September, 2021, at 5 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 15, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 571	Assembly Bill No. 1015
Assembly Bill No. 602	Assembly Bill No. 1035
Assembly Bill No. 817	Assembly Bill No. 1057
Assembly Bill No. 844	Assembly Bill No. 1126
Assembly Bill No. 917	Assembly Bill No. 1171
Assembly Bill No. 955	Assembly Bill No. 1207
Assembly Bill No. 958	Assembly Bill No. 1283
Assembly Bill No. 990	Assembly Bill No. 1326

And reports the same correctly enrolled, and presented to the Governor on the 15th day of September, 2021, at 5 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 15, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 1356	Assembly Bill No. 1560
Assembly Bill No. 1423	Assembly Bill No. 1589

And reports the same correctly enrolled, and presented to the Governor on the 15th day of September, 2021, at 5 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 17, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 9	Assembly Bill No. 57
Assembly Bill No. 14	Assembly Bill No. 61
Assembly Bill No. 27	Assembly Bill No. 68
Assembly Bill No. 39	Assembly Bill No. 74
Assembly Bill No. 43	Assembly Bill No. 105
Assembly Bill No. 45	Assembly Bill No. 123
Assembly Bill No. 46	Assembly Bill No. 218
Assembly Bill No. 56	Assembly Bill No. 260

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 17, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 262	Assembly Bill No. 335
Assembly Bill No. 304	Assembly Bill No. 339
Assembly Bill No. 309	Assembly Bill No. 347
Assembly Bill No. 313	Assembly Bill No. 356
Assembly Bill No. 315	Assembly Bill No. 359
Assembly Bill No. 317	Assembly Bill No. 367
Assembly Bill No. 320	Assembly Bill No. 379
Assembly Bill No. 326	Assembly Bill No. 389

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 17, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- | | |
|-----------------------|-----------------------|
| Assembly Bill No. 397 | Assembly Bill No. 525 |
| Assembly Bill No. 416 | Assembly Bill No. 580 |
| Assembly Bill No. 450 | Assembly Bill No. 583 |
| Assembly Bill No. 481 | Assembly Bill No. 619 |
| Assembly Bill No. 486 | Assembly Bill No. 628 |
| Assembly Bill No. 490 | Assembly Bill No. 634 |
| Assembly Bill No. 502 | Assembly Bill No. 642 |
| Assembly Bill No. 523 | |

And reports the same correctly enrolled, and presented to the Governor on the 17th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 20, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- | | |
|-----------------------|-----------------------|
| Assembly Bill No. 651 | Assembly Bill No. 749 |
| Assembly Bill No. 653 | Assembly Bill No. 787 |
| Assembly Bill No. 663 | Assembly Bill No. 794 |
| Assembly Bill No. 690 | Assembly Bill No. 811 |
| Assembly Bill No. 691 | Assembly Bill No. 815 |
| Assembly Bill No. 694 | Assembly Bill No. 829 |
| Assembly Bill No. 701 | Assembly Bill No. 861 |
| Assembly Bill No. 707 | Assembly Bill No. 865 |

And reports the same correctly enrolled, and presented to the Governor on the 20th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 20, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- | | |
|-----------------------|------------------------|
| Assembly Bill No. 872 | Assembly Bill No. 941 |
| Assembly Bill No. 887 | Assembly Bill No. 962 |
| Assembly Bill No. 888 | Assembly Bill No. 977 |
| Assembly Bill No. 896 | Assembly Bill No. 1003 |
| Assembly Bill No. 901 | Assembly Bill No. 1009 |
| Assembly Bill No. 927 | Assembly Bill No. 1023 |
| Assembly Bill No. 928 | Assembly Bill No. 1033 |
| Assembly Bill No. 939 | Assembly Bill No. 1036 |

And reports the same correctly enrolled, and presented to the Governor on the 20th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 20, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- | | |
|------------------------|------------------------|
| Assembly Bill No. 1042 | Assembly Bill No. 1194 |
| Assembly Bill No. 1095 | Assembly Bill No. 1201 |
| Assembly Bill No. 1111 | Assembly Bill No. 1204 |
| Assembly Bill No. 1113 | Assembly Bill No. 1221 |
| Assembly Bill No. 1138 | Assembly Bill No. 1238 |
| Assembly Bill No. 1177 | Assembly Bill No. 1243 |
| Assembly Bill No. 1184 | Assembly Bill No. 1259 |
| Assembly Bill No. 1185 | Assembly Bill No. 1261 |

And reports the same correctly enrolled, and presented to the Governor on the 20th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 20, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 1276	Assembly Bill No. 1398
Assembly Bill No. 1294	Assembly Bill No. 1403
Assembly Bill No. 1304	Assembly Bill No. 1422
Assembly Bill No. 1311	Assembly Bill No. 1456
Assembly Bill No. 1320	Assembly Bill No. 1466
Assembly Bill No. 1337	Assembly Bill No. 1476
Assembly Bill No. 1346	Assembly Bill No. 1487
Assembly Bill No. 1390	Assembly Bill No. 1511

And reports the same correctly enrolled, and presented to the Governor on the 20th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 20, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 615	Assembly Bill No. 1561
Assembly Bill No. 825	Assembly Bill No. 1574
Assembly Bill No. 1532	Assembly Bill No. 1578
Assembly Bill No. 1540	

And reports the same correctly enrolled, and presented to the Governor on the 20th day of September, 2021, at 3 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 22, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 41	Assembly Bill No. 447
Assembly Bill No. 73	Assembly Bill No. 457
Assembly Bill No. 89	Assembly Bill No. 469
Assembly Bill No. 124	Assembly Bill No. 471
Assembly Bill No. 215	Assembly Bill No. 516
Assembly Bill No. 362	Assembly Bill No. 527
Assembly Bill No. 366	Assembly Bill No. 654
Assembly Bill No. 407	Assembly Bill No. 670

And reports the same correctly enrolled, and presented to the Governor on the 22nd day of September, 2021, at 2 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 22, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 1533	Assembly Bill No. 1536
Assembly Bill No. 1534	Assembly Bill No. 1584
Assembly Bill No. 1535	

And reports the same correctly enrolled, and presented to the Governor on the 22nd day of September, 2021, at 2 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 22, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 680	Assembly Bill No. 1103
Assembly Bill No. 716	Assembly Bill No. 1140
Assembly Bill No. 816	Assembly Bill No. 1158
Assembly Bill No. 830	Assembly Bill No. 1173
Assembly Bill No. 873	Assembly Bill No. 1220
Assembly Bill No. 900	Assembly Bill No. 1228
Assembly Bill No. 913	Assembly Bill No. 1273
Assembly Bill No. 1074	Assembly Bill No. 1506

And reports the same correctly enrolled, and presented to the Governor on the 22nd day of September, 2021, at 2 p.m.

SUE PARKER, Chief Clerk

Assembly Chamber, September 17, 2021

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Concurrent Resolution No. 7
- Assembly Concurrent Resolution No. 10
- Assembly Concurrent Resolution No. 13
- Assembly Concurrent Resolution No. 37
- Assembly Concurrent Resolution No. 47
- Assembly Concurrent Resolution No. 52
- Assembly Concurrent Resolution No. 58
- Assembly Concurrent Resolution No. 64
- Assembly Concurrent Resolution No. 77
- Assembly Concurrent Resolution No. 97
- Assembly Concurrent Resolution No. 101
- Assembly Joint Resolution No. 2

And reports the same correctly enrolled, and presented to the Secretary of State on the 17th day of September, 2021, at 10:30 a.m.

SUE PARKER, Chief Clerk

MESSAGES FROM THE SENATE

Senate Chamber, September 10, 2021

Mr. Speaker: I am directed to inform your honorable body that the Senate on this day concurred in Assembly amendments to:

- | | |
|---------------------|---------------------|
| Senate Bill No. 14 | Senate Bill No. 406 |
| Senate Bill No. 62 | Senate Bill No. 423 |
| Senate Bill No. 63 | Senate Bill No. 586 |
| Senate Bill No. 73 | Senate Bill No. 667 |
| Senate Bill No. 80 | Senate Bill No. 715 |
| Senate Bill No. 98 | Senate Bill No. 737 |
| Senate Bill No. 306 | Senate Bill No. 791 |
| Senate Bill No. 354 | Senate Bill No. 792 |
| Senate Bill No. 357 | Senate Bill No. 802 |
| Senate Bill No. 380 | Senate Bill No. 806 |
| Senate Bill No. 383 | Senate Bill No. 805 |
| Senate Bill No. 392 | Senate Bill No. 825 |

ERIKA CONTRERAS, Secretary of the Senate
By Bernadette McNulty, Assistant Secretary

Senate Chamber, September 10, 2021

Mr. Speaker: I am directed to inform your honorable body that the Senate on this day concurred in Assembly amendments to:

- Senate Bill No. 68
- Senate Bill No. 381
- Senate Bill No. 775

ERIKA CONTRERAS, Secretary of the Senate
By Bernadette McNulty, Assistant Secretary

MESSAGES FROM THE GOVERNOR

The following veto messages from the Governor were received and ordered printed in the Journal, and the bills ordered to the unfinished business file:

Veto Message—Assembly Bill No. 604

Governor's Office, Sacramento
September 22, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 604 without my signature.

This bill would continuously appropriate interest earnings from revenues deposited in the Road Maintenance and Rehabilitation Account (RMRA) to the California Department of Transportation (Caltrans) for maintenance of the state highway system or for purposes of the State Highway Operation and Protection Program (SHOPP).

Interest earnings from the RMRA, including accumulated revenue and future earnings, have already been appropriated in the 2021 Budget Act through 2028.

I look forward to re-engaging with the Legislature to finalize and pass a comprehensive transportation package early next year that invests in a wide variety of critically-necessary projects including high speed rail, connectivity projects in advance of the 2028 Los Angeles Olympics, road and bridge repair, and a variety of other rail system improvements.

That comprehensive package, and the corresponding budget process, would be the appropriate venue to consider any continuous appropriation of RMRA interest earnings, such as that proposed in this bill.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 616

Governor's Office, Sacramento
September 22, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 616 without my signature.

The labor force is invaluable to the prosperity of our state and the very fabric of our society. My Administration has worked tirelessly to protect and support workers across California. The recent U.S. Supreme Court ruling in *Cedar Point Nursery v. Hassid* (2021) eliminating 30 years of precedent has significantly impeded the ability of unions to access agricultural worksites. I deeply understand the need to address the impact of this decision. Any modernization of the Agricultural Labor Relations Act (ALRA) must take these challenges to access into account.

AB 616 creates a new process for agricultural employees to elect a labor representative through a ballot card election. This bill contains various inconsistencies and procedural issues related to the collection and review of ballot cards.

Significant changes to California's well-defined agricultural labor laws must be carefully crafted to ensure that both agricultural workers' intent to be represented and the right to collectively bargain is protected, and the state can faithfully enforce those fundamental rights.

Therefore, I am directing the Labor and Workforce Development Agency to work collaboratively with the Agricultural Labor Relations Board and all relevant stakeholders to develop new policies for legislative consideration to address this issue. I look forward to continuing our vital work to improve working conditions and opportunities for farmworkers across our state.

Sincerely,

GAVIN NEWSOM

Receipt of Bills

I acknowledge receipt this 22nd day of September, 2021, at 4:13 p.m., of the following Assembly bills without the Governor's signature, together with statements of his objections thereto, signed by the Governor, delivered to me personally by Emily Patterson:

Assembly Bills Nos. 604 and 616.

SUE PARKER
Chief Clerk of the Assembly

Veto Message—Assembly Bill No. 123

Governor's Office, Sacramento
September 28, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 123 without my signature.

This bill revises formulas for determining benefits under the State Disability Insurance (SDI) program, which includes Disability Insurance (DI) and Paid Family Leave (PFL) programs, beginning January 1, 2023.

My Administration has been a strong advocate for expanding access to DI and PFL programs, and I am proud of the progress we have made in collaboration with the Legislature. In 2019, I signed SB 83 (Chapter 24) which extended the maximum duration of paid family leave benefits from 6 to 8 weeks and AB 406 (Chapter 386) which required PFL applications to be provided in multiple languages. Last year, I signed SB 1383 (Chapter 86) which provided job-protected leave to employees working for employers with five or more employees. This year, I signed AB 138 (Chapter 78) which extended increased wage replacement rates to 2023.

This bill would create significant new costs not included in the 2021 Budget Act and would result in higher disability contributions paid by employees. I look forward to continued partnership with the Legislature to ensure that workers have true access to programs providing family leave.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1074

Governor’s Office, Sacramento
September 28, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1074 without my signature.

This bill would require successor employers in the hotel industry who purchased the business or property to retain workers who provided “guest services” for a 60-day transition period and offer them employment if their performance is satisfactory.

I support efforts to ensure stability in employment for all workers, especially given the uncertainty caused by the pandemic. Earlier this year, I signed SB 93 (Chapter 16) which included strong recall and retention protections for hotel workers who lost their job because of the pandemic and applies to existing and successor employers. There is significant overlap between this bill and SB 93, which may cause confusion for the regulated community. I encourage the Legislature to revisit the issue when the protections of SB 93 are due to expire.

Sincerely,

GAVIN NEWSOM

Receipt of Bills

I acknowledge receipt this 28th day of September, 2021, at 3:35 p.m., of the following Assembly bills without the Governor’s signature, together with statements of his objections thereto, signed by the Governor, delivered to me personally by Emily Patterson:

Assembly Bills Nos. 123 and 1074.

SUE PARKER

Chief Clerk of the Assembly

Veto Message—Assembly Bill No. 7

Governor’s Office, Sacramento
October 4, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 7 without my signature.

This bill would require employers of private emergency ambulance employees to make available multi-threat body protective gear at the request of their employees, train employees on the equipment, and inform them of its availability upon employment.

Current law already imposes an affirmative obligation on employers to evaluate workplace hazards and provide all necessary personal protective equipment (PPE) at no cost to employees regardless of whether the PPE is requested by the employee.

I support efforts to maximize the safety of all of California’s life-saving EMS personnel and encourage proponents of this bill to work within the current regulatory structure to provide the evidence demonstrating that multi-threat body protective gear is necessary for all EMTs.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 418

Governor's Office, Sacramento
October 4, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 418 without my signature.

This bill codifies a previously funded grant program within the Office of Emergency Services to improve resiliency during power outage events.

I recognize the importance of providing resources to help mitigate the impacts of public safety power shutoffs (PSPS). Since 2019, California has invested \$125 million to counties, cities, special districts, and federally-recognized tribes for this purpose. The state also adopted more stringent requirements for utilities to mitigate the impacts of PSPS events and created the Office of Energy Infrastructure Safety to oversee utility resiliency and wildfire prevention efforts.

To the extent a future appropriation is provided for community power resiliency efforts, this bill would eliminate administrative flexibility to direct funding where it is needed most. For example, the state was able to allocate funding from the 2020 Budget Act to ensure power for critical public health facilities like COVID-19 testing sites during the pandemic.

Furthermore, as this bill seeks to codify a grant program, it results in ongoing General Fund cost pressures. Changes to the nature and duration of a grant program are more appropriately considered through the annual state budget process.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 515

Governor's Office, Sacramento
October 4, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 515 without my signature.

This bill would provide that the crime of trespass does not apply to a repossession agency and its employees when they are on private property searching for or repossessing collateral.

An earlier version of this bill included a cross-reference to repossession licensing requirements that makes it clear that repossessors are not allowed to go into secured or locked areas. Unfortunately, that language was removed from the bill. I am concerned that allowing a repossessioner virtually unfettered access to a person's private property could result in confusion and possibly violent confrontations between property owners and repossessors. For these reasons, I am returning this bill without my signature.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1207

Governor's Office, Sacramento
October 4, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1207 without my signature.

This bill would establish the Pathways Through Pandemics Task Force within the California Health and Human Services Agency (CHHS) to study lessons learned from the COVID-19 pandemic and to develop strategies to navigate future pandemics.

While I share the Legislature's goal of studying lessons learned from the COVID-19 pandemic, this bill is duplicative of work already underway. Resources provided in the 2021 Budget already allows CHHS to provide an assessment of the state's COVID-19 public health response, which will evaluate the lessons learned and identify programmatic gaps.

The 2021 Budget also includes \$1.7 million for CHHS to conduct a retrospective analysis of the intersection of the COVID-19 pandemic and the health disparities that were further perpetuated due to the pandemic. This analysis will help the state better understand how health disparities fueled the pandemic and what can be done to prepare for future crises.

Due to these efforts already underway, I am returning this bill without my signature.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1423

Governor's Office, Sacramento
October 4, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1423 without my signature.

This bill would allow borrowers who receive Department of Housing and Community Development multifamily housing program funds to use awarded funds for construction financing, permanent financing, or a combination of the two.

The high cost of construction lending has impeded California's ability to build more permanent housing and drive down the cost of living in our state. While I appreciate the intent of the bill—to lower the cost of affordable housing construction—it presents a number of legal and implementation concerns.

AB 1423 would delegate the state's authority to administer bond proceeds to private, third-party lenders, which raises legal questions about consistency with the bond authority approved by California voters.

In addition, the bill would create significant risks for state dollars by placing the Department in a subordinate position to recover funds after a first lender. If a project should fail mid-construction, taxpayer dollars would be threatened.

That said, California must do more to explore how to drive down costs of construction lending. I am directing the Department to explore best practices for reducing these costs in ways that do not imperil state finances. California must continue to bring more certainty and speed to the development process—reforms that will materially drive down the cost of construction lending without direct state subsidy.

Sincerely,

GAVIN NEWSOM

Receipt of Bills

I acknowledge receipt this 4th day of October, 2021, at 4:30 p.m., of the following Assembly bills without the Governor's signature, together with statements of his objections thereto, signed by the Governor, delivered to me personally by Emily Patterson:

Assembly Bills Nos. 7, 418, 515, 1207, and 1423.

HUGH R. SLAYDEN

Assistant Chief Clerk of the Assembly

Veto Message—Assembly Bill No. 70

Governor's Office, Sacramento
October 5, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 70 without my signature.

This bill would require the California Department of Public Health (CDPH) to establish a new state regulatory program to provide oversight over gene synthesis providers and manufacturers of gene synthesis operating equipment. The bill would also require gene synthesis businesses to demonstrate membership in a voluntary industry consortium or be verified by CDPH to use customer and sequence screening protocols that meet or exceed the protocols established by that consortium.

In order to fund the establishment of the program, the bill would authorize CDPH to begin charging fees from the entities to be regulated before the program is established and before businesses are required to be in compliance. This structure is not implementable and General Fund resources needed to support the establishment of a new regulatory program should be considered in the annual budget process. Furthermore, consideration should be given to whether a patchwork of state and federal regulations on biosecurity is the most effective way to approach an issue of international magnitude. For these reasons, I am returning this bill without my signature.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 416

Governor's Office, Sacramento
October 5, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 416 without my signature.

This bill would require the Department of General Services to issue a Deforestation-Free Code of Conduct covering contracts involving “forest-risk commodities,” including wood, paper, rubber, palm oil, beef, and soy. It would require state contractors that provide products to the state that include forest-risk commodities to have a No Deforestation, No Peat, No Exploitation (NDPE) policy and to make detailed certifications to the origin of each product. These contractors would be required to publicly disclose their supply chains back to the farm or forest where the commodity was grown or harvested.

Deforestation is a major contributor to the climate crisis that California and the world is facing right now. I share the author's commitment to preventing tropical deforestation. Unfortunately, this bill's extensive requirements would create a significant burden on California businesses—particularly small businesses—that are looking to participate in state contracts.

For example, under this bill, every time the state purchases a product that contains soy, the vendor providing that product would need to disclose the exact location where the soybeans were grown, who the farmer was, and where the soybeans were processed. Most small business suppliers do not have access to that information, and with nearly all the U.S. soybean supply coming from domestic producers, this requirement would place a significant burden on businesses without impacting the stated goal of preventing tropical deforestation.

For these reasons I cannot sign this bill; however, I remain committed to working with the author to advance our shared environmental goals and will consider future legislation that better targets those supply chains that directly impact tropical deforestation.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1021

Governor's Office, Sacramento
October 5, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1021 without my signature.

This bill would require the Imperial and Riverside County local agency formation commissions to conduct and publish a study by no later than July 1, 2022 of options for providing electrical service to the Imperial Irrigation District's electrical service area and alternative governance structures that would extend voting rights to voters who reside within the electrical service area to provide for proportional representation on the governing board.

The 2021 Budget Act included \$500,000 from the General Fund to finance such a study. Imperial Irrigation District's electric service in the Coachella Valley is part of a 99-year lease that will reach its full term in 2033. It is valuable to invest the proper resources, time, and stakeholder engagement into studying the complex impacts of the Imperial Irrigation District's impending electrical service agreement expiration. This study should include any options to ensure that the local communities currently served may continue to receive energy service, as well as opportunities to give energy customers a voice.

For these reasons, I am concerned with the short timeline set forth in the bill to complete the study. However, I do expect that the study funded in this year's Budget Act will be completed in a timely manner to inform continued discussions.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1036

Governor's Office, Sacramento
October 5, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1036 without my signature.

This bill would create two new programs to be administered by the California Infrastructure and Economic Development Bank: the California Manufacturing Disaster Loan Program to address manufacturing needs during and after the declaration of a state of emergency, and the California Manufacturing Competitiveness Loan Program for the purpose of attracting, retaining, and expanding manufacturing facilities and companies in the state.

California's manufacturers stepped up to retool and utilize their facilities during the COVID-19 pandemic to help meet the state's needs. I am strongly supportive of California's manufacturing economy, a majority of which is fueled by small businesses. Together with the Legislature, in 2020 and 2021, we made unprecedented investments to support small businesses' access to capital and ongoing economic recovery.

However, this bill does not provide sufficient detail to operationalize the loan programs, risking significant costs, delays, administrative challenges, and program design inefficiencies. Additionally, California has existing programs to support manufacturers. As this proposal would result in millions of dollars in ongoing costs and establish two new financing programs, it should be considered through the annual state budget process.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1357

Governor's Office, Sacramento
October 5, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1357 without my signature.

This bill would require the California Department of Public Health (CDPH) to develop and maintain a state-wide referral network of community-based mental health providers and support services addressing maternal mental health on the CDPH website.

AB 1357 is duplicative as there are existing resources available to pregnant and postpartum individuals. The Department of Health Care Services maintains a website that provides information about how individuals can seek mental health services through their local county. State programs such as the Adolescent Family Life Program, Black Infant Health Program, California Home Visiting Program, Perinatal Equity Initiative, and the Comprehensive Perinatal Services Program work to ensure pregnant and postpartum individuals are assessed, informed, linked, and referred to appropriate health and social services, including mental health services.

Local health jurisdictions also inform pregnant and postpartum individuals of services and providers that are available and unique to each county. Finally, an individual's source of health coverage, whether it be Medi-Cal, a county mental health plan, or commercial health plan can arrange for care through its local provider network. For these reasons, I do not believe adding yet another website is necessary.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1403

Governor's Office, Sacramento
October 5, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1403 without my signature.

This bill would specify that conditions constituting a state of emergency under the California Emergency Services Act may include a deenergization event, defined as a planned power outage.

This legislation is unnecessary, as existing statute provides broad emergency authority when disaster conditions are met.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1444

Governor's Office, Sacramento
October 5, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1444 without my signature.

This bill would impose requirements on the specific information included and formatting of agreements between a food delivery platform and a food facility entered into or modified after January 1, 2022, and prohibit food delivery platforms from charging a food facility for certain forwarded calls.

Third party apps and listing websites have created opportunities for consumers to find and support more of their local dining places. We have significantly increased oversight of food delivery companies in recent years. Last year I signed AB 2149 (Chapter 125, Statutes of 2020), which required a food delivery platform to first obtain an agreement with a food facility prior to taking orders or delivering meals on their behalf. It has been less than one year since these provisions took effect. AB 1444 would prescribe the specific content and format of these agreements, triggering companies to again modify their contracts without a clear, additional public benefit.

Further, companies have stated that call forwarding tracking numbers, a focus of AB 1444, are no longer used. I appreciate these companies voluntarily ceasing the practice of charging restaurants simply for connecting calls, as many small businesses, particularly restaurants, survive on small margins.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1461

Governor’s Office, Sacramento
October 5, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1461 without my signature.

This bill would codify existing practices of the Trafficking and Crime Victim Assistance Program, and would expand the population eligible to receive these benefits to include those who have applied for immigration relief under the Violence Against Women Act, Special Immigrant Juvenile Status, or asylum status.

While I share the author’s goal of ensuring that vulnerable populations have the resources necessary to meet their needs while they await adjudication of their application for immigration relief, bills with a significant fiscal impact, such as this, are best considered in the annual budget process.

Sincerely,

GAVIN NEWSOM

Receipt of Bills

I acknowledge receipt this 5th day of October, 2021, at 5:04 p.m., of the following Assembly bills without the Governor’s signature, together with statements of his objections thereto, signed by the Governor, delivered to me personally by Emily Patterson:

Assembly Bills Nos. 70, 416, 1021, 1036, 1357, 1403, 1444, and 1461.

HUGH R. SLAYDEN

Assistant Chief Clerk of the Assembly

Veto Message—Assembly Bill No. 523

Governor's Office, Sacramento
October 6, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 523 without my signature.

AB 523 would require the Department of Health Care Services (DHCS) to make permanent the specified Program of All-Inclusive Care for the Elderly (PACE) program flexibilities instituted, on or before January 1, 2021, in response to the public health emergency caused by COVID-19. AB 523 also requires DHCS to work with the Centers for Medicare and Medicaid Services to determine how to extend PACE flexibilities approved during COVID-19.

As part of the Budget Act of 2021, all telehealth flexibilities in the Medi-Cal program were extended until December 31, 2022. DHCS was also required to convene an advisory group to provide recommendations for establishing and adopting billing and utilization management protocols for telehealth modalities to increase access and equity and reduce disparities in the Medi-Cal program. This advisory group is the appropriate venue to participate and provide telehealth recommendations specific to the PACE program.

Additionally, the bill states that DHCS shall make the changes permanent, without conditioning the permanent changes on DHCS obtaining necessary federal approvals and federal financial participation or taking into consideration federal legal mandates.

For these reasons, I am returning this bill without my signature.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 865

Governor's Office, Sacramento
October 6, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 865 without my signature.

This bill requires alternative payment programs (APP) to reimburse child care providers based on the maximum certified hours of need rather than attendance, and amends statute regarding verification of provider rates, APP fund reserves, and acceptable forms of signature.

In recognition of the impact of the COVID-19 pandemic on child care providers, I have provided substantial funding over the last two budgets so providers are reimbursed based on enrollment, not on attendance. However, I cannot support a permanent extension of that policy at this time, as it will result in significant ongoing General Fund cost pressures in the tens of millions of dollars that were not included in the state's current spending plan.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 990

Governor's Office, Sacramento
October 6, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 990 without my signature.

This bill would establish the right of visitation as a protected civil right for people that are incarcerated, change the standard of review for when a custodial authority seeks to limit the civil rights of incarcerated individuals, and restrict the California Department of Corrections and Rehabilitation's (CDCR's) power to deny a person visitation rights.

My Administration has made it a priority to reform our state's rehabilitation processes, including visitation rights. In fact, this year's budget added a third day of weekly in-person visitation at all CDCR institutions and included funding to provide visitors with free transportation on select days throughout the year to all prisons. While I am in strong support of expanding and increasing visitation opportunities, the heightened standard in this legislation is likely to result in extensive and costly litigation from individuals denied visitation for what may be valid and serious safety and security concerns. I urge the author to work with CDCR to find a solution that expands access to visitation in a manner that protects all parties.

Sincerely,

GAVIN NEWSOM

Receipt of Bills

I acknowledge receipt this 6th day of October, 2021, at 3:27 p.m., of the following Assembly bills without the Governor's signature, together with statements of his objections thereto, signed by the Governor, delivered to me personally by Emily Patterson:

Assembly Bills Nos. 523, 865, and 990.

SUE PARKER
Chief Clerk of the Assembly

Veto Message—Assembly Bill No. 279

Governor's Office, Sacramento
October 7, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 279 without my signature.

This bill prohibits, until July 1, 2022, an intermediate care facility (ICF) or skilled nursing facility (SNF) from terminating or making significant quality-of-care changes, or from transferring a resident to another facility, unless the owner of the facility files for bankruptcy, except under specified circumstances.

Although this bill seeks to protect residents of ICFs and SNFs from involuntary transfers, its restrictions could have unintended consequences for the people it intends to serve. Requiring a struggling facility short of bankruptcy to remain open may lead to conditions where care is compromised because the facility is not able to retain staff. For example, facilities with inadequate staffing will struggle to implement measures to limit COVID-19 transmission and prevent outbreaks. Furthermore, the California Department of Public Health does not have the legal authority to compel a facility to continue operating or providing services if the facility wishes to close. For these reasons, I am returning this bill.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 339

Governor's Office, Sacramento
October 7, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 339 without my signature.

This bill requires, until December 31, 2023, that city councils and boards of supervisors in jurisdictions with over 250,000 residents provide both in-person and teleconference options for the public to attend their meetings.

While I appreciate the author's intent to increase transparency and public participation in certain local government meetings, this bill would set a precedent of tying public access requirements to the population of jurisdictions. This patchwork approach may lead to public confusion. Further, AB 339 limits flexibility and increases costs for the affected local jurisdictions trying to manage their meetings.

Additionally, this bill requires in-person participation during a declared state of emergency unless there is a law prohibiting in-person meetings in those situations. This could put the health and safety of the public and employees at risk depending on the nature of the declared emergency.

I recently signed urgency legislation that provides the authority and procedures for local entities to meet remotely during a declared state of emergency. I remain open to revisions to the Brown Act to modernize and increase public access, while protecting public health and safety. Unfortunately, the approach in this bill may have unintended consequences.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 446

Governor's Office, Sacramento
October 7, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 446 without my signature.

This bill reduces the number of signatures needed on a petition to form a new political party, and allows the name of a proposed political party that fails to qualify as a party to be eligible for use by a different political body in the future. In addition, this bill permits a body that is attempting to form a new political party to request reconsideration if the Secretary of State rejects the proposed party's name.

California prides itself on its diversity. We have worked hard to ensure our elections are fair, transparent, and accessible so all Californians can be represented in this state. Existing law offers prospective new political parties with an alternative qualification process. I am concerned that this bill creates additional burdens for county elections officials to maintain an ever-changing number of political parties and that this bill could create confusion among voters due to the constant churn of parties coming onto, and falling off of, the ballot.

This bill would also likely create a state reimbursable mandate as it requires that, for every political party that qualifies, there would be an additional one to two added variations of each ballot type, with an increase in corresponding workload.

I agree with the author's goal of increasing and diversifying voices and perspectives in our democratic system, but I am not convinced this bill would assist in that endeavor.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 472

Governor's Office, Sacramento
October 7, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 472 without my signature.

This bill would make it unlawful for a person to intentionally use or sell software or services to avoid a security control or measure used to ensure an equitable campsite reservation making process.

This bill is unnecessary as the Department of Parks and Recreation has implemented several security measures to ensure an equitable reservation process. These measures include tools such as ReCAPTCHA (*select all the pictures with a traffic light*), as well as policies to cancel reservations that were not made for personal use, and to terminate accounts that participate in unlawful and prohibited activities. These security measures have led to the elimination of bot access.

While I understand the author's intent, individuals have difficulty making campsite reservations due to the high demand for a limited number of sites—there is no evidence of software or services being used to circumvent the reservation system.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1070

Governor's Office, Sacramento
October 7, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1070 without my signature.

This bill would authorize distilled spirits manufacturers and other distilled spirits licensees to annually gift up to 12 outdoor patio retail advertising umbrellas, individually valued at no more than \$150, to every on-sale retail licensed location.

This would increase alcohol signage and advertisements in public areas and disadvantage small alcohol manufacturers that cannot compete with the marketing budgets of multibillion dollar corporations.

Ostensibly, this bill is about assisting businesses impacted by the COVID-19 pandemic. Yet I believe there are other, more suitable strategies for assisting impacted businesses than allowing economic arrangements that create a competitive disadvantage for small manufacturers. My Administration has taken a number of steps to support our small business community and offer pandemic relief, including providing temporary regulatory flexibility, allowing outdoor expansions, and waiving license renewal fees.

Two years ago, I signed AB 1133 (Chapter 623, Statutes of 2019) to initiate a pilot project allowing beer manufacturers to annually gift up to five cases of glassware to on-sale retail licensed locations. This pilot is still underway through January 1, 2023, and, as such, we have not yet had the opportunity to sufficiently assess its impacts. It is premature to propose another similar exception to tied-house laws until the pilot project can be properly evaluated. For these reasons, I am returning this bill.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1331

Governor's Office, Sacramento
October 7, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1331 without my signature.

This bill would require the Director of the Department of Health Care Services (DHCS) to appoint a full-time executive Statewide Director of Crisis Services to convene state and local leaders to develop and implement a cohesive statewide behavioral health crisis care delivery system.

Behavioral health crisis care services are critical, including early prevention efforts. My administration has made significant investments to improve California's behavioral health system, including \$150 million to build out mobile crisis infrastructure. In addition, DHCS is investing \$20 million in California's network of emergency call centers to support the launch of a new 988 hotline, an alternative to 911, for people seeking help during a mental health crisis.

The California Health and Human Services Agency and its departments will work with state and local partners and stakeholders to assess and address gaps in behavioral health crisis care services as my Administration works to implement the new behavioral health initiatives included in the budget.

Given the fiscal implications of adding this position, and the additional staffing needed to support it, this proposal would be more appropriately addressed through the budget process.

Sincerely,

GAVIN NEWSOM

Receipt of Bills

I acknowledge receipt this 7th day of October, 2021, at 4:32 p.m., of the following Assembly bills without the Governor's signature, together with statements of his objections thereto, signed by the Governor, delivered to me personally by Emily Patterson:

Assembly Bills Nos. 279, 339, 446, 472, 1070, and 1331.

SUE PARKER
Chief Clerk of the Assembly

Veto Message—Assembly Bill No. 105

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 105 without my signature.

This bill would modify several processes related to civil service job announcements, examinations, classifications, and hiring practices. Additionally, it would require certain boards and commissions to include appointed representatives of underrepresented groups and institute new data collection requirements.

I believe that California has a responsibility to recruit and retain a workforce that reflects California's diversity and treats all of our employees with respect, dignity, and equity. My Administration remains committed to furthering that cause and that's why we have established the California Leads as an Employer Initiative. The goal of this initiative is to implement policies that promote a diverse and inclusive workforce reflective of California, ensure a respectful workplace free of harassment, and address gender and racial pay gaps in the state workforce. Additionally, we established a Chief Equity Officer at the Government Operations Agency this year who will focus on diversifying state hiring, recruitment, retention, and training.

While the goals of AB 105 are laudable, elements of the bill conflict with existing constitutional requirements, labor agreements, and current data collection efforts. Therefore, it may have unintended consequences that warrant further consideration. Furthermore, as AB 105 would cost tens of millions of dollars, these one-time and significant ongoing costs should be considered through the annual state budget process.

I would encourage the author to collaborate with the Administration to address these concerns and look forward to continued partnership as we continue to work to build a more inclusive state government.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 122

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 122 without my signature.

This bill would allow a person riding a bicycle to proceed through a stop sign as if it were a yield sign until January 1, 2028.

While I share the author's intent to increase bicyclist safety, I am concerned this bill will have the opposite effect. The approach in AB 122 may be especially concerning for children, who may not know how to judge vehicle speeds or exercise the necessary caution to yield to traffic when appropriate.

Fatalities and serious injuries have been on the rise on the state's roads since 2010. The Statewide Integrated Traffic Records System shows that, since 2015, there were 3,059 crashes involving bicycles at an intersection in which the primary collision factor was failure to stop at a stop sign. The data indicates bicyclists were determined to be at fault for 88 percent of the collisions resulting in fatalities and 63 percent of those involving injuries.

I fully support safe and equitable access to the state's transportation network for bicyclists. The California Climate Action Plan for Transportation Infrastructure describes how the state will invest in the transportation network to create safe and accessible bicycle and pedestrian infrastructure. The Department of Transportation (Caltrans) and the California State Transportation Agency are increasing active transportation investments and will release design guidance on traffic calming measures this year to encourage more walking and biking through a safe systems approach. For these reasons, I am returning this bill.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 226

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 226 without my signature.

This bill would eliminate Children's Crisis Residential Programs (CCRPs) under the purview of the Department of Social Services and instead create Children's Crisis Psychiatric Residential Treatment Facilities (CCPRTFs) under the purview of the Department of Health Care Services, to provide intensive mental health care for children and youth, including those in foster care.

It is important that all California youth receive the mental health services and supports they need. My Administration has made it a priority to transform California's children and youth behavioral health system into one in which all children and youth are routinely screened, supported, and served for emerging and existing behavioral health needs, and is working to implement transformative investments in the 2021–22 Budget that further this cause.

AB 226 presents implementation challenges that cannot be overlooked or easily overcome. First, the bill would eliminate CCRPs, a Medicaid State Plan service the state is obligated to provide, creating a gap in the continuum of care for children and youth. Second, the bill does not appropriately identify the roles of the Department of Health Care Services, the county Mental Health Plans, and the California Department of Public Health in federally certifying the proposed CCPRTF program. Finally, should CCPRTFs be authorized as a treatment option, it is critical to develop adequate safeguards so children are not in CCPRTFs any longer than necessary. These safeguards are not included in this bill.

My Administration looks forward to working with the Legislature and stakeholders before the Legislature reconvenes on a proposed solution that is in the best interest of all youth experiencing mental health crises.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 369

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 369 without my signature.

This bill would direct the Department of Health Care Services (DHCS) to establish a Presumptive Eligibility Program for persons experiencing homelessness, authorize all off-premises services under Medi-Cal, remove care authorization and coordination strategies typically provided by Primary Care Physicians, and deduct capitation payments made to Medi-Cal Managed Care Plans if a person experiencing homelessness does not utilize services within 60 days of enrollment.

From day one, my Administration has made treating and housing those experiencing homelessness a top priority. Understanding that homeless individuals face unique challenges in receiving the health care they need, California designed its Presumptive Eligibility program so that individuals experiencing homelessness can easily enroll in Medi-Cal and access timely health care. In addition, enrolled Medi-Cal providers can be reimbursed for street-based medicine or services provided outside the office to their patients. Additionally, Medi-Cal Managed Care Plans are responsible for coordinating and providing health care services to their members, including beneficiaries experiencing homelessness.

We can and must do much better than today. To that end, the California Advancing and Innovating Medi-Cal (CalAIM) initiative, authorized in the 2021 Budget, will provide a whole-person approach to care and include expanded benefits to address clinical and non-clinical needs of Medi-Cal beneficiaries. A new enhanced care management benefit and housing support services, delivered by community-based providers, will provide needed services to individuals experiencing homelessness. Creating a “carve out” for persons experiencing homelessness, on the eve of the CalAIM transformation, will cut out these patients from services that are being created specifically to support their health, housing stability, and overall well-being.

Given that providing individuals experiencing homelessness timely access to critical services and ultimately are permanently housed is a priority, and the timing of CalAIM implementation, I am directing DHCS to identify any interim gaps that can be imminently addressed and act quickly to close these gaps. Such actions may include providing temporary resources to street medicine providers across the state, providing additional technical assistance to street medicine providers who seek to provide services through managed Medi-Cal, and promptly implementing the CalAIM opportunities that will soon be rolling out.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 375

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 375 without my signature.

This bill amends statute relating to part-time faculty at the California Community Colleges, including redefining a community college part-time faculty course load as not to exceed 85 percent of the hours of a full-time assignment, rather than not to exceed 67 percent.

Our system of community colleges could not operate without part-time faculty. Even though they carry an enormous amount of the teaching load across the system, these qualified instructors must often teach at multiple campuses in order to piece together higher wages, and do not receive the same salary or benefits as their full-time colleagues.

While I understand the objectives of this legislation, this bill would create significant ongoing cost pressures on the state and community college districts, potentially in the hundreds of millions of dollars. Such a high expenditure is better addressed in the State Budget process, which is why I am committed to considering options to support our community college part-time faculty in my forthcoming January budget proposal.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 412

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 412 without my signature.

AB 412 creates the California Commission on Human Rights to explore and identify ways the state can promote the protection of human rights to provide equal economic, political, and educational opportunities without prejudice or discrimination.

The Department of Fair Employment and Housing (DFEH), California's civil rights promotion and enforcement agency, is currently charged with investigating, mediating, and prosecuting complaints of civil rights violations involving employment, housing, public accommodations, state-funded programs and activities, hate violence, and human trafficking. DFEH's Fair Employment and Housing Council is currently authorized to hold hearings and issue publications that aid in the elimination of unlawful discrimination, or advance civil rights in the State of California. Recently, the Council has held civil rights hearings on algorithmic decision making, employment barriers for individuals with criminal histories, hate violence in California, and civil rights issues in the Central Valley.

While the aims of this bill are noble and worthwhile, the work that would be entrusted to this Commission is duplicative of the work being done by DFEH. Additionally, this bill creates significant cost pressures that are currently not accounted for within the 2021 Budget Act. For these reasons, I am returning this bill.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 603

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 603 without my signature.

This bill would require municipalities to annually post on their internet websites specified information relating to settlements and judgments resulting from allegations of improper police conduct. The information will include amounts paid, broken down by individual settlement and judgment, and information on bonds used to finance use of force settlement and judgment payments.

The vast majority of the information that this legislation would require to be posted on department websites is already available through a Public Records Act request or in court records. Given this, I am concerned that this legislation is not only unnecessary, but that it will also have potentially significant General Fund costs associated with the imposition of a state-reimbursable mandate on local law enforcement agencies.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 783

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 783 without my signature.

This bill prohibits the Division of Occupational Safety and Health (DOSH) from issuing a citation or notice to a surface mine employer more than six months after the occurrence of a violation, and requires inspectors to issue a "Notice of Hazard" within 72 hours of a surface mine inspection when they find conditions that could lead to injury if not promptly addressed.

Existing law already provides that a citation or notice shall not be issued by DOSH more than 6 months after an inspection and DOSH currently provides preliminary findings about any observations observed during a surface mine inspection. If DOSH observes an imminent hazard to employees it must warn the employer and issue an Order Prohibiting Use until the dangerous condition is eliminated.

AB 783 requires a written notice of potential or actual hazards which is information already transmitted to the employer through the course of the inspection. As a result, this bill increases costs and workload to DOSH without measurably improving work conditions. For this reason, I am returning this bill without my signature.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 872

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 872 without my signature.

This bill would extend a special form of workers' compensation, "4850 time", to rank-and-file and supervisory firefighters at the Department of Forestry and Fire Protection. This bill would result in these employees receiving higher take home pay than they would have if not injured by raising disability payments from full net to full gross salary.

Currently, state firefighters have access to Enhanced Industrial Disability Leave (EIDL) which provides full net salary for one year for any industrial injury or illness or up to three years if the injury is burn related.

State firefighters' importance to California is only growing because of the increasing prevalence of wildfires they fight each year. I have and will continue to devote more resources to this workforce to ensure they have the benefits and equipment they need to carry out their critical task.

However, an extension of "4850" time to this class of employees should be addressed through the bargaining process where consideration of how best to allocate limited resources for this crucial state function is viewed holistically. My Administration looks forward to this discussion and working on this issue at the bargaining table.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1035

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1035 without my signature.

This bill requires local agencies to apply the Department of Transportation's (Caltrans) most recent standards for the use of recycled materials in pavement between January 1, 2023 and January 1, 2026.

Requiring all local agencies that have jurisdiction over streets and highways to comply with Caltrans' recycling standards may result in increased costs. The standards adopted by Caltrans are specifically designed for Caltrans projects, which are generally larger and address a greater volume of traffic than some local projects. These requirements may not be appropriate for all local streets and roads. Further, this bill may create a reimbursable state mandate, which could result in significant state costs.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1147

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1147 without my signature.

This bill adds new and modified reporting at the local and regional levels on compatibility of land use and transportation planning with greenhouse gas reduction goals and a proposal for a pilot program to create a network of bicycle highways.

Although the bill seeks to improve transparency to the Sustainable Community Strategies process, it does not require or incentivize regional and local governments to make land use decisions that change development and transportation patterns.

While I share the author's goal to align policies and promote the use of active transportation modes such as walking and biking, the bill is not necessary because state agencies are already collaborating on these policies and updating local requirements.

I proposed \$7.6 billion to make key investments in a wide variety of critically necessary projects including high speed rail, transit connectivity projects in advance of the 2028 Los Angeles Olympics, active transportation, and a variety of other rail system improvements. Not only will these projects improve safety and access for bicyclists and pedestrians, they will significantly reduce greenhouse gas emissions and are key to meeting our state's climate objectives.

I look forward to re-engaging with the Legislature to finalize and pass a comprehensive transportation package early next year.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1185

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1185 without my signature.

This bill would provide students with an additional year to meet the time-out-of-high-school and age-related Cal Grant eligibility requirements, and would permit students who received a Cal Grant transfer entitlement award in the 2019–20 academic year to use their award for an additional year.

This year's Budget included hundreds of millions of dollars in financial aid to support college students impacted by the pandemic and made historic ongoing investments in the state's Cal Grant and Middle Class Scholarship programs. These investments include expanding Cal Grant eligibility to more community college students by eliminating age and time-out-of-high-school requirements. In addition, these Cal Grant awards will now follow community college students to the UC and CSU upon transfer.

While I applaud the author's goal of supporting college students whose academic trajectories were disrupted by the COVID-19 pandemic, this bill results in significant impact to the General Fund, likely totaling more than \$200 million over a four-year period. For these reasons, I must regretfully return this bill.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1215

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1215 without my signature.

This bill requests the University of California (UC) Board of Regents to adopt policies directing the UC Office of the President to establish various systemwide protocols pertaining to undergraduate admissions and conduct additional auditing of campus undergraduate admissions.

I am committed to ensuring the fairness of admissions processes at all California colleges and universities, which is why I signed previous legislation with that goal in mind. However, I believe that the system-wide requirements stipulated in this bill could constrain the UC's ability to effectively use its holistic admissions process in admitting diverse cohorts of new students.

Moreover, I believe that the UC has addressed the majority of issues identified by the State Auditor with the seriousness they deserve and has already implemented many of the safeguards required by this bill. In light of the UC's ongoing implementation of audit recommendations, this bill is premature.

I will continue to monitor this issue and expect that the UC follows through on these new procedures.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1238

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1238 without my signature.

This bill would authorize jaywalking and prohibit any related fines or criminal penalties for pedestrians entering a roadway when no cars are present, until January 1, 2029.

I want to thank the author for bringing this important issue forward. Unequal enforcement of jaywalking laws and the use of minor offenses like it as a pretext to stop people of color, especially in under-resourced communities, is unacceptable and must be addressed. While I am committed to tackling this issue as part of our continued work to reduce excessive use of force and bias, I cannot support this bill in its current form.

California has the highest total number of pedestrian fatalities in the nation and ranks 8th for pedestrian fatality rate per 100,000 in population. According to data collected in the Statewide Integrated Traffic Records System, there has been an average of 3,500 traffic fatalities per year over the past five years and approximately 30 percent of those were pedestrian fatalities. During that time period, 63 percent of the crashes resulting in pedestrian fatalities were the result of pedestrians taking actions against traffic controls or safety laws. I am concerned that AB 1238 will unintentionally reduce pedestrian safety and potentially increase fatalities or serious injuries caused by pedestrians that enter our roadways at inappropriate locations.

I am committed to working with the author, the Legislature, and stakeholders on legislation that addresses the unequal enforcement of jaywalking laws in a manner that does not risk worsening California's pedestrian safety.

In the meantime, I strongly encourage local governments to conduct a review of the demographics and enforcement levels of jaywalking in their communities and to identify and address concerns at the local level as appropriate.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1302

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1302 without my signature.

AB 1302 would allow billboard-based cannabis advertising almost anywhere along any Interstate Highway or State Highway—except for within a 15-mile radius of the California border.

When the voters passed Proposition 64, they enacted robust protections shielding youth from exposure to cannabis and cannabis advertising. Among other things, voters completely prohibited billboard-based cannabis advertising on all Interstate Highways, and on all State Highways that cross the California border. Allowing advertising on these high-traffic thoroughfares could expose young passengers to cannabis advertising.

AB 1302 would weaken the protections passed in Proposition 64. California can refine and advance its regulation of cannabis while also remaining faithful to the will of the voters, and I will continue to work with the author to strike this balance. For these reasons, I am returning AB 1302 without my signature.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1456

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1456 without my signature.

This bill would replace the existing Cal Grant financial aid program with new Cal Grant 2 and Cal Grant 4 awards, for students receiving new awards beginning with the 2024–25 academic year.

Expanding access to financial aid has been a priority for my Administration. During my first year as Governor, I worked with the Legislature to provide access awards of up to \$6,000 for students with dependent children. In partnership with the Legislature, we recently made historic investments in our financial aid system, including over \$235 million in ongoing resources to expand Cal Grant eligibility for community college students, and a combined \$632 million in ongoing resources to focus the Middle Class Scholarship Program on reducing students' total cost of attendance. This bill seeks to replace those investments prior to their full implementation.

I agree with the author that making the Cal Grant program simpler to navigate would benefit our students and their families. However, this bill results in significant cost pressures to the state, likely in the hundreds of millions of dollars annually. Future changes to the financial aid system of this magnitude should be considered as a part of the annual budget process.

For these reasons, I am returning this bill.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1487

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1487 without my signature.

This bill would establish the Homelessness Prevention Fund, administered by the State Bar, to support a grant-based program to provide education and legal aid services to prevent eviction and avoid housing displacement.

Since 2019, we have made \$131 million available for tenant legal aid, including an \$80 million appropriation earlier this summer. These critical funds provide legal assistance grants to legal services and self-help organizations statewide to prevent foreclosures and evictions. This money is being put to work in communities right now.

I agree with the intent of this bill—to provide better, more comprehensive, and culturally competent legal aid to renters impacted by COVID to ensure they can access all of the protections afforded to them under California's strong rental assistance and tenant protection laws.

But to have real effect, these policy changes must be accompanied by a budgetary appropriation or reallocation of existing legal aid money. I look forward to continuing this important and urgent discussion as part of next year's budget deliberations.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1542

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1542 without my signature.

AB 1542 would authorize the County of Yolo to offer a pilot program that would allow individuals struggling with substance use disorders, who have been convicted of qualifying drug-motivated crimes, to be placed in a Secured Residential Treatment Program.

I understand the importance of developing programs that can divert individuals away from the criminal justice system, but coerced treatment for substance use disorder is not the answer. While this pilot would give a person the choice between incarceration and treatment,

I am concerned that this is a false choice that effectively leads to forced treatment. I am especially concerned about the effects of such treatment, given that evidence has shown coerced treatment hinders participants' long-term recovery from their substance use disorder. For these reasons, I am returning this bill.

Sincerely,

GAVIN NEWSOM

Veto Message—Assembly Bill No. 1560

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 1560 without my signature.

This bill would require the Superintendent of Public Instruction to survey local education agencies (LEAs) on student access to computing devices and broadband service and authorize the California Department of Technology to enter into sponsored service agreements with LEAs for the purpose of providing residential broadband to eligible pupils.

Closing the digital divide is crucial to promoting equity in our schools, which is why I worked with the Legislature to secure \$6 billion to expand broadband infrastructure and enhance internet access for unserved and underserved communities. Further, SB 98 (Chapter 24, Statutes of 2020) appropriated \$5.3 billion for LEAs to support pupil academic achievement and mitigate learning loss related to the COVID-19 pandemic, funding which they can use for purposes including the purchase of computing devices. Therefore, the provisions of this bill are duplicative and unnecessary.

I encourage the author to continue engaging my Administration to find innovative pathways to achieve our collective goal to close the Digital Divide once and for all.

Sincerely,

GAVIN NEWSOM

Receipt of Bills

I acknowledge receipt this 8th day of October, 2021, at 6:34 p.m., of the following Assembly bills without the Governor's signature, together with statements of his objections thereto, signed by the Governor, delivered to me personally by Emily Patterson:

Assembly Bills Nos. 105, 122, 226, 369, 375, 412, 603, 783, 872, 1035, 1147, 1185, 1215, 1238, 1302, 1456, 1487, 1542, and 1560.

HUGH R. SLAYDEN

Assistant Chief Clerk of the Assembly

MESSAGES FROM THE GOVERNOR

The following messages from the Governor were received and ordered printed in the Journal:

Signing Message—Assembly Bill No. 315

Governor's Office, Sacramento
October 6, 2021

To the Members of the California State Assembly:

I am signing Assembly Bill 315 related to indemnity and limited liability protections to real property owners who voluntarily allow stream restoration projects on their property.

This bill aligns with the California Natural Resources Agency's Cutting the Green Tape initiative and could increase the pace and scale of habitat restoration in California. However, I have concerns related to the bill's indemnification provisions raised by the Department of Fish and Wildlife (DFW).

The final version of the bill provides DFW some flexibility in determining if larger projects could be indemnified, but concerns remain that the Department would be required to take on an uncertain amount of civil liability that would expose the Department to a risk of high costs with uncertain timing and no identified funding source. There are also technical issues with the claims process created by this bill that need to be addressed.

I encourage the author and stakeholders working with my Administration to address these concerns in a bill next session.

Sincerely,

GAVIN NEWSOM

Signing Message—Assembly Bill No. 101

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am signing Assembly Bill 101, which adds the completion of a one-semester course in ethnic studies as a public high school graduation requirement commencing with students graduating in the 2029–30 school year.

Ethnic studies courses enable students to learn their own stories, and those of their classmates, and a number of studies have shown that these courses boost student achievement over the long run—especially among students of color.

I appreciate that the legislation provides a number of guardrails to ensure that courses will be free from bias or bigotry and appropriate for all students. The bill also expresses the Legislature's intent that courses should not include portions of the initial draft curriculum that had been rejected by the Instructional Quality Commission due to concerns related to bias, bigotry, and discrimination.

America is shaped by our shared history, much of it painful and etched with woeful injustice. Students deserve to see themselves in their studies, and they must understand our nation's full history if we expect them to one day build a more just society.

Sincerely,

GAVIN NEWSOM

Signing Message—Assembly Bill No. 707

Governor's Office, Sacramento
October 8, 2021

To the Members of the California State Assembly:

I am signing Assembly Bill 707 which modifies the existing Mercury Thermostat Collection Program by requiring mercury thermostat manufacturers to contract with a qualified third party to develop and implement a recast thermostat collection program under the supervision of the Department of Toxic Substances Control (DTSC). Manufacturers will be required to pay DTSC for its reasonable regulatory costs, with a \$400,000 annual cap through 2028. However, the Legislature must appropriate the departments' funding through the annual budget process. While AB 707 makes significant improvements to the mercury thermostat collection program, the timing of DTSC's responsibilities in 2022 and the approval of the 2022–23 Budget Act do not align, resulting in unfunded mandates on the department.

In signing this bill, I recognize that the proposed changes improve the existing program and implementation should not be delayed. I appreciate the collaboration to address improper disposal of mercury thermostats, and request the author and manufacturers continue working with my office and DTSC to ensure that both the department is funded for its work and the necessary clean-up legislation is pursued for outstanding concerns.

Sincerely,

GAVIN NEWSOM

ANTHONY RENDON, Speaker

TAMMY WEIS, Assistant Minute Clerk

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