



March 16, 2018

Current conditions....

This week saw some movement on several agricultural related bills before the Legislature adjourns for Spring Break on March 22nd for one week. The next major deadline will be April 27th being the last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.

Budget

[Senate Budget Subcommittee 2](#) and [Assembly Budget Subcommittee 3](#) governing natural resources heard various agencies’ and departments’ budget change proposals related to the expected approval of Senate Bill 5/Proposition 68 on the primary election ballot in June. Bond funds are proposed for various conservancies, state agencies, departments and local jurisdictions and non-profits. Below is a chart delineating proposed allocations of the \$4.1 billion bond funds:

Purpose	Amount
Environmental and social equity, disadvantaged communities	\$725 million
Local and regional outdoor spaces	\$285 million
State park facilities	\$218 million
Trails and greenway	\$30 million
Rural recreation, tourism, and economic enrichment	\$25 million
California River Parkways Act of 2004 & Urban Streams Restoration Program	\$162 million
Wildlife Conservation Board, California Natural Resources Agency, and Salton Sea Authority	\$767 million
Ocean, bay, and coastal protection	\$175 million
Climate preparedness, habitat resiliency, resource enhancement	\$443 million
Clean drinking water & drought preparedness	\$250 million
Groundwater sustainability	\$80 million
Flood protection & repair	\$390 million
Regional sustainability for drought and groundwater, & water recycling	\$390 million
Total	\$4,100 million

The Subcommittees also heard a proposal to transfer some portions of the Tire Recycling Fee – a portion of which funds portions of the Carl Moyer Memorial Air Quality Standards Attainment Program to subsidize engine retrofits - to offset budget imbalances at the Department of Fish and Wildlife. CFBF testified against this maneuver. Finally, the Subcommittees heard the Governor’s proposed trailer bill to establish the Safe and Affordable Drinking Water Program/Senate Bill 623 (see below).

Commodities

CalRecycle proposed regulations that require reporting of the transportation of byproducts from food processing facilities and other compostable products. These new reporting requirements stem from the passage of legislation in 2015 ([AB 901](#)) requiring regular reporting on the movement and destination of a wide variety of recyclables and compostable material.

While producers of these products will not have to report on the production of the material, anyone hauling these materials would have to report. That means that anyone using these byproducts, for example as livestock feed, would have to report the transportation of them on a quarterly basis. Farm Bureau submitted comments requesting that these products be excluded from the reporting requirements. *Staff Contact: Noelle Cremers at ncremers@cfbf.com or (916) 446-4647.*

Industrial Hemp

The Department of Food and Agriculture announced a vacancy on the Industrial Hemp Advisory Board for a representative who intends to register as a grower of industrial hemp (including seed production, marketing, conditioning and utilization). The term of office is three years. Interested parties should submit a brief resume by April 19, 2018, to CDFA's Pest Exclusion Branch (Attention: Michelle Pham) at 1220 N Street, Room 344 in Sacramento, CA 95814. *Staff contact: Taylor Roschen (troschen@cfbf.com) 916-446-4647.*

Labor

[AB 1913](#) (Ash Kalra, D-San Jose) expands the foreign labor contractor registration program, intended to register and supervise contractors providing workers through guestworker visa programs like the H-1B high-tech worker program and the H-2b non-ag worker program to farm labor contractors providing workers through the H-2a ag worker program. Such farm labor contractors are currently licensed by the state, and are subject to rigorous licensing, training, bonding and other requirements. AB 1913 passed the Assembly Labor Committee by a 5-1 vote on March 14. Farm Bureau opposes. *Staff Contact: Bryan Little, blittle@cfbf.com, 916-446-4647*

Water

A proposal to create the Safe and Affordable Drinking Water Fund was discussed in two budget subcommittees this week, the Senate Budget and Fiscal Review Subcommittee on Resources, Environmental Protection, Energy and Transportation, and the Assembly Budget Subcommittee on Resources and Transportation. The Governor's budget proposes trailer bill language, similar to SB 623 (Bill Monning, D-Carmel), establishing the Safe and Affordable Drinking Water Program and the Safe and Affordable Drinking Water Fund to be administered by the State Water Resources Control Board. The budget trailer bill proposes a \$3.3 million General Fund loan to the State Water Board for 23 new positions to develop and implement a plan, and map areas at high risk for drinking water contamination. The proposal also provides \$1.4 million loan, for seven new positions, to the Department of Food and Agriculture to impose and collect a fertilizer tax, include an additional deduction from milk producer's payments and a tax non-dairy confined animal facilities. These loans will be repaid through the aforementioned taxes. The trailer bill also would exempt agricultural operations from Water Board enforcement actions for causing or contributing to nitrate in groundwater if they in compliance with the requirements of the applicable Irrigated Lands Regulatory Program. The proposal would also impose a new fee on households and other public water system customers. Both Sub-Committees left the item open, which means they will continue discussing the issue and a final decision will be made in late Spring. *Staff contact: Danny Merkley at dmerkley@cfbf.com or (916) 446-4647.*

Proposition 1 funding for new water storage will be discussed in a legislative oversight hearing next week. Due to the recent low scoring by California Water Commission staff of the 11 water project proposals the Assembly Water, Parks and Wildlife Committee will hold the oversight hearing to discuss the status and the process for the 2014 water bond. *Staff contact: Danny Merkley at dmerkley@cfbf.com or (916) 446-4647.*

Wildlife

The Department of Fish and Wildlife is proposing to transfer \$26 million in Carl Moyer funds to augment its budget. This proposal, as well as additional budget changes at DFW, were discussed by both the Assembly and Senate Budget Sub-Committees at hearings this week.

The Department of Fish and Wildlife (DFW) has had a significant structural imbalance in its Fish and Game Preservation Fund. That fund is the largest single fund source in DFW's budget and pays for a significant portion of DFW's activities including, law enforcement, lands management, wildlife conservation, fisheries management, and the Fish and Game Commission's activities. The Governor's budget proposes an additional \$50.6 million of ongoing funding to address the structural imbalance. These funds would come from the General Fund, the Motor Vehicle Account, and the Tire Recycling Management Fund and would be used to increase funds for DFW to meet its mandates.

Farm Bureau, as well as a number of other organizations, testified in opposition to the proposal to transfer Carl Moyer funds from the Tire Recycling Management Fund to DFW. Farm Bureau also pointed out the importance of better understanding DFW's budget, its priorities, and opportunities for efficiencies prior to adding funds to its budget. Both Sub-Committees left the item open, which means they will continue discussing the issue and a final decision will be made in late Spring. *Staff contact: Noelle Cremers at ncremers@cfbf.com or (916) 446-4647.*