



California Update

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California Political Context

Democratic Party Dominance

Statewide Offices: 8 of 8
Senate: 32 of 40 President pro Tempore Mike McGuire
Assembly: 62 of 80 Speaker Robert Rivas

Party Registration Statistics [February 2023]

Democrat	47%
Republican	24%
No Party Preference	22%
Other	7%



- Northern California -



California Political Context



LONG-TERM SUPPORT

- LGBTQ community
- Labor
- NGOs

MODERATION

- Budget discipline
- Criminal reform
- Environmental streamlining
- Single-payer healthcare
- Housing

FUTURE

- 56 years of age
- Termed-out 2026
- National engagement
- International engagement
- 44% voter approval*



California 2023 Legislation

Worker Pay, Benefits & Protections

- | | | |
|---|---------------------------|-----------------|
| • \$20 \ hour for fast food workers | AB 1228 [Holden] | signed into law |
| • \$25 \ hour for health workers | SB 525 [Durazo] | signed into law |
| • Authority for legislative staff to unionize | AB 1 [McKinnor] | signed into law |
| • 5 paid sick days | SB 616 [Gonzalez] | signed into law |
| • Assumption that discipline is retaliation | SB 497 [Smallwood-Cuevas] | signed into law |
| • Jobless benefits to striking works | SB 799 [Portantino] | vetoed |

Mental Health Treatment

- | | | |
|--|--|-----------------|
| • Expansion of “gravely disabled” [SB 43 Eggman] | | signed into law |
|--|--|-----------------|



California 2023 Legislation

Prison Terms

- Human trafficking a minor = 3rd Strike SB 14 [Grove] signed into law

Guns

- 11% Excise tax on gun & ammo manufacturers AB 28 [Gabriel] signed into law
- New issuing process for concealed carry SB 2 [Portantino] signed into law

Elections

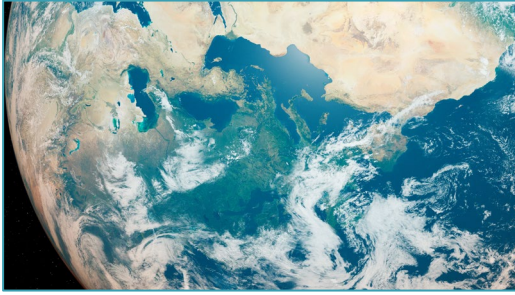
- Ban on hand-counting votes AB 969 [Pellerin] signed into law

School Books

- Prohibition vs. bans based on diversity AB 1708 Jackson] signed into law

Gender Identity

- Courts to consider parent affirmation in custody AB 957 [Wilson] vetoed



Corporate Climate Reporting

Reporting of Scope 1, 2, and 3 GHG Emissions

- SB 253 [Wiener]
- Companies doing any business in California that have \$1 billion global annual revenues
- Key concern: Scope 3 emissions cover 15 categories including employee commutes, end-of-life treatment
- Effective Dates: 1-1-26 for Scope 1 and 2, 1-1-27 for Scope 3

Reporting of climate-related financial risk

- SB 261 [Stern]
- Companies doing any business in California that have \$500,000 in global annual revenues
- Key concern: means material risk of harm to immediate and long-term financial outcomes due to physical and transition risks
- Effective Date: 1-1-26



OEHHA
California Office of Environmental
Health Hazard Assessment

Prop 65 - Short Form Warnings

Amendments to Clear and Reasonable Warnings - Short-Form Warnings

- OEHHA NOPRM - October 27, 2023

Key revisions include:

- Requirement to identify a specific chemical
- Application to websites
- Manufacturer sell-through of products made within 2 years following enactment

Industry concerns remain including:

- Projected Economic Impact at only \$4,000 per business

Next Steps:

- December 13 Hearing
- December 20 Comment Deadline
- Potential Effective Date - Second Quarter 2024



OEHHA
California Office of Environmental
Health Hazard Assessment

Community Emission Reduction Plans

Expansion of AB 617 [Garcia, Chapter 136, Statutes of 2017]

- AB 849 [Garcia]
- Authorizes CARB to assign measures developed by communities in their Community Emission Reduction Plans (CERPs) to other relevant state agencies for them to promulgate and enforce regulations.
- Costs include:
 - CARB \$13.8 million per year
 - CDPR \$.2 million per year
 - CalRecycle \$1.0 million per year
 - OEHHA \$100,000 per year
- Status: Held in Senate Appropriations



Indoor Heat Standard

Standard to minimize heat-related illness and injury among workers working in indoor places of employment

- CCR Title 8, Division 1, Chapter 4, new Section 3396
- The standards would apply in general to indoor work areas where the temperature equals or exceeds **82 degrees** when employees are present, and would require that employers take preventive steps to ensure that workers:
 - Have access to drinking water and cool-down areas,
 - Are closely observed during acclimatization,
 - Are trained,
 - Receive timely emergency aid, and
 - Are protected through mandatory assessment and control measures [in situations of significantly higher heat exposure].
- The board issued a second 15-day notice on November 9, announcing a second comment period that closes on November 28.

Indoor Heat Standard

Key November 9 revisions include:

New - exception for incidental heat exposure over 82 degrees for less than 15 minutes in any 1-hour period.

Removed - exception that would have made certain separate indoor spaces occupied less than 15 minutes in any 1-hour period subject to the outdoor heat illness standard;

Removed - ability of employers to comply only with the indoor heat standard if employees go back and forth between indoors and outdoors.

Revised - the definition of high radiant heat source.

Potential Cal/OSHA Standards Board vote - 1st quarter 2024

Potential effective date: Summer 2024

CrVI in Drinking Water



State Water
Resources
Control Board

- Proposed regulations would require public water systems to comply with a hexavalent chromium Maximum Contaminant Level [MCL] of 10 µg/L according to a size-based compliance schedule.
- Industry Concerns:
 - The proposed adoption of a maximum contaminant level (MCL) for hexavalent chromium despite the recent announcement by OEHHA that it is updating the underlying Cr(VI) public health goal --- the scientific basis for the MCL.
 - Deficiencies associated with the developed CrVI economic feasibility analysis.
 - Unsupportable reliance on the public health goal (PHG) for Cr(VI) published by the Office of Environmental Health Hazard Assessment (OEHHA) in 2011.
- Public Hearing held August 2, 2023, Comment Deadline was August 8, 2023



- March 27 2023 - request for information for consideration in completing the update of the Public Health Goal (PHG) for CrVI.
- Comment deadline was April 26, 2023





CrVI ATCM

Update to Airborne Toxic Control Measure for Hexavalent Chromium

KEY PROVISIONS

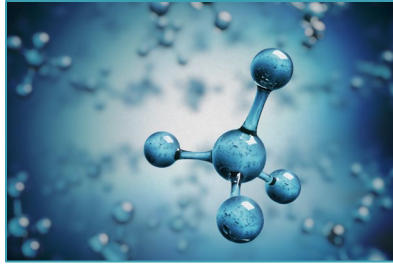
- Ban on New Facilities January 1, 2024
- Ban on Increasing Amp Hours at Existing Facilities January 1, 2024
- Ban on Decorative \ Functional Plating J January 1, 2027
- Ban on Functional Hard Chrome Plating & Chromic Acid Anodizing January 1, 2039
- Two technology reviews in the interim

PRECEDENTS

- Perc
- Dioxin

STATUS

- CARB Resubmittal to OAL on November 13, 2023



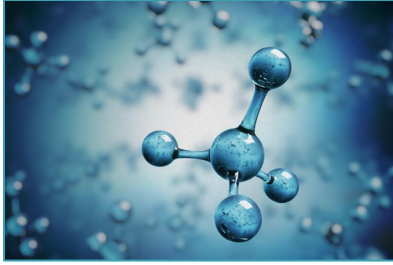
Perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS)

Water Board

- Development of an MCL for PFOA, PFOS, and other PFAS are among the priorities of the Division of Drinking Water.
 - SWRCB-DDW-24-001 has not yet been initiated
- Board has requested that OEHHA develop PHGs for several PFAS
 - OEHHA released draft PHGs for two PFAS: PFOA and PFOS, on July 22, 2021

Recent 3M and DuPont Class Action Lawsuit Settlements Approved by U.S. District Court

- 3M - \$10.5 to \$12.5 billion max
- DuPont - \$1.2 billion max
- Settlements resolve claims for PFAS contamination in system supplies.

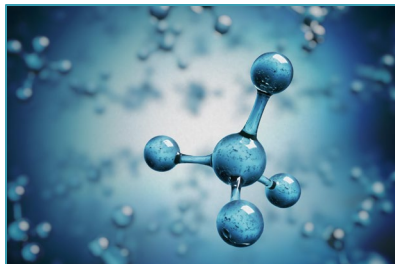


Perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS)

SWRCB Order WQ 2019-0045-DWQ

Issued to metal finishing Facilities – 2019

- Industry development of:
 - Template for the site specific Work Plan to evaluate the presence of PFAS at chrome plating facilities; and
 - Sampling and Analysis Plan for the assessment of PFAS at chrome plating facilities, with the details on the collection and analysis of samples.
- Industry confirmation during COVID pandemic that facilities engaging with their regional boards may be able to obtain additional time or other accommodations.



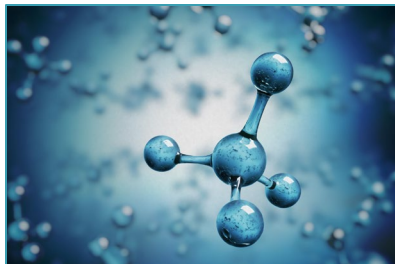
2023 PFAS LEGISLATION

PRIOR LEGISLATION – bans of PFAS in:

- Textiles (AB 1817, Ting, Chapter 762, Statutes of 2022)
- Cosmetic products (AB 2771, Friedman, Chapter 804, Statutes of 2022)
- Food packaging (AB 1200, Ting, Chapter 503, Statutes of 2021)
- New juvenile products (AB 652, Friedman, Chapter 500, Statutes of 2021)
- Firefighting foam (SB 1044, Allen, Chapter 308, Statutes of 2020)

Authorization – for State Water Board to order public water systems to monitor for PFAS and required municipalities to notify consumers for PFAS detected above notification levels.

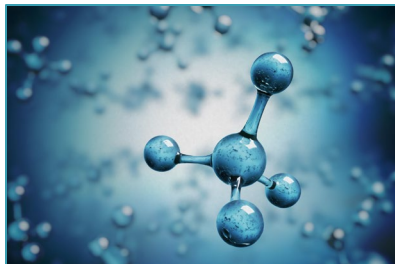
(AB 756, C. Garcia, Chapter 162, Statutes of 2019)



2023 PFAS LEGISLATION

Governor Vetoes Three Bills

- No enforcement mechanism
 - Single-product chemical bans have not been successful
1. **Menstrual Products** - AB 246 [Papan]
 - Would prohibit any person from manufacturing, distributing, selling, or offering for sale in the state any menstrual products that contain regulated PFAS beginning 1-1-25
 2. **Synthetic Turf** - AB 1423 [Schiavo]
 - Would prohibit a person or entity from manufacturing, distributing, selling, or offering for sale in the state any artificial turf that contains regulated PFAS as of 1-1-26, and would prohibit a public entity or school from purchasing or installing artificial turf that contains PFAS.
 3. **Cleaning Products** - AB 727 [Weber]
 - Would prohibit, commencing 1-1-26, a person or entity from manufacturing, selling, delivering, distributing, holding, or offering for sale in commerce in this state a cleaning product containing intentionally added PFAS; a cleaning product or ingredient at or above 50 ppm commencing 1-1-26, 25 ppm commencing 1-1-27, and 10 ppm commencing 1-1-28. Would also prohibits PFAS in a floor sealer or floor finish that is intentionally.



2023 PFAS LEGISLATION

2 PFAS Bills did not pass to the Governor

1. Food Packaging - AB 347 [Ting]

- Would require the Department of Toxic Substances Control to take a number of actions regarding implementation of existing law dealing with PFAS in food packaging and cookware, including adopting and publishing guidance and testing products.
- Status: Senate Inactive File

2. Beneficial Use - AB 1660 [Ta]

- Would authorize a person or entity to petition CARB to exempt an intentionally added PFAS from that prohibition
- Would authorize CARB to exempt an intentionally added PFAS from that prohibition if it determines that the intentionally added PFAS meets specified qualifications.



Looking Ahead to 2024

CALIFORNIA FISCAL OUTLOOK

- FY 2023-2024 \$308 billion budget
 - Addressed \$31.7 billion shortfall
 - Set aside \$37.8 billion in reserves
- FY 2024-2025: \$14 billion shortfall projected
 - Revenues through October 25 short by \$24 billion
 - January 10 Release of budget proposal date



Looking Ahead to 2024

ELECTION YEAR

- March 5 Super Tuesday Primary
 - US Senate Race [top two advance]:
 - Adam Schiff [21%]
 - Katie Porter [18%]
 - Barbara Lee [9%]
- November 5 General Election
 - Likely voters: Biden 60% Trump 29%*

REPUBLICAN PARTY

- Congressman Kevin McCarthy
- New Primary Rule: Winner-Takes-All
- Donald Trump: 53% of likely voters*

ISSUES & TRENDS

- Jobs and the Economy
 - Minimum Wage : 67% support 1\$ increase plus annual cola*
 - Rent Control: 55% support more local government ability*
- Homelessness
- Environment



November 16, 2023 | 10:30 am - 12:00 pm

ZOOM WEBINAR

Thank you.

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