

Date of Hearing: April 15, 2021

ASSEMBLY COMMITTEE ON AGRICULTURE
Robert Rivas, Chair
AB 125 (Robert Rivas) – As Amended April 12, 2021

SUBJECT: Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Bond Act of 2022

SUMMARY: Proposes the Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Bond Act of 2021 (EER Bond) authorizes \$3.302 billion in general obligation bonds. The EER Bond would finance a variety of projects that focus on improving Agriculture resilience and sustainability, protecting the health of farmworkers, expanding health food access and combating hunger, improving regional food economies, supporting Sustainable Groundwater Management Act (SGMA) planning, aid in pest management, reduce food waste and improve state and county fairgrounds. Specifically, *this bill*:

- 1) Makes legislative findings that a secure, resilient, sustainable, and equitable food and farming system is essential for the economic and social well-being of the people of California. The COVID-19 public health pandemic has laid bare the vulnerabilities of this system, which is increasingly threatened by climate change. The scale of these challenges requires a comprehensive approach to achieve sustainability and resiliency, including investments in infrastructure, farms, farmworkers, distribution systems, and food access.
- 2) Defines the following:
 - a) Committee means the Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Finance Committee, as specified.
 - b) Cultural burn means understory burning consistent with practices used by indigenous peoples, as specified.
 - c) “Disadvantaged community” means any of the following:
 - i) A community located in a census tract in which the median household income of less than 80 percent of the area median income as determined by the Department of Housing and Community Development.
 - ii) A municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income.
 - iii) A community located in a census tract in which the household income of at least 20 percent of the population is at or below the federal poverty level based on family size.
 - d) Food hub means a centrally located facility with a business management structure facilitating the aggregation, storage, processing, and distribution of locally or regionally produced food products.

- e) Fund means the Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Fund, as specified.
- f) Heat-island effect means the effect of increased temperatures in urbanized areas caused by structures, such as buildings, roads, and other infrastructure, that absorb and re-emit the sun's heat more than natural landscapes such as farms, forests, and water bodies.
- g) Local educational agency means a charter school, school district, or county office of education.
- h) Nonprofit organization means a nonprofit corporation qualified to do business in California and qualified, as specified.
- i) Prescribed burn means planned fire that is used as a land management and fire prevention tool, as specified.
- j) Priority Population means any of the following:
 - i) A community defined as a disadvantaged community, as specified.
 - ii) A low incomes community, as specified.
- k) Producer means a person, partnership, corporation, or otherwise legally formed farm or ranch that produces agricultural products through agricultural arts on land that the entity owns, rents, leases, sharecrops, or otherwise controls and has the documented legal right to possess. An entity that rents, leases, or otherwise acquires the right to possess property only during the harvest season for the agricultural products produced on that property is not a producer.
- l) Resilience means the ability of an entity or system, including an individual, community, or natural system, and its component parts to absorb, accommodate, or recover from the effects of a hazardous event in a timely and efficient manner, including through ensuring the preservation, restoration, or improvement of its essential basic structures and functions. In the case of natural and working lands, resilience includes the preservation, restoration, and enhancement of the lands' ability to sequester carbon.
- m) School food authorities has the same meaning as defined in Section 49563 of the Education Code.
- n) Small- and medium-sized farms means farms and ranches of 500 acres or less.
- o) Socially disadvantaged farmer or rancher has the same meaning as defined in Section 512 of the Food and Agricultural Code.
- p) State-designated fair means a state-designated fair as defined in Sections 19418, 19418.1, 19418.2, and 19418.3 of the Business and Professions Code.
- q) State General Obligation Bond Law means the State General Obligation Bond Law.
- r) Technical assistance means outreach, education, project planning assistance, project design assistance, grant application assistance, project implementation assistance, and

project reporting assistance provided to project applicants.

- s) Tribal government means the government of a tribe, tribal agency, or subdivision thereof.
 - t) Tribal organization means any of the following:
 - i) A tribal government.
 - ii) A legally established organization of natives that is controlled, sanctioned, or chartered by a tribal government, is democratically elected by the adult members of the tribal community to be served by the legally established organization, and maximizes participation of natives in all phases of its activities.
 - iii) A nonprofit organization chartered under tribal government law or state law that is primarily led by and serves tribal communities.
 - u) Tribal produce means either of the following:
 - i) A member of a tribe who is involved in agricultural production or traditional tending, gathering, hunting, or fishing.
 - ii) A cultural practitioner who manages land traditionally for food, fiber, ceremonial, or other culture-based purposes.
 - v) Tribe means a federally recognized Native American tribe or a nonfederally recognized Native American tribe, band, nation, or other organized group or community listed on the California tribal consultation list maintained by the Native American Heritage Commission.
 - w) Vulnerable population means a subgroup of a population within a region or community that faces a disproportionately heightened risk of, or increased sensitivity to, impacts of climate change and that lacks adequate resources to cope with, adapt to, or recover from those impacts.
- 3) Proposes the EER Bond that would generally would finance projects improving agriculture resilience and sustainability, protecting the health of farmworkers, expanding health food access and combating hunger, improving regional food economies, supporting Sustainable Groundwater Management Act (SGMA) planning, aid in pest management, reduce food waste and improve state and county fairgrounds.
- 4) Authorizes an amount of not more than 5% of the funds allocated for a grant program to be used to pay administrative costs.
- 5) Authorizes up to 10% of the funds to be used for planning and monitoring necessary for the successful design and implementation of projects.
- 6) Allows grants to disadvantaged communities or socially disadvantaged farmers and ranchers to exceed the 10% threshold.

- 7) Prohibits grants to be used to fulfill any environmental mitigation requirements imposed by law.
- 8) Authorizes advance payments of up to 50% of a grant for projects that serve disadvantaged communities or socially disadvantaged farmers and ranchers.
- 9) Requires agencies who receive EER Bond fund to allocated funds to socially disadvantaged farmers or ranchers, disadvantaged communities, and vulnerable populations, as specified.
- 10) Proposes the following categorical funding:
 - a) \$780 million to improve agriculture resilience and sustainability, as follows:
 - i) \$482 million for California Department of Food and Agriculture (CDFA) to make grants to improves soil health (\$175 million), water use efficiency (\$100 million) , methane reduction (\$100 million), transition to organics (35 million), prescribed grazing (\$40 million), demonstration project (\$18 million) and technical assistance (\$14 million).
 - ii) \$273 million for the Department of Conservation (DOC) to make grants
 - b) \$637 million to protect the health of farmworkers, as follows.
 - i) \$450 million for the Strategic Growth Council to award grants through the Affordable Housing and Sustainable Communities Program for projects that include the development of multiunit affordable housing for farmworker families and households.
 - ii) \$50 million for the Department of Community Services and Development for grants to improve the energy efficiency, indoor air quality, renewable energy use, and climate resilience of farmworker housing, including single-family homes and multiunit buildings.
 - iii) \$25 million for the Division of Occupational Safety and Health for the creation of a stockpile of personal protection equipment for farmworkers use during emergencies.
 - iv) \$100 million for State Water Resources Control Board for grants to provide safe drinking water and promote public health for farmworker families for projects that include improving septic systems to prevent water contamination and projects that improve wastewater treatment facilities at risk from sea level rise or saltwater intrusion.
 - v) \$12 million for the Office of Emergency Services to expand its California State Warning Center, as specified.
 - c) \$750 million to increase healthy food access and address food insecurity, as follows:
 - i) \$230 million for the Department of General Services to provide funding to specified educational agencies and centers to improve kitchen, meal preparation, meal service, and dining infrastructure used for school nutrition programs, as specified.
 - ii) \$150 million for the State Department of Social Services to provide aid to participants in the Emergency Food Assistance Program, as specified.

- iii) \$270 million for CDFA for grants to ensure communities and tribes are able to obtain or produce foods that are healthy, nutritious, culturally relevant that are grown in California, as specified.
 - iv) \$100 million to the California Department of Aging to fund infrastructure that will expand senior nutrition programs, as specified.
- d) \$700 million to strengthen regional food economies, as follows:
- i) \$500 million for CDFA for grants to enhance local and regional food and fiber infrastructure, such as processing, cooling and storage facilities, and supply chain infrastructure, as specified.
 - ii) \$30 million to the California Coastal Conservancy for grants for the development, restoration, and reconstruction of fishing facilities and related infrastructure serving the commercial fishing industry in urban coastal waterfront areas.
 - iii) \$60 million to CDFA for grants to develop meat-processing facilities and expand or upgrade meat-processing facilities to increase meat-processing capacity, as specified.
 - iv) \$10 million to CDFA for grants to specified educational institutions to provide workforce safety and development training for the meat and poultry processing industry.
 - v) \$100 million to the State Energy Resources Conservation and Development Commission for allocation to accelerate the adoption of energy efficiency and renewable energy technologies at California food processing plants. These funds will help California food processors work towards a low-carbon future, and benefit disadvantaged communities and priority populations by reducing emissions of greenhouse gases.
- e) \$75 million to plan for the impact of SMGA, as follows:
- i) \$ 50 million to DOC for grants to programs supporting or facilitating reduced use of groundwater and multi-benefit land repurposing at the basin scale.
 - ii) \$12.5 million to CDFA for technical assistance grants to support farmers and ranchers located in critically overdrafted basins in the San Joaquin Valley to reach water use reduction goals established under SGMA.
 - iii) \$12.5 million to the Department of Water Resources for grants assisting small- and medium-sized farms, socially disadvantaged farmers or ranchers, and farmers and ranchers located in disadvantaged communities in meeting their requirements under SGMA.
- f) \$10 million to CDFA for grants to produce beneficial organisms in support of ecological integrated pest management.
- g) \$200 million to the Department of Resources Recycling and Recovery for grants or performance payments to support the development and implementation of projects to improve outdoor air quality through increased diversion of organics from combustion or

landfill disposal.

- h) \$100 million to CDFA for allocation to projects to restore, upgrade, modernize, and improve state and county fairgrounds to serve as community centers, exposition sites, emergency and evacuation shelters, food and agriculture education centers, and farm incubator and food business centers.
- i) \$50 million for prevention of wildfires and promote fire reliance as follows:
 - i) \$20 million to the California Department of Forestry for prescribed and cultural burns to promote wildfire protections and reliance.
 - ii) \$30 million to the Department of Housing and Community Development for support of year-round housing for land management workers on tribal lands, forestlands, and remote watersheds, or for workers involved in wildfire prevention, as specified.

11) Provides for standard provisions in general obligation bond law, either explicitly or by reference, with some modifications.

12) Specifies the EER bond will be on the November 8, 2022 ballot.

EXISTING LAW:

- 1) Allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate.
- 2) Requires bonds to be ratified by majority vote in state election.

FISCAL EFFECT: Unknown.

COMMENTS: According to the author, the coronavirus pandemic has laid bare the vulnerabilities of California's communities, exacerbating food insecurity and exposing essential frontline workers to disproportionate health risks. The impacts of the pandemic have been many and diverse, and have fallen heavily on people of color, including the farmworker communities who harvest our food and essential workers throughout our food supply chains. Farmers have lost large percentages of crops due to volatile demand within a rigid supply chain. Shattered food supply chains have resulted in farm products rotting in the fields as millions of Californians go hungry. It is clear that we need to invest in the food and farming systems in California to combat hunger, create and restore jobs, support agricultural businesses, and build resilient communities.

This bond will invest \$3.302 billion over five years to accelerate California's economic recovery from the COVID-19 pandemic while combating climate change, improving food security, and protecting our essential farmworkers. It aims to do this by investing in many parts of the food supply chain from field to table.

California needs many more food hubs to aggregate supply from producers, as well as food processing, meat processing and livestock slaughter facilities, cold storage, and distribution facilities – all with an eye towards building sustainable and resilient local and regional food systems. EER bond addresses farmworker health and safety such as safe and affordable housing,

energy efficiency and renewable energy projects on farmworker homes, and personal protective equipment for wildfires and COVID.

EER bond invest in infrastructure to combat hunger and improve on farm climate reliance and sustainably. With an estimated 6.4 million food insecure Californians, improves food access for the most vulnerable Californians to combat hunger. Furthermore, the EER bond invest in diverse, organic, and regenerative cropping systems help reduce farmers' economic vulnerabilities by expanding market opportunities. EER bond investments also modernize fairground infrastructure, protect groundwater resources, generate more compost, rebuild soil health and improve on-farm resilience to droughts, floods, and pest outbreaks.

Supporters state this bill would direct significant resources to farmers, ranchers, fishers, communities of color, and Tribes who have historically been excluded from many state programs. With this bill, there is a unique opportunity to create an equitable and resilient food and farming system. Increasing access to healthy food; combating hunger in our communities; building resilient and reliable regional food supply chains; supporting small and mid-sized farmers and ranchers; expanding climate-smart farming practices, including organic; and protecting workers in our fields, kitchens, schools, and grocery stores are the investments we need to create a bright future for all Californians.

Furthermore supporters state we cannot afford to delay badly needed investments in our state's food support programs. This bill proposes just such an investment. By including specific, systemic objectives like rebuilding regional food infrastructure investments to increase healthy food access, especially for children, seniors and other vulnerable populations, your bill provides a viable and comprehensive approach for achieving dramatically improved food security in California well into the future. supporters especially appreciate the bill's provisions expressly targeting nutrition programs for our most vulnerable seniors with \$100 million in funding for grants to allow senior nutrition programs to purchase improved kitchen equipment, updated warming, refrigeration, or freezer capacity, refrigerated vehicles, building improvements, and technological and data improvements.

Organizations associated with commercial fishers are in support but have asked for amendments. "There are numerous sections of AB 125 that provide funding support to farmers' markets and the use of agricultural product for programs feeding the food insecure". They request that fisher markets and seafood be added into these sections of this bill.

Opponents state, "*While AB-125 is in many respects a good piece of legislation, one section of it must be stripped from the bill. Section 80721 (3) of Assembly Bill 125 allocates one hundred million dollars for grants to livestock and dairy producers to subsidize waste management and storage, compost bedded pack barns, and other costs associated with the mass production of dairy and meat products. Huge factory farms are attempting to paint this provision as a climate solution that reduces methane emissions. However, there is plentiful evidence that these measures can backfire. ... Factory farms are asking taxpayers to spend one hundred million dollars to help with waste management and pollution problems that the industry created as a result of consolidation and mass production. The industry must bear responsibility for its own pollution. Section 80721 (3) cannot be allowed to remain in the bill.*" Section 80721(3) relates to this bill's funding for the Alternative Manure Management program housed in CDFA's Office of Environmental Farming & Innovation.

General Obligation Bonds: When public agencies issue bonds, they borrow money from investors, who provide cash in exchange for the agencies' commitment to repay the principal amount of the bond plus interest. Bonds are usually either revenue bonds, which repay investors out of revenue generated from the project the agency buys with bond proceeds, or general obligation bonds, which the public agency pays out of general revenues and are guaranteed by its full faith and credit.

Section One of Article XVI of the California Constitution and the state's General Obligation Bond Law guide the issuance of the state's general obligation debt. The Constitution allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate. Voters also can place bonds on the ballot by initiative, as they have for parks, water projects, high-speed rail, and stem cell research, among others. Either way, general obligation bonds must be ratified by majority vote of the state's electorate. Unlike local general obligation bonds, approval by the state's electorate does not automatically trigger an increased tax to repay the bond. The Constitution commits the state to repay investors from general revenues above all other claims, except payments to public education.

REGISTERED SUPPORT / OPPOSITION:

Support

Agricultural Institute of Marin (Co-Sponsor)	Alameda County Board of Supervisors
American Farmland Trust (Co-Sponsor)	Alameda County Community Food Bank
California Climate & Agricultural Network (CALCAN) (Co-Sponsor)	Alianza Ecologista
Californians for Pesticide Reform (Co-Sponsor)	Alliance of Communities for Sustainable Fisheries
Carbon Cycle Institute (Co-Sponsor)	Asian Business Institute and Resource Center
CCOF (Co-Sponsor)	Bay Area Ranchers' Cooperative, INC
Center for Food Safety; the (Co-Sponsor)	CA4health
Central California Environmental Justice Network (Co-Sponsor)	California Alliance of Nurses for Healthy Environments
Centro Binacional Para El Desarrollo Indígena Oaxaqueno (Co-Sponsor)	CAP OC Food Bank
Community Alliance With Family Farmers (Co-Sponsor)	CAUSE
Monterey Bay Central Labor Council, AFL-CIO (Co-Sponsor)	CUESA
Natural Resources Defense Council (NRDC) (Co-Sponsor)	California Association of Area Agencies on Aging
Pesticide Action Network (Co-Sponsor)	California Association of Food Banks
Roots of Change (Co-Sponsor)	California Cattlemen's Association
Sustainable Agriculture Education (Co-Sponsor)	California Community Colleges – Employer Engagement for Agriculture, Water & Environmental Programs
A Better Course – for Alemany Farmers Market	California Compost Coalition
Acterra: Action for a Healthy Planet Agriculture & Land Based Training Association (ALBA)	California FarmLink
	California Food and Farming Network
	California Institute for Rural Studies
	California Interfaith Power & Light
	California Rural Legal Assistance Foundation

California State Grange
 Californians Against Waste
 Capay Valley Farm Shop
 Cardoza and Cardoza Farming Co.
 Center for Biological Diversity
 Center for Ecoliteracy
 Center for Environmental Health
 Center for Good Food Purchasing
 Center for Land-Based Learning
 Center for Regenerative Agriculture &
 Resilient Systems
 Center for Wellness and Nutrition
 Central Coast Ag Network & City Farm
 SLO
 Central Valley Partnership
 Ceres Community Project
 Chez Panisse
 Clean Water and Air Matter
 Coastside Farmers Market
 Common Table Creative
 Community Alliance with Family Farmers
 Community Environmental Council
 Cooperation Humbolt
 Cultiva La Salud
 Dock to Dish LA
 Double OG
 Ecology Center
 Environmental Working Group
 Everyone's Harvest
 FACTS: Families Advocating for Chemical
 and Toxins Safety
 Farm to Pantry
 Fibershed
 Fillmore Farms
 Food Forward
 Food Share of Ventura County
 Food System Coalition of San Luis Obispo
 County
 Food for People
 Fresh Approach
 Friends of the Earth
 Full Belly Farm
 Full Circle Wool
 GMO Free California
 GMO Science
 Good Eggs
 Green Foothills
 Greenbelt Alliance
 Guru Ram Das Orchards
 Health Care Without Harm
 Hercules Farm
 House Farm Workers!
 IRM, Inc (Fresno Interdenominational
 Refugee Ministries)
 Innovative Health Solutions
 Interfaith Sustainable Food Collaborative
 Intertribal Agriculture Council
 Kiss the Ground
 L.A. Compost
 LaRocaa Vineyards
 Latino Coalition for a Healthy California
 Little Manila Rising
 Little Paradise Farm
 Los Angeles Food Policy Council
 Los Angeles Regional Food Bank
 Madera Coalition for Community Justice
 Manzanita Manor Organics
 Marin Agricultural Land Trust
 Matthiasson Family Vineyards
 McGrath Family Farms
 Meals on Wheels California
 Mount Shasta Farmers' Market
 National Young Farmers Coalition
 North Coast Growers Association
 North County Farmers Market Association
 Nourish California
 Occidental Arts and Ecology Center
 One Fair Wage
 Open Silo
 Organic Farming Research Foundation
 Organic Pastures
 PT Ranch
 Pacific Coast Farmers' Market Association
 Paicines Ranch
 Pitzer College
 Point Blue Conservation Science
 Prevention Institute
 Public Health Institute
 Republic Services
 Repurpose, Inc.
 Riverside Food Cooperative, Inc.
 Riverside Unified School District
 Robert Skinskey Vineyards
 Rustic Canyon Family
 Sacramento Food Bank & Family Services
 Sacramento Food Policy Council
 San Bernardino Valley Concert Association
 San Diego Fishermen's Working Group

San Diego Food Bank
San Diego Roots Sustainable Food Project
San Francisco Bay Physicians for Social
Responsibility
Santa Clara Valley Open Space Authority
Save Mount Diablo
Second Harvest Food Bank Santa Cruz
County
Second Harvest of Silicon Valley
Second Harvest of the Greater Valley
Sierra Harvest
Sierra Orchards
Slow Food California
Social Justice Learning Institute
Solano Land Trust
Sonoma Safe Ag Safe Schools
Sunrise Movement Orange County
Sustainable Agriculture Education

Sustainable Economic Enterprises of Los
Angeles
Sustainable Economies Law Center
Taylor Farm Retail Inc.
The Climate Center
The Cloverleaf Farm
The Edible Schoolyard Project
The Praxis Project
The SF Market
True Grass Farms
United Food and Commercial Workers
(WFCW) Western States Council
Vineyard Team
Western United Dairies
Wild Farm Alliance
Yolo Food Bank
Zero Foodprint

Support If Amended

Alliance for Communities for Sustainable Fisheries
San Diego Fishermen's Working Group

Oppose Unless Amended

Coalition for Sustainable Food Practices
Eat for the Earth
Physicians Against Red Meat

Opposition

None on file

Other

Leadership Counsel for Justice and Accountability

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