

## LEGISLATIVE COMMITTEE UPDATE

### Welcome Back!

Thank you to those that came out to DTLA's The Jonathon Club last week for SCCA's Legislative Meet and Greet. Gerald Mouzis from The Mouzis Law Firm and Diana Dron from Monteleone & McCrory gave a nice presentation on new key construction laws for 2017. Thank you Gerald and Diana.



*Todd Bloomstine*

We spent the evening on the Club's rooftop where we socialized with Senator Cathleen Galgiani (D-Stockton), Assemblymember Miguel Santiago (D-Los Angeles), Assemblymember Al Muratsuchi (D-Torrance), and Assemblymember Sharon Quirk-Silva (D-Buena Park). Thank you to those legislators for taking time out of their busy days and spending time with us.

Now is certainly the time to reach out and get to know the legislature. In fact, it is the absolutely best time for SCCA to re-establish its commitment to legislative outreach. The 2017-18 legislative class is the least experienced since 1935. For comparison's sake, the cumulative legislative experience for the legislature is 431 years. Sadly, that's about three and a half years per legislator. The total legislative experience in 1991, the year after the terms limit initiative passed, was 1,265 years. Said another way, today's legislature has one-third the experience it did 25 years ago.

Today's legislators have very little legislative experience. That can be dangerous when they consider complex policy issues because they lack significant understanding of all the various perspectives. There truly is no better time to get to know them while they form their policy positions.

The next SCCA Legislative Committee event is the Sacramento Legislative Day on Wednesday, March 1. Come on up to Sacramento for an exciting day. And while you're enjoying Sacramento and our great Capitol Building, you'll concurrently be providing your perspective to the legislature's understanding of the construction industry. Something they'll certainly appreciate and absolutely need. You can contact the SCCA office for more information.

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*SCCA Legislative Committee Chairman Chuck Poss addresses the SCCA Legislative Meet and Greet attendees on January 26 at The Jonathan Club.*

# Trump vs. CA: Xavier Becerra Confirmed as California's Attorney General

In December, Governor Jerry Brown nominated Xavier Becerra as California's next Attorney General. Becerra was confirmed by the Assembly and Senate in late January.

"Xavier has been an outstanding public servant — in the State Legislature, the U.S. Congress and as a deputy attorney general," Brown said in a statement. "I'm confident he will be a champion for all Californians and help our state aggressively combat climate change."

The choice of Becerra for Attorney General surprised many, since most assumed the Governor would choose a "caretaker" to assume the role until the 2018 election. Instead, Governor Brown selected the first Latino to hold the post. Becerra has a background of working for former Republican Governor George Deukmejian in the Attorney General's office, serving as a state legislator, and 24 years in Congress.

Many have urged Becerra to use his "top cop" authority to actively resist the policies generated by the Trump administration and aggressively oppose the administration.

## California's Future

Recently, the Public Policy Institute of California released a study examining several industry sectors across the state from housing to corrections to the economy. The report shows encouraging news regarding the housing industry. Specifically, home values are increasing, fewer homeowners are upside down in their loans, and new construction permits are significantly increasing — on target to total more than 90,000 for 2016. This returns the industry to 2008 levels.

While this is good news, the state should be constructing 180,000 homes per year. California will continue to experience increased housing prices while demand continues to outpace available housing.

The report on California's economy is also promising. Unemployment is approaching a 30-year low. California's job growth has outpaced the national average for five years straight, with last year's growth at 2.7 percent. Unemployment rates are currently at 5.5 percent, and has steadily declined from the high rates at the peak of the recession. Of course the labor participation rate, not mentioned in the report, is still recovering.

You can read the PPIC report by clicking [here](#).

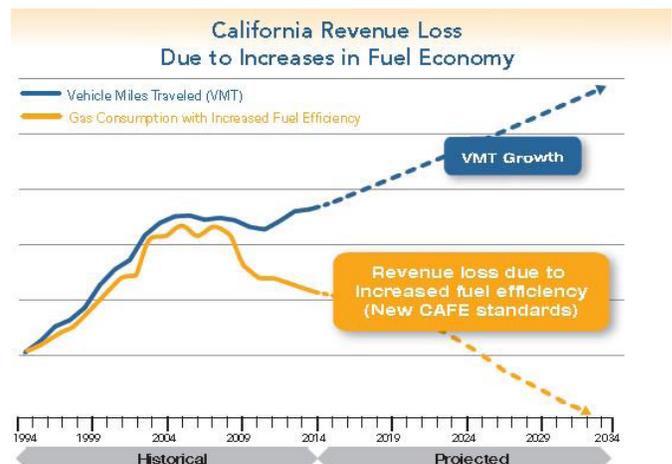
On balance, many are urging careful consideration to cases pursued by California. Stating that Becerra's greatest asset (and influence) will be in the cases he selects to NOT bring against the federal administration. This is a much more reasonable and moderate approach to maintaining California's priorities in the face of changing federal policies. Many believe this more moderate approach will serve California well in the long run.

## CalTrans Vehicle Miles Traveled (VMT) Revisiting the Gas Tax Conversation

The California Transportation Commission and the California State Transportation Agency have teamed up according to requirements found in Senate Bill 1077 (signed by Governor Brown in 2014) to create the California Road Charge Pilot Program.

As the graphic below shows, California is receiving less and less revenue through the current gas tax structure. At the same time, more and more Californians are spending time driving while spending less on gas due to more fuel-efficient vehicles. This means less gas tax revenue with greater road use at the same time.

The California Road Charge Program seeks to determine a new way to establish a transportation funding source that matches with the amount of time that drivers are spending on the road. With the launch of this pilot program, volunteers are needed to participate. You can learn more about the pilot program and sign up to participate by clicking [here](#).



# Senate Confirms Chao for Transportation Secretary: At Confirmation Hearing, Chao Gives Peak into Trump's Infrastructure Plans

On Tuesday, January 31, the U.S. Senate confirmed Elaine Chao as Transportation Secretary with a 93-6 vote.

Earlier this month, at the Commerce, Science and Transportation Committee confirmation hearing, Senators pressed Chao for details on President Trump's \$1 Trillion infrastructure plan. While Chao refused to go into details, she did provide a peak at some priorities.

A report from the *Engineering News Record* says, "She did outline some broad features about the still-undeveloped proposal,

saying private-sector financing will be a key element and that it will include direct federal funding, too. Chao also said that addressing the Highway Trust Fund's persistent revenue shortfall will be high on Trump's list as he begins his term in office."

Chao's comments focus on capitalizing public-private partnerships, while incentivizing investment opportunities for pension funds, endowments, and equity firms that can invest in infrastructure.

*ENR* goes on to report that, "Chao also indicated that the program would have "a mix of practical solutions—both public and private—that provide the greatest cost-benefit to the public."

Chao indicated the Trump administration is forming an infrastructure task force to develop a comprehensive infrastructure plan. This is an opportunity to ensure that California's priorities are part of the conversation and plan developed by the task force.

A leaked report does show several infrastructure projects on the Trump Administration's list. Those projects include the Cadiz Water Conveyance Project in order to store water in aquifers, a desalinization plant in Huntington Beach and an electricity transmission system stretching from Wyoming to southern California.

## Rumor Has It...

Governor Jerry Brown is funding the Dig Alert Board for \$3.8 million.



### Fact Check

True! But not until the 2017-2018 fiscal year.

Senator Jerry Hill (D-San Mateo) doesn't expect any significant movement on the Dig Alert board or issues until the start of the 2017 fiscal year.

## Worth Repeating...

*Nurtured in the honky-tonks and dance halls of Bakersfield in Kern County and dozens of other Central Valley places, California country music – as exemplified in such performers as Gene Autry, Bob Wills, Spade Cooley, Rose and the Maddox Brother, Buck Owens, Merle Haggard and Dwight Yoakam – reminded the nation that California was not exclusively a chardonnay-and-cheese enclave of coastal sophisticates, but was also the hardscrabble home of flag-waving working men and women whose musical loyalties lay with the Grand Ole Opry: truck drivers, waitresses, small farmers, linemen, and mechanics, sometimes down on their luck, who spoke with a twang, wore boots and jeans, and were living and loving, smoking and drinking, cheating and repenting, and singing about it all in a cavalcade of songs that had a way of getting to the heart of America itself.*

Kevin Starr, September 3, 1940 – January 14, 2017,  
California State Librarian, 1994-2004



## SCCA Contact Information

Southern California Contractors Association

P: 657-223-0800 | F: 657-223-0801

[info@sccaweb.org](mailto:info@sccaweb.org)

600 City Parkway West., Suite 165  
Orange, CA 92868

Todd Bloomstine

SCCA Legislative Advocate

916-444-9453

[toddb@bblobby.com](mailto:toddb@bblobby.com)