



CARPD COMMUNICATOR

December 2023

PRESIDENT'S MESSAGE

As I reflect upon the past year, we have had many accomplishments and have much to be thankful for.

Its raining today, a reminder of the abundant rainfall received earlier this year. Hopefully the trend will continue for 2024 as well.

The decision to hire and work with a new lobbyist this year has proven to be very beneficial. While the investment was significant, so too has been the rewards. RPPG has been a vocal advocate for CARPD in a big way. CARPD is now a known entity at the state capitol. Executive Director Matthew Duarte has testified on our behalf and as an expert witness on several occasions. Thanks to RPPG, CARPD is becoming the go-to organization for input on recreation and parks. CARPD is also sought after as a co-sponsor on bills by other organizations that share our vision. This exposure and demand have not happened before. The foundation is being laid for a productive future. Thanks to Legislative Committee Chair, Michael Seaman, for lending his talents and experience.

Tenaya Lodge at Yosemite proved to be a great venue and location for our 2023 annual conference. But wait – there’s more! Conference Chair Brian Danzl is taking us to the Napa Valley for the 2024 conference, so start planning now to attend. In addition to the CARPD activities, the location will enable those interested to participate in the CSDA Leg Days in Sacramento the day(s) before the conference. Our partnership with CSDA has a rich history and we look forward to again supporting them at this event. We are fortunate to have a very active CSDA chapter in Ventura County that allows us to work together on local and statewide issues of concern.

We do not live in uninteresting times! Whether you consider it a blessing or a curse, we are in fact living in very interesting times. The 2024 election season, including some significant ballot initiatives for California, will demand our attention. I’m grateful for a dedicated group of peers serving together on the CARPD Board to help us navigate our collective challenges. Not only do they have their own lives to live, they also serve as a Director or GM of their local park district, and on top of that, carve out more time to serve on the CARPD Board. Please offer your support and thanks when you see them next.

May you all have a very Merry Christmas, a happy holiday season, and a blessed new year.

Sincerely,

Doug Nickles,
Conejo Recreation and Park District
President, CARPD



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CARPD STAFF:

Executive Director:

Matthew Duarte
mduarte@capri-jpa.org

Director of Administrative Operations:

Monica Breck
mbreck@capri-jpa.org

Safety Analyst:

Kirk Andre
kandre@capri-jpa.org

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CARPD CONFERENCE 2024

We are excited to announce that the CARPD Conference is headed to Sonoma Wine Country in 2024!

Here are the preliminary details, so you can block this time on your calendar now:

When:

May 22, 2024 - May 25, 2024

Where:

Hyatt Regency
Sonoma Wine Country

Conference Registration opens
January 23, 2024.

Can't wait to see you in the
Spring!

caparkdistricts.org



Save the date!

**2024 CARPD Conference
Built to Last**



**Sonoma Wine Country
May 22, 2024 - May 25, 2024**

Heidi Garner Studio

Artwork courtesy of Heidi Garner, Heidi Garner Studio

ABOUT THE ARTIST

For the 2024 Conference, CARPD has again partnered with a local artist and outdoor lover for the Conference logo and art! Meet Heidi Garner, Artist and Owner of Heidi Garner Studio:

“I am an Artist, Mother of 4, Art Teacher, Ultra Runner, Manic Volunteer, Outdoor Enthusiast and small Business Owner. I love creating art and putting it on quality apparel! Late in 2018 I painted a few pair of vans shoes for myself and little did I know, I "accidentally" started a business. 2019 I focused solely on shoes, then in 2020 I added custom hand painted hats and visors. I love being surrounded by beautiful things and providing art at an affordable price that everybody can enjoy. In 2021, in order to keep up with demand, I extended my offerings to printed apparel featuring my own original art work printed on quality products at great prices. I also sell fine art prints of my work. I continue to offer full custom work on shoes and hats and even commission fine artwork!”



Check out Heidi's website: heidigarnerstudio.com

NEW YEAR, NEW LAWS UPDATE

By Matthew Duarte

It is a tradition as timeless as the Times Square Ball Drop...the release of new labor laws! This year's legislation brought forth some significant changes for employers, so CARPD Members are encouraged to stay informed and in compliance.

Minimum Wage Hikes

Consistent with recent laws that have served to phase in increases to the minimum wage, California employees will be set to receive no less than \$16.00/hour starting January 1, 2024. This change is the result of a 2017 law that tied the State wage rate to the national consumer price index for urban wage earners and clerical workers (CPI-W). A number of cities and counties also have higher local minimums, so you are encouraged to confirm the rates in your specific jurisdiction.

Districts should also consider the impact this increase may have on your exempt employees. Because the state minimum wage is tied to minimum salary requirements for exempt staff, the minimum salary for exempt employees will also increase at the beginning of the New Year. The minimum salary that must be paid to a properly classified exempt employee (must meet the salary test and the duties test) must be equal to two times the current minimum wage or \$66,560.

Additionally, California-based fast-food workers for chains with 60 or more locations around the nation will earn at least \$20 starting in April 2024. While industry-specific, this wage increase is poised to have impacts across a number of sectors including parks and recreation. Your District will certainly need to be mindful of the market for employees as your agency looks to staff its programs and activities.

Expansion of Paid Sick Leave

In 2015, the California Legislature updated State law to ensure all employees received a minimum of 3 days or 24 hours of paid sick leave. Now, just eight years later, legislators have expanded upon that law with the passage of [Senate Bill 616](#) which now increases paid sick leave to 5 days or 40 hours.

Starting January 1, 2024, all employees who work at least 30 days for the same employer within a year (including part-time and seasonal staff), are guaranteed at least 5 paid sick days. For those employers with accrual policies where an employee earns sick leave over time, the policy must result in an employee having at least 24 hours of accrued leave by the 120th calendar day of employment and 40 hours by the 200th calendar day of employment. For those employers who use an accrual cap, the cap must now increase to 10 days or 80 hours and increase the use limit to 5 days or forty hours per 12-month period. For more on the intricacies of this new law and its application to your agency's policies, you are encouraged to review the Department of Industrial Relations' website which contains an updated FAQ page: https://www.dir.ca.gov/dlse/paid_sick_leave.htm.

Off-Duty Cannabis Use and the Impact on Drug Tests and Hiring Policies

Starting January 1st, two recent laws will go into effect that will likely impact your agency's pre-employment hiring practices. [AB 2188](#) makes it unlawful for an employer to discriminate against a person based upon off-duty cannabis use. The justification for the change is that the intent of drug tests is to identify who may be impaired while at work, while most tests that use hair or urine to measure nonpsychoactive metabolites can only reasonably confirm whether cannabis has been consumed in the last few weeks. Furthermore, the legislature posited that science has improved to such an extent that employers now have access to tests that can verify the presence of THC at the time of testing. While correct that such tests do exist, they cannot be said to be readily available at this time. As a result, while drug testing is still permissible, employers are cautioned against utilizing drug tests that rely on detecting past use rather than current impairment.

Similarly, [SB 700](#) clarified AB 2188 by amending CA's Fair and Employment Housing Act to also bar employer from requesting information about past use or relying upon information of past use in its employment decisions unless permitted to do so under California's Fair Chance Act or other state or federal law.

The important takeaways for our agencies include: (1) employers may no longer utilize drug screening that tests for the presence of nonpsychoactive cannabis metabolites unless required by federal or state law because they indicate past use rather than current impairment; (2) employers should review applications and interview templates to remove questions about prior cannabis use; and (3) employers may consider an applicant's prior use only if allowed by state or federal law.

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UMPQUA BANK

Workplace Violence Prevention & SB 553 Requirements (Plan. Log. Train.)

By Sarah Bruno, Risk Control -PRISM  **PRISM**

[SB 553 Occupational safety: workplace violence: restraining orders and workplace violence prevention plan](#) (SB 553) was signed into law on September 30. As indicated by its title, this piece of legislation addresses two workplace violence prevention components for employers; restraining orders and workplace violence prevention; this blog will focus on the latter.

Agencies have been responsible for identifying hazards and keeping employees safe for some time. In addition, this law outlines in very specific language how an agency must go about doing so with respect to workplace violence. The three main components of the legislation are a (1) workplace violence prevention plan, (2) an incident log, and (3) training. Each is described below.

- An agency must have an effective written workplace violence prevention **PLAN**. The plan can be included as part of the injury and illness prevention plan (IIPP) or as a separate document that includes the following:
 - ◇ Names or job titles of the persons responsible with clearly defined roles.
 - ◇ Procedures to involve employees and unions in plan development and implementation.
 - ◇ Methods the employer will use to ensure effectiveness.
 - ◇ Procedures to accept and respond to reports, including prohibiting retaliation against reporting employees.
 - ◇ How an agency will communicate with employees regarding; how to report, how reports will be investigated, and how results and corrective actions will be shared.
 - ◇ Procedures to respond to actual or potential workplace violence emergencies.
 - ◇ Procedures to develop and provide required training.
 - ◇ Procedures to identify, evaluate, and correct workplace violence hazards.
 - ◇ Procedures for post-incident response and investigation.
 - ◇ Procedures to review the effectiveness of the plan and revise (at least annually).
- An agency must keep a violent incident **LOG**. Employers are required to track every incident of violence as defined in the regulation, which includes specific data points that must be captured in the log. Violent incident logs shall be maintained by the employer for a minimum of 5 years.
- An agency must **TRAIN** employees when the plan is first established, when there are changes to the plan, new hazards, and annually. The training must include:
 - ◇ How to obtain a copy of the plan and how to participate in its development and implementation.
 - ◇ The definitions and requirements of the regulation.
 - ◇ How to report workplace violence incidents or concerns to the employer or law enforcement without fear of reprisal.
 - ◇ Workplace violence hazards *specific* to the employees' jobs, the corrective measures the employer has implemented, how to seek assistance to prevent or respond to violence, and strategies to avoid physical harm.
 - ◇ The violent incident log and how to obtain copies of required records.
 - ◇ An opportunity for *interactive* questions and answers with a person knowledgeable about the employer's plan.

It should be noted that certain government employers/employees are exempt from the SB 553 requirements including; healthcare facilities subject to [Section 3342](#), POST participating law enforcement agencies, employees working remotely, and places of employment with less than 10 employees and no public access.

Recommendations

Agencies are encouraged to prepare for the July 1, 2024 compliance date. The following steps are recommended:

- Update the agency workplace violence prevention **PLAN** to meet the requirements of SB 553.
- Develop a violent incident **LOG**. PRISM has developed an excel spreadsheet [Workplace Violent Incident Log](#) for this purpose.
- **TRAIN** agency employees

At a recent Occupational Safety and Health Standards Board (OSHSB) meeting, the division was asked to develop sample forms and a model workplace violence prevention plan to help employers. We will be monitoring both the OSHSB [‘Workplace Violence Prevention in General Industry’](#) developments and watching for resources from the DIR.

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We had a great Conference in Yosemite this year!
CARPD Sponsors are integral to ensuring our member agencies are able to network and learn at our CARPD Annual Conference.
We thank them for their generous support over the years!

LEGISLATIVE UPDATE

By Alyssa Silhi
Renne Public Policy Group

Outlook of the Fiscal Year 2024-2025 Budget

BUDGET DEFICIT CURRENTLY PROJECTED AT \$68 BILLION

The Legislative Analyst's Office (LAO), the Legislature's internal bipartisan policy and budget advisor and researcher, published a [report](#) on December 7 that projected a budget problem of \$68 billion in the upcoming budget in fiscal year (FY) 2024-25, which is up from the \$14 billion that it had projected earlier in the year. The LAO bases its forecast on the [estimate](#) that tax collections will come in \$58 billion lower than expected across FY 2022-23 through FY 2024-25. This projection is based partly on the forecasted decline in FY 2022-23 tax collections of about \$27 billion, as detailed below, a fall of about 25%, and partly on the estimation that revenue growth will remain flat for FY 2023-24 due to corporate and sales tax remaining flat. It is thus estimated that revenue may only return to positive growth in 2024-25 or after. The LAO also noted that the \$68 billion shortfall is comparable in magnitude to the Great Recession and the dotcom slowdown, but that the state is in a far better position to navigate the current challenge than previous ones due to the buildup of rainy-day funds. Legislative analyst Gabriel Petek was quoted in a CalMatters [article](#) stating that "the state is facing a serious budget problem, but not a crisis."

BACKGROUND

Since the Governor's January proposal of the fiscal year 2023-24 budget, it has been anticipated that the state budget would enter a deficit for the foreseeable future. Forecasts assumed that cost-shifts, delays, and cuts would follow as a result, but were complicated by an uncertain domestic economic environment. Although the Administration did not forecast a recession, future budget estimations were made further uncertain by an extension of the tax filing deadline to October, and then to November. By the November deadline, however, it became clear that revenues had not come in at levels at previously expected levels, specifically due to lower high-income and corporate tax payments. These taxes together [account](#) for roughly 75% of all General Fund revenues, and therefore are highly relied upon by the state to fund its services. It had been anticipated that \$42 billion of this revenue would be delayed by the October extension deadline, but only about \$15 billion was received. It was originally assumed that this shortfall would be addressed across FYs 2021-22, 2022-23, and 2023-24.

A budget problem occurs when resources for the upcoming budget are insufficient to cover the costs of currently authorized services. The Administration planned for a certain level of spending based on projected revenue but now that that revenue is coming in lower than had been expected, that level of spending must be adjusted downwards. The \$68 billion shortfall is thus based on current policy and could change depending on actions taken by the Legislature and Administration in the 2024-25 budget act and any budget trailer bills. About \$17 billion of this total is due to FY 2022-23 Prop 98 funding, and the LAO thus suggests in its report that spending on schools and community colleges may have to come from state reserves as part of cost-shifting measures designed to balance the budget. The state currently has around \$30 billion in reserves and \$91 billion in cash on hand, formally referred to as "unused borrowable reserves".

The LAO's report noted the primary reason behind the shortfall is that the state's economy entered a downturn in 2022 as a result of slowing economic activity caused by rising interest rates, inflation, and stock market declines. The housing market has cooled significantly, with home sales down by about half, and this has had a ripple effect on the economy due to the outsized importance of this market to the state. Reduced overall investment in the economy has followed. The LAO is projecting that this slowdown could continue into next year.

We will have a better handle on what the FY 2024-25 budget will look like and what the Department of Finance (DOF) is forecasting in terms of a deficit and how it plans to address it when Governor Newsom announces his FY 2024-25 budget proposal on January 10. It is important to note that the LAO and DOF often differ on their projections of the budget, as well as on suggested actions to address any challenges. Moreover, the LAO noted in its report that all of its projections remain highly uncertain. Nonetheless, it is likely that delayed spending, cost-shifting, and the introduction of bond measures will all play a role in addressing the budget problem.



LEGISLATIVE UPDATE (CONTINUED)

By Alyssa Silhi
Renne Public Policy Group

LAO PROPOSED SOLUTIONS & POTENTIAL IMPACTS TO LOCAL GOVERNMENTS

The LAO report identified various potential solutions to the looming deficit problem. These solutions include the following: Withdraw Reserves; Reduce Proposition 98 Spending; Reduce Other One-Time Spending; and Other Solutions. A brief description of each strategy is below.

Reducing one-time spending is one of the solutions that has been identified to close the funding gap. The LAO estimates that the state has \$8.6 billion in one-time and temporary spending slated for 2024-25 that can be reduced entirely in order to address the serious budget problem. This includes \$2.2 billion in transportation, \$1.9 billion in natural resources and environment, and \$1.8 billion in various education programs. These reductions could have particular impacts on local grant programs in these topic areas. If this tactic is used, this may have an impact on direct local jurisdiction earmarks.

Regarding withdrawing reserves, the LAO suggests that the state could withdraw up to \$24 billion in General Purpose Reserves to address the budget problem. These funds would come from the \$23 billion in the Budget Stabilization Account (BSA) and \$1 billion in the Safety Net Reserve. The Safety Net Reserve is available to fund program costs in HHS programs, like Medi-Cal, while the BSA can only be accessed in a budget emergency. The LAO forecasts that a fiscal emergency may be available for both 2023-24 and 2024-25 – as of December 11, no declaration of a fiscal emergency has been made. Given that we are entering a pivotal election year, it is likely the administration will exhaust all other mechanisms prior to formally declaring a fiscal emergency. However, if declared, funds from the BSA may be used for any purpose, while funds from the Safety Net Reserve are intended to only be used for existing CalWORKS and Medi-Cal benefits and services. However, Safety Net Reserve Funds may be used for any purpose if the Legislature so chooses, according to the [California Budget & Policy Center](#). If BSA and Safety Net Reserve funds are ultimately used, they most likely will filter down from state departments to local entities.

Other identified solutions include cost shifts – a tactic where the state moves costs between fund sources or entities. An example includes shifting spending from the General Fund to special funds, or, shifting costs from state to local governments. The state previously used about \$10 billion in cost shifts to address last year’s budget problem, and could elect to use a similar method in the coming year. Besides cost shifts, other proposed solutions from the LAO include temporarily suspending net operating loss (NOL) deductions, cuts to higher education and the judicial branch, and using more of the state’s reauthorized tax on managed care organization.

CHANGE IN SENATE LEADERSHIP

In early December it was announced that President pro Tempore Designee Mike McGuire (D, Healdsburg) will formally replace current pro Tem Toni Atkins (D, San Diego) on February 5. Notably, this will be after the Governor releases his budget proposal, and so it will be interesting to see which actions Senator McGuire takes to address the budget situation on his hands, whereas Senator Atkins enjoyed the benefit of surpluses the last several years. Senator Atkins was quoted in a Politico [article](#) that “Our economy is still good, but what we need to do is be incredibly cautious here. We are in a deficit, and therefore, new programs, new spending — in fact, existing spending — we’re going to have to slow down over time.”

WHAT HAPPENS NEXT?

RPPG continues to monitor the ongoing budget dilemma and will inform clients of updates as they develop. You can expect a major update after the Governor’s January budget proposal is published. In the meantime, please feel free to reach out to RPPG staff with any questions. We will do our best to assist you



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VERDE DESIGN



JONES HALL
Bond Counsel

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