

TO: David Twa, County Administrator
Lara DeLaney, Senior Deputy County Administrator
Contra Costa County

FROM: Cathy Christian

DATE: October 13, 2016

RE: 2016 Legislation and Legislative Issues for Contra Costa County

As another legislative year and two-year session come to a close, it's time to take stock of the events of 2016 and to look into the near future as the 2016 General Election is upon us. Despite the fact that the Legislature and Governor were not able to reach agreement on some pressing issues facing counties and the State, it was a productive year overall.

I have prepared a 1) synopsis of significant legislation; 2) a summary of issues of political import; 3) the Contra Costa County legislative advocacy program outcomes, and I have also included some information about the 17 Propositions that will appear on the November Ballot.

The Budget...

On June 25th, the Governor signed another on-time State Budget. The \$167.6 billion plan included only about \$900 million more in GF appropriations than the revised 2014-2015 spending level. The Rainy Day fund received a total of about \$3.3 billion, bringing the total in the account to \$6.7 billion (approximately 54% of the goal).

K-12 school and community college funding grew to \$71.9 billion, the highest rate in California history. Per-pupil K-12 spending was increased \$440 from last year's level. UC and CSU tuition will remain at 2011-2012 levels.

The 2016-2017 budget begins to implement the state's new \$15 per hour minimum wage by raising the statewide minimum to \$10.50 per hour on January 1, and also funds the first COLA increase for SSI/SSP in over a decade. An additional \$145 million was appropriated for child care and early education programs. Also in the budget was a policy change to end the Maximum Family Grant in the CalWORKs program (*CCC Support Letter to Governor*).

State infrastructure improvements and maintenance will receive \$2 billion, with \$1.3 billion going to construction for State (owned) building purposes and \$270 million in lease-revenue bond authority for local jails and \$485 million from the

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GF for deferred maintenance at levees, state parks, universities, community colleges, prisons, state hospitals and other state facilities.

A few days after the main budget and trailer bills were signed by the Governor, the legislature passed another trailer bill, AB 1618, better known as the “No Place Like home” initiative. This bill and its companion “implementing legislation” (AB 1628), provide \$2 billion for the construction and rehabilitation of permanent supportive housing for homeless people with mental illness, through a competitive grant program for counties. The funding mechanism for this program provides for the issuance of \$2 billion in bonds, to be secured by Proposition 63 revenues. Governor Brown immediately signed AB 1618.

Better late than never...

Not everything that was “in the works” for the budget actually made it into the budget and trailer bills. Of those subjects that were “punted” to the end of the legislative session (or even after, in subsequent Extraordinary Session), not all were addressed before the Legislature closed out the two-year session at midnight on August 31st.

One major budgetary issue that was resolved was cap-and-trade spending. A last minute agreement was reached to make \$900 million in appropriations to various programs covering clean vehicle rebates, black carbon wood smoke programs, transformative climate communities programs, urban greening, water efficiency, waste diversion, transportation programs and other climate change fighting programs. Approximately \$462 million was reserved for future appropriations.

Remains to be seen...

Despite much negotiation and arm twisting, the legislature failed to move two expensive and controversial initiatives forward before the 2015-16 legislative session concluded. The first is transportation funding. The Governor, legislative leadership, labor and environmental groups were unable to craft a deal that would satisfy their constituencies, as well as the potential need for a 2/3 vote of the legislature to come up with a multibillion dollar transportation infrastructure plan. It is possible that the legislature comes back to address transportation funding needs before the 2017-2018 session begins. Senator Beall and Assemblymember Frazier have introduced bills in the First Extraordinary Session that propose a gas tax hike, a diesel tax hike and the charging of a \$165 annual fee on owners of electric vehicles (SBX1 1 Beall and ABX1 26 Frazier / CCC Support). There is no current plan for the legislature to meet before the next session begins, but if they do, it would likely not be until after the election on November 8th.

The second contentious and expensive issue that the legislature was not able to make significant progress on was affordable/low-income housing. Again, despite much negotiation, the Legislature was unable to reach an agreement with the

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Administration on the Governor's proposed \$400 million for low-income housing projects. Most of the controversy seemed to stem from the Governor's requirement that a "deal" include a "streamlined" plan that would allow developers to bypass ("by-right") traditional aspects of local control and oversight in development decision making. Assembly Speaker Rendon walked away from negotiations in mid-August, after weeks of inactivity.

All indications are that the Governor is intractably committed to streamlining development planning, much to the dismay of legislators and community groups who know that any significant legislative spending on housing (in a budget or in other legislation) will have to be signed by the Governor. (Senator Beall also attempted to put a \$3 billion housing bond on the ballot (SB 879), but that effort failed to make it out of the legislature. Short of a deal for an appropriation or a bond for housing, the legislature was able to send several housing related bills to the Governor including a handful of hotly debated bills on the subject of accessory dwelling units.

And also...

There were a number of significant bills this year that are worth mentioning...

AB 1921 (Gonzalez) - Permits a vote by mail voter to who is unable to return his or her ballot to designate any person to return the ballot and prohibits a designated person from receiving any form of compensation based on the number ballots that person returns.

Status: *Signed by Governor, Chapter 820, Statutes of 2016*

AB 2686 (Mullin) – Until January 1, 2021, as part of a pilot project, allows a county to conduct a legislative or congressional vacancy special election as a **mailed ballot election** if more than half the voters in the county are permanent vote by mail voters.

Status: *Signed by Governor, Chapter 764, Statutes of 2016*

SB 450 (Allen & Hertzberg) - Permits specified counties (not CCC) beginning in 2018, and all other counties, beginning in 2020, to conduct elections in which every voter is mailed a ballot and, among other things, vote centers and ballot drop-off locations are available prior to and on election day, in lieu of operating polling places for the election.

Status: *Signed by Governor, Chapter 382, Statutes of 2016*

AB 2636 (Linder & Dababneh) - Allows an official, if an electronic request for a certified copy of a birth, death, or marriage record is made, to accept an **electronic verification of identity** of the applicant using a remote identity proofing process, as specified, or a notarized statement of identity, to ensure the applicant is authorized under law to receive that record.

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Status: *Signed by Governor, Chapter 527, Statutes of 2016*

AB 1234 (de León) - Relates to government private sector retirement savings plans, individual retirement accounts and individual retirement annuities. Requires the Secure Choice Retirement Savings Investment Board to implement the **Secure Choice Savings Program**.

Status: *Signed by Governor, Chapter 804, Statutes of 2016*

SBX2 2 (Hernandez) - Establishes a new **managed care organization provider tax** on licensed health care service plans, managed care plans contracted to provide Medi-Cal services, and alternate health care service plans. Establishes applicable taxing tiers and per enrollee amounts.

Status: *Signed by Governor, Chapter 2, Statutes of 2015-2016 2nd Extraordinary Session*

AB 1066 (Gonzalez) - Provides for the phasing in of **overtime requirements for agricultural workers**, over the course of a specified multi-year period.

Status: *Signed by Governor, Chapter 313, Statutes of 2016*

AB 2835 (Cooper) - Requires certain public employers to provide newly hired employees a specified **public employee orientation** within a certain number of months of hiring. Requires, if employees are represented, that an exclusive representative be given certain notice in advance of the orientation. Requires that a representative be permitted to make a presentation. Requires an affected public employee to provide certain employee information to a representative.

Status: *Died on Senate Inactive File*

SB 1170 (Wieckowski) – Prohibits local public agencies, including charter cities, from delegating to a contractor the development of a **storm water pollution prevention plan** and prohibits public agencies from requiring a contractor on a public works contract that requires compliance with any of these plans to assume responsibility for the completeness and accuracy of the plan.

Status: *Held on Assembly Appropriations Committee Suspense File (CCC Oppose)*

AB 1399 (Baker) - Allows an individual to designate on his or her tax return that a specified amount in excess of tax liability be transferred to the **State Domestic Violence Victims Fund** created by this Act.

Status: *Signed by Governor, Chapter 289, Statutes of 2016 (CCC Support)*

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SB 1322 (Mitchell) - Provides that a **minor engaged in commercial sexual activity** will not be arrested for a prostitution offense and directs a law enforcement officer who comes upon a minor engaged in a commercial sexual act to report the conduct or situation to county social services as abuse or neglect.

Status: *Signed by Governor, Chapter 654, Statutes of 2016*

SB 813 (Leyva) – Removes the **statute of limitation for the prosecution of rape**, sodomy, lewd or lascivious acts, continuous sexual abuse of a child, oral copulation, and sexual penetration.

Status: *Signed by Governor, Chapter 777, Statutes of 2016*

SB 32 (Pavley) - Requires the State Air Resources Board to approve a **statewide greenhouse gas emissions limits** that are the equivalent to 40% below the 1990 level to be achieved by 2030 and to adopt rules and regulations to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions.

Status: *Signed by Governor, Chapter 249, Statutes of 2016*

AB 197 (E. Garcia) - Requires the **State Air Resources Board** to make available, and update annually, on its Internet Web site, the emissions of greenhouse gases, criteria pollutants, and toxic air contaminants for each facility that reports to the board and air districts. Adds two legislators as non-voting members of CARB.

Status: *Signed by Governor, Chapter 250, Statutes of 2016*

And when the dust settled...

The last day for Governor Brown to act on legislation in the 2015-2016 session was September 30th. This year, the Governor vetoed the highest percentage of bills in either of his terms as Governor (15.1%). On his desk for 2016 were 1,059 bills. Of them, 159 were vetoed and only one bill this year was enacted without his signature.

The next significant date for the Legislature is, of course, General Election Day (November 8th). The 2015-2016 Legislative Session will adjourn, Sine Die, on November 30th and the 2017-2018 Legislative Session will begin when legislators return to Sacramento at noon on December 5th. Unless otherwise specified, statutes enacted in the regular session take effect on January 1, 2017.

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State Ballot Propositions

Proposition 51 – School facility construction bonds: Authorizes \$9 billion in general obligation bonds for new construction and modernization schools and community colleges.

(Support: CBIA, PTA, CalChamber **Opposition:** Governor Brown, CA Taxpayers Action Network)

Proposition 52 – Hospital fees: Requires voter approval to change the dedicated use of certain fees from hospitals used to draw matching federal money and fund Medi-Cal services and requires a 2/3 majority vote of the California Legislature to end the hospital fee program.

(Support: CHA, Dignity Health, Sutter Health **Opposition:** SEIU)

Proposition 53 - Bond issuance: Requires statewide voter approval before any revenue bonds can be issued or sold by the State for specified State projects if the bond amount exceeds \$2 billion.

(Support: Cortopassi, various anti-tax organizations **Opposition:** Governor Brown, CSAC, Labor, CalChamber)

Proposition 54 - Legislative openness: Prohibits the Legislature from passing any bill unless it has been in print and published on the Internet for at least 72 hours before the vote, except in cases of public emergency.

(Support: Charles Munger, CalChamber, League of Cities **Opposition:** Californians for an Effective Legislature – Maviglio)

Proposition 55 - Tax extension for education and healthcare: Extends the personal income taxes approved in 2012 (Proposition 30) for 12 years in order to fund education and healthcare.

(Support: Teachers, Labor, Hospitals **Opposition:** CalChamber, Howard Jarvis, NFIB)

Proposition 56 – Tobacco tax: Increases the cigarette tax by \$2.00 per pack, with equivalent increase on other tobacco products and electronic cigarettes containing nicotine.

(Support: Hospitals, Labor, CMA, Blue Shield **Opposition:** Philip Morris, R.J. Reynolds)

Proposition 57 – Criminal sentences: Increases parole and good behavior opportunities for felons convicted of nonviolent crimes and allowing judges, not prosecutors, to decide whether to try certain juveniles as adults in court.

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(Support: Governor Brown, Dem Party, Reed Hastings **Opposition:** DA's, Crime Victims United, Law Enforcement)

Proposition 58 – English immersion: Repeals most of the 1998 Proposition 227, the "English in Public Schools" Initiative, thus effectively allowing non-English languages to be used in public educational instruction. Placed on the ballot per SB 1174 (Lara) from 2014.

(Support: CTA, School Administrators **Opposition:** Ron Unz)

Proposition 59 – Citizens United: (Advisory Question) Asks whether California's elected officials should use their authority to propose and ratify an amendment to the federal Constitution overturning Citizens United.

(Support: NextGen CA, Common Cause **Opposition:** ???)

Proposition 60 – Condoms in adult films: Requires performers in adult films to use condoms during filming of sexual intercourse.

(Support: AIDS Healthcare Foundation **Opposition:** AIDS Project LA, Free Speech Coalition, Adult film industry)

Proposition 61 – State agency drug costs: Prohibits state agencies from paying more for a prescription drug than the lowest price paid for the same drug by the United States Department of Veterans Affairs.

(Support: AIDS Healthcare Foundation, CNA **Opposition:** Pharma)

Proposition 62 – Death penalty repeal: Repeals death penalty as maximum punishment for murder and replaces it with life imprisonment without possibility of parole. Applies retroactively to persons already sentenced to death.

(Support: Reed Hastings, Nicholas McKeown, Lt. Gov. **Opposition:** CPOA, PORAC. Misc. Law Enforcement)

Proposition 63 – Ammunition magazines: Prohibits possession of large-capacity ammunition magazines, and requires their disposal by sale to dealer, destruction, or removal from state. Requires most individuals to pass background check and obtain Department of Justice authorization to purchase ammunition.

(Support: Lt. Gov., Dem Party, CMA **Opposition:** NRA, CA Rifle & Pistol Assoc.)

Proposition 64 - Marijuana legalization: Legalizes marijuana and hemp under state law and imposes sales and cultivation taxes.

(Support: Sean Parker, Drug Policy Action, ACLU **Opposition:** Teamsters, CHA, DAs, Sheriffs, PORAC)

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Proposition 65 - Carry-out bags: Redirects money collected from the sale of carry-out bags by grocery or other retail stores to a special fund administered by the Wildlife Conservation Board.

(Support: Bag Manufacturers **Opposition:** Enviros, CAs Against Waste)

Proposition 66 – Death penalty appeals: Changes procedures governing state court appeals and petitions challenging death penalty convictions and sentences and imposes time limits on state court death penalty review.

(Support: CCPOA, PORAC **Opposition:** Lt. Gov., Reed Hastings, ACLU, NAACP)

Proposition 67 – Single-use plastic bags: (Referendum) Would ratify a state law previously approved by the Legislature and the Governor banning single-use plastic bags if approved.

(Support: Albertsons Safeway, CA Grocers, CAs Against Waste **Opposition:** Bag Manufacturers)

Contra Costa County Sponsored Legislation

AB 1692 (Bonilla) - Allows the Contra Costa County Board of Supervisors to make the terms and conditions of disability retirement allowances currently available to Tier Three members of the Contra Costa County Employees' Retirement Association applicable to non-safety members subject to the retirement benefit formula specified in the Public Employees' Pension Reform Act of 2013.

Status: *Signed by Governor, Chapter 123, Statutes of 2016 (CCC Support / Sponsor)*

Contra Costa County Advocacy Legislation

AB 45 Mullin - Requires CalRecycle, in consultation with affected industries, to adopt one or more model ordinances for a comprehensive program for the collection of Household Hazardous Waste for adoption by a local jurisdiction that provides for the residential collection and disposal of solid waste.

Status: *Died in Senate Environmental Quality (CCC Oppose)*

AB 171 (Irwin) - Modifies the formula by which the Department of Veterans Affairs allocates state funds to county veterans service officers, and adds reporting requirements to help determine how effectively and efficiently state funds are being spent.

Status: *Died on Senate Inactive File (CCC Support)*

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AB 203 (Obernolte) - Extends the deadline to file a petition for redetermination of the state responsibility area fire prevention fee from 30 days to 60 days. Reestablishes the fire prevention fee at its current level (\$152.33) and on July 1, 2017 and annually thereafter allows the Board of Forestry to adjust the fee.

Status: *Died on Assembly Inactive File (CCC Support)*

AB 1051 (Maienschein) - Requires the Department of Health Care Services to increase provider reimbursement rates for the 15 most common dental services provided in the Denti-Cal program to average commercial rates.

Status: *Held on Senate Appropriations Suspense File (CCC Support)*

AB 1159 (Gordon) - Establishes a product stewardship program for home-generated medical sharps and household batteries until January 1, 2024, and requires CalRecycle to adopt regulations by January 1, 2017.

Status: *Died on Assembly Appropriations Suspense File (CCC Support)*

AB 1335 (Atkins) - Establishes the Building Homes and Jobs Act of 2015 (the Act) to provide funding for affordable housing.

Status: *Died on Assembly Third Reading (CCC Support)*

AB 1399 (Baker) - Authorizes the addition of the California Domestic Violence Victims Fund checkoff to the personal income tax return upon the removal of another voluntary contribution fund from the return, or as soon as space is available.

Status: *Signed by Governor, Chapter 289, Statutes of 2016 (CCC Support)*

AB 1554 (Irwin) - Prohibits the Department of Alcoholic Beverage Control from issuing a license to manufacture, distribute, or sell powdered alcohol.

Status: *Signed by Governor, Chapter 742, Statutes of 2016 (CCC Support)*

AB 1568 (Bonta & Atkins) - Enacts the Medi-Cal 2020 Demonstration Project Act, administered by the Department of Health Care Services which implements the Special Terms and Conditions (STC) approved by the federal Centers for Medicare and Medicaid Services, including the Dental Transformation Initiative, the Whole Person Care program and the evaluations required under the STCs.

Status: *Signed by Governor, Chapter 42, Statutes of 2016 (CCC Support)*

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AB 1618 (Asm. Budget) - Makes necessary statutory and technical changes to implement the Budget Act of 2016 related to the No Place Like Home Program to further the development of permanent supportive housing for persons who are in need of mental health services and are homeless, chronically homeless, or at risk of homelessness.

Status: *Signed by Governor, Chapter 43, Statutes of 2016 (CCC Oppose)*

AB 1708 (Gonzalez) - Imposes mandatory minimum 72 hours in custody for persons convicted of purchasing commercial sex with specified times servable as work furlough and recasts the crime of prostitution.

Status: *Vetoed (CCC Support)*

AB 1713 (Eggman) - Prohibits the construction of a peripheral canal in the Sacramento-San Joaquin Delta unless certain requirements are met.

Status: *Died on Assembly Appropriations Suspense File (CCC Support)*

AB 1758 (Stone) - Extends the time period for meeting the State Advanced Services Fund program goal and specifies the advanced communication services threshold speeds to be met in achieving the goal.

Status: *Died in Assembly Utilities and Commerce Committee (CCC Support)*

AB 1897 (Mullin) - Directs the Department of Social Services to create an optional "birth through entering first grade" category of day care licensure.

Status: *Died on Assembly Appropriations Suspense File (CCC Support)*

AB 2128 (Achadjian) - Limits the power of a county clerk or the State Register to reject a power of attorney from a member of the Armed Forces stationed overseas and seeking to marry "by proxy."

Status: *Signed by Governor, Chapter 130, Statutes of 2016 (CCC Support)*

AB 2263 (Baker) - Standardizes the confidentiality protections for Safe at Home (SAH) program participants, regardless of whether their participation is based on their status as victims of domestic violence, stalking, or sexual assault, or on their status as a patient, employee, or volunteer at a reproductive health care clinic and requires the Secretary of State to provide SAH enrollees with information about how to protect their privacy on real property records.

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Status: *Signed by Governor, Chapter 881, Statutes of 2016 (CCC Support)*

AB 2502 (Mullin & Chiu) - Authorizes the legislative body of a city or county to establish inclusionary housing requirements as a condition of the development of residential units.

Status: *Died in Assembly Local Government (CCC Support)*

AB 2583 (Frazier) - Places new requirements on the approval, financing, and operation of any new conveyance facility in the Sacramento-San Joaquin Delta.

Status: *Died in Assembly Water, Parks and Wildlife (CCC Support)*

AB 2788 (Gatto) - Requires the Division of Oil, Gas, and Geothermal Resources' emergency regulations related to underground gas storage projects to remain in effect until the regulations are either made permanent, amended, or repealed.

Status: *Died in Senate Energy, Utilities and Communications (CCC Oppose)*

SB 554 (Wolk) - Extends the July 1, 2018, sunset date for the Delta Levee Subventions program by two years. Specifically, this bill maintains the state's 75% maximum share for Delta levee maintenance costs in excess of \$1,000 per mile until July 1, 2020.

Status: *Vetoed (CCC Support)*

SB 815 (Hernandez & de León) - Enacts the statutory provisions of "Medi-Cal 2020," the state's recently approved five-year federal Section 1115 waiver, which runs through December 31, 2020.

Status: *Signed by Governor, Chapter 111, Statutes of 2016 (CCC Support)*

SB 819 (Huff) - Prohibits the purchase, sale, offer for sale, distribution, manufacture, possession, or use of powdered alcohol and requires the Department of Alcoholic and Beverage Control to revoke the license of any licensee who manufactures, distributes, or sells powdered alcohol.

Status: *Signed by Governor, Chapter 778, Statutes of 2016 (CCC Support)*

SB 839 (Sen. Budget) – Resources Trailer Bill.

Status: *Signed by Governor, Chapter 340, Statutes of 2016 (CCC Oppose Unless Amended, letter not dated approx. 6/17/16)*

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SB 867 (Roth) - Extends until January 1, 2027, the Maddy Emergency Medical Services Fund, which authorizes each county to levy an additional \$2 for every \$10 of criminal fines to establish an emergency medical services fund for reimbursement of costs related to emergency medical services based on fees on criminal convictions.

Status: *Signed by Governor, Chapter 147, Statutes of 2016 (CCC Support)*

SB 1113 (Beall) - Authorizes a county, or a qualified provider operating as part of the county mental health plan network, and a local educational agency to enter into a partnership for the provision of Early and Periodic Screening, Diagnosis, and Treatment mental health services.

Status: *Vetoed by Governor (CCC Support)*

SB 1170 (Wieckowski) - Prohibits local public agencies, including charter cities, from delegating to a contractor the development of a storm water pollution prevention plan, a water pollution control program, or any other plan required by a Regional Board to prevent or reduce water pollution or runoff on a public works project.

Status: *Died on Assembly Appropriations Suspense File (CCC Oppose)*

SB 1174 (McGuire) - Adds “acts of clearly excessive prescribing, furnishing, or administering psychotropic medications to a minor without a good faith prior examination of the patient and medical reason” to the Medical Board of California’s list of priority cases for investigation and prosecution.

Status: *Signed by Governor, Chapter 840, Statutes of 2016 (CCC Support)*

SB 1291 (Beall) - Requires a mental health plan review to be conducted annually by an external quality review organization that includes specific data for specific data for Medi-Cal eligible minor and non-minor dependents in foster care.

Status: *Signed by Governor, Chapter 844, Statutes of 2016 (CCC Support)*

SB 1300 (Hernandez) - Imposes a quality assurance fee on each transport provided by an emergency medical transport provider in accordance with a prescribed methodology. Requires the resulting revenue to be placed in a continuously appropriated fund to be used to provide additional Medi-Cal reimbursement to emergency medical transport providers, to pay for state administrative costs, and to provide funding for health care coverage for Californians.

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Status: *Vetoed (CCC Support)*

SB 1386 (Wolk) - Requires the Air Resources Board to approve and implement the comprehensive short-lived climate pollutant strategy to achieve, from 2013 levels, a 40% reduction in methane, a 40% reduction in hydrofluorocarbon gases, and a 50% reduction in anthropogenic black carbon, by 2030.

Status: *Signed by Governor, Chapter 395, Statutes of 2016 (CCC Support)*

ABX2 18 (Bonilla) - Imposes a \$0.05 per drink tax on all spirits-based cocktails purchased in restaurants, bars, and other venues in the state to fund developmental disability services and other health programs.

Status: *Died in Assembly (John Gioia letter in Support)*