

SECTION 1.

Part 8 (commencing with Section 71440) is added to Division 34 of the Public Resources Code, to read:

PART 8. CALIFORNIA COVID-19 RECOVERY DEAL

CHAPTER 1. General Provisions

71440.

This part shall be known, and may be cited, as the California COVID-19 Recovery Deal.

71441.

(a) It is the intent of the Legislature that the state adopt a policy framework with principles and goals committing to do all of the following:

(1) Target California recovery resources to spend and fund for equity in a manner that prioritizes reversing the factors that have resulted in disproportionate health impacts and economic suffering due to the coronavirus (COVID-19) pandemic among California's low-income communities, communities of color, and immigrant communities that have historically faced underinvestment and discriminatory policies

(2) Spend resources to avoid re-creating historical patterns of injustice and instead be allocated in a manner that will create a just transition to a green, regenerative economy, founded on climate, racial, and economic justice, that puts an end to extreme inequality and systemic racial injustice, and ensures all Californians have a clean and safe environment where they live, work, and play.

(3) Support a just recovery through COVID-19 recovery spending where workers from all sectors that have lost wages or jobs as a direct result of the pandemic will be prioritized for new employment opportunities that guarantee incomes, pensions, benefit training, retraining, and early retirement assistance.

(4) Require that recovery spending include a mandate for a robust, fully funded public sector that includes significant investments in job creation and community development with a particular focus on a just transition for affected workers.

(5) Expend recovery resources in a broadly inclusive economic and democratic process that ensures robust, accessible opportunities for all Californians to determine the future of our government and economy.

(6) Allocate the expenditure of state funds to programs, businesses, organizations, agencies, and institutions that provide the greatest opportunities for good green jobs, strong labor provisions, and climate-based solutions consistent with the urgency of the climate crisis and the need to make rapid and sustained reductions in greenhouse gases consistent with statewide emissions reduction targets and recommendations from the Intergovernmental Panel on Climate Change.

(b) It is the intent of the Legislature that the principles and goals in subdivision (a) apply not only to state resources, but also to federal resources that flow through the state to the greatest extent permitted by federal law and the California Constitution.

CHAPTER 2. Findings and Declarations

71442.

The Legislature finds and declares all of the following:

(a) The COVID-19 pandemic is one of the worst health and economic crises in the history of California and the United States. By the end of April 2020, the nation's COVID-19 cases reached one million with over 63,000 deaths – more than the total number lost during the Vietnam war. Because of institutional racism and massive social inequalities, such as disparities in income and access to quality healthcare and an overrepresentation in essential sectors, the nation's COVID-19 deaths have been higher in Black and Latino communities. Similarly, the United States economy has also felt the crushing blow of COVID-19 with over 30 million unemployment claims filed. The United States gross domestic product

dropped in the first quarter of 2020 and could go down as much as 45 percent, according to economic forecasts. United States farmers have been forced to make the difficult decision of destroying their products due to a lack of customers.

(b) California, the world's fifth largest economy, has experienced the same problems seen worldwide with massive unemployment, thousands of COVID-19 cases, and a sharp decline in economic productivity. Before the COVID-19 outbreak, California faced serious structural challenges that the pandemic has now exacerbated, including a significant housing shortage with an exploding homeless population and high levels of poverty. California needs a recovery policy that can address many of these needs in addition to the new problems brought on by COVID-19.

(c) The COVID-19 public health crisis has highlighted and exacerbated the problems faced by workers and working families in California. For far too long workers have been undervalued, underpaid, and unprotected on the job. Many hourly wage earners working in various parts of the service economy provide critical support for our economy, but they cannot afford the necessities to support their families. Household costs such as medical coverage and childcare are not provided by many employers, which leaves many families exposed when a disaster strikes. COVID-19 has forced many workers into precarious circumstances where they are risking their lives to provide for their families. Moreover, with the closure of schools, some workers are having to put their livelihoods in jeopardy to care for their children. This will drive many working families that are already living paycheck-to-paycheck closer to poverty. During the COVID-19 pandemic we have labeled these workers as "essential" and now we have to make sure that their wages, benefits, and protections reflect the importance of the work they do.

(d) The state will continue to experience significant climate change impacts by 2050 that include human illness, injuries, and mortality, coastal degradation, extreme droughts, wildfires, flooding, and increased air pollution. By 2100, if emissions of greenhouse gases continue to rise at current rates through 2030, the increasing frequency of extreme weather will have dramatic impacts on all facets of living in the state. The impacts from wildfires will increase significantly by the end of the century, based on recent moderate estimates. Sea level rise will destroy coastlines and beaches, degrade groundwater resources, and damage public and private property, including airports and freeways. Droughts will be longer and more frequent than previously experienced, which will reduce the amount of water available for residential, industrial, and agricultural needs. Climate-related health risks will lead to increases in adverse reproductive outcomes, respiratory and cardiovascular disease, vector borne and infectious diseases, mental health impacts, and premature mortality, particularly for the most vulnerable populations in the state.

(e) The state has committed to reducing emissions of greenhouse gases to 40 percent below 1990 levels by 2030 (Chapter 249 of the Statutes of 2016 (Senate Bill 32)). Furthermore, a majority of Californians have said it is important for the state to be a leader on climate change. The international body of scientists tracking climate change has determined that temperatures are rising faster than anticipated and climate impacts are accelerating sooner than expected. The international community, including California, must reduce emissions of greenhouse gases faster and more dramatically than previously believed to avoid a climate catastrophe.

(f) Over the past decade and especially recently, organized labor has been the target of numerous campaigns designed to weaken worker protections. California is home to approximately 2,500,000 union members, and a significant portion will need to transition into a new, green economy where few guarantees exist for livable wages, pensions for those aging workers, and retirement assurances that ensure the dignity and respect for all in the state.

(g) The anticipated costs in the state from the impacts of climate change by 2050, from human health impacts to infrastructure damage, are on the order of hundreds of billions of dollars. Efforts and resources to prepare and adapt communities to minimize climate change impacts, particularly disadvantaged communities, need to be prioritized to ensure the resiliency of vulnerable populations in the state.

(h) California was one of the first states in the nation to enact environmental justice reforms. Environmental justice is the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental and land use laws, regulations, and policies.

(i) The state has among the highest costs of living, rates of homelessness, and levels of childhood poverty of any state in the nation. Income inequality is widening throughout the state. Wage stagnation persists for many workers. Low-income populations are the most likely to suffer from extreme weather, fires, and other impacts of climate change.

(j) The state's social compact of the 1950s and 1960s promised that every child who studied hard would have access to an affordable college education. It promised that no state resident would be without shelter. It promised that all state residents would share in bearing the costs of this compact in an equitable way because all state residents and state business enterprises would benefit. That compact was weakened in the 1970s, 1980s, and 1990s. Beginning in the 2000s, the Legislature slowly began to restore the compact. Those efforts must accelerate to reduce the state's poverty rate, increase equity, restore educational and job opportunities, and protect public health and the environment.

(k) American cities are among the epicenters of climate pollution, suffer the consequences of associated air pollutants, and are some of the largest pollution sources in the world, making them well suited both to implement, and to benefit from, decarbonization. While California has made progress on numerous environmental goals, this part would provide a blueprint for a just transition that would guarantee equal jobs and benefits for workers in a new green economy.

CHAPTER 3. California Covid-19 Recovery Deal Spending Rules 71443.

The Legislature establishes spending rules for the COVID-19 recovery that include all of the following:

(a) Adopting spending measures in California that prohibit businesses, organizations, or agencies from accepting public funds for any long-term projects that prolong the emission of greenhouse gases or lead to the expansion of fossil fuel projects.

(b) Adopting spending measures that support only those projects that are consistent with near-term and long-term environmental and climate goals.

(c) Adopting spending measures that prevent the funding of projects that depend for their financial viability on the ability to continue to emit greenhouse gases at current levels through 2030 or to emit greenhouse gases at all beyond 2045.

(d) Adopting spending measures that prevent the funding of projects that expand or create new facilities for the production, refinement, transportation, or combustion of fossil fuels and other sources of high global warming-potential gases.

(e) Adopting spending measures that, to the extent practicable, where zero emission equipment, designs, or project alternatives are available, give preference to these options over alternatives that emit greenhouse gases, or that give preference to lower-emitting options where zero-emission approaches are not practicable.

(f) Adopting spending measures that require funding and workplace standards for a just transition, particularly for skilled and trained workers, as defined by Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code, that have previously worked and continue to work in fossil fuel industries in order to help expand clean energy capabilities in California.

(g) Adopting spending measures that require the funding of prevailing wage and apprenticeship requirements of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(h) Ensuring that public funds and resources, to the extent practicable, are not used to support projects costing in excess of five hundred thousand dollars (\$500,000), unless the project has a project labor agreement, as described in Section 2602 of the Public Contract Code.

(i) Adopting spending measures that require income guarantees, local and targeted hiring provisions, labor peace agreements, and the right to organize.

- (j) Ensuring that recovery spending includes specific mandates for California populations and communities most negatively impacted by COVID-19, including, but not limited to, reserving ____ percent of recovery funding for programs aimed at prioritizing areas with the highest unemployment rates, the worst COVID-19 health outcomes, and the highest population of minority-owned businesses.*
- (k) Requiring that any stimulus should include standards that ensure a priority for American-manufactured products to maximize the rate of return for taxpayers.*
- (l) Requiring that any stimulus should include standards that ensure a priority to “buy clean” in order to promote the use of the most efficient, resilient, and cleanest materials and products with the lowest carbon and toxicity footprints.*
- (m) Requiring that any stimulus should include standards that ensure a priority for “fair pricing” in order to enhance labor standards, workers’ rights, career pathways, and community benefits.*