

State of California

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MEMORANDUM

Date: September 22, 2020

To: Legislation Committee

Via: Rick Pickering
CEO, General Manager

From: Tom Martinez, Chief Deputy General Manager
California Exposition & State Fair

Subject: Legislation and Budget Update

Budget Update

The 2019-2020 California State Legislative Session concluded on August 31. The Legislature attempted votes on hundreds of bills by the end of their Constitutional deadline amidst a national pandemic and the ongoing wildfires. As such, many legislators were forced to attend the proceedings virtually.

The Budget Act of 2020 was approved and subsequently signed by Governor Gavin Newsom. The \$202.1 billion spending plan strengthens emergency response, protects public health and safety, and promotes economic recovery while closing a \$54.3 billion budget shortfall caused by the COVID-19 recession.

State Legislation Update

SB 115 Act to Amend Budget Act of 2019

As we know, the May Revision proposed to cancel all new initiatives proposed by the Governor and that included a \$2.5 million allocation to Cal Expo. Many California agencies are managing the financial shortfalls dealt by COVID-19 and are in need of additional financial support to continue their regular operations. The CA Legislators recognized this need and brought SB 115 to augment the budget for numerous agencies. SB 115 makes \$3 million available to Cal Expo to support its payroll and operational costs and allows the Director of Finance to authorize a short-term cash loan of \$3 million. The Legislation also makes \$3 million available to Cal Expo for reimbursements while assisting with emergencies. In total, SB 115 grants Cal Expo access to \$6 million in funds that will figuratively get us to the State Fair next year.

SB 115 was enrolled by the Governor on September 9, 2020.

AB 1974 (Gray) Horse Racing: welfare and safety of racehorses and jockeys

This bill makes numerous changes to the California Horse Racing Board and The Horse Racing Law. The provision changes most relevant to California Exposition and State Fair involve the Fair and Exposition Fund.

Currently, the Horse Racing Law provides that the Secretary of Food and Agricultural allocate any unallocated balance from the total revenue received by her department for capital outlay to the network of California fairs for projects involving public health and safety and for general operational support. This bill would create the Horse and Jockey Safety and Welfare Account in the Fair and Exposition fund to be allocated by the Secretary of Food and Agriculture to the California Horse Racing Board for equine safety measures to improve the integrity and safety of horse racing. This bill would require that moneys from special license fees imposed pursuant to the Horse Racing Law be deposited in that account for continuous appropriation.

AB 1974 was enrolled by the Governor on September 1, 2020.

Federal Legislation Update

HR 7745 Protecting Fairs During Coronavirus Act

HR 7745 would direct the Department of Agriculture (USDA) to establish a program to address the effects of the COVID-19 pandemic on state and local Fairs. The program would allow the USDA to provide competitive grants to states if specific criteria are met and there are limitations to what funds may purchase.

HR 7745 was introduced on July 23, 2020 and has been referred to the House Committee on Agriculture.