

## 2018 BizFed Central Valley Leadership Roundtable series Assemblymember Vince Fong

### Bakersfield – March 29, 2018



Assemblymember Vince Fong (AD34) spoke about his bill AB 2016, the latest attempt to institute some sensible reforms into the Private Attorneys General Act (PAGA), which was instituted more than a decade ago to ensure employees were fairly paid but has become an extortion tool against businesses that mostly enriches trial attorneys.

Fong's reforms, which are the same as those attempted by Gov. Brown in 2015, would simply require written notice of the exact alleged violations, require that the employer be given the exact number of aggrieved employees and give employers more time to fix the alleged violations.

Previous attempts at PAGA reform have met with failure in the face of Labor and Trial Attorney opposition. But Fong said he holds out hope for AB 2016 as Labor is beginning to understand how little PAGA has benefitted employees.

Kevin Small, owner of KS Industries related how his company settled for \$3 million to get out of a PAGA suite. The plaintiff employee received \$25,000, others in the "class" received \$600-\$800 and the attorneys walked away with \$2.2 million.

State Senate Candidate Shannon Grove, who carried numerous PAGA reform attempts said, Small's settlement experience is the norm.



Fong noted this time around that Gov. Brown supports the reforms in AB 2016 and has met with Fong about the bill. The strategy now is to work with labor activists to have them better understand how reforms to PAGA will benefit their own membership.

"The governor is engaged and wants to fix this issue," Fong said.

Fong also spoke about his attempts at CEQA reforms and a proposal by the California Air Resources Board to significantly increase the costs of pollution credits under Cap and Trade going to \$80-\$140 per credit after 2021.



Molly Saso, with Wonderful Orchards, explained that the trajectory of Cap and Trade costs would make it cheaper for Wonderful to truck its almonds to Nevada for processing, then truck them back to sell. All of which would have a negative impact on air and jobs in California.

Fong said CARB has so far only proposed the increase and BizFed members should get involved immediately to make the effect of such an increase known.

He urged support of the Trump proposal to increase the size of Shasta Dam saying it's the most likely storage project to get done in California considering how the Water Commission is sitting on Proposition 1 storage dollars.



Water Association of Kern County's president Bill Taube asked if the cost to fix Oroville Dam would be put on water contractors and reminded Fong that Oroville is a flood-control facility, not a water storage facility. Fong said Gov. Brown agrees that water contractors shouldn't pay for Oroville, but mostly because he wants them to pay for the California Fix "twin tunnel" project instead.

The Assemblymember also gave a quick overview of some shifty money shifts in the Governor's proposed budget, such as taking money from the successful Carl Moyer program (which gives money to help businesses replace polluting engines) and motor vehicle account to shore up a budget hole in the Fish and Wildlife budget.

The shift of money from the motor vehicle account was justified because: "They said that cars in the parks kill animals. So...." Fong said.

Fong also warned participants of upcoming efforts to reform Proposition 13 by taking Prop. 13 protections away from commercial properties.



"It's a big deal, and it's real," he said.

In a bright spot, Fong predicted that AB 1745, which would ban the sale of new internal combustion engines in California by 2040, mandating all new cars be electric, likely does NOT have the votes to pass.

**BizFed Central Valley's next Leadership Roundtable will be April 24 in Fresno from 11:30 to 1 p.m. with San Joaquin Valley Air Pollution Control District Chief Seyed Sadredin and Deputy Chief Samir Sheikh.**