

Date of Hearing: April 24, 2018

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2166 (Caballero) – As Amended April 16, 2018

**SUBJECT:** California Farm Bill: agricultural technology.

**SUMMARY:** Requires the California Community Colleges (CCC) Board of Governors (BOG) to develop a model Agricultural Business and Technology Program, as specified; requires the County Agriculture commissioner (CAC) to also conduct a survey of internet accessibility in their county to identify gaps in internet accessibility on farms, as specified; establishes the Agriculture Growth Council (AGC), as specified, to plan for regulatory streamlining for the agricultural industry; allows a tax credit for deployment of agricultural technology, as specified; and, appropriates specified amounts from the General Fund (GF) for various agriculture related programs with the California Department of Food and Agriculture (CDFA) and the University of California (UC). Specifically, in part, **this bill:**

- 1) Makes the following Legislative findings and declarations:
  - a) For sustainable growth, rural communities need to be able to keep their youth employed at home, or to have those youth return to their communities after attending college; and,
  - b) Rural communities benefit when their youth have adequate jobs after high school that provide living wages without college degrees.
- 2) Declares this law shall be known as the California Farm Bill.
- 3) Requires the CCC BOG to develop a model Agricultural Business and Technology Program or similar program that may be adopted by community college districts and offered to its students.
- 4) Requires that the program developed in (2) encourage entry and provide career pathways into the agricultural technology industry and be based upon already existing programs such as the Agriculture Business Technology Program at Hartnell College, located in the City of Salinas, or the Agriculture Science Technology Program at West Hills College Coalinga, located in the City of Coalinga.
- 5) Defines “Agricultural technology” as technology that improves the efficiency of water use, energy use, greenhouse gases, fertilizer use, or pesticide use, or that automates a part of the farming process to make farmworkers more efficient.
- 6) Establishes the AGC in state government; requires that the AGC consist of the Secretary of Food and Agriculture, the Secretary of the Natural Resources Agency, the Secretary of Environmental Protection, the Director of Water Resources, the Director of the State Water Resources Control Board, the Chair of the Air Resources Board, the Director of Pesticide Regulation, one member of the public appointed by the Speaker of the Assembly, one member of the public appointed by the Senate Committee on Rules, and one member of the public appointed by the Governor. The public members shall have a background in agriculture.

- 7) Specifies the purpose of the AGC is to plan for regulatory alignments that aid grower compliance, reduce costs to the agriculture industry, and protect the environment and to make recommendations for regulatory alignments to the proper agency or department.
- 8) Creates, for each taxable year beginning on or after January 1, 2020, and before January 1, 2025, a credit against the “net tax,” as defined, in an amount for each acre on which agricultural technology is deployed during the taxable year for at least three consecutive months as follows:
  - a) For tier 1 farms, which are farms less than 100 acres in size, \$50;
  - b) For tier 2 farms, which are farms at least 100 acres but less than 500 acres in size, \$40;
  - c) For tier 3 farms, which are farms at least 500 acres but less than 1,000 acres in size, \$30;
  - d) For tier 4 farms, which are farms at least 1,000 acres but less than 2,000 acres in size, \$20; and,
  - e) For tier 5 farms, which are farms of 2,000 or more acres in size, \$10 (specifies that the amount of credit for a tier 5 farm shall not exceed \$50,000 per taxpayer per taxable year).
- 9) Makes appropriation from the GF as follows:
  - a) \$1.5 million to CDFA's Buy California program, as specified;
  - b) \$45 million to CDFA's Plant Pest Prevention Management Program;
  - c) \$1.5 million to CDFA to implement regulatory information website;
  - d) \$20 million to CDFA to implement CDFA's Agriculture Technology Innovation Institute (ATII);
  - e) \$500,000 to CDFA to support AGC in its purpose;
  - f) \$10 million annually to UC, division of Agriculture and Natural Resources for applied agriculture research; and,
  - g) \$150,000 to Olinga Learning's Wings of Knowledge Initiative.

**EXISTING LAW:**

- 1) Establishes the CCC, a postsecondary education system consisting of community college districts and the CCC BOG (Education Code (EC) Section 70900).
- 2) Requires the CCC BOG to provide leadership and direction in the continuing development of the CCC as an integral and effective element in the structure of public higher education in the state. Existing law also specifies the work of the BOG shall at all times be directed to maintaining and continuing, to the maximum degree permissible, local authority and control in the administration of the CCC (EC Section 70901).
- 3) Finds and declares all of the following:

- a) Agriculture is one of the most important industries in California, contributing over sixty-five billion dollars annually to the state's economic activity;
  - b) Agricultural education programs within the CCC system can, and do, play an important role in providing relevant workforce training as well as college and university transfer options for students;
  - c) Among the purposes of the CCC Agriculture and Natural Resources Advisory Committee (ANRAC) is the development of recommendations for improving and enhancing community college agricultural education programs on a statewide basis; and,
  - d) It is in the best interests of the public that programs in agricultural education that exist within the CCC system be measured annually against uniform, objective quality criteria indicators (EC 78017).
- 4) Requires the CCC ANRAC to identify and develop quality program criteria that may be used to uniformly evaluate the effectiveness of the agricultural education programs in community colleges throughout California. Requires that the criteria be developed in consultation with instructors, administrators, students, industry representatives, and other interested parties, and build upon the local program evaluation document previously developed by the ANRAC. Existing law also requires ANRAC to perform all of the aforementioned activities within the allotment of funding provided to ANRAC under the federal Carl D. Perkins Vocational and Technical Education Act (VTEA). Specifies that under no circumstances shall said activities result in a state operations request for General Fund support or displace any other VTEA-funded state operations activities within the CCC Chancellor's Office (EC 78017.3).

**FISCAL EFFECT:** Unknown

**COMMENTS:** *Double referral.* This bill was heard by the Assembly Committee on Agriculture; and passed out with a vote of 8-0 on April 11, 2018.

*Need for the measure.* According to the author, "Today, rural students in tech must pursue those careers outside of their home communities. Building educational pathways to new ag tech careers, managing data sensor networks in fields and precision, Internet guided farm equipment, requires new skills in the ag industry. A few pockets at the community college and higher education systems have embraced ag tech pathways, but this is not ubiquitous in regions of the state that economically depend on farming, ranching, and dairy-driven economies".

This bill, in part, requires the CCC BOG to develop a model Agriculture Business and Technology Program.

*CCC Agriculture and Natural Resources Advisory Committee (ANRAC).* The CCC ANRAC provides an impartial evaluation service to assist community colleges to improve the quality of agriculture and natural resources curriculum and programs at their own institution; raising the standards for agriculture/natural resource education across the state of California.

The CCC ANRAC program evaluation involves an intensive one – to three – day focused study of the program's needs, capabilities, resources, strengths and weaknesses.

*Transfer Model Curriculum and Course Identification Numbering System (C-ID)*. In response to Senate Bill 1440 (Padilla), Chapter 428, Statutes of 2010, the Academic Senates for CCC and California State University (CSU) decided to develop a faculty-led, state-wide, concerted effort to identify the course content for new associate degrees for transfer, which simultaneously award students an associate degree and prepare them for special benefits/guarantees upon transfer to CSU. The Course Identification Numbering System (C-ID) infrastructure is being used to develop and vet the transfer model curriculum (TMC) in each of the most common transfer majors. Further, C-ID is being used to develop “descriptors” for all the courses in the TMCs, providing assurances to students and faculty that courses offered at one institution are comparable to those elsewhere, provided they have the same C-ID number. Once a TMC has been drafted by intersegmental discipline faculty, it is vetted on the C-ID site where feedback is posted by a wider sampling of faculty. Once finalized, TMCs become available for community colleges to use as they develop their associate degree for transfer.

To note, the Academic Senate for California Community Colleges (ASCCC), created the agriculture model curriculum, which is available on the C-ID. This curriculum is based, in part, on recommendations by the CCC ANRAC.

Committee Staff understands that the ASCCC utilized an extensive vetting process that appears to include all of the requirements listed in this measure, through either the creation and evaluation of model curriculum or in the process actions required for the Chancellor’s Office and colleges to utilize the curriculum. According to the ASCCC, they generated C-IDs for a variety of agriculture courses to fill a need the faculty saw for ensuring CCC students have agriculture transfer pathways from a CCC to a CSU.

*Revenue and taxation.* This measure was not heard by the Assembly Committee on Revenue and Taxation; but there are revenue and taxation concerns that should be noted.

As presently drafted, this bill, for each taxable year, beginning on or after January 1, 2020, and not before January 1, 2025, specifies that there shall be allowed as a credit against the "net tax," as defined, and specified amount for each acre on which agricultural technology is deployed.

Committee Staff notes that the bill is silent as to whom the credit would be allowed. Additionally, the bill is silent as to whom is considered a "qualified taxpayer". Further, as the bill itemizes the tax credit structure, it does not consistently specify that each enumerated dollar amount is per acre; should there be a hard cap on the tier structure set forth in this bill?

The bill also requires the ATII, within the CDFA, to provide a certificate to a taxpayer who meets specified requirements as established in this bill. The purpose of the certificate is unclear; is it for the tax credit? Additionally, it is unclear if the California Franchise Tax Board (FTB) should receive a copy of each issued certificate; and if FTB receives a copy, the bill is silent as to how FTB would receive copies of issued certificates. Committee Staff understands that FTB has expressed concerns as to the structure of what the bill is asking to be included on the certificate; perhaps it may be better to explicitly specify what information is required on the certificate, providing a certified amount.

It is presently unclear if the structure of this bill creates a tax incentive or a tax reward. Should the bill be limited to original tax returns or should the bill allow for amendments for prior tax years? Additionally, as drafted, the bill would allow owners outside of California to receive the

tax credit or incentive; should the bill be limited to ensure the tax credit or incentive is for Californians only?

*Committee comments and amendments.* As currently drafted the bill requires the CCC BOG to develop model curriculum.

*Committee Staff notes that the creation of curriculum is in the purview of faculty.*

*Should the Legislature require the CCC BOG to create curriculum specific to agriculture and technology, especially when, as noted in the "TMC and C-ID" Section of this analysis, curriculum has already been created in the field of agriculture?*

To note, career technical education programs require a local advisory committee with industry that may impact how curriculum is designed and implemented at the colleges. The models presented from Hartnell and West Hills College Coalinga represents only two of the fifteen regions.

*If the intent of the author is to establish model curriculum specific to agricultural business and technology, the author should amend the bill in order for the ASCCC to explore a proposal through the C-ID process, calling together agriculture factory and industry partners to design model curriculum flexible enough to serve statewide needs.*

*Committee Staff recommends, and the author has accepted, the following amendment:*

**78017.5. (a) The Board of Governors of the California Community Colleges shall develop a model Agriculture Business and Technology Program or similar program that may be adopted by community college districts and offered to its students.**

**(a) The Board of Governors of the California Community Colleges shall direct the state wide Academic Senate for California Community Colleges to engage the Course Identification Numbering System process to explore the creation of model curriculum in the sub-discipline of Agricultural Business and Technology.**

**(b) The model program shall encourage entry, and provide career pathways, into the agricultural technology industry and shall be based upon already existing programs such as the Agriculture Business Technology Program at Hartnell College, located in the City of Salinas, or the Agriculture Science Technology Program at West Hills College Coalinga, located in the City of Coalinga.**

Committee Staff notes that this measure appropriates \$150,000 from the GF, to Olinga Learning's Wings of Knowledge Initiative. Said initiative is a non-profit.

*Should the Legislature authorize state dollars be appropriated to a non-profit?*

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Almond Alliance of California  
 Association of California Egg Farmers  
 California Association of Winegrape Growers

California Association of Wheat Growers  
California Bean Shippers Association  
California Citrus Mutual  
California Grain & Feed Association  
California Pear Growers Association  
California Seed Association  
California State Floral Association  
California Warehouse Association  
Family Winemakers of California  
Hartnell Community College District  
Pacific Egg & Poultry Association  
West Hills Community College District

**Opposition**

None on file.

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