

Politico Group State Advocacy Update

Presented to:

SACOG P&I Committee

March 11, 2024



Presentation Overview

- I. Budget Updates & Advocacy
- II. Senate Leadership & Committee Changes
- III. 2024 Legislative Themes

I. Budget – LAO Deficit Update

- Updated revenue projections:
 - LAO projects \$73B deficit under revised revenue forecast
 - \$15B deficit increase compared to Governor's budget
 - LAO revenue estimates \$24B below Governor's across 2022-23 to 2024-25
- LAO proposed solutions:
 - Approximately \$16B in remaining one-time spending

Summary of Possible Remaining One-Time and Temporary Spending

(In Millions)

	2023-24	2024-25	2025-26
Business and Labor	\$266	\$284	\$198
Criminal Justice	130	40	—
Education	602	1,195	1,109
Health and Human Services	867	301	701
Housing and Homelessness	1,599	—	260
Other	1,752	557	432
Resources and Environment	1,049	1,005	1,377
Transportation	146	739	1,000
Totals	\$6,411	\$4,121	\$5,076

Note: Amounts reflect one-time and temporary spending adopted in the 2021 and 2022 budget packages.

Source: Legislative Analyst's Office

I. Budget – Remaining Housing Spending

- \$340M in one-time General Fund from FY 2022-23:
 - \$168M Infill Infrastructure
 - \$110M Farmworker Housing Grant Program
 - \$62M Veterans Housing and Homelessness Prevention Program
- \$1.6B one-time General Fund – FY 2023-24 through 2025-26:
 - \$1.36B Homeless Housing, Assistance & Prevention Program
 - \$299M Encampment Resolution Grants
 - \$100M Portfolio Reinvestment Program
 - \$75M Multifamily Housing Program
 - \$25M Infill Infrastructure Grant Program

I. Budget – Process

I. Governor's Budget – Jan. 10

II. Legislative Budget Hearings

- *Senate Budget Subcommittee No. 4 – March 14*
- *Assembly Budget Subcommittee No. 5 – April 9*

III. May Revision – New revenue estimates May 15

IV. More Hearings & Legislature's Budget – by June 15

V. Final Budget Negotiations, Budget Bill Jrs., Trailer Bills – June 15 through summer/fall

I. Budget Advocacy

- I. Educate the SACOG delegation
 - *SACOG budget letter, testimony, and lobbying*
 - *Jurisdictional outreach to members – localize impacts!*
 - *Regional coalition-building – engage other groups*
- II. Develop a solution with partners – *Ongoing*
- III. Committee Action – solution adopted by one or both Budget Committees/Subcommittees
- IV. Final Budget Negotiations – solution included in final deal between Legislative Houses and Governor

I. Budget Advocacy, cont.

- Assembly Budget Subcommittee No. 5
 - Quirk-Silva (D-SCAG) (Chair)
 - Ward (D-SANDAG)
 - Patterson, Joe (R-SACOG)
- Senate Budget Subcommittee No. 4
 - Padilla (D-SANDAG) (Chair)
 - Smallwood-Cuevas (D-SCAG) – *replaced Caballero*
 - Niello (R-SACOG)

II. Senate Leadership & Committee Changes

- Key SACOG delegation changes
 - Senator Ashby – Asst. Majority Leader, B&P Chair
- McGuire's transportation, housing, local gov. changes
 - Transportation – Cortese (San Jose)
 - Budget – Wiener (San Francisco)
 - Budget Sub. 5 on Transportation, etc. – Wahab (Hayward)
 - Housing – Skinner (Berkeley)
 - Local Government – Durazo (Los Angeles)
 - Revenue & Taxation – Glazer (Orinda)

III. 2024 Legislative Themes

- Bonds – Resources/Climate, Housing, Schools, more...
 - Prop. 1 – Behavioral Health Services Act & Bond
 - Too close to call – 50.4% yes; 2.7M remaining ballots
- Transportation and Climate
 - Trade Corridors, Active Transpo. Mandates, Reporting
- Impact Fees – Caps/deferrals
- Housing – Dozens of spot bills
 - Deadlines: March 11th in Assembly, March 20th in Senate

Questions & Contact Information

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