



*Established in 1991, UCC serves as the representative voice for state legislative advocacy for high-population counties in California. Initially composed of seven counties, the association has grown to 14 today. Nearly 80 percent of the state's population reside in UCC counties. Consequently, urban counties carry out critical programs and services to the state's most vulnerable populations. For more information, including details on our Board of Directors, please visit [our website](#).*

**June 10, 2022**

## **Two-Party State Budget Agreement Details Now in Print as June 15 Deadline Looms Large**

As we reported last Friday, the Legislature announced a long week ago that the two houses had landed an agreement on the state budget. This week, the provisions to carry out the houses' spending plan appeared in identical vehicles: **AB 154** and **SB 154**. These bills (only one will move forward) will enact the main budget architecture for 2022-23 and essentially set a foundation for subsequent negotiations between the Legislature and Administration. In very broad terms, the identical bills (1) authorize \$300 billion in spending, including \$235.9 billion in General Fund expenditures and (2) set aside \$37.8 billion of combined total reserves in the Budget Stabilization Account (BSA), the Special Fund for Economic Uncertainties (SFEU), the Public School System Stabilization Account (PSSSA) and the Safety Net Reserve.

The full Senate budget committee met Thursday ([agenda](#) | [summary](#) | [LAO overview](#) | line item [details](#)) to present the Legislature's plan; the most notable takeaway from that conversation was the extent to which the Department of Finance pushed back on the Legislature's proposed ongoing spending. The full Assembly budget committee meets Monday, and it is expected that the houses will take up (and pass!) the budget bills on Monday. The Legislature's budget plan will presumably arrive on the Governor's desk no later than Wednesday, June 15 to meet the constitutional deadline for passage of a balanced budget. From there, the Governor has 12 days to sign the bill ... and during those 12 days, the three parties – the Administration, the Senate, and the Assembly – will have a considerable set of issues to negotiate. The parties reportedly are far apart on any number of big-ticket (both in the sense of high dollar amounts and policy significance) items, including tax relief/cash assistance, school funding, housing and homelessness, climate change investments, and health and developmental services.

One of the well-known budget watchers in Sacramento tweeted today some interesting observations about the [state budget timeline](#).

In other words, a LOT happens in a rather contracted period of time toward the end of the budget negotiations. We will continue to keep you apprised on developments. Oh, and it's important to note that while the Legislature's budget plan identifies a \$3 billion pot for legislative spending (i.e., specific member requests), no details have been announced on what precisely will be funded from that set-aside. And it bears repeating that – like we have seen the last several years – there will be budget conversations, additional budget and trailer bills written and enacted, and plenty of other related activities through the end of session on August 31. Stay tuned, friends!

### **Tuesday's Primary Election: Few Surprises, Low Voter Enthusiasm**

While ballots are still being counted, this week's statewide primary election was a bit of a yawn. After last fall's gubernatorial recall election blowout, no one should be surprised that Governor Gavin Newsom will move to the November ballot. With 56 percent of the vote as of this writing, Newsom will face State Senator and former Lassen County Supervisor Brian Dahle, who garnered about 17 percent of the vote statewide. In the open race for State Controller, Republican Lanhee Chen is likely to face Board of Equalization Member Malia Cohen. Chen is widely viewed as the Republican most likely to win a statewide office. (Republicans have been shut out of California statewide offices since 2006.) In the race for Attorney General, Sacramento District Attorney and No Party Preference candidate Anne Marie Schubert failed to move on to November; instead, Attorney General Rob Bonta, a Democrat, will likely face Republican Nathan Hochman.

The biggest story coming out of legislative primary races is the outcome in Senate District 4, which encompasses a number of counties in and around the Sierras. Senate District 4 was largely viewed as a safe Republican seat with a Republican voter registration advantage of three percent. However, with six Republican candidates vying for the Senate seat, including former Congressman George Radonovich, voters split amongst the Republican candidates and in all likelihood will instead send two Democrats to the November general election.

A quick note on turnout: it's not unusual for a June primary to have lower turnout than a November general, but voter turnout appears to be on pace for a record low. Or does it?

As of this writing, we're only at E+3 and ballots are counted through E+7 (with proper postmark, of course), but it appears that this election is on track to have a turnout of just under 30 percent of registered voters. However, some experts argue that perhaps using eligible voters is a more appropriate denominator. Now that we have automatic voter registration in California, the number of registered

voters has skyrocketed, and more total voters participated in this election than in the 2014 and 2010 gubernatorial primaries as well as the 2020 presidential primary. So, while on a percentage basis, we may have experienced a low turnout election, we may also have experienced the second highest total voters in gubernatorial history! (For those interested in geeking out on election turnout, check out [this](#) Twitter thread.)

Finally, anticipate increased voter interest and enthusiasm come November. California voters could be asked to weigh in on up to a dozen ballot measures, in addition to races for statewide elective offices. New this week, legislative leaders announced a planned constitutional amendment to explicitly enshrine abortion rights in the California Constitution. [Senate Constitutional Amendment 10](#) would ask voters to protect the right to abortion and contraceptives in light of an anticipated ruling from the United States Supreme Court that would overturn *Roe vs. Wade* and allow states to make their own decisions on abortion rights. While the timelines are short for approving SCA 10 through the legislative process, we expect that this issue will be a priority for legislative Democrats and the Newsom Administration.

### **Governor's CARE Court Proposal Now Set for Hearing**

[SB 1338](#) (Umberg and Eggman) has been referred to the Assembly Judiciary Committee and the Assembly Health Committee with hearing dates now set for June 21 and June 28, respectively. Remember, of course, the deadline for bills to get out of the second house policy committees is July 1 ... although we expect that substantive conversations about CARE Court language will continue all the way through the end of session. And, contemporaneously, continued conversations on the fiscal package to accompany the new responsibilities continue.