



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 3, 2022

No Change to Assembly Leadership ... for Now

As we reported last week, Assembly Speaker Anthony Rendon faced a leadership challenge by Assembly Member Robert Rivas one week ago today. After Mr. Rivas' Friday afternoon statement announcing he had secured sufficient votes to take over as leader of the lower house's Democratic super-majority, members returned to their districts for the three-day weekend. On Tuesday, intrigue ensued with a series of parliamentary motions that resulted in a nearly seven-hour Democratic caucus. Once members emerged that evening, Assembly Speaker Rendon and Assembly Member Rivas each issued carefully worded statements confirming that (1) Mr. Rendon would remain in his leadership spot at least through the end of the 2022 legislative year and (2) Assembly Member Rivas had secured support of a majority of the "current" caucus, which is notably different from a majority of the Assembly – a threshold required to make a change in the speakership.

What is the practical upshot of these events? First, it is clear that while the caucus appears divided, Assembly Member Rivas ultimately did not have sufficient support to take over as leader immediately. Whether he is able to ascend to Speaker at some point in the future – recognizing that the make-up of the Assembly will be considerably different post-November election – is unclear. For now, Assembly Member Rendon remains in charge at an exceptionally critical time in the policy and – perhaps more importantly – budget development process. We are keeping an eye out for any specific fallout or targeted punishments for members who aligned themselves with Team Rivas over the last week. When Assembly Member Evan Low attempted a leadership coup last year, Speaker Rendon stripped him of his role as chair of a coveted committee.

CARE Court Measure to Be Heard in Two Assembly Committees Before Month's End

The Senate vehicle (**SB 1338**, Umberg and Eggman) that contains provisions to carry out the Governor’s Community Assistance, Recovery, and Empowerment (CARE) Act has been referred for hearing before the Assembly Health Committee and the Assembly Judiciary Committee. (The bill, of course, will also be subject to a fiscal assessment in the Assembly Appropriations Committee.)

The county coalition continues its joint efforts to refine the measure to increase workability and address county concerns. Additionally, the coalition has begun outreach to key Assembly policymakers – primarily members of the two policy committees to which the bill has been referred and to former county supervisors, among others – for further discussion on the sufficiency of resources, a phased-in implementation timeline, fiscal protections, sanctions, housing-related matters, and a variety of technical suggestions.

Per legislative deadlines, the bill must be approved by both policy committees before the Legislature adjourns for its four-week summer recess on July 1.

Legislative Budget Agreement Reached

This week, legislative leaders announced that the Senate and Assembly had reached **agreement** on a 2022-23 state budget package, which will be amended into **AB 154** and **SB 154** in time for the Legislature to meet its constitutional June 15 deadline to send a budget bill to the Governor. While the agreement reflects a broad budget framework, details are scarce as of this writing, and a number of items remain unresolved, including big-ticket items like K-12 school funding and an inflation relief/tax rebate plan. Further, while the legislative agreement largely reflects the Administration’s budget proposals, the package clearly does not reflect negotiations or agreement with the Administration, meaning that anything could change in the coming weeks and months. We anticipate any number of so-called Budget Bill, Jr. bills that amend the original budget bill to come all the way until the end of the legislative session on August 31.

Of note, the 2022-23 spending plan agreed to by the two houses includes significant (\$20 billion!) capacity under the State Appropriation or Gann Limit. The plan incorporates infrastructure and COVID emergency-related spending, direct payments to families and businesses, and options suggested by the Legislative Analyst’s Office in an effort to keep the state budget under this constitutional limit for at least two more years and avoid a 2023 “fiscal cliff” recently identified by the LAO. However, the agreement acknowledges that voters will need to consider changes to the Gann Limit, likely in 2024. The LAO recommended changes for modifying the Gann calculation include:

- Adopt LAO suggestion to change statutory definition of “local subventions,” thereby counting more subventions under local Gann Limits.

- Classify more Proposition 98 funding as excluded spending, including more qualified capital outlay spending and emergency spending.
- Approve more qualified capital outlay spending elsewhere in the budget.
- Adopt LAO suggestion to swap certain qualified capital outlay spending in nontax accounts with General Fund or other tax proceeds.
- Various other net changes to the May Revision.

The budget proposed by the Senate and Assembly also incorporates a placeholder of \$3 billion for one-time expenditures reflecting legislative priorities; no details are available yet on the approved list of items.

A chart of the line item actions included in the legislative agreement is available [online](#).

The Senate Budget and Fiscal Review Committee will convene to consider the budget on June 9, while the Assembly Budget Committee is slated to meet on June 13. Trailer bills will likely trickle out over the next few weeks as negotiations with the Administration continue.

Below we highlight details on note on various expenditure proposal contained in the Legislature's plan, organized by major policy area.

Health and Human Services

Transportation

Homelessness

Judiciary, Public Safety and Local Corrections