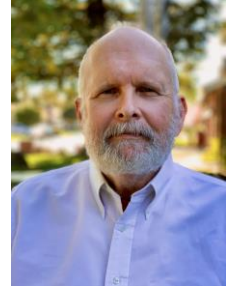


Legislative Update

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Important Dates:

- January 1, 2025 – Statutes take effect
- January 10 – Governor submits budget
- February 21 – Bill introduction deadline
- April 1 – 21 – Spring Recess
- April 24 – Region 9 Infrastructure Symposium (Los Angeles)
- May 2 – Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
- June 4 – ASCE/APWA Legislative Day (Sacramento)
- June 6 – Last day for each house to pass bills introduced in that house

Lawmakers Propose Doubling State's Rainy-Day Fund

Democratic state lawmakers are proposing a constitutional amendment that would ask voters to double the cap on California's main reserve account, an attempt to blunt the impact of future budget shortfalls months after officials addressed one of the largest deficits in state history.

What it would do: [ACA 1](#) would raise the limit on the [Budget Stabilization Account](#) to 20 percent of annual general fund revenue. It would also change the amount of state income that is deposited into the fund each year from 1.5 percent, but it doesn't yet specify by how much.

Background: Gov. Gavin Newsom and legislative leaders agreed over the summer to pursue a 2026 constitutional amendment to grow the reserve. The new proposal from Assemblymember Avelino Valencia and 15 co-authors could serve as the vehicle for that change.

After painful Great Recession-era budget cuts, California voters in 2014 passed a ballot measure requiring the state to deposit money into a "rainy-day" reserve fund every year. During the most recent budget deal, officials planned to draw \$12.2 billion from the account over two years to offset multiyear deficits.

Challenges: Newsom himself has acknowledged that it would be difficult to persuade voters to pass a somewhat arcane rewrite of state budget rules but has nevertheless voiced support for such a change. There's also the issue of convincing taxpayers to allow the state to hold on to more money, especially considering pocketbook issues are often among voters' top priorities.

What's next: The details of the proposal will likely still have to be negotiated, including how much would be funneled into the account each year.

Appointments

By Governor
Do not require Senate confirmation.

As chief financial officer, High-Speed Rail Authority: **Jamey Matalka**, El Dorado Hills, no party preference, director of risk management and project controls at High-Speed Rail Authority since 2020. Salary: \$262,008.

As director, Office of Traffic Safety: **Stephanie Dougherty**, Sacramento, no party preference, deputy secretary of transportation safety and enforcement at the State Transportation Agency since 2016. Salary: \$176,808.

As deputy secretary of equity and workforce, State Transportation Agency: **Allison Joe**, Sacramento, Democrat, senior advisor to Sacramento Mayor Darrell Steinberg since 2024. Salary: \$179,004.

Reports of Interest

State Library's California Research Bureau releases, "[Is Car Parking Destroying Cities?](#)," finds "a single parking space takes up 180 sq ft of space, but when you add all the ramps and access walkways, its closer to 300 sq ft," which "is the size of a median studio apartment in Los Angeles," also finds "cities often set parking prices too low, leading to over occupancy, encouraging people to cruise for parking, and adding to traffic congestion;" recommendations include "dedicating parking revenue to fund neighborhood enhancements," and "removing or reducing minimum parking requirements" to "free up valuable land for housing, businesses, and public spaces, fostering more vibrant and walkable urban environments." Contact: Tonya Lindsey, tonya.lindsey@library.ca.gov.

Research Bureau also releases, "[Housing, Recessions, Inequality and Policy Responses](#)," compares "federal and state policy responses to the 2008 and 2020 recessions" to provide "insights and lessons that can be built upon as governments continue to consider their role in economic recoveries, how to respond to future economic shocks, and how to continue to address housing access and affordability."

Public Policy Institute of California releases, "[College Affordability in California](#)," finds that "food and housing costs for living off-campus not with family account for 41% of total expenses at UC, 56% at CSU, and 72% at California Community Colleges," and "most aid recipients at CCC (67%) live with family off-campus, saving about three quarters of the costs for living independently; at CSU, 48% of aid recipients live with family and save about half" and "eighty percent of UC aid recipients live on campus, where costs are similar to off-campus independent living." Contact: info@ppic.org.

California Budget and Policy Center releases, "[Federal Funds Drive One-Third of California's State Budget](#)," says of the \$450.8 billion 2024-25 state budget, \$153 billion, or 33.9%, consists of federal funds, and "Trump administration cuts could jeopardize services for millions of

Californians;” also says “largest share” of federal funding, \$98.5 billion, is budgeted through Dept. of Health Care Services for Medi-Cal, which serves “more than 14 million Californians,” while the “second largest share,” \$12.1 billion, goes to Dept. of Social Services for “child welfare services, foster care, the CalWORKs program and other critical services.” Contact: contact@calbudgetcenter.org.

Public Policy Institute of California releases, “[Understanding Water Available for Recharge in the Central Valley](#),” examines “how to build on recent successes in groundwater recharge while protecting the environment and the rights of downstream water users,” provides “several important takeaways for advancing beneficial recharge policies: 1. the tradeoffs between upstream diversions and exports can be significant, especially for diversions upstream of the San Joaquin River;” “2. the fact that exporters don’t operate at capacity during wet years creates more opportunities for recharge;” “3. more flexibility is needed regarding upstream diversions of flood flows;” “4. updates to environmental regulations in the Delta likely will not change the basic story;” and “other state and local policies can help make the most of available water.” Contact: blog@ppic.org.