

LEGISLATIVE UPDATE



Week of January 27, 2025

State Issues	
Special Session Update	<p>While the Legislature completed the initial the work to address the Los Angeles fire relief, the work to “Trump Proof” California has stalled in the California Assembly this week. On Thursday, two Special Session Bills, SBX 1 and SBX 2, were set to be voted on the Assembly Floor. SBX 1 provides additional funding to the Attorney General for litigation challenges to certain new federal policies, and SBX 2 provides funding to support immigration and legal aid services – totaling about \$50 million.</p> <p>But shortly after session started, the Assembly Democratic Caucus meeting was called, and they held a private meeting for more than an hour. When they finished the discussion, they adjourned the session, without taking votes on the bills. In a written statement, the Speaker noted that they wanted to take a bit more time to ensure the bills were “airtight” before finalizing them.</p> <p>There has been a great deal of discussion behind the scenes that are coming into play. Some Legislators are concerned about taking such an aggressive approach to the Trump Administration, when California has so much funding at stake – from needed FEMA funds, to support Los Angeles, to billions in Medicaid funding to support our health care system. Second, in speaking with members this week, they expressed an interest in being “conservative” in our spending at this point of the year, because they want to make sure the State has the money to support programs where federal funding will either be delayed or denied. Governor Newsom’s January budget did have a bit of a projected surplus, but that assessment was created before the fires and before federal funding was so clearly in jeopardy.</p> <p>So, while the Senate passed these bills last week with very little discussion, the Assembly is taking a different approach. The bills can be taken up and voted on next week, but we’ll see if they get any amendments or further delayed.</p>
Budget Update	<p>This week, the Senate held its first hearing of Governor Newsom’s January proposed 2025-26 Budget. It was an informational session only, with presentations by the Department of Finance and Legislative Analyst’s Office, and questions by the members of the Committee, Chaired by Senator Scott Weiner.</p> <p>You can access the LAO Handout for the Senate Budget Hearing here. And the LAO Brief Budget Summary and Overview here. Budget Subcommittee hearings should begin soon to concentrate on the various subject areas.</p> <p style="text-align: right;"><i>(more)</i></p>

<p>New Advisor for Governor</p>	<p>Reported this week is an upcoming new addition to the Governor’s Cabinet with someone who has both local government and federal government experience. Former Biden Administration Deputy Director of Office of Management and Budget, Nani Coloretti, is set to rejoin Governor Gavin Newsom as his Senior Counselor to the Governor. Coloretti will take over the role on March 3 when Ann Patterson transitions to a new role focusing on wildfire recovery for Los Angeles.</p> <p>Coloretti first worked with Newsom during his time as San Francisco mayor, serving as policy adviser and budget director, before joining the Obama administration, where she worked in Treasury and Housing and Urban Development. She was on the senior staff of the Urban Institute during Trump’s first term as president. In a brief interview with Politico, Coloretti described herself as a “Jane-of-all-trades and a problem solver.”</p> <p>She will focus on helping Newsom implement the programs the Administration and statewide voters passed. Her recent experience in leadership at the OMB may help the state Administration manage the proposals coming out of the OMB during the Trump term.</p>
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For more information, please contact Lori Dangberg at 1215 K Street, Suite 2040 ■ Sacramento, CA 95814
916.591.3991 or e-mail: ldangberg@thealliance.net