

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

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First Vice President Cindy Allen, Long Beach

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Executive/Administration Curt Hagman County of San Bernardino

Community, Economic & Human Development David J. Shapiro, Calabasas

Energy & Environment Jenny Crosswhite, Santa Paula

Transportation Tim Sandoval, Pomona **MEETING OF THE**

LEGISLATIVE/ COMMUNICATIONS AND MEMBERSHIP COMMITTEE

Members of the Public are Welcome to Attend In-Person & Remotely Tuesday, January 21, 2025 8:30 a.m. – 10:00 a.m.

To Attend In-Person:

SCAG Main Office – Policy B Meeting Room 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017

To Attend and Participate on Your Computer: https://scag.zoom.us/j/84376025323

To Attend and Participate by Phone:

Call-in Number: 1-669-900-6833 Meeting ID: 843 7602 5323

PUBLIC ADVISORY

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Maggie Aguilar at (213) 630-1420 or via email at <u>aguilarm@scag.ca.gov</u>. Agendas & Minutes are also available at: <u>https://scag.ca.gov/meetings-leadership</u>.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 630-1410. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



Instructions for Attending the Meeting

To Attend In-Peron and Provide Verbal Comments: Go to the SCAG Main Office located at 900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017 or any of the remote locations noticed in the agenda. The meeting will take place in the Policy B Meeting Room on the 17th floor starting at 8:30 a.m.

To Attend by Computer: Click the following link: <u>https://scag.zoom.us/j/84376025323</u>. If Zoom is not already installed on your computer, click "Download & Run Zoom" on the launch page and press "Run" when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically. Select "Join Audio via Computer." The virtual conference room will open. If you receive a message reading, "Please wait for the host to start this meeting," simply remain in the room until the meeting begins.

To Attend by Phone: Call **(669) 900-6833** to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully. Enter the **Meeting ID: 843 7602 5323**, followed by **#**. Indicate that you are a participant by pressing **#** to continue. You will hear audio of the meeting in progress. Remain on the line if the meeting has not yet started.

Instructions for Participating and Public Comments

Members of the public can participate in the meeting via written or verbal comments.

- 1. In Writing: Written comments can be emailed to: <u>ePublicComment@scag.ca.gov</u>. Written comments received by 5pm on Friday, January 17, 2025 will be transmitted to members of the legislative body and posted on SCAG's website prior to the meeting. You are not required to submit public comments in writing or in advance of the meeting; this option is offered as a convenience should you desire not to provide comments in real time as described below. Written comments received after 5pm on Friday, January 17, 2025 will be announced and included as part of the official record of the meeting. Any writings or documents provided to a majority of this committee regarding any item on this agenda (other than writings legally exempt from public disclosure) are available at the Office of the Clerk, at 900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017 or by phone at (213) 630-1420, or email to aguilarm@scag.ca.gov.
- 2. <u>Remotely</u>: If participating in real time via Zoom or phone, please wait for the presiding officer to call the item for which you wish to speak and use the "raise hand" function on your computer or *9 by phone and wait for SCAG staff to announce your name/phone number.
- 3. <u>In-Person</u>: If participating in-person, you are invited but not required, to fill out and present a Public Comment Card to the Clerk of the Board or other SCAG staff prior to speaking. It is helpful to indicate whether you wish to speak during the Public Comment Period (Matters Not on the Agenda) and/or on an item listed on the agenda.

General Information for Public Comments

Verbal comments can be presented in real time during the meeting. Members of the public are allowed a total of 3 minutes for verbal comments. The presiding officer retains discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting, including equally reducing the time of all comments.

For purpose of providing public comment for items listed on the Consent Calendar, please indicate that you wish to speak when the Consent Calendar is called. Items listed on the Consent Calendar will be acted on with one motion and there will be no separate discussion of these items unless a member of the legislative body so requests, in which event, the item will be considered separately.

In accordance with SCAG's Regional Council Policy, Article VI, Section H and California Government Code Section 54957.9, if a SCAG meeting is "willfully interrupted" and the "orderly conduct of the meeting" becomes unfeasible, the presiding officer or the Chair of the legislative body may order the removal of the individuals who are disrupting the meeting.



TELECONFERENCE AVAILABLE AT THESE ADDITIONAL LOCATIONS

Cindy Allen City of Long Beach - City Hall 411 W. Ocean Blvd., 11 th Floor Long Beach, CA 90802	Jenny Crosswhite City of Santa Paula - City Hall 970 E. Ventura Street Santa Paula, CA 93060	Keith Eich 4821 Daleridge Road La Canada Flintridge, CA 91011
Margaret Finlay 2221 Rim Road Duarte, CA 91008	Curt Hagman Chino Hills District Office 14010 City Center Drive Chino Hills, CA	Jan Harnik City of Palm Desert - City Hall 73-510 Fred Waring Drive Palm Desert, CA 92260
Mark E. Henderson City of Gardena - City Hall Council Office 1700 W. 162nd Street Gardena, CA 90247	Laura Hernandez City of Port Hueneme - City Hall 250 N. Ventura Road Port Hueneme, CA 93041	Patricia Lock Dawson Riverside City Hall 7th Floor Conference Room 3900 Main Street Riverside, CA 92522
Clint Lorimore City of Eastvale - City Hall 12363 Limonite Avenue, #910 Eastvale, CA 91752	Ray Marquez 15922 Old Carbon Road Chino Hills, CA 91709	Gil Rebollar SCAG Imperial County Regional Office 1503 N. Imperial Ave. Suite 104 El Centro, CA 92243
David Shapiro City of Calabasas - City Hall 100 Civic Center Way Calabasas, CA 91302	Donald P. Wagner County Administration North 400 West Civic Center Drive 6th Floor, Conference Room A Santa Ana, CA 92701	Alan Wapner Ontario City Hall 303 East B Street, Conf. Room 2 Ontario, CA 91764
Thomas Wong City of Monterey Park - City Hall 320 Newmark Avenue Monterey Park, CA 91754		

* Under the teleconferencing rules of the Brown Act, members of the body may remotely participate at any location specified above.



LCMC - Legislative/Communications and Membership Committee Members – January 2025

- 1. Hon. Patricia Lock Dawson LCMC Chair, Riverside, RC District 68
- 2. Hon. Margaret Finlay LCMC Vice Chair, Duarte, RC District 35
- 3. Hon. Cindy Allen Long Beach, RC District 30
- 4. Hon. Wendy Bucknum Mission Viejo, RC District 13
- 5. Hon. Jenny Crosswhite Santa Paula, RC District 47
- 6. Hon. Keith Eich La Canada Flintridge, District 36
- 7. Sup. Curt Hagman San Bernardino County
- 8. Hon. Jan C. Harnik RCTC Representative
- 9. Hon. Mark Henderson Gardena, RC District 28
- **10. Hon. Laura Hernandez** Port Hueneme, RC District 45
- **11. Hon. Clint Lorimore** Eastvale, RC District 4
- **12. Hon. Ray Marquez** Chino Hills, RC District 10
- **13. Hon. Gil Rebollar** Brawley, RC District 1
- **14. Hon. David J. Shapiro** Calabasas, RC District 44
- **15. Sup. Donald Wagner** Orange County
- **16. Hon. Alan Wapner** SBCTA Representative
- **17. Hon. Thomas Wong** Monterey Park, District 34



Southern California Association of Governments 900 Wilshire Boulevard, Suite 1700 – Policy B Room Los Angeles, CA 90017 **Tuesday, January 21, 2025** 8:30 AM

The Legislative/Communications and Membership Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

(The Honorable Patricia Lock Dawson, Chair)

PRESENTATION

(Assemblymember Nick Schultz (D-Burbank))

PUBLIC COMMENT PERIOD (Matters Not on the Agenda)

This is the time for public comments on any matter of interest within SCAG's jurisdiction that is **not** listed on the agenda. For items listed on the agenda, public comments will be received when that item is considered. Although the committee may briefly respond to statements or questions, under state law, matters presented under this item cannot be discussed or acted upon at this time.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Items

1.	Minutes of the Meeting - November 19, 2024	PPG. 7
2.	Proposed LCMC 2025 Calendar Meetings	PPG. 13
3.	SCAG Memberships & Sponsorships	PPG. 16
<u>Re</u>	ceive and File	
4.	15th Annual Economic Update Evaluation Report	PPG. 19
5.	State Advocacy Update	PPG. 22
6.	Legislative Tracking Report	PPG. 30



INFORMATION ITEMS

7. Federal Update – What to Expect in 2025 (Francisco J Barajas, Sr. Legislative Affairs Analyst, SCAG)	PPG. 45
8. State Update – Governor's Budget and What to Expect in 2025 (David Angel, Sr. Legislative Affairs Analyst, SCAG; Cruz Strategies)	PPG. 51
ACTION ITEM	
9. AB 226 (Calderon & Alvarez) – California FAIR Plan Association (Francisco J Barajas, Sr. Legislative Affairs Analyst, SCAG)	PPG. 68
RECOMMENDED ACTION: Staff recommends a "support" position.	
10. 2025-26 State Legislative Platform Update (David Angel, Sr. Legislative Affairs Analyst, SCAG)	PPG. 77
RECOMMENDED ACTION: Approve.	
POLICY AND PUBLIC AFFAIRS DIVISION UPDATE (Javiera Cartagena, Chief Government and Public Affairs Officer)	
FUTURE AGENDA ITEMS	
ANNOUNCEMENTS	

ADJOURNMENT



REPORT

Southern California Association of Governments January 21, 2025

LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE (LCMC) MINUTES OF THE MEETING TUESDAY, NOVEMBER 19, 2024

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE (LCMC). A DIGITAL RECORDING OF THE MEETING IS AVAILABLE AT: <u>http://scag.iqm2.com/Citizens/</u>.

The Legislative/Communications and Membership Committee (LCMC) of the Southern California Association of Governments (SCAG) held its regular meeting both in person and virtually (telephonically and electronically). A quorum was present.

MEMBERS PRESENT

Jose Luis Solache (Vice Chair)	Lynwood	District 26
Wendy Bucknum	Mission Viejo	District 13
Jenny Crosswhite	Santa Paula	District 47
Keith Eich	La Canada Flintridge	District 36
Margaret Finaly	Duarte	District 35
Jan Harnik		RCTC
Laura Hernandez	Port of Hueneme	District 45
Clint Lorimore	Eastvale	District 4
David J. Shapiro	Calabasas	District 44
Donald Wagner		Orange County
Alan Wapner		SBCTA
Thomas Wong	Monterey Park	District 34
MEMBERS NOT PRESENT		
Cindy Allen	Long Beach	District 30
Curt Hagman		San Bernardino County
Patricia Lock Dawson (Chair)	Riverside	District 68
Ray Marquez	Chino Hills	District 10
Gil Rebollar	Brawley	District 1



CALL TO ORDER

Vice Chair Jose Luis Solache called the meeting to order at 8:32 a.m. and called upon Wendy Bucknum, Mission Viejo, District 13, to lead the Pledge of Allegiance. Staff confirmed that a quorum was present.

PRESENTATION

(Paul Mitchell, Vice President, Political Data Inc. and Owner, Redistricting Partners)

There were no public comments for the presentation.

Vice Chair Jose Luis Solache introduced Paul Mitchell, Vice President of Political Data Inc. who discussed the performance of the polling industry during the recent election cycle as well as voting patterns and trends.

Committee members engaged in a robust discussion. During the discussion, the committee raised several questions which were addressed accordingly.

PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

Vice Chair Jose Luis Solache opened the Public Comment Period for items not listed on the agenda and outlined the instructions for public comments. He noted that this was the time for persons to comment on any matter pertinent to SCAG's jurisdiction not listed on the agenda.

SCAG staff confirmed that no public comments were submitted via email to <u>ePublicComment@scag.ca.gov</u> or any raised hands. Seeing and hearing no public comment speakers, Vice Chair Jose Luis Solache closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEM

There were no prioritized agenda items.

CONSENT CALENDAR

Approval Item

- 1. Minutes of the Meeting October 15, 2024
- 2. SCAG Memberships and Sponsorships

There were no public comments for the Consent Calendar.



Vice Chair Jose Luis Solache opened the floor to the committee members for questions or comments.

There were no comments for the Consent Calendar.

A MOTION was made (Shapiro) to approve Consent Calendar Items 1 through 2. The MOTION was SECONDED (Bucknum) and APPROVED by a majority roll call vote as follows:

- AYES: Bucknum, Crosswhite, Eich, Finlay, Harnik, Hernandez, Lorimore, Shapiro, Solache, Wagner, Wapner, and Wong (12)
- NOES: None (0)
- ABSTAINS: None (0)

INFORMATION ITEMS

3. Federal Elections Update

There were no public comments for Item No. 3.

Mr. Francisco Barajas, Senior Legislative Affairs Analyst, introduced SCAG's Federal Lobbyists, Holland & Knight, who provided an update on the initial election outcomes and their key impacts, including the Congressional outlook and priorities for the 119th Congress.

Vice Chair Jose Luis Solache opened the floor to the committee members for questions or comments.

Committee members engaged in a robust discussion. During the discussion, the committee raised several questions which were addressed accordingly.

4. State Elections Update

There were no public comments for Item No. 4.



SCAG's lobbyists in Sacramento, Cruz Strategies, provided the committee with an update on state elections, highlighting a significant turnover in the legislature with the addition of 30 new members in both the Senate and Assembly. The committee also discussed how these changes might impact policy and the budget. The conversation concluded with a look ahead at potential policy issues that will be on the agenda in the coming year.

Vice Chair Jose Luis Solache opened the floor to the committee members for questions or comments.

There were no comments from the committee members.

POLICY AND PUBLIC AFFAIRS DIVISION UPDATE

There were no public comments on division updates.

Ms. Javiera Cartagena, Chief of Government and Public Affairs, began the division report by congratulating the newly elected member of the California Assembly, José Luis Solache. She informed the committee about an upcoming tour of the SoCal Gas Hydrogen House in Downey. Additionally, Ms. Cartagena announced that SCAG had sponsored scholarships for the Los Angeles chapter of the Women in Transportation Seminar (WTS). She reminded the committee that the 2024 Southern California Economic Update is scheduled for December 5, 2024. Finally, Ms. Cartagena shared that SCAG was awarded a grant of \$6 million from the U.S. Department of Transportation to enhance pedestrian safety and accessibility.

Vice Chair Jose Luis Solache opened the floor to the committee members for questions or comments.

There were no comments for division updates.

FUTURE AGENDA ITEMS

None.

ANNOUNCEMENTS

None.



ADJOURNMENT

There being no further business, Vice Chair Jose Luis Solache adjourned the Legislative/Communications and Membership Committee meeting at 9:51 a.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE]

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	Legislative / Communications and Membership Committee															
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2	Bucknum, Wendy	Mission Viejo, RC District 13	1	0		1	1	1	1							5
3	Crosswhite, Jenny	Santa Paula, RC District 47	1	1	D	1	1	1	1	D						6
4	Eich, Keith	La Cañada Flintridge, RC District 36	1	1		1	1	1	1							6
5	Finlay, Margaret	Duarte, RC District 35	1	1		0	1	1	1							5
6	Hagman, Curt	San Bernardino County	0	1		0	0	1	0							2
7	Harnik, Jan C.	RCTC	0	1		1	1	1	1							5
8	Hernandez, Laura	Port Hueneme, RC District 45	1	1	Α	0	1	1	1	Α						5
9	Lock Dawson, Patricia (Chair)	Riverside, RC District 68	1	1		0	1	0	0							3
10	Lorimore, Clint	Eastvale, RC District 4	1	1		0	1	1	1							5
11	Marquez, Ray	Chino Hills, RC District 10	1	1		1	1	0	0							4
12	Rebollar, Gil	Brawley, RC District 1	1	0	R	1	1	1	0	R						4
13	Shapiro, David J.	Calabasas, RC District 44	1	1		1	1	1	1							6
14	Solache, Jose Luis (Vice Chair)	Lynwood, RC District 26	1	1		1	1	1	1							6
15	Wagner, Donald P.	Orange County	1	1	к	1	1	1	1	к						6
16	Wapner, Alan	SBCTA	1	0		1	0	1	1							4
17	Wong, Thomas	Monterey Park, District 34	1	1		1	1	1	1							6



AGENDA ITEM 2

REPORT

Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	Francisco Barajas, Senior Legislative Affairs Analyst (213) 630-1400, barajasf@scag.ca.gov	
Subject:	Proposed LCMC 2025 Calendar of Meetings	Kome Ajise

RECOMMENDED ACTION:

Approve.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

Staff prepared a draft schedule of meeting dates for the Legislative/Communications and Membership Committee (LCMC) to coincide with the beginning of 2025. In consultation with Chair Lock Dawson, staff proposes that the May meeting be moved to the second Tuesday of the month, and that the Committee go dark in July and December 2025.

BACKGROUND:

As Congress and Sacramento have convened for new legislative sessions after last year's general elections, staff proposes a schedule of meeting dates for the Committee's consideration. The Committee generally meets on the third Tuesday of the month, though staff recommends the following deviations from that schedule:

- First, staff recommends moving the May meeting to the second Tuesday instead of the third, from May 20 to May 13. Staff is working on planning the 2025 California Transportation Reception, which is slated for May 21, 2025, so we recommend moving the May meeting to accommodate those who would like to attend.
- Second, staff recommends that the LCMC go **dark for the month of July.** This is because the State Legislature will be out of session for its annual Summer Recess from July 18, 2025, until August 18, 2025.



• Lastly, staff recommends that the LCMC go **dark for the month of December** since the State Legislature will be in recess after session ends for the year on September 12, 2025, and Congress will likely have limited activity during this time.

Another item to note is that staff is planning a Sacramento Legislative Advocacy Summit, to be held on March 18 and 19, 2025. The 2025 Sacramento Summit will replace the March LCMC, as we will convene the LCMC for select meetings during the Sacramento Summit.

Lastly, while staff recommends that the Committee adopt a calendar of meetings for organizational and planning purposes, SCAG bylaws provide the flexibility to cancel or call an LCMC meeting at the Chair's discretion.

FISCAL IMPACT:

Work associated with the Calendar of Meetings Report is contained in the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. 2025 Calendar of Meetings



Southern California Association of Government 2025 Legislative/Communications and Membership Committee Meeting

	JANUARY 2025												
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SCAG Holidays

Annual Sacramento Advocacy Trip

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SCAG Regional Council Meeting

AUGUST 2025

MAY 2025

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Legislative/Communications and Membership Committee Meeting



AGENDA ITEM 3 REPORT

Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	David Angel, Senior Legislative Affairs Analyst (213) 630-1422, angel@scag.ca.gov	
Subject:	SCAG Memberships and Sponsorships	Kome Apise

RECOMMENDED ACTION:

Approve up to \$60,000 for memberships with 1) the Southern California Leadership Council (\$20,000), 2) Mobility 21 (\$25,000), and 3) Eno Center for Transportation (up to \$15,000).

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The Legislative/Communications and Membership Committee (LCMC) is asked to approve up to \$60,000 for memberships, including 1) the Southern California Leadership Council (\$20,000), 2) Mobility 21 (\$25,000), and 3) Eno Center for Transportation (up to \$15,000).

BACKGROUND:

Item 1:Southern California Leadership Council (SCLC)Type:MembershipAmount: \$20,000

Established in 2005, The Southern California Leadership Council is comprised of business and community leaders from throughout the seven counties of Southern California, including three former California Governors. The SCLC is currently partnered with many business organizations in the SCAG region, including the LA County BizFed, Inland Empire Economic Partnership, LA Area Chamber of Commerce, Orange County Business Council, and the Ventura County Economic Development Association, among others. The SCLC's work and strategic partnerships focus on shaping and solving public policy issues such as business vitality, resources (energy, water, and environment), and transportation (goods and people) that are critical to SCAG and the region's economic vitality and quality of life. The SCLC also co-hosted (with SCAG) the 9th and 10th annual Southern California Economic Summits. SCAG Executive Director Kome Ajise serves on the SCLC Board, and SCAG Board officers and executive leadership regularly attend and participate in SCLC meetings and other activities.





Mobility 21 is a coalition of public, business, and community stakeholders to pursue regional solutions to transportation challenges facing the SCAG region and San Diego County. Created in 2002 as an effort in Los Angeles County, Mobility 21 became a regional effort in 2007 with the primary goals to:

- Support practical solutions to Southern California's transportation challenges;
- Mobilize regional support for transportation funding and legislative priorities at the federal and state levels;
- Unite political leaders around common priorities for transportation; and
- Bring together residents, civic leaders, business groups, and industry experts to inspire them to act and educate them on how to effectively speak out in support of transportation initiatives.

SCAG is a founding member of Mobility 21, and Kome Ajise, SCAG's Executive Director, is a member of the coalition's board of directors, which includes representation from various other SCAG stakeholders and agencies.

Mobility21 hosts an annual conference, which SCAG usually sponsors, and this year's 2025 Mobility 21 Southern California Transportation Summit will be held on Friday, September 12, 2025, at the Disneyland Hotel in Anaheim, California. Last year's Summit, which SCAG attended, focused on the 'authors of innovation' in transportation.

Item 3:	Eno Center for Tr	ransportation
Туре:	Membership	Amount: Up to \$15,000

The Eno Center for Transportation's mission is to continuously improve transportation and its public and public-private leadership to increase the system's mobility, safety, and sustainability. Eno works across all modes of transportation with the mission of cultivating creative and visionary leadership for the sector. They pursue this mission by supporting activities in their Center for Transportation Policy (CTP) and Center for Transportation Leadership (CTL).

Eno Transportation Weekly (ETW), a weekly roundup of transportation and infrastructure-related news and analyses, provides valuable information to SCAG staff on policy and legislation making its way through Washington D.C. ETW's thorough and high-quality analyses cover different topics, including transportation reauthorization bills, competitive grant programs, proposed budgets for



federal departments, and discussion of new and emerging technologies in the transportation sector.

SCAG staff recommends that the agency maintain membership at the "Enhance" (previously the "Gold") level. This membership level costs \$15,000. However, in the past, SCAG had received a discount as a government agency, thus bringing the amount down to \$10,000. Staff is waiting on clarification from Eno on whether the "Gold" level membership and \$5,000 discount are still available for public agencies. Thus, we recommend that the LCMC approve "up to \$15,000" so that Eno's staff can clarify the membership level costs once they return from leave.

This membership provides the agency with the following benefits:

- 15 subscriptions to ETW;
- Opportunity to participate in an Eno research initiative, such as working groups that support research on current issues in transportation policy; and
- Choice of any one optional sponsorship opportunity.

FISCAL IMPACT:

\$15,000 to retain our membership with the Eno Center for Transportation is included in the approved FY 25 Indirect Cost Budget. \$45,000 to renew our memberships with the SCLC and Mobility21 is included in the FY 25 General Fund budget.



AGENDA ITEM 4 REPORT

Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	Ana Vallianatos, Department Manager (213) 236-1803, vallianatos@scag.ca.gov	
Subject:	15th Annual Economic Update Evaluation Report	Kome Ajise

RECOMMENDED ACTION:

Receive and File.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 1: Establish and implement a regional vision for a sustainable future. 2: Be a cohesive and influential voice for the region. 3: Spur innovation and action through leadership in research, analysis and information sharing.

EXECUTIVE SUMMARY:

The "2024 Southern California Economic Update" was presented during the SCAG Regional Council's December 5, 2024 meeting alongside regular SCAG business. The presentation featured a detailed economic outlook for the region, highlighting growth in sectors such as goods movement, healthcare, and tourism expected to drive the economy in the coming year. A Q&A with Regional Council members followed, and the annual economic analysis report was published on SCAG's website that afternoon.

BACKGROUND:

SCAG's Annual Southern California Economic Summit is a regular SCAG signature event, featuring the annual Southern California Economic Update presentation and accompanying publication. However, due to scheduling conflicts with multiple holidays in 2024-2025 and the importance of sharing the annual economic data and analysis, the "2024 Southern California Economic Update" was incorporated into the December Regional Council meeting.

EVENT PROGRAM:

California Forward CEO Kate Gordon moderated a panel of SCAG Economic Roundtable members:

- Mark Schniepp, director of California Economic Forecast, presented the overall regional outlook and the Ventura County report.
- Michael Bracken, managing partner and chief economist of Development Management Group, Inc., presented the Imperial County report.



- Shannon Sedgwick, director of the Institute for Applied Economics at the Los Angeles County Economic Development Corporation, presented the Los Angeles County report.
- Wallace Walrod, chief economic adviser of the Orange County Business Council, presented the Orange County report.
- Manfred Keil, chief economist of the Inland Empire Economic Partnership and Claremont McKenna College, delivered the report for Riverside and San Bernardino counties.
- David Roland-Holst, managing director of Berkeley Economic Advising and Research, gave a presentation on regional sustainability.
- Beth Tamayose, research director at the University of California, Riverside, School of Public Policy, gave a presentation on economic equity.

Following the panel, members of the Regional Council posed questions to the group. Data referenced in the presentation and discussions was published in the accompanying analysis report that afternoon on SCAG's website.

Photos from the 2024 Southern California Economic Update are also available in the news brief on the "news" section of SCAG's website.

REGISTRATION AND ATTENDANCE:

Capacity for attendance in person at SCAG's main office is limited compared to venues where the event has been hosted in previous years; therefore, registration efforts for the "2024 Southern California Economic Update" focused on virtual attendance via the SCAG Regional Council meeting livestream.

Email marketing efforts for the event were well received, achieving an average open rate of 46% and a click-through rate of 8.8%, far exceeding the industry average of 3%.

Registrations for the event totaled 142, with 76% of those registered in attendance at the event.

RESOURCES AND REACH:

The economic analysis and data published in the accompanying report are key components of SCAG's Annual Southern California Economic Summit. Reach of this important resource information was not compromised by the change in format for the 2024 event.

SCAG published the annual economic update report, including an analysis covering the entire region, along with the "2024 Southern California Economic Update" video on SCAG's website. Despite a smaller audience this year, 130 individuals downloaded the report compared to 149 for last year's event.



The event and the release of the economic update also garnered earned media attention. Economic Roundtable member Wallace Walrod participated in interviews with KNX Radio and World Journal, and coverage also appeared in the Los Angeles Daily News, Imperial Valley Press, and the San Gabriel Valley Tribune, among others. Media coverage of the "2024 Southern California Economic Update" had a digital reach exceeding 59 million, compared to the 41 million digital reach of last year's event.

FISCAL IMPACT:

Work associated with SCAG's Annual Southern California Economic Summit is contained in the General Fund and TDA budgets for Special Events, coded in 800.0160.29 and 700.4743.06 respectively.



AGENDA ITEM 5

REPORT

Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	David Angel, Senior Legislative Affairs Analyst (213) 630-1422, angel@scag.ca.gov	
Subject:	State Advocacy Update	Kome Ajise

RECOMMENDED ACTION:

Information Only – No Action Required.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

This report provides the Legislative/ Communications and Membership Committee (LCMC) with an update on SCAG's most recent legislative advocacy efforts, including SCAG's request to extend the expenditure and reporting deadlines for the Regional Early Action Planning Grant Program (REAP) 2.0, as well as continuing conversations on the potential to reform SB 375 (2008).

BACKGROUND:

Regional Early Action Planning Grant (REAP) 2.0 Expenditure Deadline Extension Request

In 2021, Governor Newsom and the Legislature created the \$600 million Regional Early Action Planning Grant (REAP) 2.0 program, administered by the California Department of Housing and Community Development (HCD). This program aims to accelerate progress toward state housing and climate goals through strategic investments in planning and development activities. Overall, the objectives of REAP 2.0 are to accelerate infill housing, support efforts to Affirmatively Further Fair Housing, and reduce vehicle miles traveled.

The state allocated \$246 million in REAP 2.0 funding to the SCAG region, which was invested in the following areas:

- \$5 million Early Program Initiatives, which include the Sustainable Communities Program and the Subregional Partnership 2.0 Program
- \$95 million Transportation Partnership Program, which includes the County Transportation Commission Partnership Program and the Regional Pilot Initiative Program



 \$111 million – Programs to Accelerate Transformative Housing (PATH), which includes Notice of Available Funds (NOFA) for Lasting Affordability, the Regional Utilities Supporting Housing (RUSH) Pilot, and the Housing Infill on Public and Private Lands (HIPP) Pilot

In 2024, Governor Newsom proposed cutting the REAP 2.0 program in half in an effort to close a multi-billion budget shortfall. Recognizing the importance of this program, the legislature and governor agreed to maintain \$560 million in REAP 2.0 funding despite the significant budget deficit. However, due to delays caused by the proposed cuts, this funding and years of work remain at risk.

Currently, state law requires that REAP 2.0 funds must be obligated by September 30, 2024, expended or returned to the state by June 30, 2026, and a final report detailing the use of the funds must be submitted to the legislature by December 31, 2027. The expenditure and reporting deadlines apply to HCD, which means that sub-recipients, such as SCAG, must submit invoices and reports at least six months before these statutory deadlines to ensure HCD can issue final payments and submit the final report.

While HCD and regional governments successfully obligated all funding by the September 30, 2024, deadline, meeting the expenditure and reporting deadlines is more difficult due to various factors. First, the need for extensive public outreach on the front end, while necessary to design robust programming, took a significant amount of time. Second, SCAG had to issue "Stop Work" orders after the Governor announced the REAP 2.0 budget cuts in case the funding could not be restored. These orders caused grantees to lose almost eight months of work time. Thus, due to procurement delays, many grantees are now gearing up to resume work, which is anticipated to start in Spring 2025 or later. Thus, various projects are now at risk of not being completed. If the funding allocated to those projects is not used by the expenditure deadline, all remaining funding for projects that have already gone through years of planning work would be lost.

As such, SCAG is proposing to legislatively extend two REAP 2.0 deadlines by 18 months, which would effectively be a one-year extension, given that regions would have to submit invoices and reports to HCD six months before the final deadline. Specifically, SCAG is proposing to:

- Extend the expenditure deadline by 18 months, from June 30, 2026, to December 31, 2027; and
- Extend the reporting deadline by 18 months, from December 31, 2026, to June 30, 2028.

Staff, along with SCAG's state lobbyists, Cruz Strategies, met with Senate and Assembly budget staff and staff in the Department of Finance to gather feedback on our REAP 2.0 expenditure and reporting deadline extension request. We continue coordinating with the state, other regional agencies, and the California Association of Councils of Governments (CalCOG) to make this request.



SB 375 (2008) Working Group

At the October 14, 2024, Legislative/Communications and Membership Committee, Bill Higgins, CALCOG Executive Director, provided a Senate Bill 375 Update. He discussed the challenges of implementing strategies related to this bill, emphasizing the need for improved accountability and resource allocation. He also highlighted the need for a more effective dialogue about implementation with state partners, focusing on funding and accountability structures. Since that time, SCAG has been engaged in an MPO/State Agency dialogue to discuss the barriers to SB 375 implementation and opportunities to achieve multiple state and regional goals. SCAG joined the Metropolitan Transportation Commission (MTC), Sacramento Area Council of Governments (SACOG), and San Diego Association of Governments (SANDAG) in sending a letter to CARB requesting the opportunity to partner with the California Air Resources Board (CARB), the California Transportation Commission (CTC), Caltrans, and the Department of Housing and Community Development (HCD) to holistically review the SB 375 framework to improve how state and regional agencies collaborate to deliver multiple housing, climate, and transportation goals. Participants in this dialogue include staff representatives from the CARB, the CTC, Caltrans, and HCD. Several MPOs are participating, including but not limited to the San Diego Association of Governments, Sacramento Area Council of Governments, Metropolitan Transportation Commission, and SCAG.

Governor Newsom Issues Executive Order on Wildfire Recovery

On January 12, 2025, Governor Gavin Newsom issued an Executive Order (EO) following his January 7 State of Emergency to expedite recovery efforts following the wildfires in Los Angeles and Ventura counties. The EO suspends key regulations, extends price gouging protections, and streamlines rebuilding efforts.

Specifically, the EO suspends California Environmental Quality Act (CEQA) review and California Coastal Act permitting for legally established and existing properties that were damaged or destroyed by the fires, as long as new construction occurs in the same local with a footprint and height no larger than 110 percent of the original structure. The EO also tasked HCD with identifying additional permitting barriers and California Building Code provisions that can be streamlined or suspended to further expedite recovery, improve affordability, and streamline reconstruction. The State will also work with the Legislature to identify statutory changes that can provide long-term improvements to help speed up the rebuilding process and improve fire resilience in high-fire-risk areas to be prepared for future wildfires. Lastly, the EO extends price gouging protections for building materials, housing, and storage services and repair, construction, and emergency clean-up services until January 7, 2026, in Los Angeles County. The EO is attached to this staff report.



FISCAL IMPACT:

Work associated with the State Advocacy Update is in the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. Executive Order N-6-25

EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

EXECUTIVE ORDER N-6-25

WHEREAS on January 7, 2025, I proclaimed a State of Emergency to exist in Los Angeles and Ventura Counties due to fire and windstorm conditions that have now caused multiple fires, including the Palisades, Eaton, Hurst, Lidia, Sunset, and Woodley Fires; and

WHEREAS these fires and windstorm conditions have devastated communities across the Greater Los Angeles Area and destroyed or damaged more than 12,000 structures, including homes, businesses, schools, and childcare facilities, with initial estimates placing this disaster among the most destructive in California history; and

WHEREAS tens of thousands of individuals remain under evacuation orders, impacting the ability of students to attend school and school staff to get to work, and dozens of schools remain closed across the impacted area; and

WHEREAS I issued Executive Order N-2-25 on January 8, 2025, which included a provision authorizing the Director of the California Department of Social Services to waive statutes and accompanying regulations or directives related to the use, licensing, certification, registration or approval of care providers or facilities for childcare, providing flexibility for childcare providers to accommodate additional children who have been displaced or utilize temporary facilities if their facilities have been damaged, destroyed, or rendered inaccessible by this emergency; and

WHEREAS local educational agencies are obligated to immediately enroll students who are now unhoused as a result of the fires throughout the Greater Los Angeles Area pursuant to Education Code section 48850; and

WHEREAS local educational agencies are obligated to continue serving students who were enrolled, but lost their residence and may be temporarily living outside of district boundaries due to the fires throughout Greater Los Angeles Area pursuant to Education Code section 48852.7; and

WHEREAS given the extent of the impacts on schools, it is necessary to provide additional flexibility to accommodate students who have been displaced and utilize temporary facilities to support continuity of education.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately.

IT IS HEREBY ORDERED THAT:

- 1. For purposes of this Order, Local Educational Agency (LEA) means school districts, county offices of education, and charter schools.
- 2. For those LEAs in Los Angeles County that initiate a school closure to address the impact of this emergency, the closure shall qualify as a condition that prevents the maintenance of the LEA's schools during a fiscal year for 180 days or 175 days as applicable pursuant to Education Code sections 41422 and 46392, and all implementing regulations.

Additionally, any requirement in Education Code sections 41422, 46392, or 46393, and any implementing regulations requiring said LEAs to submit affidavits of the members of the governing board of the school district, the governing board of the county office of education, or the governing board of body of the charter school and of the county superintendent of schools is hereby suspended on the condition that the superintendent of the school district, the county superintendent of school leader certifies in writing to the Superintendent of Public Instruction that the closure occurred to address the impact of this emergency. This suspension does not extend to any requirements applicable to independent study plans, including but not limited to Education Code section 46393 and sections 51745 et seq.

- 3. For the LEAs identified in Paragraph 2, the requirement that the State impose a penalty on the LEA's Local Control Funding Formula funding pursuant to Education Code sections 46207, 46208, and 47612.5, and Section 11960 of Title 5 of the California Code of Regulations, for failure to meet required instructional days and minutes is suspended. The suspension provided under this Paragraph shall be in effect only so long as necessary to address the direct impacts of this emergency.
- 4. The class-size requirements for transitional kindergarten through grade 8 provided in Education Code sections 48000, 48000.1, 48000.15, 41376, and 41378, and for transitional kindergarten through grade 3 provided in Education Code sections 48000, 48000.1, 48000.15, and 42238.02(d)(3), as well as all implementing regulations, are suspended for LEAs in Los Angeles County whose class sizes are affected by this emergency.
- 5. Residency requirements for those students who were attending schools in Los Angeles County impacted by this emergency, including those set forth in Education Code sections 48200 and 48204, are suspended for the remainder of the 2024-2025 school year.
- 6. All LEAs are urged to extend every effort to support and facilitate the enrollment of students displaced by the fires, including, but not limited to, facilitating completion and approval of interdistrict transfer requests.
- 7. If a valid collective bargaining agreement entered into between an LEA and an exclusive bargaining representative pursuant to Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code contains provisions regarding staffing ratios that impose requirements beyond the aforementioned statutes, the LEA and exclusive bargaining representative are encouraged to pursue temporary adjustments to those ratios, as necessary, to accommodate the enrollment of displaced students.
- 8. To the extent LEAs in Los Angeles County are required to use temporary facilities as a result of damage to or inaccessibility of school buildings due to this emergency, the requirements of Education Code sections 17280 et seq., 17365 et seq., and Government Code sections 4453 and 14963 are suspended with respect to those temporary facilities. The requirements of the California Building Code, Title 24 of the California Code of Regulations, as adopted and enforced by the local building and fire agencies with jurisdiction over the area, shall apply to these temporary facilities.

- 9. To the extent that LEAs in Los Angeles County are required to use temporary facilities outside of their district boundaries as a result of the damage to or inaccessibility of school buildings due to this emergency to continue to serve the students who resided in their district prior to this emergency, they may do so and continue to collect average daily attendance for those students. In addition, the requirements of Education Code sections 17387 et seq. and 17455 et seq., as well as all implementing regulations, are suspended at the discretion of those LEAs who seek to lease property to any impacted LEA in Los Angeles County for purposes of serving students impacted by this emergency.
- 10. A site-based charter school within Los Angeles County whose school site was damaged or is inaccessible due to this emergency shall be allowed to establish an alternative site anywhere within Los Angeles County for the 2024-25 school year and shall be deemed to be in compliance with Education Code sections 47605(a)(5) and 47605.1(d).
- 11. Municipalities are strongly encouraged to promptly process applications for or modifications to conditional use permits or other approvals necessary to allow a school to use temporary facilities as a result of damage to or inaccessibility of school buildings due to this emergency.
- 12. The requirement in Education Code section 49068(b) that a student's permanent record must be transferred by the former public or private school within 10 school days from the date a request is received is suspended to the extent the former school was located in Los Angeles County and is impacted by this emergency.
- 13. The deadline to present a report on the annual update to the local control and accountability plan and the local control funding formula budget overview for parents pursuant to Education Code sections 47606.5(e), 52062(a)(6), and 52068(a)(6), is extended to March 31, 2025, for all LEAs in Los Angeles County impacted by this emergency.
- 14. The time period for existing non-classroom based charter schools whose funding determination expires at the end of the 2024-25 school year to submit a funding determination request to the California Department of Education pursuant to California Code of Regulations, Title 5, section 11963.6(c) shall be extended until February 28, 2025, for such schools in Los Angeles County impacted by this emergency.
- 15. The Executive Director of the State Board of Education, the Department of General Services, and the Department of Finance shall, and the California Department of Education and the Fiscal Crisis and Management Assistance Team are requested to, engage LEAs with schoolsites that have been destroyed or damaged by fires during this emergency to support them in developing a plan for temporarily housing students displaced from the impacted schools and repairing and rebuilding the impacted schools, as appropriate.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF | have

hereunto set my hand and caused the Great Seal of the State of California to be affixed this 14th day of Janugry 2025.

GAVIN NEWSOM Governor of California

ATTEST:

SHIRLEY WEBER, PH. D Secretary of State



AGENDA ITEM 6 REPORT

Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	David Angel, Senior Legislative Affairs Analyst (213) 630-1422, angel@scag.ca.gov	
Subject:	Legislative Tracking Report	Kome Africe

RECOMMENDED ACTION:

Receive and File.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The Legislative Tracking Report is provided to keep the Legislative/Communications and Membership Committee (LCMC) apprised of the bills in Sacramento that have a nexus to the Regional Council's adopted Legislative Platform. This report also contains an update on key legislative deadlines.

BACKGROUND:

SCAG's Legislative Tracking Report serves as a resource for the Committee to remain informed on bills moving through the legislative process in Sacramento. The report tracks 53 measures with a nexus to the Regional Council's adopted 2024 State and Federal Legislative Platform.

Various important legislative deadlines are coming up now that the legislature has reconvened from its interim recess on January 6, 2025, and officially kicked off the 2025-2026 Legislative Session with many new legislators after the November 2024 General Election. Legislators will continue to move through the legislative process as we reach the last day to submit bill requests to the Office of Legislative Counsel on January 24, 2025. Additionally, February 21, 2025, is the bill introduction deadline. As legislators introduce new bills, they will be amended through policy committees and move throughout the legislature according to the various legislative deadlines in April, May, and June.

Governor Gavin Newsom also released his January Budget Proposal by the January 10, 2025, deadline, detailing his \$322.2 billion spending plan for California. In contrast to last year's January budget proposal, which anticipated a significant deficit, the Governor projects a modest surplus of



\$363 million this year. As of the writing of this report, the legislature has already introduced their intent bills, authored by Assembly Budget Committee Chair Jesse Gabriel, which are to be used for the 2025 and 2026 budget bills.

As the session progresses, staff will continue to provide an updated calendar of legislative deadlines and bill tracker reports with the most relevant and pressing bills. The table below highlights recent and upcoming legislative deadlines:

Date	Deadline
January 6, 2025 Legislature Reconvenes for 2025-26 Legislative Session	
January 10, 2025	Budget must be submitted by Governor
January 24, 2025 Last day to submit bill requests to the Office of Legislative Counsel	
February 21, 2025Last Day for bills to be introduced	
April 10, 2025	Spring Recess begins upon adjournment of this day's session
April 21, 2025	Legislature reconvenes from Spring Recess

FISCAL IMPACT:

Work associated with the Legislative Tracking staff report is contained in the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. 2025 01 14 - SCAG Cruz Strategies Bill Tracking Report



SCAG Bill Report

1/14/2025

Subject: Budget

AB 100 (Gabriel, D) Budget Act of 2025. Current Text: 01/08/2025 - Introduced <u>HTML PDF</u> Introduced: 01/08/2025 Status: 01/09/2025 - From printer. May be heard in committee February 8. Location: 01/08/2025 - Assembly PRINT Summary: The bill indicates that the Legislature plans to introduce new laws or amendments related to the Budget Act of 2025. (Based on 01/08/2025 text)

AB 101 (Gabriel, D) Budget Act of 2025.

Current Text: 01/08/2025 - Introduced <u>HTML PDF</u> Introduced: 01/08/2025 Status: 01/09/2025 - From printer. May be heard in committee February 8. Location: 01/08/2025 - Assembly PRINT Summary: This bill would express the Legislature's intention to make legal changes connected to the 2025 Budget Act. (Based on 01/08/2025 text)

AB 102 (Gabriel, D) Budget Act of 2025.

Current Text: 01/08/2025 - Introduced <u>HTML PDF</u> Introduced: 01/08/2025 Status: 01/09/2025 - From printer. May be heard in committee February 8. Location: 01/08/2025 - Assembly PRINT Summary: The bill indicates the Legislature's intention to make legal changes related to the Budget Act of 2025. (Based on 01/08/2025 text)

AB 227 (Gabriel, D) Budget Act of 2025.

Current Text: 01/10/2025 - Introduced <u>HTML PDF</u> Introduced: 01/10/2025 Status: 01/11/2025 - From printer. May be heard in committee February 10. Location: 01/10/2025 - Assembly PRINT Summary: This bill would make appropriations for the support of state government for the 2025–26 fiscal year. This bill would declare that it is to take effect immediately as a Budget Bill. (Based on 01/10/2025 text)

<u>ABX1 1</u> (<u>Gabriel, D</u>) Budget Act of 2024.

Current Text: 01/10/2025 - Amended HTML PDF

Introduced: 12/02/2024

Status: 01/13/2025 - Re-referred to Com. on Budget.

Location: 01/09/2025 - Assembly Budget

Summary: The Budget Act of 2024 initially provided funding for the state government for the 2024-2025 fiscal year. An amendment to this Act proposes adjustments to the existing financial allocations. The bill specifies that it will be enacted immediately as a Budget Bill. (Based on 01/10/2025 text)

ABX1 2 (Gabriel, D) Budget Act of 2024.

Current Text: 01/10/2025 - Amended HTML PDF

Introduced: 12/02/2024

Status: 01/13/2025 - Re-referred to Com. on Budget.

Location: 01/09/2025 - Assembly Budget

Summary: The Budget Act of 2024 allocated funds for state government operations for the 2024-25 fiscal year. A new bill proposes amendments to this act, adjusting the previously decided appropriations. This bill is designated to take effect immediately as a Budget Bill. (Based on 01/10/2025 text)

SB 65 (Wiener, D) Budget Act of 2025.

Current Text: 01/10/2025 - Introduced HTML PDF

Introduced: 01/10/2025

Status: 01/13/2025 - Read first time.

Location: 01/10/2025 - Senate Budget and Fiscal Review

Summary: This bill would make appropriations for the support of state government for the 2025–26 fiscal year. This bill would declare that it is to take effect immediately as a Budget Bill. (Based on 01/10/2025 text)

SBX1 1 (Wiener, D) Budget Act of 2024.

Current Text: 01/10/2025 - Amended HTML PDF

Introduced: 12/02/2024

Status: 01/10/2025 - From committee with author's amendments. Read second time and amended. Rereferred to Com. on B. & F.R.

Location: 01/09/2025 - Senate Budget and Fiscal Review

Summary: The Budget Act of 2024 allocated funds for the state government's operations during the 2024–25 fiscal year. This new bill proposes changes to those allocations and stipulates that it will take effect immediately as a Budget Bill upon passage. (Based on 01/10/2025 text)

<u>SBX1 2</u> (Wiener, D) Budget Act of 2024.

Current Text: 01/10/2025 - Amended HTML PDF

Introduced: 01/08/2025

Status: 01/10/2025 - From committee with author's amendments. Read second time and amended. Rereferred to Com. on B. & F.R.

Location: 01/09/2025 - Senate Budget and Fiscal Review

Summary: The Budget Act of 2024 allocated funding for the state government's 2024–25 fiscal year. The proposed bill intends to modify these existing allocations. It includes a provision for immediate implementation as a Budget Bill. (Based on 01/10/2025 text)

Subject: Climate & Energy

<u>AB 10</u> (<u>Essayli, R</u>) California Coastal Commission: consistency determinations: Vandenberg Space Force Base.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The California Coastal Act of 1976 regulates development within the coastal zone, with the California Coastal Commission overseeing its implementation and coordinating with federal policies under the Coastal Zone Management Act of 1972. Under existing federal law, any federal activity affecting coastal zones must align with approved state management programs. If a state agency like the California Coastal Commission objects to a federal consistency determination, specific procedures are followed. This bill nullifies the Commission's objection to Consistency Determination CD-0007-24, allowing the activities at Vandenberg Space Force Base to proceed as consistent with the California Coastal Act. This bill asserts its necessity as a special statute for the base and is designed to take effect immediately as an urgency statute. (Based on 12/02/2024 text)

<u>AB 14</u> (Hart, D) Coastal resources: Protecting Blue Whales and Blue Skies Program.

Current Text: 12/02/2024 - Introduced HTML PDF Introduced: 12/02/2024 **Status:** 12/03/2024 - From printer. May be heard in committee January 2. **Location:** 12/02/2024 - Assembly PRINT

Summary: The Ocean Protection Council, under existing law, coordinates the collection and sharing of scientific data on coastal and ocean resources. It also oversees a voluntary sustainable seafood promotion program, which includes grants and loans to help California fisheries meet sustainable seafood standards. This bill would, depending on available funding, involve the council in the Protecting Blue Whales and Blue Skies Program. This program, in collaboration with coastal air pollution districts, aims to implement a voluntary vessel speed reduction and sustainable shipping program along the California coast, reducing air pollution, the risk of ship collisions with whales, and harmful underwater noise. The bill would expand the program to offer incentives for vessels traveling at reduced speeds and would be limited to ships 300 gross tons or larger. Additionally, it mandates that participating air districts report to the Legislature by December 31, 2029, on the program's implementation. (Based on 12/02/2024 text)

<u>AB 30</u> (<u>Alvarez, D</u>) State Air Resources Board: gasoline specifications: ethanol blends.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Existing law mandates the State Air Resources Board to set motor vehicle fuel standards to manage air pollution. This bill requires the board to establish rules by July 1, 2025, for gasoline blends containing 10.5% to 15% ethanol. If the board fails to do this by the deadline, these ethanol blends will automatically be approved for sale as transportation fuel in the state. The bill is designed to take immediate effect as an urgency statute. (Based on 12/02/2024 text)

<u>AB 34</u> (Patterson, R) Air pollution: regulations: consumer costs: review.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Existing law mandates the State Air Resources Board to establish regulations on vehicle emissions to meet federal air quality standards. This involves collaborating with state air pollution and air quality agencies, and the U.S. Environmental Protection Agency. The board is also required to foresee and adapt its rules to accommodate technological advancements. However, this new bill would prevent the board from implementing any new standards until the Legislative Analyst evaluates and reports on the consumer costs associated with the proposed regulations to the Legislature. (Based on 12/02/2024 text)

<u>AB 35</u> (<u>Alvarez, D</u>) California Environmental Quality Act: clean hydrogen transportation projects.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The California Environmental Quality Act (CEQA) mandates that a lead agency prepares an environmental impact report (EIR) for projects that might significantly impact the environment, or a negative declaration if no impact is expected. If project changes can mitigate potential impacts, a mitigated negative declaration is required. This bill modifies this process for clean hydrogen transportation projects, introducing a clean hydrogen environmental assessment instead, unless requested otherwise by the applicant. The lead agency must decide on this assessment and permit approval within 270 days of application completion. Any legal challenges must ideally be settled within the same timeframe. The bill also imposes new responsibilities on lead agencies, potentially affecting local government operations, but provides no state reimbursement for these new duties. These provisions will be repealed by January 1, 2036. (Based on 12/02/2024 text)

AB 39 (Zbur, D) General plans: Local Electrification Planning Act.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The Planning and Zoning Law mandates cities and counties to have a comprehensive general plan for physical development, which includes elements like land use and transportation. The proposed Local Electrification Planning Act requires that by 2027 to 2030, cities and counties (with populations over 75,000)

must create or update their general plans to include strategies for expanding electric vehicle charging and supporting zero-emission technologies. These strategies should focus on benefiting disadvantaged communities and small businesses. A city or county can incorporate existing similar plans if they meet these new requirements. The act increases local officials' responsibilities, creating a state-mandated program, and applies to all cities, including charter ones, emphasizing it as a matter of statewide interest. The bill specifies that no state reimbursement is necessary for these mandated changes. (Based on 12/02/2024 text)

<u>AB 41</u> (<u>Macedo, R</u>) State Air Resources Board: regulations: impact estimates: retail gasoline prices: public disclosure.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Existing law tasks the State Air Resources Board with preparing California's implementation plan for the Clean Air Act and mandates that their standards align with providing Californians a decent living environment. This bill mandates the board, in consultation with the State Energy Resources Conservation and Development Commission, to publicly disclose estimates of how new or amended regulations might impact retail gasoline prices. This includes posting these estimates online and calculating the maximum potential cost impact on gasoline prices, assuming all costs are passed to consumers. (Based on 12/02/2024 text)

<u>AB 43</u> (<u>Schultz, D</u>) Wild and scenic rivers.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Current law mandates that the Secretary of the Natural Resources Agency must take specific steps to add rivers or river segments to the state's wild and scenic rivers system if a federal statute requires the removal of any river from the national system that isn't in the state system. This authorization is set to expire on December 31, 2025. This bill proposes to make this authorization permanent, allowing the Secretary to continue these actions indefinitely, unless otherwise stipulated. (Based on 12/02/2024 text)

AB 222 (Bauer-Kahan, D) Data centers: energy usage reporting and modeling.

Current Text: 01/08/2025 - Introduced HTML PDF

Introduced: 01/08/2025

Status: 01/09/2025 - From printer. May be heard in committee February 8.

Location: 01/08/2025 - Assembly PRINT

Summary: Existing law requires developers of generative AI systems to post documentation about the data used to train these systems on their websites. This new bill adds requirements related to the energy usage of AI development. It mandates that data centers estimated the energy used for developing AI models and report this to developers. Before using data center resources, developers must notify the centers of their intent and later request energy usage data to publish the total energy used in developing their models on their websites. Additionally, the bill tasks the State Energy Resources Conservation and Development Commission (Energy Commission) with collecting annual energy consumption data from data centers and including these trends in integrated policy reports. The Commission must also set energy efficiency standards for data centers and implement these regulations by January 1, 2027. Furthermore, the Public Utilities Commission (PUC) will evaluate whether the costs associated with new data center construction or significant alterations are reasonable and ensure that the costs are not unfairly passed to unrelated consumers. (Based on 01/08/2025 text)

<u>SB 2</u> (Jones, R) Low-carbon fuel standard: regulations.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: The California Global Warming Solutions Act of 2006 empowers the State Air Resources Board to oversee and regulate greenhouse gas emissions. The board must implement measures to reduce emissions by at least 40% below the state's defined limits by December 31, 2030. This includes adopting the Low-Carbon Fuel Standard regulations. This bill would void specific amendments made to these regulations on November 8, 2024, and will become effective immediately as an urgency statute. (Based on 12/02/2024 text)

<u>SB 34</u> (<u>Richardson, D</u>) Ports: emissions: intermodal goods movement stakeholder group.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: Existing law regulates port and harbor operations and limits air contaminant emissions to control both vehicular and nonvehicular air pollution, with the State Air Resources Board overseeing vehicular air pollution control. The proposed bill mandates the board to form a stakeholders group, including members from each port district, to develop a plan that identifies emission thresholds (yellow, orange, red) and actions to reduce port and port-related emissions when these thresholds are reached. The group must submit a report with its findings and recommendations to the Legislature by January 31, 2027. Additionally, the bill states that if the Commission on State Mandates identifies state-mandated costs, local agencies and school districts will be reimbursed according to existing statutory procedures. (Based on 12/02/2024 text)

Subject: Economic Opportunity & Development (SCAG)

AB 37 (Elhawary, D) Workforce development: mental health service providers: homelessness.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The California Workforce Development Board helps the Governor oversee and improve the state's workforce investment system, aligning it with modern economic and workforce needs. A new bill expresses the Legislature's intent to expand the workforce of mental health service providers specifically for homeless individuals. (Based on 12/02/2024 text)

<u>SB 5</u> (<u>Cabaldon</u>, <u>D</u>) Infrastructure financing districts: allocation of taxes: agricultural land exclusion.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: The Williamson Act, or California Land Conservation Act of 1965, enables cities or counties to enter into contracts with agricultural landowners to preserve the land for farming, providing reduced property tax assessments in return. Landowners can also petition to cancel these contracts and instead designate the land as a farmland security zone, which offers a different reduced tax valuation for specific special taxes. Separately, existing laws permit the establishment of enhanced infrastructure financing districts to fund community projects, requiring these districts to have a public financing authority that prepares an infrastructure financing plan. This plan allows a portion of certain property taxes within the district to fund the projects. This bill proposes excluding taxes from properties under Williamson Act or farmland security zone contracts from being allocated to these infrastructure financing districts. (Based on 12/02/2024 text)

<u>SB 21</u> (Durazo, D) Workforce development: poverty-reducing labor standards: funds, programs, reporting, and analyses.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: The California Workforce Innovation and Opportunity Act creates and directs the California Workforce Development Board to help the Governor improve California's workforce system to meet 21st-century economic needs. This includes promoting a well-educated, highly skilled workforce and defining "high road" strategies for achieving economic growth, equity, and environmental goals. The new bill extends this framework by defining terms like "job quality" and "economic equity" and creates the Equity Climate Resilience and Quality Jobs Fund in the State Treasury. This fund directs 1% of federal money from acts like the CHIPS and Science Act, the Inflation Reduction Act, and the Infrastructure Investment and Jobs Act to support workforce-related objectives. The bill requires state agencies to adopt poverty-reducing labor standards for their investments and mandates reporting on outcomes related to equity, climate resilience, and job quality. State agencies must contract research institutions for analysis of these reports. This bill establishes a statemandated local program by tasking local agencies with new responsibilities, which may require state

reimbursement according to California law. The bill asserts statewide importance, overriding municipal governance, even in charter cities. (Based on 12/02/2024 text)

Subject: Elections

<u>AB 94</u> (Bennett, D) Recall elections: successors.

Current Text: 01/07/2025 - Introduced HTML PDF

Introduced: 01/07/2025

Status: 01/08/2025 - From printer. May be heard in committee February 7.

Location: 01/07/2025 - Assembly PRINT

Summary: Existing law allows for the recall of a local officer through an election. If the majority votes affirmatively, the officer is removed and the position stays vacant until filled legally. The new bill proposes that the recalled officer cannot be reappointed to fill this vacancy. For statewide recall elections, existing law states that the candidate with the most votes wins the office for the remainder of the original officer's term. This bill would make clarifying modifications to this provision. (Based on 01/07/2025 text)

Subject: Equity, Access & Justice

<u>AB 57</u> (<u>McKinnor, D</u>) Home Purchase Assistance Program: descendants of slaves.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Existing law creates the California Housing Finance Agency within the Department of Housing and Community Development. This agency is authorized to provide loans for affordable housing purposes, including various types such as residential structures and special needs housing. It also administers a home purchase assistance program to help low- and moderate-income individuals purchase owner-occupied homes. The Home Purchase Assistance Fund supports this program financially and covers administrative costs. Since July 1, 2016, any leftover funds from specified purposes must be redirected to this assistance fund. A proposed bill intends to allocate a portion of this program's funds specifically for descendants of slaves. (Based on 12/02/2024 text)

AB 62 (McKinnor, D) Racially motivated eminent domain.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The California Constitution permits governmental entities to take or damage private property for public use, but they must provide just compensation, determined by a jury unless waived, to the property owner first. The Eminent Domain Law outlines how this process should occur and specifies that public entities can only acquire property for public use, without mandating that eminent domain powers be used. Current law has established the Racial Equity Commission, active until January 1, 2030, within the Office of Planning and Research. This commission focuses on advancing racial equity and addressing structural racism by developing resources and a statewide Racial Equity Framework. This bill expresses the Legislature's intent to create laws that would aid victims of racially motivated eminent domain by facilitating the return of their property, providing equivalent property, or offering financial compensation. (Based on 12/02/2024 text)

<u>SB 18</u> (<u>Rubio, D</u>) Food access.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: Under current law, every person has the right to access sufficient, affordable, and healthy food. The law supports various food assistance programs like the federal Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, where federal benefits are distributed to eligible individuals by counties. The CalFood Program provides food and funding to food banks to aid low-income households. The Office of Farm to Fork, part of the Department of Food and Agriculture, collaborates with various entities to boost the availability of agricultural products in underserved communities and schools. A proposed bill aims to tackle food affordability and expand access to healthy foods in food deserts and areas at risk of becoming food deserts in California. (Based on 12/02/2024 text)

<u>SB 33</u> (<u>Cortese, D</u>) Homeless pupils: California Success, Opportunity, and Academic Resilience (SOAR) Guaranteed Income Program.

Current Text: 12/02/2024 - Introduced HTML PDF Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: This bill outlines the establishment of the California Success Opportunity and Academic Resilience (SOAR) Guaranteed Income Program, which aims to support homeless high school seniors. It mandates the State Department of Social Services to provide a guaranteed monthly income of \$1,000 for four months, from May 1 to August 1, 2026. Funding for this program would be managed through the California SOAR Guaranteed Income Fund, which would distribute money to participating counties. Additionally, federal law under the McKinney-Vento Homeless Assistance Act provides grants to improve the education of homeless youth. In counties that choose to participate in the SOAR program, school liaisons are required to inform eligible students about the program and assist them with enrollment. For tax purposes, any income from the SOAR program between January 1, 2026, and January 1, 2031, will be excluded from taxable income and will not affect eligibility for certain state tax credits. The bill ensures that the stipend from the SOAR program does not impact a student's or their household's eligibility for other public assistance programs such as CalWORKs, CalFresh, or Medi-Cal. It will not be considered income or resources for such benefits, provided this does not conflict with federal regulations. If necessary, federal waivers or exemptions will be sought to enforce this provision. (Based on 12/02/2024 text)

Subject: Housing & Land Use

<u>AB 1</u> (Connolly, D) Residential property insurance: wildfire risk.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Existing law governs various types of insurance, such as property and fire insurance, and establishes the Department of Insurance, led by the Insurance Commissioner. This department is responsible for enforcing regulations, including prohibiting insurers from using rating plans that ignore specified wildfire risk mitigation measures, such as property-level building hardening. This bill mandates that by January 1, 2030, and every five years after, the Department of Insurance must assess whether to update its regulations to include more building hardening measures and community-wide wildfire mitigation programs. This process must involve consulting with certain agencies and developing a public participation process to evaluate these measures. (Based on 12/02/2024 text)

AB 3 (Dixon, R) Alcohol and drug treatment facilities: local regulation.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Existing law in the state requires counties and cities to support the development of enough alcoholism or drug abuse recovery facilities based on local needs. It considers facilities serving six or fewer people as residential properties, regardless of whether the residents are unrelated. However, a new bill proposes that starting January 1, 2026, such facilities will not be classified as residential properties if they are located within 300 feet of another facility, share the same owner or director, share programs or amenities, and have a total of more than six residents combined. (Based on 12/02/2024 text)

AB 6 (Ward, D) Residential developments: building standards: review.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The California Building Standards Law establishes the California Building Standards Commission, which is responsible for approving, adopting, and codifying building standards into the California Building

Standards Code. This code is updated every three years and generally aligns with international or industry codes, such as the International Residential Code. Additionally, the Department of Housing and Community Development must report annually on its housing programs. This bill mandates that the department establish a working group by December 31, 2026, to explore potential amendments to state building standards for residential developments. Findings must be reported to the Legislature by December 31, 2027. If any amendments are proposed, the department should further develop and propose these standards for adoption. The bill also permits the department to extend beyond the International Residential Code for developments of 3 to 10 units, using the California Residential Code instead. Furthermore, the department is required to analyze construction cost pressures due to building standards for single-family and multifamily homes, reporting findings to the Legislature by December 31, 2026, and repeating this analysis every three years to identify ways to reduce costs. (Based on 12/02/2024 text)

<u>AB 11</u> (Lee, D) The Social Housing Act.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The Social Housing Act seeks to establish the California Housing Authority as an independent state entity aimed at bridging the gap between housing needs and production, while also preserving affordable housing. This authority would oversee "social housing," which includes both its own properties and those owned by other entities, ensuring all housing is controlled by the Authority. Governed by an appointed and elected board, the Authority would submit annual business plans to the state and conduct regular audits. The bill emphasizes revenue neutrality, aiming to cover development and operational costs through strategies that prevent rent burdens, and prioritizes development on vacant land and near transit. Social housing will cater to a diverse range of income levels, offering two leasing models—rental and ownership. The rental model involves a one-year lease, while the ownership model offers a 99-year lease with limited equity. Eligibility for social housing involves a lottery system, with preferences for displaced individuals. The Authority will honor local preferences for project parcels if certain conditions are met. Additionally, the bill proposes a Social Housing Revolving Loan Fund providing zero-interest loans for mixed-income housing projects, and plans for future legislation to fund Authority activities through general obligation and revenue bonds. (Based on 12/02/2024 text)

<u>AB 20</u> (<u>DeMaio, R</u>) Homelessness: Housing First.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Existing law in California uses the Housing First model, which sees housing as a tool, not a reward, to help homeless individuals secure permanent housing quickly. This approach focuses on connecting people to housing as the primary step. To support this, the California Interagency Council on Homelessness oversees the implementation of such guidelines and works to identify resources to address homelessness. State agencies involved in housing services are required to align their programs with Housing First policies. However, a new bill proposes ending the Housing First model to reduce homelessness, but details on the alternative approach are not specified. (Based on 12/02/2024 text)

<u>AB 36</u> (Soria, D) Housing elements: prohousing designation.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2. **Location:** 12/02/2024 - Assembly PRINT

Summary: The Planning and Zoning Law mandates that cities and counties create a general plan for land use development, which must include a housing element. The Department of Housing and Community Development (HCD) checks if these housing elements comply with the law. HCD currently uses emergency regulations to label jurisdictions as "prohousing" and reports these to the Office of Land Use and Climate Innovation. This bill proposes that HCD switch to using permanent regulations for such designations. Starting with the 7th housing element cycle, HCD will use information from a jurisdiction's housing element submission to assess if it qualifies as prohousing. Additionally, the bill exempts jurisdictions with populations under 100,000 from renewing their prohousing designation until the next housing cycle. (Based on 12/02/2024 text)

AB 69 (Calderon, D) FAIR Plan policy renewals.

Current Text: 12/10/2024 - Introduced HTML PDF Introduced: 12/10/2024

Status: 01/06/2025 - Read first time.

Location: 12/10/2024 - Assembly PRINT

Summary: The California FAIR Plan Association is a collective program involving all insurers licensed for basic property insurance. It is designed to provide equitable property insurance options for individuals who cannot secure coverage through standard means. Current laws mandate the association to develop initiatives to decrease the number of FAIR Plan policies. This bill aims to ensure that before renewing a FAIR Plan policy, a broker must check if it can be transferred to a regular insurance company in the voluntary market. (Based on 12/10/2024 text)

<u>AB 76</u> (<u>Alvarez, D</u>) Surplus land: exempt surplus land: sectional planning area.

Current Text: 12/16/2024 - Introduced HTML PDF

Introduced: 12/16/2024

Status: 01/06/2025 - Read first time.

Location: 12/16/2024 - Assembly PRINT

Summary: Existing law sets requirements for how local agencies should dispose of surplus land, which is land deemed unnecessary for the agency's needs through formal action. "Exempt surplus land" is specifically defined to include areas meeting certain criteria, like dedicating at least 25% of housing units to lower-income households and having a development density of at least 10 units per acre. This bill proposes changes where 25% of the units—excluding those for students, faculty, or staff—must be for lower-income households. Additionally, the required density calculation must now include housing for students, faculty, and staff within the area. (Based on 12/16/2024 text)

AB 226 (Calderon, D) California FAIR Plan Association.

Current Text: 01/09/2025 - Introduced HTML PDF

Introduced: 01/09/2025

Status: 01/10/2025 - From printer. May be heard in committee February 9.

Location: 01/09/2025 - Assembly PRINT

Summary: The California FAIR Plan Association provides basic property insurance to individuals unable to secure coverage through traditional means. All property insurers in California participate in this association. Under existing laws, any changes to the association's operational plan require approval from the Insurance Commissioner. Additionally, the California Infrastructure and Economic Development Bank can issue bonds to fund projects. This bill allows the FAIR Plan Association, with prior approval from the Insurance Commissioner, to request the Bank to issue bonds. These bonds would finance claim costs, increase liquidity, and refund previously issued bonds, enhancing the association's claims-paying ability. The association is considered a participating party for this bond financing purpose. The funds from these bonds can be loaned to the association, which can also establish credit agreements. Upon receiving approval, the association must assess its members to meet financial obligations related to these bonds and agreements. Since the California Infrastructure and Economic Development Bank Fund is continuously appropriated, this bill's impact on fund revenue could result in an appropriation. The bill is proposed to take immediate effect as an urgency statute. (Based on 01/09/2025 text)

AB 232 (Calderon, D) Natural disasters: catastrophe savings accounts: personal income tax.

Current Text: 01/13/2025 - Introduced HTML PDF

Introduced: 01/13/2025

Status: 01/13/2025 - Read first time. To print.

Location: 01/13/2025 - Assembly PRINT

Summary: This bill allows homeowners to create a catastrophe savings account until January 1, 2030. The account's purpose is to cover insurance deductibles and uninsured losses from wildfires, floods, or earthquakes, which the Governor has declared emergencies. Money withdrawn must be used for these specific expenses, with penalties for misuse unless exceptions apply. The Department of Financial Protection and Innovation oversees penalties, which are deposited into the Financial Protection Fund. From January 1, 2025, to January 1, 2030, contributions to these accounts can be deducted from adjusted gross income for tax purposes, and interest earned on these accounts is excluded from gross income. The bill also includes requirements for monitoring and reporting purposes. It takes effect immediately as a tax policy. (Based on 01/13/2025 text)

<u>AB 234</u> (<u>Calderon, D</u>) California FAIR Plan Association governing committee.

Current Text: 01/13/2025 - Introduced HTML PDF

Introduced: 01/13/2025

Status: 01/13/2025 - Read first time. To print.

Location: 01/13/2025 - Assembly PRINT

Summary: The California FAIR Plan Association is a reinsurance group formed by property insurers to provide fair access to basic property insurance for those who cannot obtain it through standard means. Current law outlines a governing committee for this association. A proposed bill aims to add the Speaker of the Assembly and the Chairperson of the Senate Committee on Rules as nonvoting ex officio members of this committee, allowing them to appoint designees if desired. The bill is intended to take effect immediately as an urgency statute. (Based on 01/13/2025 text)

AB 238 (Harabedian, D) Mortgage forbearance: state of emergency: wildfire.

Current Text: 01/13/2025 - Introduced HTML PDF

Introduced: 01/13/2025

Status: 01/13/2025 - Read first time. To print.

Location: 01/13/2025 - Assembly PRINT

Summary: Under existing law, mortgage servicers must follow federal guidelines for borrower options after a COVID-19 related forbearance. The proposed bill extends similar relief to borrowers affected by the wildfire disaster declared by Governor Gavin Newsom on January 7, 2025. It allows these borrowers, who must confirm their financial hardship due to the wildfires, to request a forbearance on their mortgage loans. This forbearance would last up to 180 days, with an option to extend by another 180 days without additional documentation, fees, penalties, or interest. The bill prevents mortgage servicers from initiating foreclosure processes or evictions during this period. Although the bill alters perjury definitions by requiring borrower affirmation, it specifies that the state will not reimburse local agencies for costs, and it is designed to take effect immediately as an urgency measure. (Based on 01/13/2025 text)

<u>AB 239</u> (Harabedian, D) State-led County of Los Angeles disaster housing task force.

Current Text: 01/13/2025 - Introduced HTML PDF

Introduced: 01/13/2025

Status: 01/13/2025 - Read first time. To print.

Location: 01/13/2025 - Assembly PRINT

Summary: This bill would require that the Department of Housing and Community Development (HCD) and the Office of Emergency Services (OES) create a joint task force to address housing reconstruction in Los Angeles County following wildfires starting January 7, 2025. This task force would collaborate with local and federal entities, including FEMA, to facilitate rebuilding efforts. It mandates the appointment of a state disaster housing coordinator to expedite resource distribution to affected communities. The task force must report quarterly to the Legislature on progress, beginning April 1, 2026. The bill highlights the need for a specific statute for Los Angeles and Ventura Counties and is to be enacted immediately as an urgent measure. (Based on 01/13/2025 text)

<u>SB 9</u> (Arreguín, <u>D</u>) Accessory Dwelling Units: owner-occupant requirements.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: The Planning and Zoning Law allows for the creation of accessory dwelling units either through local ordinances or automatically, following certain regulations. Local agencies cannot require that owners occupy the property or add any extra conditions not specified by the law when assessing these additional units on single-family lots. Additionally, they cannot impose parking requirements for these units. This bill further prevents local agencies from mandating owner occupancy for accessory dwelling units, whether or not a local ordinance exists. (Based on 12/02/2024 text)

<u>SB 16</u> (<u>Blakespear, D</u>) Homelessness.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: Existing law sets up the Homeless Housing Assistance and Prevention program, which gives specific areas one-time grants to help them work together regionally and build local resources to tackle urgent

homelessness issues. This bill expresses the Legislature's intention to create further legislation to address homelessness. (Based on 12/02/2024 text)

<u>SB 52</u> (<u>Pérez, D</u>) Housing rental rates and occupancy levels: algorithmic devices.

Current Text: 12/20/2024 - Introduced HTML PDF

Introduced: 12/20/2024

Status: 01/06/2025 - Read first time.

Location: 12/20/2024 - Senate Rules

Summary: Existing law requires landlords to give tenants specific notice before increasing rent and the Costa-Hawkins Rental Housing Act limits how local rent control laws apply to certain properties. This Act allows property owners to set initial and subsequent rental rates under certain conditions. This bill proposes to prohibit the sale or use of algorithmic devices that suggest rental rates or occupancy levels for residential units. The bill would permit the Attorney General, city attorney, county counsel, or tenants to file civil actions against violators. (Based on 12/20/2024 text)

<u>SB 56</u> (Seyarto, R) Property taxation: disabled veterans' exemption: household income.

Current Text: 01/07/2025 - Introduced HTML PDF

Introduced: 01/07/2025

Status: 01/08/2025 - From printer. May be acted upon on or after February 7.

Location: 01/07/2025 - Senate Rules

Summary: The California Constitution mandates that all property is taxable, based on fair market value, unless exemptions apply. One such exemption is for disabled veterans, which reduces the taxable value of their primary residence if the veteran has specific injuries or died in active duty. The exemption covers up to \$100,000, or \$150,000 if the household income is below \$40,000, adjusted for inflation. This bill proposes to exclude disability payments from counting as "household income" for this exemption, and it corrects a previous error in the law. By adding duties for local tax officials, the bill creates a state-mandated local program, requiring state reimbursement for certain costs. However, it specifies that the state will not reimburse local agencies for property tax revenue losses due to this exemption. This bill, effective immediately as a tax levy, allows disabled veterans to benefit more significantly from the tax exemption by not considering disability payments as income. (Based on 01/07/2025 text)

Subject: Local Government

<u>AB 21</u> (<u>DeMaio, R</u>) Taxpayer Protection Act of 2025.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The California Constitution mandates that any state statute leading to higher taxes must be enacted by a two-thirds vote from each house of the Legislature. For local governments, taxes are categorized as either general or special. General taxes require a majority vote, while special taxes need a two-thirds vote for approval by the electorate. Current laws impose requirements on the presentation of state and local ballots, including content regulations. This bill would amend the Constitution to restrict state and local governments' ability to raise taxes, reinstate the two-thirds vote requirement for local special taxes, enforce voter approval for new taxes in certain categories, and regulate the wording of ballot measures related to tax increases. (Based on 12/02/2024 text)

<u>AB 26</u> (<u>DeMaio, R</u>) Eliminate the Politicians' Perks Act of 2025.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The Political Reform Act of 1974 created the Fair Political Practices Commission and set rules to prevent conflicts of interest among public officials. This bill intends to further ensure accountability among elected officials by proposing several measures: banning legislators from accepting gifts or trading individual stocks, imposing a lifetime ban on lobbying, removing exemptions for the Legislature from labor, workplace, and public record laws, and eliminating government pensions for local elected officials. (Based on 12/02/2024 text)

ACR 12 (Quirk-Silva, D) Fernando Valenzuela Day.

Current Text: 01/09/2025 - Introduced HTML PDF

Introduced: 01/09/2025

Status: 01/10/2025 - From printer.

Location: 01/09/2025 - Assembly PRINT

Summary: This bill seeks to establish November 1, 2025, as Fernando Valenzuela Day to recognize the significant contributions and positive influence he has had on the Latino and Hispanic community. (Based on 01/09/2025 text)

Subject: Transportation

<u>AB 12</u> (Wallis, R) Low-carbon fuel standard: regulations.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the authority to monitor and regulate greenhouse gas emissions. The board is required to set rules to reduce these emissions by at least 40% below the established limit by December 31, 2030, using the most effective technology and methods available. Part of these efforts includes the Low-Carbon Fuel Standard regulations. This bill proposes to nullify certain amendments to these regulations that are set to be adopted by the board on November 8, 2024. (Based on 12/02/2024 text)

<u>AB 33</u> (<u>Aguiar-Curry, D</u>) Autonomous vehicles.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be heard in committee January 2.

Location: 12/02/2024 - Assembly PRINT

Summary: Current law permits the testing of autonomous vehicles on public roads if the driver holds the appropriate class of license for that vehicle and certain conditions are met. However, manufacturers are prohibited from operating autonomous vehicles on public roads until they submit an application to the Department of Motor Vehicles (DMV) and receive approval. This bill proposes minor, non-substantive modifications to these existing legal provisions. (Based on 12/02/2024 text)

<u>SB 30</u> (Cortese, D) Transportation: diesel trains and rolling stock: resale restrictions.

Current Text: 12/02/2024 - Introduced HTML PDF

Introduced: 12/02/2024

Status: 12/03/2024 - From printer. May be acted upon on or after January 2.

Location: 12/02/2024 - Senate Rules

Summary: The current law includes rules that apply to public transit and transit districts. This proposed bill expresses the Legislature's intention to introduce a law that would limit the resale of decommissioned diesel trains and rolling stock to prevent their continued use. (Based on 12/02/2024 text)

<u>SB 63</u> (Wiener, D) San Francisco Bay area: local revenue measure: transportation funding.

Current Text: 01/09/2025 - Introduced HTML PDF

Introduced: 01/09/2025

Status: 01/10/2025 - From printer. May be acted upon on or after February 9.

Location: 01/09/2025 - Senate Rules

Summary: The Metropolitan Transportation Commission is a planning agency responsible for regional transportation planning in the nine-county San Francisco Bay area. There are also several transit districts within the area with specific responsibilities for public transit services. This bill would express the Legislature's intention to introduce legislation that would authorize a revenue measure aimed at investing in the region's transportation infrastructure. (Based on 01/09/2025 text)

Subject: Water

<u>SB 31</u> (<u>McNerney, D</u>) Water quality: water recycling facilities: state policy.

Current Text: 12/02/2024 - Introduced <u>HTML PDF</u> Introduced: 12/02/2024 Status: 12/03/2024 - From printer. May be acted upon on or after January 2. Location: 12/02/2024 - Senate Rules

Summary: Existing law expresses the Legislature's intention for the state to promote the development of water recycling facilities to address increasing water needs. The proposed bill aims to make a minor, non-substantive modification to this statement. (Based on 12/02/2024 text)

Total Measures: 53 Total Tracking Forms: 53



AGENDA ITEM 7 REPORT

Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	Francisco Barajas, Senior Legislative Affairs Analyst (213) 630-1400, barajasf@scag.ca.gov	,
Subject:	Federal Update - What to Expect in 2025	Kome Ajise

RECOMMENDED ACTION:

Information Only – No Action Required.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

Congress convened on Friday, January 3, 2025, marking the beginning of the first session of the 119th Congress. In the House, members have re-elected Representative Mike Johnson (*R*-Louisiana) as Speaker, and in the Senate, members elected Senator John Thune (*R*-South Dakota) as Senate Majority Leader. Additionally, President-Elect Donald Trump is scheduled to be inaugurated as the 47th President of the United States on Monday, January 20. Ahead of the inauguration, Congress has begun to move quickly to get Trump Administration nominees confirmed through the Senate confirmation process. Following the inauguration, the new congress and administration will begin to work on key policies, including passing the Fiscal Year (FY) 2025 Budget and authoring a new surface transportation policy bill.

BACKGROUND:

Changes to SCAG Delegation

Now that the 119th Congress has begun its first session, there are seven new members in SCAG's congressional delegation, including Senator Adam Schiff. New House members are listed below:

- District 27 (Santa Clarita): George Whitesides (D) (Replaced former Rep. Mike Garcia (R))
- District 29 (San Fernando Valley): Luz Rivas (D) (Former Rep. Tony Cárdenas did not seek reelection)
- District 30 (Burbank/Glendale): Laura Friedman (D) (Seat open due to former Rep. Adam Schiff running for U.S. Senate)



- District 31 (San Gabriel Valley): Gil Cisneros (D) (Seat open by former Rep. Grace Napolitano due to retirement)
- District 45 (Garden Grove): Derek Tran (D) (Replaced former Rep. Michelle Steel (R))
- District 47 (Irvine): Dave Min (D) (Former Rep. Katie Porter did not seek reelection)

Congressional Committee Assignments and Leadership

The Senate has solidified all committee assignments and leadership positions for the 119th Congress. Of note, Senators Padilla and Schiff have both been appointed to serve on the Senate Environmental and Public Works Committee (EPW) that oversees the highway programs in any surface transportation legislation. Below are the committee assignments for Senators Padilla and Schiff, the list of members in the SCAG region who have been assigned to the House Committee on Transportation and Infrastructure, and leadership positions for all House and Senate Committees:

Senator Padilla

- Environment and Public Works (EPW)
- Energy and Natural Resources (ENR)
- Rules and Administration, Ranking Member
- Budget Committee
- Judiciary Committee
- Joint Committee on Printing

Senator Schiff

- Environment and Public Works (EPW)
- Agriculture, Nutrition, and Forestry
- Small Business and Entrepreneurship
- Judiciary Committee

House T&I Committee SCAG Delegation Members Announced

- Representative Salud Carbajal (D-Santa Barbara/ Ventura)
- Representative Julia Brownley (CA-Thousand Oaks)
- Representative Laura Friedman (CA-Glendale)
- Representative Robert Garcia (CA-Long Beach)

Senate Committee Leadership

Committee	Chair	Ranking Member	
Appropriations	Sen. Susan Collins (R-ME)	Sen. Patty Murray (D-WA)	
Commerce, Science, and	Sen. Ted Cruz (R-TX)	Sen. Maria Cantwell (D-WA)	
Transportation			
Banking, Housing, and Urban	Sen. Tim Scott (R-SC)	Sen. Elizabeth Warren (D-MA)	
Affairs			



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Environment and Public Works	Sen. Shelley Moore Capito (R- WV)	Sen. Sheldon Whitehouse (R- RI)
Agriculture	Sen. John Boozman (R-AR)	Sen. Amy Klobuchar (D-MN)
Armed Services	Sen. Roger Wicker (R-MS)	Sen. Reed (D-RI)
Budget	Sen. Lindsey Graham (R-SC)	Sen. Jeff Merkley (D-OR)
Energy and Natural Resources	Sen. Mike Lee (R-UT)	Sen. Martin Heinrich (D-NM)
Ethics	Sen. James Lankford (R-OK)	Sen. Chris Coons (D-DE)
Finance	Sen. Mike Crapo (R-ID)	Sen. Ron Wyden (D-OR)
Foreign Relations	Sen. James Risch (R-ID)	Sen. Shaheen (D-NH)
Health, Education, Labor and	Sen. Bill Cassidy (R-LA)	Sen. Sanders (I-VT)
Pensions		
Homeland Security and	Sen. Rand Paul (R-KY)	Sen. Gary Peters (D-MI)
Governmental Affairs		
Indian Affairs	Sen. Lisa Murkowski (R-AK)	Sen. Brian Schatz (D-HI)
Intelligence	Sen. Tom Cotton (R-AR)	Sen. Mark Warner (D-VA)
Judiciary	Sen. Chuck Grassley (R-IA)	Sen. Richard Durbin (D-IL)
Joint Economic Committee	Sen. Eric Schmitt (R-MO)	Sen. Maggie Hassan (D-NH)
Rules	Sen. Mitch McConnell (R-KY)	Sen. Alex Padilla (D-CA)
Small Business	Sen. Joni Ernst (R-IA)	Sen. Ed Markey (D-MA)
Veterans Affairs	Sen. Moran (R-KS)	Sen. Blumenthal (D-CT)
Aging	Sen. Rick Scott (R-FL)	Sen. Kirsten Gillibrand (D-NY)

House Committee Leadership

Committee	Chair	Ranking Member
Appropriations	Rep. Tom Cole (R-OK)	Rep. Rosa DeLauro (D-CT)
Transportation and	Rep. Sam Graves (R-MO)	Rep. Rick Larsen (D-WA)
Infrastructure (T&I)		
Ways and Means	Rep. Jason Smith (R-MO)	Rep. Richard Neal (D-MA)
Agriculture	Rep. Glenn Thompson (R-PA)	Rep. Angie Craig (D-MN)
Armed Services	Rep. Mike Rogers (R-AL)	Rep. Adam Smith (D-WA)
Budget	Rep. Jodey Arrington (R-TX)	Rep. Brendan Boyle (D-PA)
Education and Workforce	Rep. Tim Walberg (R-MI)	Rep. Bobby Scott (D-VA)
Energy and Commerce	Rep. Brett Guthrie (R-KY)	Rep. Frank Pallone (D-NJ)
Financial Services	Rep. French Hill (R-AR)	Rep. Maxine Waters (D-CA)
Foreign Affairs	Rep. Brian Mast (R-FL)	Rep. Gregory Meeks (D-NY)
Homeland Security	Rep. Mark Green (R-TN)	Rep. Bennie Thompson (D-MS)
Judiciary	Rep. Jim Jordan (R-OH)	Rep. Jamie Raskin (D-MD)
Natural Resources	Rep. Bruce Westerman (R-AR)	Rep. Jared Huffman (D-CA)
Oversight and Government	Rep. James Comer (R-KY)	Rep. Gerry Connolly (D-VA)



Reform		
Rules	TBD	Rep. Jim McGovern (D-MA)
Science, Space, and Technology	Rep Brian Babin (R-TX)	Rep. Zoe Lofgren (D-CA)
Small Business	Rep. Roger Williams (R-TX)	Rep. Nydia Velázquez (D-NY)
Veterans Affairs	Rep. Mike Bost (R-IL)	Rep. Mark Takano (D-CA)

Trump Administration Nominees Update

Congress and the incoming Trump Administration are moving quickly to get nominees confirmed through the Senate confirmation process. The Senate Commerce Committee is holding the nomination hearing for Sean Duffy, nominee for DOT Secretary, on Wednesday, January 15. Below is a table outlining the status of nomination hearings as of the writing of this report:

Nominee	Position	Hearing Date	Status
Pete Hegseth	Department of Defense Secretary	Tuesday, January 14	Pending
Doug Collins	Veterans Affairs Secretary	Tuesday, January 14	Pending
Doug Burgum	Department of the Interior Secretary	Tuesday, January 14	Pending
Marco Rubio	Secretary of State	Wednesday, January 15	Pending
Kristi Noem	Department of Homeland Security	Wednesday, January 15	Pending
	Secretary		
Russell Vought	Office of Management and Budget	Wednesday, January 15	Pending
	Director		
John Ratcliffe	Central Intelligence Agency Director	Wednesday, January 15	Pending
Sean Duffy	Department of Transportation	Wednesday, January 15	Pending
	Secretary		
Pam Bondi	Attorney General	Wednesday, January 15	Pending
Chris Wright	Department of Energy Secretary	Wednesday, January 15	Pending
Lee Zeldin	Environmental Protection Agency	Thursday, January 16	Pending
	Secretary		
Scott Turner	Housing and Urban Development	Thursday, January 16	Pending
	Secretary		

Appropriations Update

On Friday, December 20, 2024, Congress passed a short-term continuing resolution (CR), entitled the "American Relief Act (H.R. 10545), extending government funding until March 14, 2025. This current CR provides Congress with additional time needed to reach an agreement on the FY 25 appropriations bills, given that topline spending numbers are vastly different. In addition to maintaining spending at Budget FY 2024 funding levels, the following provisions were included in the package with the CR:



- \$110 billion disaster supplemental funding package
- One-year extension of the Farm Bill
- 100 percent federal cost share for rebuilding the Francis Scott Key Bridge in Baltimore

Budget Reconciliation

With the deadline of March 14, 2025, looming, Congress continues to negotiate spending bills for FY 2025. Given the razor-thin margins in both chambers (220-215 Republican majority in the House and 53-47 Republican majority in the Senate), they are working on doing so through a "budget reconciliation," a legislative process that allows Congress to pass spending bills with a simple majority in the Senate and House. This will be particularly useful to avoid the challenging, 60-vote threshold in the Senate. Historically, the reconciliation process has been completed at least 23 times by both Democrats and Republicans, including most recently to pass the Inflation Reduction Act (IRA).

Earlier last month, Senate Majority Leader John Thune (R-South Dakota) noted intentions to pass an initial budget reconciliation bill within the first 30 days of the Trump administration that prioritizes border security, defense, and energy. However, President-Elect Donald Trump has since expressed that he would prefer one larger reconciliation package rather than two. Republican leadership intends to use budget reconciliation to reauthorize the Tax Cuts and Jobs Act of 2017 (TCJA), expand the Opportunity Zone program, deal with some immigration issues, and potentially change other aspects of existing law. President-Elect Trump and Congressional Republicans have also voted to repeal unobligated funding and some of the tax credits provided by the IRA, including solar and battery tax credits and environmental justice/ climate grant programs.

While Republicans are committed to an aggressive timeline to pass legislation, Congress has until the end of 2025 to pass a tax legislative package before the TCJA expires.

Surface Transportation Reauthorization

The current iteration of the surface transportation reauthorization was included in the Bipartisan Infrastructure Law (BIL) and is set to expire on September 30, 2026. The BIL provided approximately \$550 billion in infrastructure investment over five years, including:

- \$350.8 billion for federal highways
- \$91.2 billion for federal transit programs

Congress will continue conversations and hearings on the next surface transportation reauthorization bill in 2025, including hearings held by the House Transportation & Infrastructure (T&I) committee this month. The first hearing, titled "Organizational Meeting and Full Committee Hearing on 'America Builds: The State of the Nation's Transportation System," was held on Wednesday, January 15, with more to follow as the year progresses.



As conversations ensue, key priorities for the Republican-controlled Congress will include increasing emphasis on funding for state DOTs and rural communities while decreasing emphasis on climate and environmental justice, streamlining regulations, and placing an emphasis on public-private partnerships (P3s). In preparation for these conversations, as well as meetings that will be taking place throughout the year between SCAG leadership and Congressional representatives and agency staff seeking input, SCAG staff has been actively participating in conversations being facilitated by member organizations, including the Coalition for America's Gateways and Trade Corridors (CAGTC) and the National Association of Regional Councils (NARC), as well as holding discussions with staff from our six county transportation commissions and various stakeholders throughout the region. SCAG staff will bring the culmination of these efforts to this committee as a list of potential federal priorities.

Potential Opportunities for Federal Legislative Outreach

SCAG staff will be in attendance at this year's National Conference of Regions hosted by the National Association of Regional Councils (NARC), held in Washington, D.C. from Sunday, February 9, through Wednesday, February 12. Additionally, SCAG is currently working on finalizing the details of our annual California Congressional Transportation Reception, held in collaboration with the Metropolitan Transportation Commission/ Association of Bay Area Governments (MTC/ ABAG). The reception is tentatively scheduled for the week of May 18, when the American Public Transportation Association (APTA) will be holding its annual Legislative Conference.

FISCAL IMPACT:

Work associated with the staff report on the Federal Update – What to Expect in 2025 is contained in the Indirect Cost budget, Legislation 810-0120.10.



AGENDA ITEM 8 REPORT

Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	David Angel, Senior Legislative Affairs Analyst (213) 630-1422, angel@scag.ca.gov	
Subject:	State Update – Governor's Budget and What to Expect in 2025	Kome Ajise

RECOMMENDED ACTION:

Information Only – No Action Required.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The State Constitution requires the Governor to submit a balanced budget to the Legislature by January 10 of each year detailing the state's spending plan for the next fiscal year. To comply with this requirement, Governor Newsom unveiled his 2025-26 fiscal year budget proposal on Friday, January 10, 2025. His \$322.2 billion budget lays out his administration's spending plan for the upcoming fiscal year, which projects a modest \$363 million surplus. SCAG lobbyists, Cruz Strategies, will provide a presentation on the details of the budget and its potential impact on SCAG's priorities. Cruz Strategies' Budget Summary Update is also attached to this report.

BACKGROUND:

Governor Newsom presented his January Budget Proposal for the 2025-26 fiscal year on Friday, January 10, 2025, as required by the State's constitution. The budget includes \$322.2 billion in spending in all categories. Compared to last year's budget, in which the Governor and Legislature had to address a deficit in the tens of billions of dollars, this year's budget estimates a modest \$363 million *surplus*. The state also still has approximately \$17 billion in available budget reserves. Thus, the Governor did not propose any major cuts or spending increases, but there are still several areas to highlight, including:

- Maintains the entirety of the transportation package included in recent budgets, which includes \$15.4 billion for various funds for the following programs and projects:
 - o \$7.4 billion for high-priority transit and rail infrastructure projects
 - \$4.2 billion in Prop 1A funds for the High-Speed Rail



- $\circ~$ \$1.2 billion in funding for rail and roadways at port terminals to improve goods movement
- \$1.1 billion for the Active Transportation Program, Reconnecting Communities Highways to Boulevards pilot program, and climate adaptation projects
- \$325 million in climate bond funding for wildfire and forest resilience;
- Exemptions for all wildfire settlements from state taxation for settlements paid in tax years 2025 through 2029, regardless of when the fire occurred;
- An increase in the Film and Television tax credit cap from \$330 million to \$750 million for fiscal years 2025-26 through 2029-30;
- The establishment of a new agency to enhance how consumers and businesses interact with government processes; and
- The establishment of a new California Housing and Homelessness Agency to create a more integrated and effective framework to address homelessness.

In addition to wildfire-related funding, tax breaks, and permit streamlining, Governor Newsom announced that he was expanding the scope of the extraordinary session he convened in November to boost the response and recovery efforts for Los Angeles. The Governor proposed providing at least an additional \$2.5 billion in funding for ongoing emergency response and to assist with recovery efforts. The funding will also help with recovery, cleanup, wildfire preparedness, and reopening schools that closed due to the wildfires. According to the Department of Finance, the \$2.5 billion proposal would be funded using \$1 billion from the state's emergency reserves account and \$1.5 billion from Proposition 4, the climate bond California voters approved in November 2024.

Next Steps

The Governor's proposal is the first step in the budget process that will culminate with the adoption of the FY 2025-26 budget by June 15, 2025, as required by our state constitution. Over the next several months, the Legislature will convene its budget committees, identify its priorities, and negotiate with the Governor. While many steps remain, the January budget proposal is a key indication for legislators of the Governor's top priorities.

Cruz Strategies represents SCAG in Sacramento and will provide a presentation to the Legislative/Communications and Membership Committee (LCMC) on the Governor's proposed budget. Cruz's summary of the budget is attached to this report. To access the Governor's proposed budget, visit <u>www.ebudget.ca.gov</u>.



FISCAL IMPACT:

Work associated with the 2025-26 State Budget Update is contained in the Indirect Cost Budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. 2025-26 January Budget Summary - Cruz Strategies



Governor's 2025-2026 January Budget Department of Finance Update

January 10, 2025

Following the Governor's high-level<u>preview</u> of the Fiscal Year 2025-2026 budget proposal this past Monday, the Department of Finance (DOF) provided an in-depth presentation of the \$322.2 billion spending plan.

Since the Governor's presentation on Monday, multiple catastrophic wildfires, fueled by historic windspeeds, have ravaged the Los Angeles region claiming at least 10 lives and thousands of structures. The wildfires have already decimated several communities and caused tens of billions of dollars in damages. The fires continue to rage.

The full impact of the wildfires on the state's budget and already precarious insurance market are unknown at this time but they will undoubtedly demand significant state resources. While President Biden has promised significant federal resources, including full cost recovery for all firefighting activities, the incoming Trump Administration has yet to make such a commitment.

While acknowledging the evolving conditions, DOF Director, Joe Stephenshaw, outlined the current spending plan details including:

- Modest Surplus of \$363 million
- **Climate and School Bond Spending Plans** The budget includes \$2.7 billion in proposed 2025-26 climate bond spending and plans for \$1.5 billion in school bond funds to be processed in 2025-26 for K-12 school facility modernization and \$51.5 million for community colleges.
- **New Housing & Homeless Agency** The Administration is proposing to establish a new California Housing and Homelessness Agency to create a

more integrated and effective administrative framework for addressing the state's housing and homelessness challenges.

- Enhanced Housing Accountability—The state aims to strengthen mechanisms to ensure jurisdictions meet their state housing obligations and comply with existing laws, including the Housing Accountability Act and Permit Streamlining Act.
- Addressing Wildfire Risks The budget includes \$325 million in climate bond funding for wildfire and forest resilience and \$39.3 million for various wildfire and forest resilience projects and programs, including defensible space, home hardening, reforestation, and wood utilization.
- Film and Television Tax Credit Expansion The budget proposes to increase the total annual California Film and Television Tax Credit 4.0 award cap from \$330 million to \$750 million for the fiscal years 2025-26 through 2029-30
- **Tax Relief for Wildfire Victims** The budget proposes to exempt all wildfire settlements from state taxation for settlements paid in tax years 2025 through 2029, regardless of when the fire occurred.
- Master Plan on Career Education The budget proposes \$100 million one-time Proposition 98 General Fund for the CCCs to expand Credit for Prior Learning and begin building the infrastructure for the state's first "Career Passport."
- New California Consumer Protection Agency The budget proposes to establish a new agency to enhance how consumers and businesses interact with government processes.
- **Proposition 2 Reforms -** To allow for increased state deposits into rainy day reserves and make changes to state appropriations limit (SAL) requirements.

The Governor's \$322.2 billion budget estimates that General fund revenues are up \$16.5 billion in the current three-year budget window (FY 24-26) which the Department projects as quite similar to the figures provided by the Legislative Analyst's Office (LAO). The largest difference between the Governor and LAO deficit/surplus figures is that DOF projects about \$9 billion in additional revenue over the budget window.

The state still has \$16.9 billion in available budget reserves. The Department of Finance reiterated that the multi-year budget strategy to remain fiscally prudent remains in place. In all, the budget has a modest surplus of \$363 million after accounting for new revenues and previous spending commitments. These funds will be available for new spending one-time spending allocations.



The Legislature will soon convene hearings to review the budget proposal and begin developing its own priorities ahead of the May Revise.

Click here for our summary of the Governor's Preview Briefing (1/6/2025)

Governor Newsom YouTube Page

Highlights by Issue Areas

Below, we have included proposals of interest or significance in the Governor's budget by subject area. Click <u>here</u> for a link to the Governor's Summary if you need additional information.

Housing

- New Housing & Homeless Agency— The Administration is proposing to establish a new California Housing and Homelessness Agency to create a more integrated and effective administrative framework for addressing the state's housing and homelessness challenges. This new agency will strengthen California's ability to plan, produce, and preserve housing while enhancing the state's homelessness response now and over the long term by aligning housing initiatives with complementary policy areas—such as transportation, health, climate, energy, and community planning. As a result, the agency will foster greater coordination and strategic alignment across state governments. More details will be provided in the spring through a Reorganization Plan submitted to the Little Hoover Commission.
- Reduce Construction Costs—The state should help lower housing construction costs by streamlining processes and removing unnecessary barriers to development, including addressing delays in project approvals and permitting. Additionally, the state should pursue policies to reduce costs

associated with existing laws that hinder housing production and increase costs and development risks.

- Enhanced Local Accountability—The state should strengthen mechanisms to ensure jurisdictions meet their state housing obligations and comply with existing laws, including the Housing Accountability Act and Permit Streamlining Act.
- Aligning Housing and Transportation—The state should advance policies that remove barriers to infill housing near transit, including efforts to align long-term housing and transportation planning, and further the ability to utilize housing as a mitigation strategy for infrastructure projects. To further these principles, the Administration will propose policies to enhance the Department of Housing and Community Development's (HCD) ability to recycle funding, update housing programs to promote affordability, and expand existing California Environmental Quality Act streamlining tools to accelerate infill housing production.

Homelessness

- **Encampment Resolution Funds** The Budget continues to include \$100 million General Fund for Encampment Resolution Fund grants as committed to in the 2024-25 Budget.
- Additional Accountability on Existing Funds—HCD will increase scrutiny of local government's fiscal and outcome reporting through the Homeless Data Integration System so that local grantees stay up to date on those reports and will take remedial action as necessary.
- **In-Depth Local Reviews** To drive continued local progress, the state will partner with select local governments to review their full suite of housing and homelessness programs to identify best practices and address opportunities for growth.
- **Regional Convenings**—To help local grantees continue to make progress against homelessness, HCD will hold regional convenings with the various HHAP regions to:
 - Strengthen data and reporting programs and policies,
 - Improve the construction and implementation of regional Memoranda of Understanding (MOUs), and
 - Challenge each region to reach their goals to reduce homelessness.
- Increased Enforcement—The Housing and Homelessness Accountability, Results, and Partnership Unit will review HHAP Rounds 5 and 6 regional MOUs and plans to ensure local governments are following through on the



commitments they have made to act regionally and in a coordinated manner across their spectrum of homelessness programs.

Climate Change & Environment

The Governor's Budget proposes \$2.7 billion for the first year of a multi-year expenditure plan to implement the \$10 billion Climate Bond (Proposition 4) authorized by voters in November:

- **Dam Safety and Climate Resilience**—\$231.5 million to the Dam Safety and Climate Resilience Local Assistance Program for competitive grants for projects that support dam safety and reservoir operations, such as funding for repairs, rehabilitation, and enhancements.
- Water Quality and Safe Drinking Water and Tribal Water Infrastructure—\$183.2 million for grants and loans that improve water quality and help provide clean, safe, reliable drinking water
- **Flood Management Projects**—\$173.1 million for flood control projects to evaluate, repair, rehabilitate, reconstruct, expand, or replace levees, weirs, bypasses, and facilities of the State Plan of Flood Control, as well as funding for the Flood Control Subventions Program.
- Water Reuse and Recycling—\$153.4 million for water reuse and recycling projects that support treatment, storage, conveyance, or distribution facilities for potable and nonpotable use
- **Water Storage** The Budget proposes \$173.5 million to improve water storage, replenish groundwater, improve conditions in streams and rivers, and complete various water resilience projects and programs
- Salton Sea Management Program—\$148.2 million to implement the Salton Sea Management Program 10-year Plan and deliver projects that reduce dust emissions—benefitting air quality and public health—and restore environmental habitat.
- **Parks & Urban Greening -** \$190 million to create new parks and improve existing parks in the state's most disadvantaged communities. In addition,

\$46.8 million for greening communities through the creation and expansion of green streets, parks, and schoolyards.

Transportation_& Infrastructure

- **Cap-and-Trade Extension** The Administration, in partnership with the Legislature, will need to consider extending the cap-and-trade program beyond 2030 to achieve carbon neutrality. Although the current cap-and-trade program does not expire until 2030, considering an extension sooner could provide greater certainty and attract stable investment.
- **Transportation Package** The Budget maintains the entirety of the transportation package included in recent budgets. This includes **\$15.4 billion** from various funds over multiple years for the following:
 - \$7.7 billion for high-priority transit and rail infrastructure projects that will improve rail and transit connectivity between state and local/regional services. A portion of these funds can also be used to support transit operations.
 - \$4.2 billion Proposition 1A for the High-Speed Rail Authority to continue building the 119-mile Central Valley Segment from Madera to just north of Bakersfield.
 - \$1.2 billion for projects that improve goods movement on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission modernization projects.
 - \$1.1 billion for Active Transportation Program projects, the Reconnecting Communities Highways to Boulevards Pilot program, and climate adaptation projects to advance equity and health outcomes.
 - **\$1.1 billion** for the Zero Emission Transit Capital Program.
 - **\$150 million** for grade separation projects that support critical safety improvements and improve traffic and rail movement by separating the vehicle roadway from the rail tracks.
- **Clean California Program** Budget includes \$25 million General Fund for the Clean California Program for a Community Cleanup and Employment Pathways Grant Program

Energy

• Development of Port Upgrades to Serve Offshore Wind Generation and Other Purposes—\$228.2 million for port upgrades, including construction

CRUZ STRATEGIES

and improvements of publicly owned port facilities for manufacturing, assembly, staging, and integration of components and vessels, to support the development of offshore wind generation and other activities.

- **Demand-Side Grid Support Program**—\$50 million for load reduction and backup generation efforts that support electric grid reliability during extreme weather events.
- E11-E15 Gasoline-Ethanol Blends— The Budget proposes \$2.3 million from special funds for the Board to evaluate, develop, and implement the appropriate regulatory changes necessary to authorize the use of E15 in California, upon submission to the California Environmental Policy Council of the written summary and results of the peer review for the multimedia evaluation of E11-E15 gasoline-ethanol blends.
- **Energy Affordability** As the state works to decarbonize its economy with power provided by clean energy resources, it is paramount that the Administration and Legislature partner to develop and act on a multi-faceted suite of actions this legislative year and going forward that, only together, will yield meaningful electric bill cost savings for Californians.

Labor & Workforce Development

- Unemployment Insurance Trust Fund Loan Interest—\$634.3 million one-time General Fund to pay the annual interest payment on the state's Unemployment Insurance loan balance
- **Cal/OSHA Data Modernization**—\$18.2 million one-time to continue the Cal/OSHA data modernization information technology project to upgrade outdated systems and processes.
- **Regional Coordination for Career Education and Training**—\$4 million one-time General Fund to evaluate how regional coordination models can be expanded to create sustainable forums where educators, workforce training providers, and employers can work to align programs with employer needs.

Criminal Justice & Public Safety

- **Community Corrections Performance Incentive Grant-** The Community Corrections Performance Incentive Grant, Chapter 608, Statutes of 2009 (SB 678), was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. The Budget proposes \$126.5 million General Fund for county probation departments. In recent years, funding for this item was held constant due to the COVID-19 Pandemic's effect on probation populations, law enforcement practices, and court processes. The Budget proposes to update the methodology for calculating incentive payments to the counties beginning in 2025-26, which is intended to increase the performance-based incentive nature of the funding and reduce variability in the prior methodology.
- Chaptered Legislation: Firearms—\$2.4 million (\$2.3 million General Fund and \$100,000 Special Fund) and 7.0 positions in 2025-26 and \$1.2 million General Fund ongoing for DOJ to address workload from recently chaptered legislation related to the storage, sale, transfer, and relinquishment of firearms.
- DNA Identification (DNA ID) Fund Backfill—To address a projected cashflow shortage in the DNA ID Fund beginning in 2026-27, the Budget proposes to make the backfill an ongoing adjustment with \$37 million General Fund in 2026-27, \$36 million in 2027-28, and \$35 million in 2028-29 and ongoing. Previously, the 2023 Budget Act provided a three-year backfill through 2025-26.
- **Child Sexual Abuse Investigations**—\$5 million ongoing General Fund for the CHP to expand its Computer Crimes Investigation Unit to investigate and assist allied agencies with criminal investigations dealing with the distribution and downloading of Child Sexual Abuse Material (CSAM) throughout California.
- California Internet Crimes Against Children Task Forces—\$5 million ongoing General Fund to maintain the existing level of funding for this program, which helps state and local law enforcement agencies develop an effective response to child sexual exploitation facilitated by technology and combating underground child pornography rings.

Health and Human Services

• **2024-25 Medi-Cal Budget**—The Budget includes increased Medi-Cal expenditures of approximately \$2.8 billion General Fund in 2024-25

CRUZ STRATEGIES

compared to the 2024 Budget Act. This increase is driven primarily by higher overall enrollment due to continuing unwinding flexibilities and higher-than-projected caseload and pharmacy costs, offset by additional support from the MCO Tax.

- CalWORKs Work and Family Well-Being Pilot—In November 2024, California was selected as one of five states to participate in a federal pilot program to test alternative performance measures in the TANF program. The vision for California's pilot is to build upon a strong foundation of supportive and barrier removal services to facilitate employment and well-being. The pilot will leverage the CalWORKs Outcomes and Accountability Review (Cal-OAR) framework to measure successful program outcomes more holistically. The Administration continues to assess further opportunities to advance the vision of the pilot.
- Projected CalWORKs Grant Increase—An approximate 0.2-percent increase to CalWORKs Maximum Aid Payment levels, with an estimated cost of \$9.1 million, is projected to begin October 1, 2025. A determination and update of the projected grant increase will be made at the May Revision. These projected increased costs would be funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the 1991 Local Revenue Fund and would be in addition to the 0.3-percent statutory increase in October 2024.
- **Childcare and Development-** The Budget maintains funding to continue the Cost of Care Plus Rate monthly payments adopted for state-subsidized child care providers, consistent with requirements related to the reimbursement floor established in the 2024 Budget Act.
- Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration—In December 2024, the federal government approved approximately \$8 billion (state, local, and federal funds) for the BH-CONNECT Demonstration effective January 1, 2025 through December 31, 2029. The funding will support activities and services

administered by the DHCS, DSS, and the Department of Health Care Access and Information.

- AIDS Drug Assistance Program (ADAP)—\$8.5 million in 2025-26 and ongoing from the AIDS Drug Assistance Program Special Fund for enhancements to ADAP and the Pre-Exposure Prophylaxis Assistance Program, effective January 2025.
- Master Plan for Developmental Services—In March 2025, the Administration plans to release the Master Plan for Developmental Services, which will be generated by community recommendations for a more consumer-friendly and effective experience for individuals and families receiving developmental services.

Higher Education

- **Master Plan for Career Education** \$100 million for community colleges for credit for prior learning and career passports.
 - \$5 million ongoing General Fund for the Government Operations Agency to establish a state planning and coordinating body for TK-12 education.
 - \$4 million one-time General Fund to support regional coordination for career education and training.
- **TK-12 career technical education categorical programs -** Allows use of \$1.8 billion for a single consolidated application and make eligible dual enrollment and pathways programs
- **California Student Aid Commission** The budget provides a total financial aid expenditure package of \$3.1 billion in 2025-26
 - Middle Class Scholarship \$527.2 million
 - Golden State Teacher Program \$50 million one-time General Fund for applications in FY 2025-26.
- **University of California** The budget maintains a reduction of 7.95 percent in ongoing General Fund support, approximately \$396.6 million, beginning in the 2025-26 fiscal year.
- **California State University** The budget maintains a reduction of 7.95 percent in ongoing General Fund support, approximately \$375.2 million, beginning in the 2025-26 fiscal year.
- California Community Colleges

CRUZ STRATEGIES

- Statewide Technology Transformation—\$168 million one-time Proposition 98 General Fund for the completion of the Statewide Technology Transformation project.
- Systemwide Common Data Platform—\$162.5 million
 Proposition 98 General Fund, \$29 million of which is ongoing, for scaling of a common cloud data platform across the community college system.
- Community College Facilities—\$51.5 million one-time Proposition 2 bond funds allocated for critical infrastructure, facility modernization, and enrollment growth projects for 28 community college facilities.
- CCC Categorical Program COLA—\$16.0 million ongoing Proposition 98 General Fund to provide a 2.43-percent COLA for select categorical programs and the Adult Education Program.

TK-12 Education

- TK-12 Education Spending : \$137.1 billion
 - One adjustment in budget is to appropriate \$1.6 billion less in the current year based on budget volatility and expect to true up
- Universal Transitional Kindergarten a total of \$2.4 billion ongoing Proposition 98 General Fund for full implementation
- Before and After School Programs The budget includes \$435 million ongoing Proposition 98 General Fund to cover the cost of full implementation, increasing the total ongoing program funding to \$4.4 billion Proposition 98 General Fund.
- **Universal School Meals** \$106.3 million in additional ongoing Proposition 98 General Fund to fully fund the universal school meals program in 2025-26
- Flexible Local Control Funding Formula COLA adjustment of 2.43 percent. When combined with population growth adjustments, this will result in an increase of roughly \$2.5 billion in discretionary funds for LEAs.

• **Fully Repaid Deferrals** - Budgetary deferrals of \$246.6 million for TK-12 education are fully repaid in 2025-26.

Consumer Protection

• New California Consumer Protection Agency - The budget proposes to establish a new agency to enhance how consumers and businesses interact with government processes, offering innovative solutions that foster trust, efficiency, and equity. More details will be provided in the spring through a Reorganization Plan submitted to the Little Hoover Commission

Full Presentation Notes:

Proposition 2 Reforms

- Increase Cp on Deposits to 20%
- Exclude Deposits into Rainy Day Fund Against State Allocation Limit (SAL)

2025-2026 Budget

- \$322.3 Billion: Balanced Budget
- \$228.9 Billion: General Fund
- \$16.9 Billion: Revenues

Reserves

- \$10.9 Billion: Rainy Day Fund
- \$1.5 Billion Public School Rainy Day Fund
- \$4.5 Billion Special Fund for Economic Uncertainty (SFEU)

Revenue Forecast Comparison

- Governor Budget 16.5 Billion above 2024 budget act
- Similar to LAO
 - Both forecasts were revised higher by similar magnitudes
 - Governor's Budget Big 3 forecast higher than LAO by \$8.2billion or just 1.4 percent

Modest Surplus

- SFEU at 2024 Budget: **<u>\$3.51 billion</u>**
- Changes since then:
 - Revenues: \$16.45 Billion
 - Non Prop 98 Expenditures: -\$9.09 billion
 - Prop-98 Expenditures: -\$5.57 billion

CRUZ STRATEGIES

- Other Misc Adjustments: -\$0.44 billion
- Total: **\$4.86 billion**
- SFEU at 2025 Governor's Budget: **\$4.50 billion**
- Discretionary Funds Remaining: **<u>\$363 million</u>**

Governor's Budget Surplus (\$363M) Version LAO Deficit (-\$2B)

- LAO Estimated Deficit: -2.02Billion
- Governor's Budget Differences to LAO Deficit: \$2.38 billion
 - Revenues: \$9.39 billion
 - Non-Prop 98 Workload: -\$1.18 billion
 - Prop 98: -\$3.11 billion
 - Other Misc. Adjustments: \$1.79 billion
 - SFEU: -\$4.50 billion
- Remainder: \$363 million

Limited New Funding

• Workload and discretionary funding: \$1.2 billion

Governor Budget Highlight

- Rarely any new commitments, we, need to remain fiscally prudent
- CA for All Kids Milestones
 - Universal Transitional Kindergarten All 4-Year-olds (\$1.8 billion)
 - Before/After/Summer school– All high needs TK-6th grade students (\$435 million)
 - Universal School Meals- Nearly one billion meals served
 - Screening for risk of reading difficulties- All K-2 students (\$40 million)
- TK-12 Education Key Investments
 - LCFF COLA (2.43 percent, \$2.5 billion)
 - Discretionary Block Grant (\$1.8 billion)
 - Literacy and Mathematics Coaches (\$500 million)
 - Learning Recovery Emergency Block Grant (\$378.6 million)
 - Teacher Recruitment (\$300 million)

- Bonds
 - Climate Bond: \$10 Billion
 - \$2.7 billion for projects that protect communities and natural resources and mitigate climate change impacts
 - Includes \$1.5 billion (\$325 million in 2025-2026) for wildfire and forest resilience programs
 - Education Bond: \$10 Billion
 - \$1.5 billion processed in 2025-2026 for modernization, new construction and safety projects for TK-12 schools
 - \$51.5 million for modernization, safety and capacity expansion projects at CA Community Colleges

Addressing Wildfire Risk

- Supporting Wildfire Resilience
 - \$2.5 billion of prior investments (\$200M annually through 2028-2029)
 - \$1.5 billion Climate Bond
- Enhancing Air Attack Capabilities (\$380 million one-time)
 - 16 new helicopters
- Expanding Firefighting Capacity (\$1.3 billion going)
 - 2400 CAL FIRE firefighters

Tax Proposals

- Film and Television Tax Credit Expansion– generates jobs and investments in this vital industry
- Military Retirement Income Exclusion- tax relief for military families
- Wildfire Settlement Income Exclusion- tax relief for disaster victims
- Mandatory Single Sales Factor for Financial Institutions- encourages economic development in CA
- Pass-Through Entity Elective Tac (PTET) Extension- provides significant federal tax savings for CA taxpayers

Government Efficiencies

- 6,500 vacant positions eliminated (\$1.2 billion over two years)
- Operational efficiencies (\$3.5 billion over two years)



Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	Francisco Barajas, Senior Legislative Affairs Analyst (213) 630-1400, barajasf@scag.ca.gov	
Subject:	AB 226 (Calderon & Alvarez) - California FAIR Plan Association	Kome Ajise

RECOMMENDED ACTION:

Staff recommends a "support" position.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

Assembly Bill (AB) 226 by Assemblymembers Lisa Calderon (D-Whittier) and David Alvarez (D-San Diego) would authorize the California FAIR Plan Association, with approval from the Insurance Commissioner, to request the California Infrastructure and Economic Development Bank (IBank) to issue catastrophe bonds and help finance the costs of insurance claims, increasing claims-paying capacity of the FAIR Plan.

SCAG staff recommends the Legislative/Communications and Membership Committee (LCMC) forward a "support" recommendation to the Regional Council (RC) on AB 226.

BACKGROUND:

 Bill:
 AB 226
 Author:
 Assemblymembers Lisa Calderon (D-Whittier) and David Alvarez (D-San Diego)

 Title:
 California FAIR Plan Association

 Status:
 From printer 1/10/25. May be heard in committee February 9.

 Link:
 https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB226

 Recommendation:
 Support.



Background

California FAIR Plan

The California Fair Access to Insurance Requirements (FAIR) Plan Association is an association of all insurance companies licensed by the California Department of Insurance. It exists to provide basic property and casualty insurance in the state as a last resort when individuals are unable to access coverage through the standard insurance market. Created in 1968 following urban riots that made it difficult for commercial property owners in "high-risk" areas to secure insurance coverage, most notably the Watts Riots in Los Angeles, the Plan is not a state agency, nor a public entity, and as such there are no public or taxpayer funds involved.

Since its inception, the FAIR Plan has grown beyond its original intent. While enacted to cover urban commercial property, it was subsequently expanded to provide residential coverage in designated brush fire regions of the state, and finally, expanded once more to cover the entire state following the Northridge earthquake in 1994.

As insurers have increasingly declined to provide new coverage or renew existing policies, more Californians have turned to the FAIR Plan for basic property coverage. As of September 2024, the FAIR Plan's total exposure is \$458 billion, reflecting a 61.3% increase since September 2023, as a result of a 41% increase in total number of FAIR Plan policies. Concurrently, the cap for total coverage has grown as well. Today, FAIR Plan policies are capped at \$3.3 million for residential properties and \$20 million per structure for commercial properties. These numbers are beyond what the FAIR Plan was created to handle, putting its ability to pay claims at risk.

Under the existing structure, were there to be a catastrophic event in an area where the FAIR Plan is heavily concentrated and the Plan had insufficient funds to pay claims, it would then have the ability, with permission from the Insurance Commissioner, to assess the admitted market, which acts as a financial backstop to the FAIR Plan in case of an emergency. As previously mentioned, the FAIR Plan's total exposure has grown to \$458 billion as of September 2024. In a hearing before the Assembly Insurance Committee held on Wednesday, March 13, 2024, FAIR Plan President Victoria Roach testified that the Plan had a \$200 million surplus and \$2.5 billion in reinsurance (a type of insurance for insurers) at its disposal to pay claims after a catastrophic wildfire. To put this amount into perspective, she warned that the program could potentially face \$6 billion in claims if the state experienced a wildfire as damaging as the 2018 Camp Fire, which destroyed 18,000 buildings. To meet that gap, the FAIR Plan would have to conduct an assessment on its members, which would only exacerbate the challenges being faced by the private insurance industry.

California Infrastructure and Economic Development Bank (IBank)

Per its website, IBank "was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy, and improve the quality of life in California communities. IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds."



Governor Newsom Executive Order (EO) N-13-23

On September 21, 2023, Governor Newsom issued an Executive Order directing the Insurance Commissioner to "maintain the solvency of the FAIR Plan to protect its policyholders and promote long-term resiliency in the face of climate change, including by identifying mechanisms to reduce its share of the overall market in underserved areas and move its customers into the admitted insurance market."

<u>Analysis</u>

AB 226, sponsored by the California Building Industry Association, authorizes the FAIR Plan to request the IBank to issue bonds if the FAIR Plan faces liquidity challenges in the event of a major catastrophe such as a wildfire. At a press conference held on Thursday, January 9, 2025 Assembly Speaker Robert Rivas noted the legislation would help alleviate uncertainty around the FAIR Plan's ability to pay back claims in light of the ongoing wildfires in Southern California, marking this specific bill as the first of many steps the Assembly will be taking this legislative session.

AB 226 is a reintroduction of AB 2996 (Alvarez, 2024), an identical bill that failed to pass the Senate last year. The following entities had adopted a "support" position for AB 2996 as of August 23, 2024:

- California Building Industry Association (source)
- Abundant Housing LA
- Apartment Association of Greater Los Angeles
- Bay Area Council
- Boma California
- California Apartment Association
- California Association of Community Managers
- California Association of REALTORS
- California Association of Winegrape Growers
- California Bankers Association
- California Business Properties Association
- California Business Roundtable
- California Chamber of Commerce
- California Farm Bureau Federation
- California Mortgage Bankers Association
- Community Associations Institute California Legislation Action Committee
- Habitat for Humanity California
- Housing Action Coalition
- Housing Trust Silicon Valley
- Independent Insurance Agents & Brokers of California, INC.



- Institute of Real Estate Management (IREM)
- Naiop of California, the Commercial Real Estate Development Association
- NFIB
- Orange County Business Council
- Southern California Leadership Council
- Spur
- The Two Hundred
- Yimby Action

Further, Resolution No. 24-668-5, included as an attachment in this report, was passed, approved, and adopted by SCAG on November 7, 2024. The resolution requests the California Insurance Commissioner, State Legislature, and Governor take emergency action to strengthen and stabilize California's marketplace for residential and commercial property insurance, recognizing, among other findings, that the "collapsing admitted-provider market has caused steadily increasing enrollment in the FAIR Plan over the past five years, threatening the ongoing stability of the plan, putting even this safety net at dire risk," and asking that, in their actions, they consider maintaining "the solvency of the FAIR Plan to protect its policyholders and promote long-term resiliency in the face of extreme weather events..."

Recommendation

AB 226 (Calderon and Alvarez) was brought to SCAG staff's attention by SCAG's advocate in Sacramento, Cruz Strategies, and SCAG's Business Ex-Officio Member on the Regional Council, Lucy Dunn, shortly following its introduction. Upon conducting an analysis, SCAG staff recommends the LCMC forward a "support" recommendation to the Regional Council on AB 226, as it aligns with the findings and requests of Resolution No. 24-668-5.

FISCAL IMPACT:

Work associated with the staff report on AB 226 (Calderon and Alvarez) - California FAIR Plan Association is contained in the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

- 1. Resolution No. 24-668-5 Residential and Commercial Property Insurance
- 2. AB 226 (Calderon and Alvarez) Coalition Letter_01.15.25



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

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Community, Economic & Human Development David J. Shapiro, Calabasas

Energy & Environment Luis Plancarte County of Imperial Transportation Tim Sandoval, Pomona

RESOLUTION NO. 24-668-5

A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) REQUESTING THE CALIFORNIA INSURANCE COMMISSIONER, STATE LEGISLATURE, AND GOVERNOR TAKE EMERGENCY ACTION TO STRENGTHEN AND STABILIZE CALIFORNIA'S MARKETPLACE FOR RESIDENTIAL AND COMMERCIAL PROPERTY INSURANCE.

WHEREAS, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization for the six-county region consisting of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial counties, serving approximately 19 million people within 197 jurisdictions pursuant to 23 USC § 134 et seq. and 49 USC § 5303 et seq.; and;

WHEREAS, SCAG is responsible for bringing Southern California's diverse residents and local partners together with unifying regional plans, policies, and programs that result in healthy, livable, sustainable, and economically resilient communities; and

WHEREAS, in 1988, California voters enacted Proposition 103, which established a robust set of consumer protections designed to keep insurance rates fair and affordable and to ensure a competitive marketplace; and

WHEREAS, last year, two of the State's largest insurance carriers, representing over 27 percent of the admitted insurance market in California, announced they would stop issuing new homeowners and commercial property insurance policies in California; several others, representing more than another 36 percent of the market, announced plans to limit new policy origination; and

WHEREAS, the reduction of insurance options in the State has a direct negative effect on consumer access to coverage: in all parts of the State, homeowners, rental properties, business owners, and farmers are now unable to obtain new insurance policies from the admitted insurance market; and

WHEREAS, access to insurance allows existing homeowners to protect what is for many their largest and most important asset, and empowers homebuyers to secure a mortgage for a home that can build generational wealth, but a scarcity of options may freeze real estate transactions and slow or stop the rate of new housing development, including attached dwelling units like affordable housing projects, apartments, and condominiums, exacerbating the State's critical housing shortage; and

WHEREAS, scarcity of affordable insurance options for rental property owners will also disproportionately impact vulnerable populations and worsen access to affordable housing; and

WHEREAS, Californians who cannot obtain coverage from the admitted market are forced to apply for protection through the California Fair Access to Insurance Requirements (FAIR) Plan, a stateestablished risk pool intended to operate as California's insurer of last resort providing temporary coverage as consumers pursue insurance in the traditional market; and

WHEREAS, the collapsing admitted-provider market has caused steadily increasing enrollment in the FAIR Plan over the past five years, threatening the ongoing stability of the plan, putting even this safety net at dire risk; and

WHEREAS, policy decisions have placed Californians' homes and businesses at risk of catastrophic loss that can only be prevented by stabilizing the residential insurance and commercial property insurance markets while providing rates that remain fair and affordable to consumers, and maintaining the ongoing viability of the FAIR Plan, which provides a vital safety net to Californians whose policies are nonrenewed and to homebuyers who cannot secure a mortgage without insurance; and

WHEREAS, the California Insurance Commissioner has released draft regulations to address this immediate crisis but the Little Hoover Commission hearing on March 28, 2024, reports that reforms "will not go into effect until at least 2026, and it may take a few years after that for the market to react...this timeline, of course could be delayed further if lawsuits by any party, including insurers or consumers, were to occur"; and

WHEREAS, the California Insurance Commissioner has broad authority under the Insurance Code to adopt emergency regulations to promote the public welfare, including under sections 1861.01, 1861.05, and 1861.055 to adopt emergency regulations governing the prior approval process for insurance rate change applications, and to adopt emergency regulations under section 11346.1 of the Government Code and section 12921.7 of the Insurance Code.

NOW, THEREFORE, BE IT RESOLVED, BY THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS, as follows:

Section 1. The Insurance Commissioner, State Legislature, and the Governor are requested to declare a state of emergency and take immediate emergency regulatory and legislative action to strengthen and stabilize California's marketplace for residential insurance and commercial property insurance. The Commissioner, Legislature, and Governor must consider the following goals in crafting an appropriate regulatory response:

- a. Expand coverage choices for all consumers, particularly in underserved areas of the State.
- b. Improve the efficiency, speed, and transparency of the California Department of Insurance's rate approval process.
- c. Tailor the rate approval process to account for all factors necessary to promote a robust, competitive insurance marketplace, including through potential revisions to the way catastrophe risks, reinsurance costs, and other legitimate insurer costs are accounted for.

- Attachment: Resolution No. 24-668-5 Residential and Commercial Property Insurance (AB 226 (Calderon & Alvarez) California FAIR Plan
- d. Maintain the long-term availability of residential and commercial property insurance coverage.
- e. Maintain the solvency of the FAIR Plan to protect its policyholders and promote long-term resiliency in the face of extreme weather events, including by identifying mechanisms to reduce its share of the overall market in underserved areas and move its customers into the admitted insurance market.

PASSED, APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at its regular meeting this 7th day of November, 2024.

Curt Hagman President, SCAG County of San Bernardino

Attested by:

Kome Ajise Executive Director

Approved as to Form:

Jeffery Elder Chief Counsel



January 15, 2025

Honorable Lisa Calderon, Chair Assembly Insurance Committee 1020 N Street, Room 369 Sacramento, CA 95814

RE: AB 226 (Calderon and Alvarez) California FAIR Plan Association – SPONSOR/SUPPORT

Dear Chair Calderon:

We, the undersigned, are business consumers that are currently facing real challenges in finding affordable and available commercial and residential insurance to provide insurance coverage for our business operations in California. This problem is growing in magnitude daily and is adding substantial increases in costs to our business operations that are being directly born by us and our customers. In some cases, the increase in costs is so prohibitive, we may need to cease our business operations altogether until this insurance crisis issue is more fully addressed.

AB 226 (Calderon and Alvarez), as introduced, is a positive first step in addressing the current crisis we are facing as consumers in California in securing more affordable insurance for our business operations. AB 226 will ensure that the Fair Access to Insurance Requirement Plan (FAIR Plan) has additional tools to ensure it has a greater claim paying capacity and is more resilient as a result of the major catastrophic events that are occurring in Southern California and will assist the admitted insurance market in hopefully returning to normal, and competition and consumer choices are once again made available.

AB 226 authorizes the FAIR Plan to secure bond funds from the California Infrastructure and Economic Development Bank (IBank). These bonds can provide an immediate cash infusion into the FAIR Plan to ensure that smaller admitted insurers do not have to immediately pay assessments to the FAIR Plan and go bankrupt to backfill the FAIR Plan; and larger insurers deplete their surplus to pay for the post-disaster FAIR Plan assessments. **AB 226 is labeled "fiscal" only because if bonds are issued it will result in additional revenues being deposited into the California Infrastructure and Economic Development Bank Fund, but there are no General Fund costs to implement this measure.**

Without AB 226, under current California law, there is no mechanism for insurers to immediately address these assessments, and their only option to reduce exposure is to non-renew existing policies (Some insurers

have already started non-renewing policies due, in part, to the FAIR Plan exposure.). To ensure financial stability of the FAIR Plan, AB 226 would authorize the FAIR Plan to request IBank issue bonds and levy special bond payment assessments upon member insurers (not consumers). This will allow for a more gradual repayment process of the IBank loan over a period of time (normally 10 years). Under current law, insurers must pay FAIR Plan assessments within 30 days.

For the California Building Industry Association, the insurance crisis is putting thousands of new condominium units on hold from being constructed throughout the state of California until a more affordable and practical commercial insurance market can be created. Condominium homes are the most affordable and attainable first-time home buyer product in California.

For the California Association of REALTORS[®], the FAIR plan remains a vital piece of California's insurance market, and its continued viability is crucial to the ability of California's homeowners to protect their most valued asset: their homes.

California Farm Bureau members work and live in regions of the state often directly impacted by the wildfire risks, driving insurers out of the state and driving their members into the FAIR Plan. Without belaboring the irony that farms and ranches provide natural mitigation to these very risks, the reality is that the lack of access to affordable, comprehensive insurance will force farms out of production.

Independent agents and brokers have been severely harmed by the continuing crisis of availability in property insurance. They are struggling financially, and emotionally, because they can't procure suitable insurance coverage to help their policyholders and neighbors adequately protect their homes and businesses.

Because the FAIR Plan is growing at an alarming and unsustainable rate, AB 226 has an urgency clause to ensure that it can immediately assist with addressing the horrific fires that have occurred in Southern California, which could impair the FAIR Plan and then cascade down to the entire homeowners and commercial insurance market. This would have a crushing impact on the entire insurance market and California's insurance consumers.

Sincerely,

Dan C. Dunmoyer, President and CEO, California Building Industry Association Sanjay Wagle, Sr. Vice President of Government Affairs & Chief Lobbyist, California Association of REALTORS® Debra Carlton, Executive Vice President of State Government Affairs, California Apartment Association Tom Freeley, President & CEO, California Association of Community Managers Jill Epstein, CEO, Independent Insurance Agents and Brokers of California Michael Miiller, Director of Government Relations, California Association of Winegrape Growers Peter Ansel, Senior Policy Advocate, California Farm Bureau Federation Indira McDonald, KP Public Affairs, on behalf of California Mortgage Bankers Association Matthew Hargrove, President & Chief Executive Officer, California Business Properties Association, and BOMA California, NAIOP California, IREM California Jeff Ball, President/Chief Executive Officer, Orange County Business Council Mike Roos, President, Southern California Leadership Council Sara Catalán, Executive Director, Orange County Taxpayers Association

cc Assembly Member David Alvarez Members, Assembly Insurance Committee Josephine Figueroa, Deputy Commissioner and Legislative Director Kathleen O'Malley, Chief Consultant, Assembly Insurance Committee Bill Lewis, Consultant, Assembly Republican Caucus



AGENDA ITEM 10 REPORT

Southern California Association of Governments January 21, 2025

То:	Legislative/Communications and Membership Committee (LCMC)	EXECUTIVE DIRECTOR'S APPROVAL
From:	David Angel, Senior Legislative Affairs Analyst (213) 630-1422, angel@scag.ca.gov	
Subject:	2025-26 State Legislative Platform Update	Kome Ajise

RECOMMENDED ACTION:

Approve.

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

After the November 2025 General Elections, the State Legislature convened on January 6, 2025. Since the new Legislative Session has officially started with a plethora of new Senators and Assemblymembers, staff recommends a comprehensive update to SCAG's adopted 2024 State Legislative Platform. While staff typically presents the State and Federal platforms together, this staff report recommends approval for <u>only</u> the state platform. The federal platform is still under refinement and will be presented to the LCMC at a later meeting.

Staff recommends various updates to the adopted 2024 State platform to remove redundancies and improve conciseness and be consistent with the agency's work on Connect SoCal, newly implemented laws, and other changes to the landscape under which SCAG operates. If approved by the LCMC, the Regional Council would consider the final adoption of the 2025-26 State Legislative Platform at its February 2025 meeting.

BACKGROUND AND PROCESS:

With the first half of the two-year 2025-2026 California Legislative Session having begun on January 6, 2025, staff recommends a comprehensive update to the adopted 2024 State Legislative Platform. While in the past, staff typically has presented the State and Federal Platforms for approval concurrently, this year, staff requires additional time to refine the federal platform to ensure that the region's federal priorities are adequately captured. Further, the federal government is gearing up to pass a new Surface Transportation policy bill to update the funding and policy framework for surface transportation programs. Staff anticipates bringing the 2025-26 Federal Platform for approval at the February LCMC and March RC.



As part of the State Platform update, Legislation Department staff conducted an internal review to make the platform more concise by removing redundant priorities while combining or broadening priorities already captured in the agency's priorities for a given policy area. Staff also sought to make the platform longer lasting. Additionally, staff is also recommending that the LCMC and RC adopt this new platform for a two-year period, consistent with the lengths of legislative and congressional sessions. After conducting an internal review, the Legislation Department reached out to all SCAG planning departments to identify improvements and updates to the platform in response to new and emerging issues.

In addition to internal review from SCAG staff, the Legislation Department presented the platform to various stakeholders, including the meeting of the Sub-Regional COG Executive Directors group and the Southern California Legislative Roundtable, which is the legislative staff from the County Transportation Commissions, ports, and air quality management district. Additionally, SCAG collaborated with legislative staff from stakeholders in or representing Southern California, such as the Ontario and Orange County airports, the California Transit Association (CTA), and Coalition for America's Gateways and Trade Corridors (CAGTC).

After gathering and compiling feedback from internal and external groups, staff is bringing the 2025-26 State Legislative Platform Update staff report to the January LCMC with the recommendation to approve. If approved, staff will present the platform to the Regional Council for review and final adoption at its February 2025 meeting.

The proposed changes are summarized below.

2025-26 STATE LEGISLATIVE PLATFORM UPDATES:

First, the most prominent changes are to the visual presentation of the platform. Since this platform represents a fresh start, SCAG's Media and Public Affairs team assisted with a visual refresh. In addition, this platform represents an effort to align the legislative platform with Connect SoCal more explicitly. While the priorities in the legislative platforms typically do already align with Connect SoCal, the sub-headers (e.g., Active Transportation, Project Streamlining, Building Resilience) have been reorganized to demonstrate which of the four Connect SoCal Pillars (Mobility, Communities, Environment, and Economy) they fall under. Thus, many sub-headers are now in new spots in the platform under their respective pillars.

<u>Mobility</u>

The Active Transportation section calls for supporting legislation that increases funding for Active Transportation and facilitates the development of Complete Streets, which aims to provide a safe multi-modal network.



The Congestion Reduction section expresses support for dedicated funding for transportation demand management (TDM) programs, especially as it relates to preparing for major events, such as the World Cup and the 2028 Summer Olympics. This section also expresses support for specific and innovative TDM strategies, such as cordon pricing systems, which have been included in the platform for several years.

The Transit & Rail section expresses support for flexible transit funding for projects, operations, and maintenance, as well as funding to be allocated for transit-oriented communities, mixed land uses, and green streets strategies. Further, it expresses support for Mobility as a Service, funding to improve transit operations and reliability, safety, and coordinated transportation and land use planning.

The Transportation Funding section expresses the need to protect Senate Bill 1 revenues from being used for purposes other than transportation and minimize restrictions on funding sources. It also expresses support for regional equity considerations for transportation funding and greater efficiencies related to the Transportation Development Act (TDA).

The Transportation Safety section expresses support for tools and funding for Vision Zero and increased coordination between all levels of government to advance safer roadways while reducing greenhouse gas (GHG) emissions.

Communities

The Affordable Housing & Housing Production section expresses support for new incentives, tools, and funding for housing programs, including the Regional Early Action Planning (REAP) program and the restoration of tax increment financing. It also supports coordination and flexibility with the Department of Housing and Community Development (HCD) to realize shared housing goals, including fairness and transparency in the Regional Housing Needs Assessment (RHNA) process.

The Project Streamlining section expresses support for the California Environmental Quality Act (CEQA) streamlining and reforming Senate Bill 743's vehicle miles traveled (VMT) analysis provisions.

The Racial Justice section maintains a provision from the last platform expressing support for legislation that reverses the effects of inequitable policies, programs, and practices, including support for the Reconnecting Communities Program.

Environment

The Building Resilience section expresses support for extending the state's landmark Cap-and-Trade program, a key funding source to implement the region's Sustainable Communities Strategy, as well as equitable allocation of Cap-and-Trade funding for the SCAG region through the Greenhouse Gas



Reduction Fund (GGRF). It also expresses support for reforming SB 375 (Steinberg, 2008), funding for carbon sequestration, sustainable and equitable land use and development, and climate vulnerability assessments. Also, this section now includes support for funding for local governments to help communities recover from wildfires and other natural disasters.

The Water section expresses support for an "all of the above" approach to the State's drought and water shortage emergency, as well as legislation that facilitates building, maintaining, and operating water infrastructure. This section also supports funding to increase water affordability, flexibility for state resources to support integrated planning for water resources and nature-based solutions for addressing water issues.

Economy

The Broadband Access section supports legislative efforts prioritizing funding for broadband planning and infrastructure, particularly for low-income and rural communities.

The Economic Development section expresses support for identifying funding sources for economic, education, and workforce development, including through the development of a California State University Campus in the Coachella Valley.

The Freight and Goods Movement section expresses support for increased Trade Corridors Enhancement Program (TCEP) funding and opposition to efforts to reprioritize funding for nonfreight-related purposes. It also expresses support for creating programs to improve freight mobility, establish public-private partnerships, and increase goods movement efficiency.

The Technology & Data section expresses support for funding that supports electric and alternative vehicle planning, permit streamlining, purchases, and charging/refueling infrastructure while considering a life-cycle approach. It also expresses support for funding Smart Cities, including emerging technology, coordinated data collection and sharing, more efficient usage of water and energy resources, and safer roadways.

<u>Miscellaneous</u>

The Government Efficiency section maintains support for modernizing and reforming the Brown Act.

FISCAL IMPACT:

Work associated with the 2025-26 State Legislative Platform Update staff report is contained in the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. 2025-26 State Legislative Platform



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

2025-26 STATE LEGISLATIVE PLATFORM

SCAG's Legislative Program

SCAG maintains a State and Federal Legislative Program, which includes the Regional Council's positions on policies and legislative initiatives related to SCAG's core planning and policy areas—transportation, air quality, freight/goods movement, housing, environmental impact, sustainability, and economic recovery and job creation—and that need the leadership and support of the California State Legislature and Congress to resolve challenges facing the SCAG region.

SCAG's legislative efforts are the product of a committee process whereby the agency's Legislative/Communications and Membership Committee, comprising elected officials from throughout the region, identifies and recommends specific legislative action for consideration by the Regional Council concerning state and federal legislation affecting the SCAG region.

The following state and federal legislative principles for 2025-26 encompass SCAG's broad, policyoriented objectives, which build upon long-standing, Regional Council-adopted policies.

Policy Statement

SCAG works in partnership with the state on locally tailored solutions to address issues of regional and statewide concern.

Because of the SCAG region's rich diversity, one size rarely fits all. With more than 150 city councilmembers, mayors, and county supervisors serving on SCAG's Regional Council and policy committees, the nearly 19 million people of the SCAG region deserve to be represented at the local level with the best solutions to pressing public policy issues made in collaboration with the elected officials closest to the people.

SCAG supports legislative efforts that provide funding, resources, and tools that help our region's 191 cities, six counties, six county transportation commissions, and other member and partner organizations implement locally tailored solutions that address specific needs and meet statewide policy goals. We support efforts that leverage local knowledge from lived experiences.

The guiding ethos of the principles that follow reflect SCAG's belief that local levels of governments need additional tools and resources to achieve the positive outcomes associated with the policy goals the region shares with the state. These principles also support and reinforce the Connect SoCal 2024 Regional Transportation Plan/Sustainable Communities Strategy, which the SCAG Regional Council unanimously adopted in April 2024. Connect SoCal 2024 identifies policy priorities and implementation strategies to further our goals within the four pillars of Mobility, Communities, Environment, and Economy.



Mobility

ACTIVE TRANSPORTATION

- 1. Support legislation that increases funding for the state's Active Transportation Program to provide resources needed to implement the active transportation strategies in Connect SoCal.
- 2. Support legislation that facilitates development of complete streets, safe multi-use public rights-ofway, and street networks for people of all ages and abilities using a variety of modes (e.g., walking, biking, rolling, driving, taking transit).

CONGESTION REDUCTION

- 3. Support new sources of dedicated funding for transportation demand management programs and strategies at the regional, county, and local levels, especially to help regions prepare for major events, such as the 2026 World Cup and the 2028 Summer Olympic and Paralympic Games.
- 4. Support local pilot programs and funding mechanisms that employ innovative transportation strategies, such as congestion or cordon pricing systems, to reduce congestion and improve mobility while promoting equity.

TRANSIT & RAIL

- 5. Support legislative efforts that allow transit operators more flexibility in using funding transit projects, operations, and maintenance.
- 6. Support legislation that supports mobility hubs and mobility as a service to enable more seamless mobility.
- 7. Support legislation that advances public transit frequency, reliability, and fare and scheduling integration across operators. This may include legislation that supports the extension of public transit projects—such as new bus rapid transit, dedicated bus lanes, express bus service on managed and express lanes, and transit signal priority treatments.
- 8. Support legislation that improves safety and security for transit riders and operators.
- 9. Support legislation that advances coordinated transportation and land use planning, such as residential development along high-frequency transit corridors and around public transit facilities and centers.
- 10. Support efforts that fund transit-oriented communities, mixed-use development, green streets strategies to reduce extreme heat and emissions exposure, and safe streets to allow people of all ages and abilities to maximize opportunities for active lifestyles, access essential services, and use transit or non-motorized transportation options.

TRANSPORTATION FUNDING

11. Protect all existing and new transportation funding sources, especially Senate Bill 1 (Beall, 2017) revenues, from borrowing and use for any purpose other than transportation and minimize restrictions on funding sources so regional agencies can address local needs while achieving state and federal goals.



- 12. Support regional equity considerations for any funding source to ensure Southern California receives its fair share of funding based on population, opportunity, and other quantifiable measures corresponding with the funding source.
- 13. Support the development of greater efficiencies for the California Transportation Development Act while streamlining and updating performance metrics relating to farebox recovery.

TRANSPORTATION SAFETY

- 14. Work with the state and local partners to identify new tools and funding mechanisms to strengthen safety outcomes and achieve the region's overarching safety goals (Vision Zero and Toward Zero Deaths) and targets, especially for communities most impacted by high concentrations of serious and fatal crashes.
- 15. Work with local, state, and federal partners to advance safer roadways, including reduced speeds, to achieve zero deaths and reduce greenhouse gas emissions.

Communities

AFFORDABLE HOUSING & HOUSING PRODUCTION

- Support legislation that would provide new incentives, tools, and ongoing funding and expand housing programs that fund construction and development of housing and housing-supportive infrastructure, such as the Infill Infrastructure and Regional Early Action Planning grant programs, consistent with Connect SoCal 2024's growth patterns, while preserving local authority to address housing production, affordability, and homelessness challenges.
- 2. Support restoration and expansion of tax increment tools to build affordable housing stock, support community and economic development, improve public transit, adapt to a changing climate, and reduce greenhouse gas emissions. Incentivize collaboration among potentially impacted jurisdictions by sharing net proceeds from future tax increment financing districts and emphasize tax increment as a public financing tool that does not increase taxes to residents.
- 3. Support legislation that would support increased coordination and flexibility between the California Department of Housing and Community Development and local jurisdictions to realize shared housing production goals, particularly for the development and implementation of local housing elements as well as advancing fairness and transparency of the Regional Housing Needs Assessment (RHNA) program.
- 4. Advocate for specific opportunities that allow cities and counties to equitably and collaboratively share or trade RHNA allocations as a tool to facilitate effective planning for, and development of, housing.
- 5. Support legislative efforts that provide funding to build transit-oriented communities and resilient development, as well as mixed land uses and green streets strategies consistent with Connect SoCal 2024, to accelerate housing production while reducing emissions and promoting safe streets for all transportation modes.
- 6. Support efforts to expand access to homeownership, particularly for first-time homebuyers and communities of color.



PROJECT STREAMLINING

- 7. While underscoring our support for environmental protection, support California Environmental Quality Act (CEQA) reform to expedite and streamline project development and delivery, especially for transportation, transit-oriented, infill, and housing projects.
- 8. Support efforts to improve the implementation of Senate Bill 743's (Steinberg, 2013) vehicle miles traveled (VMT) analysis provisions, including a) more comprehensive CEQA guidance for quantifying VMT mitigation measures, b) determining whether a specific mitigation action independently serves to decrease VMT (i.e., additionality), c) assessing (and accounting for) any unintended consequences on housing development, d) implementing regionally-based VMT mitigation mechanisms, and e) establishing project-specific design considerations to reduce VMT within the context of the state's unique and diverse landscapes.

RACIAL JUSTICE

9. Recognizing that systemic racism continues to create barriers to success for people of color, support legislative efforts, such as the Reconnect Communities Program, which reverse the effects of inequitable policies, processes, programs, and practices and empower communities disproportinately impacted by climate change to address the legacy and impact of past planning decisions in the region.

Environment

BUILDING RESILIENCE

- 1. Support transparency, sufficient allocation, and equitable distribution to the SCAG region of Greenhouse Gas Reduction Fund resources commensurate with the region's responsibility and opportunity in meeting the state's overall greenhouse gas (GHG) reduction goals.
- 2. Support the extension of California's landmark cap-and-trade program, a key element of state and regional efforts to reduce GHGs by providing funding to implement Connect SoCal 2024.
- 3. Support legislation that would implement improvements to Senate Bill 375 (Steinberg, 2008) to focus on achievable actions that will reduce greenhouse gas emissions and greater consistency between regional and state GHG reduction strategies and the Regional Housing Needs Assessment process.
- 4. Support new funding sources for implementation and demonstration projects that increase and quantify the carbon sequestration potential and resilience benefits of natural and agricultural lands.
- 5. Support funding opportunities that foster sustainable and equitable land use and development across the SCAG region—including local and regional climate adaptation, mitigation, and resilience initiatives.
- 6. Support legislation to fund climate vulnerability assessments for infrastructure planning and delivery for implementing agencies.
- 7. Support legislation and funding that provide resources for local governments to assist displaced residents and help communities recover from wildfires, earthquakes, and other natural disasters.



WATER

- Support an "all of the above" approach to the state's drought and water shortage emergency, including: a) improving water efficiency and reuse, b) enhancing water systems' health and resilience, c) developing new water supply and storage, and d) supporting investments in water infrastructure, efficiency, and conservation practices that support the region's economic and population growth and foster planning for the region's housing needs identified in Connect SoCal 2024.
- 9. Support legislative efforts that reduce barriers and create efficiencies to development and provide increased resources for water infrastructure, including investments in repairs, modernization, storage, and enhancements to the region's aging water infrastructure that can serve the Southern California region's needs and ensure effectiveness, efficiency, and resiliency of the region's water systems.
- 10. Support programs and state and federal investments that increase water affordability for low-income customers. Support the distribution of federal funds at the state level through an equity lens, such that Southern California communities receive their fair share of funding based on population, opportunity, and other quantifiable measures.
- 11. Support additional flexibility in the use of state resources to support integrated planning and technical assistance from metropolitan planning organizations for water resources and associated infrastructure, transportation, land use, energy, stormwater, and air quality.
- 12. Support legislation that increases funding for nature-based solutions, which would provide the resources necessary to implement climate resilience and natural and agricultural land preservation strategies in Connect SoCal 2024.

Economy

BROADBAND ACCESS

1. Support legislative efforts to prioritize additional funding and resources and support broadband infrastructure, particularly in low-income and rural areas, to bridge the digital divide and integrate broadband, land use, and transportation planning to support intelligent transportation systems.

ECONOMIC DEVELOPMENT

2. Identify new and ongoing funding sources for economic, educational, and workforce development centered on inclusive growth, support for small businesses, family-supporting jobs, access to capital, entrepreneurship, and proximity to educational institutions through establishing a California State University campus in the Coachella Valley.

FREIGHT & GOODS MOVEMENT

 Recognizing both the pivotal role that the SCAG region plays in domestic and international trade and, consequently, the disproportionate impacts carried by Southern California, support increased funding to the Trade Corridors Enhancement Program (TCEP) and oppose efforts to reprioritize funding for non-freight related purposes to ensure the region can preserve and maintain key regional goods movement corridors.



- 4. Support the creation of programs designed to assist in leveraging technology and data to improve freight mobility, establish public-private partnerships, increase goods movement efficiency independently and through shared-use corridors, reduce harmful emissions, mitigate negative impacts on disadvantaged communities, and address shifting consumer behaviors (e.g., e-commerce).
- 5. Preserve the legislative intent of TCEP to support freight movement, not mitigate passenger vehicle miles traveled (VMT).

TECHNOLOGY & DATA

- 6. Support legislation and funding that enables electric and alternative fuel vehicle planning, permit streamlining, purchases, and charging and refueling infrastructure, as well as new technologies and innovations in the state transportation system that improve accessibility, efficiency, safety, and capacity while reducing environmental impacts and mitigating the impact to the power grid.
- 7. Support funding for smart cities, including pilot projects to implement smart cities at the local level, emerging technology, and coordinated data collection and sharing to reduce greenhouse gas and VMT impacts, utilize water and energy resources more efficiently, and create safer roadways and highways.
- 8. As zero-emission and alternative fuel vehicles and supporting infrastructure are deployed, including but not limited to electric, hydrogen, and natural gas, advocate for policies that take a life-cycle approach. Support policies and plans for electric vehicles that consider life-cycle analysis and prioritize proper battery reuse, recycling, and disposal.

Miscellaneous

GOVERNMENT EFFICIENCY

1. Support legislative efforts to modernize the Ralph M. Brown Act to increase public participation, keep up with emerging technology, and allow local government agencies flexibility in conducting official meetings through virtual format as well as omit the time-consuming "Roll Call" process while maintaining the existing practice of recording and publishing votes for public review.