

Metropolitan Transportation Commission and Association of Bay Area Governments Joint MTC ABAG Legislation Committee

January 8, 2021

Agenda Item 3a

Sacramento Update

- Subject:** Sacramento update: new committee assignments, 2021 legislative schedule and state fiscal update.
- Overview:** This memo provides an update on recent committee assignment changes relevant to our 2021 Advocacy Program, the legislative calendar and a high-level update on the state's finances in anticipation of the FY 2021-22 Governor's Budget.
- Discussion:** **New Committee Assignments** State Assembly Speaker Anthony Rendon announced a number of key changes to committee chair and committee memberships for the 2021-22 legislative session.

Assembly Transportation Committee Assemblymember Jim Frazier, longtime Chair of the Assembly Transportation Committee has been replaced by Assemblymember Laura Friedman (Glendale, Los Angeles County), who has served on the committee since 2016. Assemblymember Frazier will instead chair the Assembly Government Organization Committee. Friedman has established herself as a champion of roadway safety and authored legislation establishing a Zero Traffic Fatalities Task Force and has introduced AB 43 to implement the panel's findings. In a statement on her website, Friedman is quoted saying, "We need greater investment in mass transit to relieve congestion and improve mobility options. The world during and after this pandemic is going to be very different, and we need to be ready for that." The press release further states: "As Chair, Friedman is likely to influence the committee's efforts away from a focus on freeway and road expansions and towards forward-thinking policies such as investing in mass transit, bicycle and pedestrian infrastructure, zero-emission vehicles, road safety, and sustainability.

Bay Area Assemblymembers on the newly configured committee now include: Marc Berman, Ash Kalra (new to the committee), newly-elected Alex Lee, and Buffy Wicks.

Assembly Housing and Community Development Committee

Assemblymember David Chiu remains the chair of this committee, but two Bay Area Assemblymembers have been added: Ash Kalra and Buffy Wicks.

Assembly Local Government Committee Assemblymember Cecilia Aguiar-Curry remains the chair of this committee and no changes were made to its composition.

Senate Transportation Committee This committee, which was chaired for many years by former State Senator Jim Beall, will be chaired by Senator Lena A. Gonzalez (Long Beach). The Bay Area does pick up an additional seat in this year's configuration, however, with the appointment of two newly-elected Bay Area members to the committee: Senator Josh Becker and Senator Dave Cortese to the committee. Other Bay Area members on the committee include Senators Bill Dodd, Mike McGuire Nancy Skinner and Bob Wieckowski. An interesting political note, Senator Josh Newman, who was recalled for his support of the SB 1 gas tax increase was reelected in November and now has a seat on the committee.

Senate Governance & Finance This committee, which handles local government issues and some housing bills, will continue to be chaired by Senator Mike McGuire. Senator Scott Wiener is the only other Bay Area on this small five-person committee.

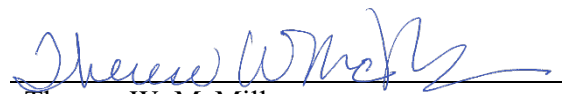
Senate Housing Committee Senator Scott Wiener remains the chair of this committee. Other Bay Area members on the committee include Senator Dave Cortese, Mike McGuire, Nancy Skinner and Bob Wieckowski.

Legislative Calendar Due to COVID-19 cases rising precipitously, session was postponed until January 11. Key house-of-origin deadlines are listed below.

Bill introduction:	February 19
Policy Committee (fiscal bills):	April 30
Policy Committee (non-fiscal bills):	May 7
Fiscal Committee to report house-of-origin bills to floor:	May 21
Last day for each house to pass house-of-origin bills:	June 4
Budget bill must be passed:	June 15

State Fiscal Update In late November, the Legislative Analyst's Office (LAO) released [*The FY 2021-22 Budget: California Fiscal Outlook*](#) which included some welcome news that the state's economy has rebounded faster than expected. The report noted that the economic picture remains an inequitable one, where "many low-income Californians remain out of work, while most high-income workers have been spared." However, because the state's tax structure is highly progressive and high-income households have seen little negative impact from the pandemic, the state's revenues are well ahead of budget assumptions. In addition, consumer spending fell less than expected and the stock market has reached historic highs.

The LAO estimates a \$26 billion "windfall" for FY 2021-22, which they emphasize is a one-time surplus, clouded by "an unprecedented amount of uncertainty about this fiscal picture." This surplus creates an environment where many interests will be vying for some of these funds. Governor Newsom's FY 2021-22 State budget proposal will be released the second week of January and will set the stage for a debate on priorities. The LAO recommends reserving half of the windfall for the state's reserve to protect budget resilience, while using the remainder "on one-time purposes, focusing on activities that mitigate the adverse economic and health consequences of the public health emergency." Likely to be on the list of items legislators will be considering for one-time investments are funding to assist tenants with rent, including back-rent, homelessness, affordable housing construction, education, climate adaptation investments, and local government fiscal relief.


Therese W. McMillan