



Staff Report

File #: 24-2307, **Version:** 1

MEETING DATE:

MARCH 12, 2024

SUBJECT:

LEGISLATIVE UPDATE

Recommendation

NOTE and FILE update on pending legislation from the California State Legislature and the Governor.

Relevant Council Strategic Theme

Planning for the Future

Good Governance

Introduction

The City Council adopted the 2024 Legislative Platform to guide the consideration of state and federal bills that affect City operations. The end of bill introduction of the two-year cycle for the California Legislature, a total of 2,124 bills were introduced. This number is lower than last year, when over 2,600 bills were introduced (the highest in a decade), with over 1,000 passed by the legislature and 890 signed into law. Staff, lobbyist consultants and Cal Cities are currently reviewing all of the new proposed legislation with future positions pending.

Discussion

Lawmakers introduced over 2,100 bills during this second year of the two-year cycle. This report provides updates on newly proposed legislation with positions pending on current iteration of bills in print. Staff will continue to monitor and collaborate with Cal Cities and our lobbyist teams on future City Council consideration for an official position on proposed legislation. Policy committees are slowly starting to set hearings in the coming weeks to review all the new proposed bills.

The State already faces a significant deficit this year-estimated to be \$58 billion under the administration's revenue forecast at the time the Governor's budget was proposed in January. However, recent revenue collections data reflect even further weakness relative to those estimates. Specifically, the revenue forecast is about \$24 billion below the Governor's budget across 2022-23 to 2024-25. All else equal, this means the budget problem is likely to be higher at the time of the May Revision. The actual increase in the state's budget problem will depend on a number of factors, including formula-driven spending changes, most notably Proposition 98 spending requirements for schools and community colleges. Roughly, a \$24 billion erosion in revenues corresponds to a \$15 billion increase in the budget problem. This would expand the \$58 billion estimated deficit to \$73 billion under the legislative analyst office updated revenue forecast.

Environmental Review

There is no environmental impact to this recommendation.

Fiscal Impact

There is no direct fiscal impact associated with adopting the proposed resolution. Unknown fiscal impacts are associated with the bills listed above. A more thorough analysis of each bill's implementation requirements is needed to demonstrate total fiscal impact.

Attachments

Bill Position and Status List

Prepared by: Phil Scollick, City Clerk

Reviewed by: Dan Barron, Fire Chief/Assistant City Manager

Approved by: Michelle Bender, City Manager