

# CalRHA Legislative Updates



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## Budget Update

Governor Gavin Newsom, the Senate President pro Tempore, Mike McGuire, and the Speaker of the Assembly, Robert Rivas, announced an agreement on \$17 billion in early actions to help reduce the shortfall and position California to responsibly address the budget in June. It contains a mix of \$3.6 billion in reductions, \$5.2 billion in revenue/borrowing, \$5.2 billion in delays/deferrals, and \$3.4 billion in shifts of costs from the general fund to other state funds. The package went into a budget bill junior and is expected to be voted upon on April 11th.



### EARLY ACTION AGREEMENT OVERVIEW

There is agreement between the Governor and the Legislature on an Early Action budget package that will reduce the budget shortfall by approximately \$17.3 billion. High-level details of this Early Action agreement are outlined below.

The Early Action agreement includes \$17.3 billion in a mix of solutions, which are primarily a subset of Governor's Budget solutions:

Category	Amount
Reductions	\$3.6 billion
Revenue/Borrowing	\$5.2 billion
Delays	\$3.1 billion
Fund Shifts	\$3.4 billion
Deferrals	\$2.1 billion

*NOTE: Totals have been rounded*

### Reductions – \$3.6 billion (Significant Issues)

- Salary Savings Sweep from Vacant Positions: \$762.5M
- Withdraw Elimination of 2-week Fee-For-Service Checkwrite Hold: \$532.5M
- School Facility Aid Program: \$500M
- CalWORKs Single Allocation Partial Reversion: \$336.6M

- UCLA Institute of Immunology and Immunotherapy Project: \$300M
- Watershed Climate Resilience: \$206.5M
- Broadband - Loan Loss Reserve: \$150M
- Climate Innovation Program: \$100M
- Foreclosure Intervention Housing Preservation Program: \$85M

### Delays – \$3.1 billion (Significant Issues)

- Formula Transit and Intercity Rail Capital Program: \$1B
- Preschool, TK and Full-Day Kindergarten
- Facilities Grant Program: \$550M
- Behavioral Health Bridge Housing: \$235M
- CA Jobs First: \$183.3M
- Vulnerable Community Toxic Clean-Up: \$175M
- Behavioral Health Continuum Infrastructure Program: \$140.4M
- Diablo Canyon Land Conservation and
- Economic Development: \$110M
- Broadband Last Mile: \$100M
- Ports and Freight Infrastructure: \$100M
- Clean Energy Reliable Investment Plan: \$100M
- Oroville Pump Storage: \$90M
- Health and Human Services Innovator: \$74M

### Revenue/Borrowing: \$5.2 billion: (Significant Issues)

- Managed Care Organization Tax: \$3.8B
- AIDS Drug Assistance Program Rebate Fund Loan: \$500M (with commitment to enhance program in the future).
- Balance is primarily other special fund loans.

### Fund Shifts: \$3.4 billion (Significant Issues)

- Greenhouse Gas Reduction Fund: \$1.8B
- Retirement Contribution Reductions Using Prop 2: \$1.3B

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- Medi-Cal Drug Rebate Special Fund Reserve: \$162.7M
- Employment Training Fund for UI Interest Payment: \$100M

### Deferrals: \$2.1B Total (Significant Issues)

- Statewide Payroll Deferral: \$1.6B
- UC and CSU Deferrals: \$499.1M

Finally, the agreement includes budget language authorizing the Administration to freeze additional one-time funding that was included in the 2021, 2022, or 2023 Budget Acts.

## Legislative Update

CalRHA held its Annual Lobby Day in Sacramento and was able to advocate directly with Legislators and their staff on the top priorities for CalRHA in 2024. The event was a huge success, as we were able to gain support, negotiate amendments, and our sponsored bill, AB 2278 (Carrillo), regarding the publication of the maximum allowable annual rent increase passed the Appropriations Committee unanimously on the same day.



*Participants from CalRHA's 2024 Lobby Day in Sacramento, CA*

Following are updates of several key pieces of legislation.

**AB 2187 (Bryan, D-Culver City).** Office of Tenants' Rights and Protections. Would establish the Office of Tenants' Rights and Protections, which is duplicative and costly. This bill is set for a hearing in Assembly Judiciary Committee on April 16th. **OPPOSE.**

**AB 2216 (Haney, D-San Francisco).** Household Pets - Would not allow for pet security deposits or the prohibition of common household pets in

residential tenancies. This bill passed the Judiciary Committee and is now on the Assembly Floor. **OPPOSE**

**AB 2584 (Lee, D-Milpitas).** Corporate Owned Single-Family Homes. Would prohibit owners of more than 1,000 homes from buying more single-family properties. This bill is pending a hearing in the Assembly Appropriations Committee. **OPPOSE**

**AB 2785 (Wilson, D-Suisun City).** Would require a landlord to, within 30 days of receiving a tenant's security, deposit the sum into an account of a bank or other financial institution regulated by the state or federal government. If it is deposited in an interest-bearing account, any interest accrued on that balance, would be payable to the tenant. The bill also caps screening fees and sets parameters for reimbursement, including if the tenant doesn't qualify. We have been actively meeting with the author's office on suggested amendments. **OPPOSE**

The legislative calendar for 2024 is as follows:

April 26 - Last day for policy committees to hear fiscal bills

May 3 - Last day for policy committees to hear non fiscal bills

May 17 - Last day for fiscal committees to pass bills to Floor

May 24 - Last day for bills to pass their house of origin

June 15 - Budget bill must be passed by midnight

June 27 - Last day for legislative measure to qualify for the Nov 5th General Election ballot

July 3 - Last day for policy committees to meet and pass bills

July 4 - August 4 - Summer Recess

August 16 - Last day for fiscal committees to meet and pass bills

August 23 - Last day to amend bills on the Floor

August 31 - Last day for each house to pass bills

September 30 - Last day for the Governor to sign or veto bills