

CLEAR ADVOCACY

CLEAR COMMENTARY June 11, 2020



Final Lap for the State Budget...We Assume

The Senate and Assembly have agreed to a state budget, albeit a very different budget than Governor Newsom's budget revision from May. They like their budget so much they're going to vote on and approve their two-house version of the budget on June 15, the constitutional deadline to pass a budget. They will then later add provisions to reflect the final compromise details reached with the Governor. Let's take a quick look at this from two angles.

Policy & Substance

The state faces as much as a \$54 billion deficit. While Governor Newsom proposed a number of deeper cuts and subsequent trigger cuts to healthcare, social services, and K-12 education reductions, the legislature's budget spares these cuts and relies more heavily on federal aid, deferrals, and assumption differences. One other big and new deal in the legislature's budget: a defined trigger cut in state worker compensation if federal aid falls short of expectations. Legislative leaders urged unions to finalize agreements in state collective bargaining prior to July 1, essentially using collective bargaining to leverage state savings.

This trigger reflects a \$1.5-\$2.9 billion savings in expenditures, which is roughly a 10% pay cut, and would be enacted if insufficient federal aid is received by September 15. Absent from this narrative is word from the Governor, who may or may not share the desire to pass a budget now AND another budget later. Which leads us to the next angle:

Process

The Legislature must approve a budget by June 15 or forfeit their pay until they pass one. Second, the constitution requires bills must be in print for 72 hours prior to hearing; thus, regardless of a deal being reached, the legislature NEEDS to pass a budget Monday, and in order to do so, they have to have the budget in print no later than Friday. Or, they forfeit their pay. Oh, right. We already mentioned that. We didn't mention the Governor does NOT forfeit his pay.

Hence, the rush.

For the record, we don't anticipate the Governor would veto this budget and cause lawmakers to forfeit their pay.

Affirmative Action ACA Approved

In 1996, voters approved [Proposition 209](#) which, among things, banned public entities from granting preferential treatment to anyone on the basis of race, gender, color or ethnicity. Think universities and admissions and hiring practices in general. Affirmative Action, specifically. Prop 209 has been legally challenged multiple times, but courts have upheld it. For the past 10 years the legislature has pushed to permit the consideration of race for admissions and hiring practices.

Amid the worldwide protests roiling the past two weeks, yesterday the Assembly approved by over a two thirds majority, [ACA 5](#), which would let voters decide on the November ballot whether to repeal this ban.

If the state Senate concurs by June 25, the question would be added to the November ballot — and a November ballot that will already be charged with a tumultuous Presidential election

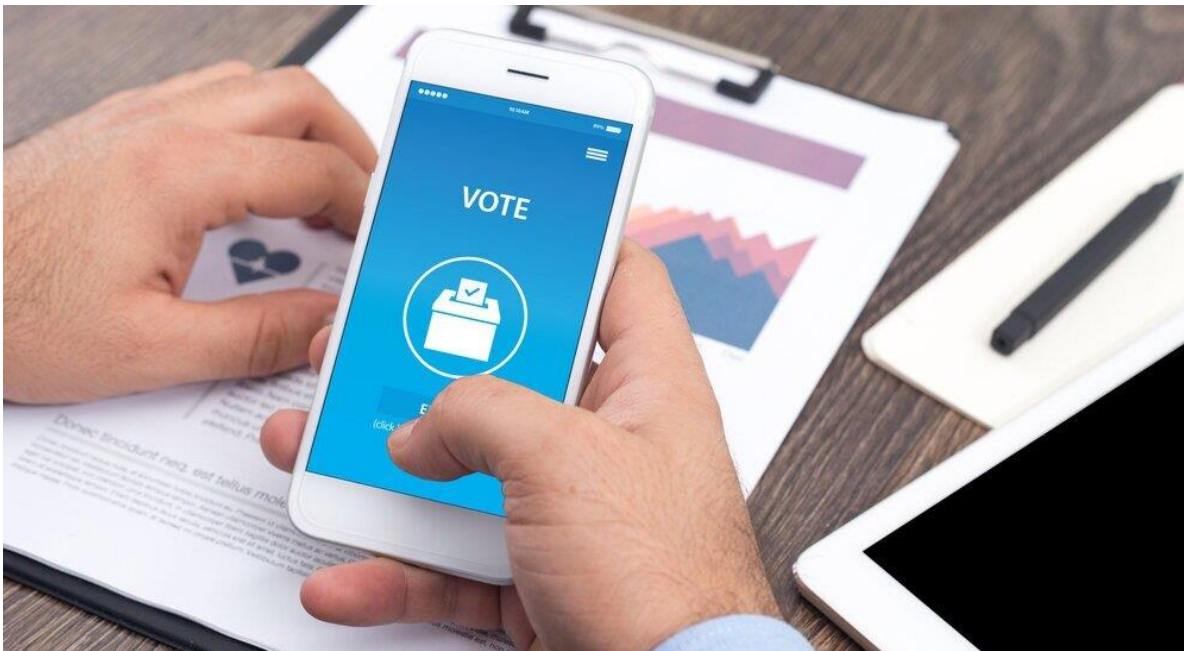
Lobbyists v. Legislature Cage Match Continues

The colorful hearing last week on [ACA 25](#), which would permit the legislature to proceed remotely whenever a state of emergency is declared, proceeded to the Assembly Floor this week, where it was (surprising exactly nobody) approved, 60-13.

ACA 25 would permit, in times of declared emergency, legislators to vote electronically from outside the Capitol, proxy vote for one another, exclude the public from some hearings and suspend videotaping of legislative proceedings in certain instances.

Recall last week that lobbyists and the public at large tore into the bill on definitional vagueness that could lead to loopholes and substantively dim the light on public participation and process. Leading governmental transparency advocates also savaged parts of the bill while acknowledging a need to adapt to modern and virusy times.

Ultimately, the sections of ACA suspending videotaping and barring the public have been dropped from the bill. All other components remain. One pesky one jumps out, which would permit the legislature to remote vote when an emergency is claimed in any part of the state, not just statewide.



Like ACA 5, for the issue to be placed on the November ballot the Senate must concur by June 25. The Senate has been less receptive to remote voting than the Assembly. But still.... Stay tuned.

AB 5 Cleanup Vehicle Moves

Spirited discussions continue over the after effects of [AB 5](#). [AB 1850 \(Gonzalez\)](#) recognizes there may be business relationships where the hiring entity does not exercise a significant degree of control over the worker. The intent of this measure, as it evolves, is to clarify relationships where workers are free from employer direction while ensuring key labor

rights and protections for those both inherently and at risk of being misclassified. The intent of the author is that as AB 1850 moves through the legislative process to continue to address ambiguities in existing law and ensure there are clear workplace rules for those individuals operating as their own, independent businesses. This is a work in process that will see more changes as it works its way through the senate. There was a lively debate on the bill that eventually passed 70-0.



Clear Advocacy, 925 L Street, Suit 1450, Sacramento, CA 95184, United States