



## **SACRAMENTO REPORT**

### **December 6, 2021**

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### **EXECUTIVE SUMMARY**

- **Budget Update:** The Department of Finance released their monthly Finance Bulletin again to good news. According to the report, for the 2021-22 fiscal year, revenues are above projections by approximately \$11.2 billion. For just the month of October, revenues were \$2 billion above projections. The Administration will develop their final budget projections by the beginning of January and introduce their budget on January 10<sup>th</sup>.
- **Redistricting:** The Public Policy Institute of California released a blog post examining the proposed new district lines and whether they address two of the mandates provided to the commission; representation for communities of color and allowing for elections that are fair and competitive between the two major parties.

### **BUDGET UPDATE**

The Department of Finance released their monthly Finance Bulletin, and we continue to have good news when it comes to revenue collections. Accord to the bulletin, for the 2021-22 fiscal year, \$11.2 billion above the budget forecast when it was finalized in July. For just the month of October, revenues were \$2 billion above the forecasted revenues for that month. For the entire 2020-21 fiscal year, revenues were \$4.8 billion above forecasts. When the two fiscal years are combined, total revenues are over \$15 billion above budget act forecasts.

Last Sacramento Report, we reported on the Legislative Analyst's Office's Fiscal Forecast. In their report, they predict revenues continue to grow to the point where there would be additional revenues in the range of \$20 billion for Proposition 98.



Approximately half of that would be one-time, and the other half could be ongoing. The LAO also predicts a \$31 billion surplus on the non-Proposition 98 side of the budget.

In exploring priorities for the budget in the coming year through discussions with many of you, are clients, we have identified the following:

1. Base Increase
2. Reduction of CalSTRS and CalPERS cost increases
3. Ongoing funding for technology
4. Scheduled maintenance and instructional equipment
5. Change in definition of technology to expand uses of funding
6. Cal Grant reform to increase access for community college students.

If there are other issue areas to identify, let me know at [mark@mgiadvocacy.com](mailto:mark@mgiadvocacy.com)

You can download the Department of Finance's Finance Bulletin [here](#).

## **REDISTRICTING**

Senate, Assembly, and Congressional members will have to run in new districts in 2022. Those districts are being redrawn by California's Citizen Redistricting Commission. The commission released draft maps in November which reflect population changes and, for the first time, have one less seat in Congress for California.

The Public Policy Institute of California released a blog post examining the proposed new district lines and whether they address two of the mandates provided to the commission; representation for communities of color and allowing for elections that are fair and competitive between the two major parties.

According to the PPIC's analysis of the preliminary maps, they indicate that, "The law requires the CRC to draw districts that will empower underrepresented racial/ethnic groups where such communities are large, geographically compact, and politically cohesive. Historically, these mandates have failed to give communities of color representation proportional to their share of the population, and the maps currently in use are no exception."

According to the PPIC analysis:

- The number of "Latino majority" state Senate districts would increase from 7 to 8, however, the number of "Latino influence" state Senate districts would drop from 12 to 10.



- On the Assembly side, the number of “Latino majority” districts would increase from 17 to 19, while the number of “Latino influence” districts would decrease from 16 to 15.
- There are no “Black majority” districts in either the State Senate or Assembly.
- Under the proposed maps, the number of “Black influence” seats in the State Senate would remain 1, while in the Assembly it would increase from 1 to 2.
- There are no “Asian majority” districts in the State Senate and the current proposed maps would not change that.
- In the Assembly, the proposed maps would increase the “Asian majority” seats from 1 to 2 but would decrease the number of “Asian influence” seats from 7 to 2.

(The PPIC defines “influence” as containing 30%-50% of that population)

The PPIC also notes, that although the maps would continue to elect more Democrats, the new, proposed maps, are a little more competitive than the current maps. That does not mean that Republicans are likely to reverse the two-thirds majority that Democrats have in both the State Senate and Assembly. The PPIC also notes that the commission has appropriately ignored incumbent status which will likely result in two or more current members potentially living in the same district.

You can view the entire blog post analysis [here](#).