

LEGISLATIVE UPDATE



Week of June 22, 2026

State Issues	
Budget Update	<p>The Governor has until June 30 to sign the budget bill (AB 109) before the beginning of the State July 1 fiscal year. Negotiations between the Administration and the Legislature have been ongoing, but as of yesterday (Thursday, June 25), no budget agreement has been released. The process Governor Newsom and the Legislature have taken in the last few years – and seems like the process they are using now – is that the Legislature passes a budget bill on time (June 15), and then the Governor and Legislature work on bills to amend it, and then he signs all of the bills at the same time. In order for this to work, the bills to amend the budget bill have to be in print for 72 hours before being voted on. That means that bills that include the negotiated agreement must be in print by today (Friday, June 26) before midnight for this plan to work.</p> <p>It should be noted that the Senate has a Budget Hearing set for next Monday at 9:00am and the Assembly is set for 10:00am. On the agenda are 23 Budget bills that have no detailed language as of this writing. We will be monitoring these bills which will be the vehicles for any new language on the budget. As in year’s past, we expect there to be budget trailer bills and “Budget Bill Jrs.” to be introduced and approved on an ongoing basis throughout the legislative session – well past the July 1 fiscal year. The Legislature and Governor will continue to negotiate on budget items through the summer and will pass additional bills impacting the State budget up to the last night of session (August 30).</p>
Ballot Initiatives	<p>As expected, there has been a great deal of action on the ballot initiatives qualified for the State’s November ballot. June 25 marked the deadline for initiatives to be voluntarily removed from the ballot or for the Legislature to place new items on the ballot. Given that deadline, much work has been done behind the scenes to make big changes to what will appear in November.</p> <p>WHAT’S OFF THE BALLOT.</p> <p>Hospital Executive Comp Cap and Union Member Right to Vote Act. This week, a deal was struck between the California Hospital Association and the California Federation of Labor Unions, AFL-CIO, and SEIU-UHW to remove their respective measures from the November Ballot. The unions had qualified The Health Care Executive Compensation Act of 2026, which would have capped hospital and physician group leadership salaries at \$435,000 annually. In response, CHA had introduced an initiative that would have required health care unions to secure the approval of its membership prior to spending more than \$1 million on any statewide ballot initiative.</p> <p>Uber/Trial Lawyers. This week the Governor signed Senate Bill 623, which includes the deal between Uber and the trial lawyers. This new law will allow Uber to reduce its liability in crashes while subjecting the company to new rules regarding background checks for its drivers. Uber and the Consumer Attorneys of California had qualified competing measures for the ballot over liability around ride-hailing. Uber wanted to limit attorney contingency fees in medical recoveries for all California crashes; and the attorney group wanted to increase Uber’s liability for sexual misconduct. (more)</p>

Ballot Initiatives
(continued)

WHAT'S ON THE BALLOT. On November 3, Californians will vote on 14 statewide ballot measures on environment, taxation, election, housing and health care. A complete list can be found [here](#). Below are a few of the most notable initiatives:

ACA 20 – Save for California’s Future Act. This week, the Legislature proposed a Constitutional Amendments that would allow the State to increase the size of its reserves in good fiscal times. Current California Constitutional Law dictates the amount the state must set aside in the Budget Stabilization Account (BSA) and the Public School System Stabilization Account. According to the Assembly, the proposed measure is informed by the experience of the state over the last ten years, when the Rainy-Day Fund was tested by extreme volatility, resulting in a consensus that the fund needed to be larger to provide stability and certainty. The new proposed Constitutional Amendment (ACA) 20 would amend the original provision to increase the amount of excess capital gains tax revenues that will be deposited in unusually robust years and expand extra debt payments.

Billionaire tax. This high-profile measure would apply a one-time 5% wealth tax on the assets of roughly 200 California billionaires, to be paid over five years. Ninety percent of the revenue would go to backfill state general fund for health care for low-income Californians, and 10% toward education and food assistance programs. The Governor opposed this measure as soon as it was introduced, and he warns that it will trigger a mass exodus of wealthy residents, eroding the state's tax base. He also objects to the funding raised going predominately to health care. The measure is sponsored by SEIU, Teamsters, AFSCME and is opposed by Newsom, prominent billionaires, the California Teachers Association, California Primary Care Association and California Medical Association. Just today, the Governor has started proposing a nationwide billionaire’s tax, a corporate tax hike, and an overhaul of federal inheritance and loophole laws.

Clinic funding. While we had heard that negotiations were ongoing and the parties were close to a deal this week, no agreement was reached in time to take this measure off the ballot. If approved in November, this measure would require federally qualified health centers to spend 90% of revenue on direct patient care and services that aid in providing care to low-income and underserved people. Clinics that don’t comply with would be fined, with the money going into a state-operated account for worker training and staffing. The measure is sponsored by SEIU UHW and opposed by the California Primary Care Association, Planned Parenthood, and many other health provider organizations.

Housing Bond. On Monday, the Governor signed [AB 417](#), which will put on the ballot the Veterans and Affordable Housing Bond Act of 2026 – giving Californians the opportunity to help accelerate housing production, homeownership and affordability in the Golden State. The \$11.25 billion bond set for the November ballot would continue to fast-track the construction, rehabilitation, and preservation of affordable housing, support homeownership programs, and provide funding for a variety of state housing initiatives.

Higher threshold for local special taxes. This initiative would raise the threshold for citizen-driven special tax ballot initiatives to pass from a simple majority to two-thirds, making it harder to impose or increase taxes. The measure, placed on the ballot at the last minute by state lawmakers, reflects a deal state leaders struck with Howard Jarvis Taxpayers Association. Reflecting the deal, the measure is supported by the Howard Jarvis Taxpayers Association, California legislators, and Governor Newsom.