



# Newsom has high regard for the court system, it has been spared major budget cuts

ALSO: CAOC MEETS WITH HEALTH SERVICES TO SHORTEN DELAY IN SETTling MEDI-CAL LIENS

The California State Legislature reconvened on January 3 to complete the second year of the two-year session. The big news is the budget deficit, and on January 10 Gov. Newsom presented his budget, focusing much of his press briefing on homelessness, public safety, and education. Broadly, the governor defended his numbers on the projected deficit as different than the Legislative Analyst Office's because the volatility of last year's tax revenues led to more uncertainty all around. The governor has a more positive outlook on performance of the economy and potential revenues in the short term than LAO.

During the Brown administration, the courts faced deep cuts when the state faced a budget deficit. Fortunately, Gov. Newsom has high regard for the court system, and it has been spared major cuts.

The membership of the Assembly Committees were recently announced. Our good friend Assemblymember Ash Kalra (D-San Jose) will chair the critically important Assembly Judiciary Committee. The membership at this point includes: Assemblymember Diane Dixon (Vice Chair), Assemblymember Rebecca Bauer-Kahan, Assemblymember Isaac Bryan, Assemblymember Damon Connolly, Assemblymember Matt Haney, Assemblymember Brian Maienschein, Assemblymember Blanca Pacheco, Assemblymember Kate Sanchez, Assemblymember Marie Waldron and Assemblymember Rick Chavez Zbur.

Other important committee chairs include:

Assemblymember Liz Ortega (D-Hayward), Chair, Assembly Labor Committee  
Assemblymember Buffy Wicks (D-Oakland), Chair, Assembly Appropriations Committee

Assemblymember Jesse Gabriel (D-San Fernando Valley), Chair, Assembly Budget Committee

Assemblymember Blanca Pacheco (D-Downey), Chair, Assembly Rules Committee

While the state budget deficit will dominate the legislature this year, with the governor vowing to veto any legislation that carries costs not included in the budget, certain policy areas are clearly going to be hot this year. Retail theft is a big issue, and Democrats are working to show they are listening and are not turning a deaf ear to crime. Artificial Intelligence in many forms will continue to take up a lot of legislative real estate. From autonomous vehicles, to protecting actors' images, to placing guardrails on frontier AI, the legislature will do its best to stay ahead of this promising but potentially dangerous technology.

Surprisingly, although California has a rapidly aging population, not a lot of elder protection legislation is being advanced. However, CAOC is prioritizing protection of this vulnerable population with our bill, SB 278 (Dodd) on financial elder abuse, pending in the Assembly Banking Committee. We will continue to look at other areas of the law that need strengthening.

## Settling Medi-Cal liens

Outside the legislative front, CAOC is meeting with the Department of Health Care Services to address the continuing problems you face in settling Medi-Cal liens. CAOC is also continuing to protect the practice of law from an increasingly rogue State Bar. Finally, once legislation is passed, CAOC works to make sure the laws are implemented correctly. Last year's civil procedure bill, SB 235 (Umberg), is a case in point.

## Trial court reserves

The budget provides greater flexibility to the trial courts to continue support for access to justice. Existing law authorizes the trial courts to maintain a reserve balance at three percent of the total operating budget of the previous fiscal year. The budget increases the reserve cap from three percent to five percent and allows the five smallest courts to hold up to \$100,000 in reserves. These changes give the trial courts more flexibility to plan for large one-time expenses, like facility repairs and information technology projects.

### Significant budget adjustments

- **Trial Court Trust Fund Backfill** – A total of \$83.1 million ongoing General Fund to continue to backfill the Trial Court Trust Fund for revenue declines expected in 2024-25.

- **State Court Facilities and Construction Fund Backfill** – A total of \$80 million in 2024-25 and \$119 million ongoing General Fund to continue to backfill a projected shortfall in the State Court Facilities and Construction Fund and to maintain existing service levels.

- **Self-Help Centers** – An increase of \$19.1 million ongoing General Fund to continue the current baseline funding level for self-help centers in trial courts statewide.

- **Trial Court Employee Health Benefits** – An increase of \$15.8 million ongoing General Fund for trial court employee health benefit and retirement costs. The state began consistently funding the increased health benefit and retirement costs for the trial courts in 2014-15.

- **Facility Operations and Maintenance** – An increase of \$3.6 million ongoing General Fund for trial court facility operations and maintenance for a new Stanislaus County courthouse opening in 2024-25.

The Chamber of Commerce types are intent upon limiting workers' rights, already peppering the legislature with ads about Private Attorney General lawsuits. CAOC is working closely with the California Employment Lawyers Association and our allies in organized labor to set the record straight and to protect this critically important enforcement right for protect employees. You can see our campaign at Stop Corporate Wage Theft: <https://stopcorporatewagetheft.org/>.

At the same time, CAOC's political team is in overdrive working to make sure our endorsed candidates have adequate resources to prevail in the March 5 primary. Twenty-five percent of the legislature will change after the 2024 elections. That is on top of the 25% that changed in 2022. CAOC continues to fight the barrage of corporate money spent to elect Democrats in California. You can see the list of our endorsed candidates here: <https://seekingjustice-caoc.com/>.

## Legislative program

Our next issue will focus on CAOC's full legislative program which will be unveiled in late February. Meanwhile, please stay in touch with our legislative team (<https://www.caoc.org/?pg=OurAdvocates>) and Mark Wirth, our incredible Grassroots Coordinator ([markwirthca@gmail.com](mailto:markwirthca@gmail.com)). He has plenty of volunteer activities for candidates in the Los Angeles area.