State Update:  
May Revise Budget Update

SCAG LCMC  
May 24, 2022

Steve Cruz  
Mark MacDonald

2022 Legislative Session

May Revise Budget Proposal – May 13, 2022

Committee Hearings – Now through June

Constitutional Deadline to Pass a Budget – June 15th, 2022
2022 Legislative & Budgetary Priorities

Equitable and Inclusive Economic Recovery
  ○ COVID-19 Recovery
  ○ Housing and homelessness
  ○ Climate resiliency
  ○ Healthcare

Governor’s May Revise Proposal

• $300.7 billion spending plan with $97.5 billion surplus ($49.2 billion for discretionary spending)

• Top Priorities:
  ○ Inflation Relief
  ○ Combating the Climate Crisis
  ○ Energy & Grid Reliability
  ○ Confronting homelessness
  ○ Transportation
Inflation Relief Package

- Includes $18.1 billion in direct relief:
  - Temporary reduction in sales tax on diesel
  - $400 rebate to households based on registered vehicles
  - Covering all family fees for subsidized childcare
  - $750 million for three months of free public transit
  - $2.7 billion for rental assistance and utility bill debt

New Infrastructure Proposals

- $17 billion in additional proposed investments from the January budget proposal including:
  - $1.1 billion additional funding for the state’s middle-mile broadband network
  - $500 million new interim housing investments
  - $150 million additional Project Homekey funding
  - $500 million additional funding for the Active Transportation Program
Housing Investments

- Generally, maintains the Governor’s January proposal for investments in housing and homelessness programs:
  - $2.7 billion in rental assistance
  - $500 million in additional funding for the Adaptive Reuse Incentive Grants to help remove impediments to adaptive reuse and accelerated residential conversions
  - $150 million for Project Homekey
  - Maintains $500 million augmentation for the Infill Infrastructure Grant Program.
  - Maintains the $300 million augmentation to the Greenhouse Gas Reduction Fund – spread across two years & in addition to continuous appropriation.

Transportation Investments

- Additional $500 million for active transportation project grants for a total of $1 billion
  - Transportation Chair Friedman has authored a budget Request letter to support a $1.5 billion augmentation to the Active Transportation Program at the request of SCAG.
Other Proposals

- $1.1 billion over two years to the California Department of Technology Broadband Middle-Mile Initiative (in addition to $3.25 provided in 2021 budget Act)

- $80 million to expand San Diego State’s satellite campus in Brawley/IV to support state’s goals for the Lithium Valley

Questions?