



November 2025 Legislative Advocate Report

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Proposition 50 Will Create a Political Vacuum

Now that Proposition 50 has passed in the special election, one thing is clear – the 2026 congressional races will dramatically color the 2026 election and the candidates down-ballot. While much of the focus will be on who is running for the now highly coveted congressional seats, it is likely that the seats that may open up as a result may impact CABE’s state priorities.

It is possible that current state legislators may decide to throw their hat into the ring to run for one of the new congressional seats. Should this occur, it will have a domino effect of opening up new races in the California Legislature. This will happen just as the new Senate Pro Tempore Monique Limón begins her new role. It is not yet clear who will run or which existing elected leaders will vacate their positions, but it will be an issue for CABE to monitor, as it could mean new faces in the halls of the Capitol, as well as new relationships to forge.

The hyperpolarization taking place at the national level may likely continue to shape California’s leaders’ political priorities, leading to an increased focus on fiscal support for health and educational areas in the state budget. Tending to the gaps created with the elimination of federal support for California’s tens of thousands of individuals who have counted on Medicaid support, and other federal programs that are now in the process of being eliminated or reduced, may create winners and losers in the budget process, as some needs are filled while others are left unattended due to the lack of fiscal resources.

CABE will monitor these conversations in relation to overall priorities. While there may be new bills introduced to begin these conversations, it is more likely that these will develop through the budget process. Needless to say, the holiday season this year will be full of plenty of political conversations in the halls of the Capitol.

Senate Pro Tempore Limón Sworn In

Senator Monique Limón was sworn in on November 17th as the first Latina to hold the position of Senate Pro Tempore. It is likely that a number of committee chairs will shift, as well as members of Senate committees. As these positions shift, it will become increasingly important to create new relationships and solidify existing relationships with senators in positions that oversee CABE priority issues.

LAO Issues Fiscal Outlook

The Legislative Analyst’s Office recently issued [*The 2026-27 Budget: California’s Fiscal Outlook*](#), which recognizes the higher revenues California has been profiting from due to Artificial Intelligence (AI). The

LAO notes that these higher income tax collections are likely not sustainable with a market that often overreacts to technological advances. The report raises concerns about the economic impact of tariffs as well as incorporating higher actual Budget Act revenues over what was contemplated for 2025-26 and 2026-27, but notes a likely stock market downturn will occur, indicating a need for belt-tightening. The LAO estimates a shortfall in 2026-27 of \$18 billion, which is \$5 billion higher than anticipated in June, despite the continued higher-than-projected revenues. This is due to higher spending requirements under Proposition 98 as well as Proposition 2. Proposition 98 funding is expected to increase by over \$7 billion, which includes \$5.1 billion in overall Proposition 98 funding and a \$1.9 billion "settle-up" payment for the 2024-25 deferral that was used as a mechanism to address the state deficit that year. As a result of projected structural deficits, the General Fund shortfall is expected to grow to approximately \$35 billion annually beginning in 2027-28. To address these gaps, the LAO recommends that the Legislature institutes ongoing spending reductions and/or revenue increases with urgency.

Legislative Calendar

January 1 – Statutes take effect.
January 5 – Legislature resumes session.
January 10 – Governor releases January budget proposal.
January 31 – Last day for each house to pass two-year bills introduced in that house.
February 20 – Last day for bills to be introduced.
March 26 – Legislative Spring Recess.
April 6 – Legislature reconvenes from Spring Recess.
April 24 – Last day for policy committees to hear bills that are fiscal.
May 1 – Last day for policy committees to hear non-fiscal bills.
May 8 – Last day for policy committees to meet prior to June 1.
May 15 – Last day for fiscal committees to hear bills introduced in their house. Last day for fiscal committees to meet prior to June 1.
May 25-29 – Floor session only.
May 29 – Last day for each house to pass bills introduced in that house.
June 1 – Committee hearings may resume.
June 15 – Budget bill must be passed by midnight.
June 25 – Last day for a legislative measure to qualify for the November election.
July 2 – Last day for policy committees to meet. Legislative Summer Recess begins.
August 3 – Legislature reconvenes from Summer Recess.
August 14 – Last day for fiscal committees to meet.
August 17-31 – Floor Session only.
August 31 – Last day for each house to pass bills. Final recess begins upon adjournment.
September 31 – Last day for Governor to sign or veto bills.