



Date: December 28, 2018

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager *T.H.W.*

Subject: 2019 State Legislature Transition

On January 7, 2019, Governor-elect Gavin Newsom will be inaugurated into office and the 2019-2020 State Legislature will reconvene. Arc Strategies, the City of Long Beach's (City) State lobbying firm, provided the City with a document that outlines Governor-elect Newsom's transition team and legislative priorities. This overview and the attached document is intended to provide the City with pertinent information.

City staff will continue to monitor Governor-Elect Newsom's administration and 2019-2020 State legislative developments.

If you have any questions, please contact Diana Tang, Manager of Government Affairs, at 562-570-6506.

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Governor-Elect Newsom's Transition

What We Know Now

The 2019-20 Legislature will officially reconvene on Jan. 7, with statutes from last session taking effect Jan. 1. Incumbent members and freshmen alike will begin introducing bills while all eyes wait for the first budget to be submitted by Governor-Elect Gavin Newsom and his staff on Jan. 10. This first week will give us valuable insight to the direction of policy for the upcoming year, and the budget priorities that the new administration identifies. Many changes will be made to the proposed budget before the May revise, and much more legislation will come out of the woodwork as the session progresses. However, oftentimes Members are eager to get a head start on their marquee legislation before becoming inundated with too ambitious a bill package, and present their tentpole bills early in the year. So while we wait for these developments to unfold, let's examine what we do know so far in regards to Newsom's transition team and the upcoming 2019-20 legislative session.

Ann O'Leary, Chief of Staff

Ann O'Leary, a former top adviser to Hillary Clinton with an emphasis in children and family policy, will serve as chief of staff. The choice potentially signals that Newsom will prioritize the [expansion of early childhood education](#), a proposal he emphasized in the final days of his campaign above other key issues like housing and health care. Earlier in her career, she served as a senior policy advisor in the [Bill Clinton Administration](#) and as [legislative director](#) to [Senator Hillary Clinton](#). Following her federal government service, she helped establish multiple non-profit organizations promoting progressive policy related to income inequality, healthcare, education, and workforce development. She served as a senior policy advisor to [Hillary Clinton's 2016 Presidential Campaign](#) and as co-executive director of the Clinton-Kaine Transition Project. After the [2016 Presidential election](#), O'Leary became a partner at the [Palo Alto](#) office of Boies, Schiller, & Flexner, where her practice has focused on strategic consulting and crisis management.

Ana Matosantos, Cabinet Secretary

Capitol veteran Ana Matosantos, who worked as director of finance for Governors Jerry Brown and Arnold Schwarzenegger, will be the cabinet secretary, coordinating between Newsom's office and the dozens of agencies and departments that make up the state government. After her finance director position, she was a budget and policy consultant based in Sacramento, she focused primarily on issues relating to the state budget, education finance, health care, income inequality, and local government. Before joining the California Department of Finance in 2008, she served as deputy legislative secretary for Health and Human Services and Veterans Affairs in the Office of the Governor, working on the administration's comprehensive health care reform proposal. She was a member of the Health and Human Services Agency staff from 2004 to 2007, serving as assistant secretary for programs and fiscal affairs as well as associate secretary for legislative affairs. Prior to her executive branch service, she worked in the state senate as a consultant to the Senate

Committee on Health and Human Services and as the human services consultant of the Senate Committee on Budget and Fiscal Review. In August 2016, she was appointed by President Obama to serve on the seven-member Puerto Rico Oversight, Management and Economic Stability Board, charged with working with the government of Puerto Rico to achieve structural budget balance, restructure massive debts and obligations, and rebuild opportunity for the people of Puerto Rico after a decade of economic contraction and population decline.

Anthony Williams, Legislative Secretary

Anthony Williams has been rumored to be Governor Newsom's new legislative secretary. This position helps shape legislation and negotiates on behalf of the Governor with legislators. He will take the place of Camille Wagner who worked for Brown in the same capacity.

Most recently, Williams was the Director of Government Relations for The Boeing Company. Williams was also one of the founders of the contract lobbying firm, Wada Williams Law Group, LLP. Prior to that, he was Policy Director and Special Counsel to California Senate President Pro Tempore, Darrell Steinberg. From 1999 to 2004, Williams was a Principal Consultant to Senate Pro Tempore John Burton who now serves as Chairman of the California Democratic Party. He has also served as a legislative advocate for the Judicial Council of California, chief lobbyist for the State Bar of California. He is also founder and president of the Stand Strong Foundation, Inc., a non-profit organization dedicated to developing excellence in youth from disadvantaged backgrounds.

Angie Wei, Chief Deputy Legislative Secretary

Angie Wei comes from the California Labor Federation as a legislative director and chief of staff. Wei has represented more than 1,200 unions and 2.1 million workers over a host of policy issues including drug pricing transparency and paid family leave.

Jason Elliott, Chief Deputy Legislative Secretary

Jason Elliott, a policy advisor to Newsom during his time as mayor of San Francisco and a chief of staff to San Francisco Mayor Ed Lee will oversee executive branch operations.

Elliott and Wei will serve under Ana Matosantos.

Daniel Zingale, Senior Adviser on Strategy and Communications

Daniel Zingale was most recently the Senior Vice President of the California Endowment. He spearheaded the "asegurate" campaign to enroll Latinos in Obamacare, and the "Health Happens Here" campaign to challenge conventional assumptions about health and advance equity in under served communities.

Prior to that, Zingale served as chief of staff to Maria Shriver and senior adviser to Governor Schwarzenegger. He was also cabinet secretary for Governor Davis where he negotiated the state's domestic partners laws, He was also the founding director of the California Department of Managed Health Care.

Nathan Click, Chief Spokesperson and Director of Public Affairs

Nathan Click has served as a top political and communications advisor to national and California political officeholders, campaigns and initiatives for more than a decade. Before joining Newsom's campaign, Click served as Communications Director for the U.S. Sen. campaign of Kamala Harris, the office of U.S. Sen. Mazie Hirono and CARE CEO Michelle Nunn. He also served in top

communications roles for the Democratic Senatorial Campaign Committee, incoming U.S. Rep. Katie Porter, U.S. Sen. Doug Jones and former U.S. Rep. Kendrick Meek.

Priscilla Cheng, Director of External Affairs

Priscilla Cheng currently serves on the transition team of Governor-elect Newsom and was most recently Senior Political Advisor for the Newsom for Governor campaign. Cheng brings over a decade of experience in the organized labor movement, most recently as Chief of Staff for the Los Angeles County Federation of Labor, AFL-CIO. She also served on the City of Los Angeles Workforce Investment Board and the Los Angeles Convention and Exhibition Center Authority.

Maricela Rodríguez, Director of Civic Engagement and Strategic Partnerships.

Maricela Rodriguez is currently a Director of Strategic Communications at The California Endowment and a former staffer in the Office of California First Lady Maria Shriver. She has been the Director for the Endowment's Healthy California program since 2011, leading all strategic communications for its "Asegúrate" and #Health4All campaigns. Before that, she served as Director of Program Development and Policy Liaison to the Office of First Lady Maria Shriver, where she helped create WE Connect, a national anti-poverty effort. She was also an Executive Fellow in the California Community College's Chancellor's Office.

Other Important Appointments

As of the date of this report, the Governor has not yet made any appointments to departments, boards, commissions and other regulatory agencies that are of interest to the City such as the Director of Finance, California Office of Statewide Health Planning and Development, CalTrans, the Housing and Community Development Department and Natural Resources Secretary. The current Natural Resources Secretary, John Laird, will announce his departure and will run for the Senate to succeed termed out Senator Bill Monning.

Governor-Elect Newsom's Priorities

Newsom has publicly argued that California needs a more activist approach to battling inequality, with new investments in health care and education. He has vowed to tackle the state's growing wildfires, shrink the academic achievement gap and defend the state against the Federal government's onerous policies. Newsom has also mentioned he would consider changes to Proposition 13's limitation of corporate property taxes.

Newsom has backed a number of bills Governor Brown vetoed, from gun control legislation to new regulations on charter schools to measures launching a pilot [supervised drug injection site](#) in San Francisco. He has also committed to the following issues facing California:

Housing ~

Newsom believes that the shortage of affordable housing has pushed the middle class out of the state's coastal jobs centers—or out of state altogether—while exacerbating a decades-long crisis of homelessness and sending college housing costs through the roof. On the campaign trail, he pledged to lead an effort to build 3.5 million units of new housing by 2025, a construction pace California has never seen.

He says he can reach that goal by significantly increasing funds for government-subsidized housing and rolling back some regulations that impede new development, especially for housing around public transit.

Rumors of a major housing package in Newsom's first year as governor are already circulating around the Capitol. Legislation may include increased funding for subsidized units likely via increased tax credits for affordable housing developers and/or a revamped form of [redevelopment 2.0](#).

If Newsom is able to broker a compromise on [rent control](#), or [tweak Proposition 13](#), or limit local control on housing development decisions, he will have accomplished something that has not been successful to this point. He also must decide whether to throw his weight behind major zoning changes, like Sen. Scott Wiener's SB 827, which is likely to be reintroduced next session.

Homelessness ~

Fixing the state's homelessness problem is among the many items that Newsom has, at various times, cited as his [top priority](#), and he has pledged to create a first-ever cabinet-level position exclusively dedicated to solving it. Newsom defends his "[Care not Cash](#)" program—which redirected direct cash payments for those experiencing homelessness to permanent supportive housing and bus tickets out of San Francisco to rejoin family—as a successful strategy that made the city's homelessness crisis far less severe than it would have been otherwise.

Education ~

In [campaign ads](#), Newsom has said he wants to focus on universal preschool, guaranteed prenatal care and more quality, affordable childcare. Newsom also has spoken adamantly about public investment in children younger than age 3 as an antidote to closing the chronic gap in achievement between disadvantaged and wealthier students.

Universal preschool and childcare in California would alone cost the state [up to \\$8 billion](#). It's unclear how a meaningful agenda of that size could be done without a tax increase. That's what it took when then-Mayor Newsom successfully pushed a much more modest "Preschool for All" initiative in San Francisco.

The Legislature in recent years has also pushed a voluntary universal preschool program, as well as a requirement that schools report how they spent money targeted for needy kids; Brown resisted spending on new programs that incurred ongoing costs and preferred to give local school districts more decision-making authority.

Newsom has not yet detailed how initiatives that stalled under Brown would be financed on his watch. In fact, he has vowed to sustain Brown's financial restraint and sought to manage expectations.

Newsom also has been supportive of Brown's signature K-12 policy, a 2013 school funding overhaul aimed at channeling more money to disadvantaged students, calling only for better tracking of how schools spend those dollars.

Newsom largely did not engage in the charged debate over charter schools during his campaign, although he's said that he supports public, nonprofit charter schools and greater transparency measures there as well.

Besides preschool and childcare, Newsom has said he wants to create college savings accounts for the state's incoming kindergarten students, focus on adolescent mental health and arts programs, and invest in data infrastructure that tracks student learning outcomes through college.

He has [proposed](#) the state offer two years of community college for free and provide college savings accounts for every kindergartner, an idea he implemented as San Francisco mayor amid a recession

Health Care ~

As the incoming Newsom administration prepares to unveil its legislative priorities, the [single-payer health care](#) concept he has touted will generate a lot of talk. But Capitol skeptics say that despite his promises to make it happen, action will be much more difficult—especially given the idea's federal obstacles and huge costs. Newsom may be more likely to initially pursue a less ambitious strategy: getting more of the uninsured covered under current government programs.

Extending health care to all Californians has been, hands down, Newsom's signature health issue. Newsom has not said how he would pay for a statewide single-payer program, which has been estimated to cost up to \$400 billion—roughly triple the entire California state budget, although supporters say much of that would be offset by eliminating consumer costs such as for-profit insurance premiums and deductibles. Newsom contends that a government-run, taxpayer-financed health care program [shouldn't cost](#) that much.

Newsom has also called for increasing funding for [mental health](#), with a focus on diagnosing and supporting younger patients.

Environment ~

Newsom favors maintaining the greenhouse gas emissions programs Brown put in place including Cap and Trade. He is on the record opposing fracking. He will continue international leadership on climate change.

[Environmental justice](#) issues are likely to be higher on Newsom's agenda. He's talked about putting people at the center of all environmental policies, a critical consideration for low-income communities that bear the brunt of poor air and water quality.

Criminal Justice ~

It is expected that Newsom will consider efforts to expand crime reduction programs already in place in some California cities. That could mean more programs to divert homeless people who commit low-level crimes away from jails and into housing and drug-treatment programs, or more “restorative justice” practices that bring criminals and crime victims together with a facilitator to come up with ways for offenders to repair the harm they've caused.

Furor over police shootings may also shape Newsom's first year as governor, with legislators likely to consider bills meant to reduce the number of civilians injured or killed by police. Legislators shelved a bill this year to [raise the legal standard](#) for police use of force, but a new version will likely be back next year.

Newsom has vowed to end the use of private prisons, a campaign promise that could complicate Brown's efforts to reduce crowding in the state corrections system.

On drug policy, Newsom has already demonstrated his differences from Brown. The governor-elect led the campaign to legalize marijuana, which Brown did not get involved in, and said [he is “very open”](#) to a bill Brown [vetoed](#) allowing San Francisco to establish a legal clinic where addicts could shoot illegal drugs.

Prop 13 ~

Newsom has spoken broadly (no specifics) about the need to reform [Prop 13](#). Expanding the sales tax to services, an oil severance fee and revising the property tax limits of Prop. 13 are all “on the table,” he has said.

Newsom Ambassadors

Last week, Governor-elect Newsom launched a more inclusive, people-powered gubernatorial transition called “All In California,” offering Californians from every walk of life the opportunity to participate. Today, he announced the “All In California” Ambassador program, which identifies respected leaders from across the state who will help source more ideas and more perspectives, reach more Californians where they live and work, and encourage the engagement of California’s diverse communities in this unique transition process.

The Ambassador program designates an expanding list of transition representatives who will encourage California’s communities and organizations to spread the word about opportunities to engage in the “All in California” process and the future of California. It is one of multiple ways in which Californians will be able to directly participate in the transition and help ensure that California's government reflects the diversity and dynamism of California itself. “These respected leaders will help me as I search for innovative ideas and talent across this state,” said Newsom. “I want every Californian to know that during this transition, I want to hear from you – no matter where you live, no matter who you are, no matter how you vote. This will be your administration.”

Both as mayor of San Francisco and California’s Lieutenant Governor, Newsom has been a vocal advocate for civic engagement, government reform and employing bottom-up approach to problem-solving. Now, as Governor-elect, he is using similar strategies to create an inclusive, people-powered transition that reflects the diversity and values of this great state.

To date, leaders who have agreed to be “All in California” Ambassadors include:

- Mayor Robert Garcia
- Mayor London Breed
- Mayor Willie Brown
- State Senate President pro Tempore John Burton (Ret.)
- Laphonza Butler
- California State Treasurer John Chiang
- California State Superintendent of Public Instruction Delaine Eastin (Ret.)
- Mayor Eric Garcetti
- Alice Huffman
- State Senator Christine Kehoe (Ret.)
- Monica Lozano Congressman George Miller (Ret.)

- California Secretary of State Alex Padilla
- Incoming House Speaker Nancy Pelosi
- Art Pulaski
- Supervisor Mark Ridley-Thomas
- Mayor Libby Schaaf
- Mayor Darrell Steinberg
- Supervisor Hilda Solis
- Tom Steyer
- Mayor Ashley Swearingin (Ret.)
- Mayor Michael Tubbs
- Mayor Antonio Villaraigosa (Ret.)
- California State Controller Betty Yee
- Allan Zaremberg, California Chamber of Commerce

Internal Transition team

There are a few transitional team members who will assist Governor-elect Newsom with the hiring and appointments of various positions in the “horseshoe” as well as regulatory agencies, commissions and departments.

The following are members of that team:

- Jason Kinney

Legislature

Senate Leadership ~

President pro Tempore Toni Atkins
 Majority Floor Leader Bill Monning
 Minority Floor Leader Patricia Bates
 Democratic Caucus Chair, Connie Leyva
 Democratic Caucus Vice Chair, Mike McGuire
 Republican Caucus Chair, Tom Berryhill
 Secretary of the Senate, Daniel Alvarez

Assembly Leadership ~

Speaker Anthony Rendon
 Speaker pro Tempore Kevin Mullin
 Assistant Speaker pro Tempore Laura Friedman
 Majority Leader Ian C. Calderon
 Assistant Majority Leader Rob Bonta
 Majority Whip Todd Gloria
 Assistant Majority Whip Jesse Gabriel
 Assistant Majority Whip Eloise Gómez Reyes
 Minority Floor Leader Marie Waldron
 Democratic Caucus Chair Mike A. Gipson
 Republican Caucus Chair Jay Obernolte
 Rules Committee Chair Ken Cooley

Leadership Priorities ~

The priorities of both the Assembly and the Senate are clear – homelessness, wildfire management and our state’s housing crisis. As of December 3rd, there have been over 250 bills introduced, a majority of those aimed towards policy and fiscal changes to these issues.

We are hearing there will be a special session called in the early part of 2019 on the wildfires of 2017-18. Details are being vetted now, but what we are hearing is the discussions will be centered on wildfire management, limitations on development in fire zones and technology and response times.

New Legislative Members ~

Senate:

Andreas Borgeas (R)
Anna Caballero (D)
Melissa Hurtado (D)
Shannon Grove (R)
Susan Rubio (D)
Maria Elena Durazo (D)
Bob Archuleta (D)
Brian Jones (R)
Tom Umberg (D)

Assembly:

Buffy Wicks (D)
Rebecca Bauer-Kahan (D)
Robert Rivas (D)
Luz Rivas (D)
Christy Smith (D)
James Ramos (D)
Tyler Diep (R)
Cottie Petrie-Norris (D)
Tasha Boerner Horvath (D)

As the dust begins to settle from the November 6 election, the makeup of the new legislative body is now clear. Democrats currently control 61 seats in the Assembly and 29 seats in the Senate. There were a few narrow races that went down to the wire such as newly elected Democrat Tom Umberg over incumbent Republican Janet Nguyen, or incumbent Republican Brian Maienschein over Democratic challenger Sunday Gover. However, as we enter December the results from the election are final. The only remaining change will occur when newly elected Insurance Commissioner Ricardo Lara is sworn into his position, and the Governor calls a special election to fill his vacated seat. This will not likely occur until April, and it will almost certainly be filled by a Democrat, thus leaving the supermajority in the Senate unaffected.

So what do all of these changes mean when looking at the Legislature as a whole? The state Constitution requires a two-thirds vote in both houses to raise taxes and put measures on the statewide ballot. It also

takes a two-thirds vote to pass bills with urgency clauses, thereby allowing them to take effect immediately. When the supermajority is reached, Republican votes are not required. What does this mean for the nature of legislation we will see next year? There are two schools of thought on this issue.

The first theory is optimistic, believing that although Democrats will wield great power in both houses, they will refrain from sweeping liberal reforms for fear of swinging the pendulum too far left, thus endangering targeted seats in subsequent election cycles. Proponents of this theory point to years past when Dems held a similar number of seats, and this moderate approach was indeed taken. However, arguments to the contrary contend that it was not the legislative body that refrained from widespread liberal reform, but the Executive that did so. When Jerry Brown first returned as Governor in 2011, he famously declared that he would not use a democratic supermajority to raise taxes without first going to the voters. In 2012 he was true to his word, stalemating many of the reforms that were proposed that year. As a result, those in the second camp of thought believe that with the new Executive coming to power, we may not have the safeguards from radical reform we have had in years past. Therefore, much of the legislative makeup of 2019-20 will depend on how radically new Governor-elect Gavin Newsom pursues a liberal agenda in his first term. So for now, look for business as usual while we wait to see which members reintroduce controversial measures from last year, and we get a better feel for how the new administration inserts itself into the legislative landscape.

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