

# Gavin Newsom likes to use the budget to skirt public debate and get what he wants. Did he do it again?

Story by Nicole Nixon Sacramento Bee 7/11/24

California lawmakers passed a 19-bill, 2,100-page budget package late last month and, maybe unknowingly, approved some pet priorities of Gov. Gavin Newsom.

The second-term governor has a history of tucking policy priorities into budget bills, a move that has a three-pronged benefit of limiting public debate, securing support from members of the legislature's Democratic supermajority and allowing them to take effect immediately.

By and large, the legislature has let him do it.

"It's kind of offensive when the governor and legislative leaders basically say, 'We don't give a s— what anyone thinks, this is what we're doing,'" said one Democratic lawmaker, who requested anonymity so they could speak freely. "It's effectively taking away every representative's vote and the say of my constituency."

State lawmakers are briefed on the details of a budget agreement struck between the "Big Three" leaders: the governor, speaker and Senate president pro Tempore. But some items still find their way into the budget package.

Asked whether Newsom used the approach this year, one Democratic lawmaker said, "I'm sure he did. That's what governors do."

Newsom – and Lt. Gov. Eleni Kounalakis, serving as acting governor – signed the budget package into law in late June and early July.

# ‘WE DON’T KNOW WHAT WE DON’T KNOW’

A bill included in this year’s budget package contained provisions from a criminal justice measure proposed two years ago. The law originally would have allowed certain nonviolent felony convictions dating back to the 1970s become eligible for automatic expungement after a person completed their sentence. After hitting resistance, the bill was watered down to apply to convictions since 2005. But a budget bill passed in late June expands the law to its original 1973.

Half a dozen Democratic lawmakers, both in interviews with The Sacramento Bee and in public statements, said the practice raises troubling transparency concerns.

“We don’t know what we don’t know,” a chief of staff to a Democratic state lawmaker said of the fine-print details hidden in California’s sprawling budget package.

Rank-and-file Democrats are generally expected to support budget bills and other leadership priorities. In the past, members have been removed from committee posts or otherwise punished for opposing them.

This year, Newsom and lawmakers also used the budget process to [exempt their new office building from environmental lawsuits](#), which have significantly delayed the project. And the governor is also eyeing budget bills – known as “trailer bills” because they typically are passed after the main budget bill – to [reform the state’s home insurance market](#) and tweak, or [further delay](#), a law increasing the minimum wage for California’s health care workers.

## HOW CALIFORNIA’S BUDGET PROCESS ALLOWS FOR SNEAKY POLICY

Along with the state’s main appropriations bill divvying up California’s nearly \$300 billion in annual spending, state lawmakers pass more than a dozen bills known as budget trailers. These trailer bills direct more specific spending on topics like public safety and education in order to implement the spending plan.

But sometimes they contain much more.

In recent years, Newsom has used the legislature's budget process to implement an extensive [infrastructure streamlining package](#), push through funding for an ambitious project to "[reimagine](#)" [San Quentin State Prison](#), and effectively change how many [Californians are charged for electricity](#).

One Democratic lawmaker called the 72 hours after a trailer bill's introduction "a charade that rolls into a floor vote." Another said it's "completely insane that we do almost any policy in the budget, particularly controversial things."

All bills in California face transparency rules, including a requirement to be public for 72 hours before they can be approved. But budget bills have lower hurdles than other legislation – the most significant being they take effect immediately with a simple majority vote, while other bills require two-thirds.

As part of the budget, details of trailer bills are often worked out in closed-door negotiations between the governor, Assembly speaker and Senate president pro Tem. Unlike most legislation, trailer bills [originate with the state's Department of Finance](#), meaning in their earliest form they are written by the administration's staff rather than by the legislature.

By the time budget agreements are published in bill form, they are all but certain to be signed into law days later without any changes.

This year, a budget agreement was announced on a Saturday morning in June, days away from the start of the state's new fiscal year. Over the rest of the weekend, state lawmakers received 19 bills containing the details of the agreement and totalling more than 2,100 pages. They approved most of the package days later, on Wednesday night.

Republicans have been more vocal about Newsom's tactics, leveling criticism at Democrats for voting on complex budget bills that often contain more than just dollars and cents.

"Especially recently, they haven't been very transparent" about everything tucked inside these bills, said Assembly Republican Leader James Gallagher, R-Nicolaus. "Trailer bills are supposed to be used to clean up a budget issue. They aren't

supposed to be ... the governor's vehicles to push his own policies through the legislature quickly without deliberation."

Lawmakers of both parties and Capitol observers say while the strategy is not unique to Newsom, he uses it more frequently than his predecessor, Jerry Brown, did as governor.

"Gavin is different," one Democratic lawmaker said. "He runs the state like a mayor. He wants to have his hands in everything. But some of his proposals are not as well thought-out and don't get the vetting they might deserve."

## NEWSOM DEFENDS HIS STRATEGY AS 'NECESSARY' & 'APPROPRIATE'

Asked about criticisms for tucking policy priorities into trailer bills, Newsom defended the practice as "necessary to move the needle" to "improve the lives of 40 million Californians."

"It's afforded to us and it's the appropriate mechanism on issues that are challenging and in the past have been stubborn to get across the finish line," he told The Bee at a [recent public event](#).

He pointed to a package of 2023 bills meant to speed up major infrastructure projects by hastening environmental review and permitting. The package – consisting of five trailer bills approved last summer – is already working to [speed the timeline of a new reservoir](#) planned for Northern California.

"It's a proof point of how we can work together with a sense of urgency to actually accomplish big things," Newsom said. (He had pushed to pass the infrastructure package much more quickly but [several lawmakers demanded](#) – and got – more robust public hearings on the bills.)

The governor has official reasons for using trailer bills in this way and lawmakers have reasons to continually allow it: most trailer bills really do deal with state spending issues or more mundane topics.

And both branches have unofficial reasons, including that it helps Democrats hurry through proposals that might otherwise face criticism if interest groups were able to rally opposition.

"When you're trying to do hard things," one Democratic lawmaker said, "the more time you give opponents, it gives them more opportunity to unravel it."

Some top Democratic leaders also defended the practice.

"With any budget, it's going to be focused on fiscal and policy. I don't think you can have one without the other," said Senate President pro Tem Mike McGuire, D-Healdsburg.

Speaker Robert Rivas, who took over the Assembly after last year's budget was completed, has said he favors more transparency as leader. His spokesman said the chamber "generally wants less policy done in the budget, and every year pushes back against trailer bill proposals."

"The budget is always a negotiation, and members fight hard to ensure policy travels through a process that results in smart spending and a responsible budget," Rivas communications director Nick Miller said in a statement.

One bill the Newsom administration originally included in the budget package raises the fee on pesticides sold into the state over the next four years. After some pushback from lawmakers, [the bill](#) received additional hearings in legislative policy committees. It passed and was signed into law with the rest of the budget.

"In any given year you'll have one or more legislators who don't feel that something in a trailer bill should be in a trailer bill. That is not unusual," said Sen. Nancy Skinner, D-Berkeley, who shepherded scores of budget bills during her three years as chair of the Senate Budget and Fiscal Review Committee.

## DEM LAWMAKERS QUIETLY HATE IT

In interviews with The Bee, a half dozen lawmakers in both chambers expressed concerns with both the lack of transparency that comes with enormous trailer bills and an expectation that the caucus vote in favor of them.

Lawmakers largely did not want to speak publicly on the topic, citing the same reasons they vote in favor of budget bills on which they might disagree: a fear of being stripped of committee assignments and the ability to influence legislation before them, fear of the consequences for their own bills, and a desire to stay in the good graces of Newsom and legislative leaders.

"The unspoken rule is you never go up against a leader of your party," one Democratic lawmaker said.

Especially one like Newsom, a rising star in national politics who still wields the power of the veto pen.

One Democratic lawmaker, granted anonymity to speak freely on the matter, said trailer bills like AB 205 are "bad policy and have led to embarrassing situations" for the supermajority party.

"It's not the way that policymaking is supposed to be done. It erodes the public's trust when you take shortcuts," they said.

Any concerns raised in committee hearings rarely, if ever, result in changes to the legislation because the bills often face hard constitutional deadlines, lawmakers said. And once a budget bill reaches the floor, Democrats are generally expected to vote in favor of it.

Members of the Senate have more leeway to refrain from voting, as long as they raise concerns with leadership ahead of time.

Assembly members appear to be getting some of that flexibility under Rivas' leadership. Vote tallies show some Democratic Assembly members did not vote on certain budget bills this year.

In the past, Assembly members have been [removed from committees](#) as punishment for [falling out of line](#) on budget bills and other leadership priorities.

As several lawmakers told The Bee, sometimes legislative leaders also keep details at a minimum to get more controversial priorities across the finish line.

"Legislative leaders of both houses have done (this) in the past, too," one Democratic lawmaker said.

"A (former) budget leader once told me, 'How else are we going to get 41 votes on controversial policy,'" another Democrat said.

Multiple lawmakers have pointed to AB 205, which contained the fixed electric rate charge, as an example of an egregious use of trailer bills.

The sweeping 2022 bill dealt with state energy programs and climate goals. But tucked inside [the 21,000-word bill](#) was language that would lead to a controversial charge [coming soon to millions of Californians' electric bills](#), which directed utility regulators to adopt fixed energy usage fees based on a household's income.

At the time, lawmakers of both parties criticized the content of the bill and its rushed timeline, though it easily passed along party lines. But the fixed-income provision was not mentioned in a one-hour public hearing of the bill or its floor debates.

"This is a crappy trailer bill that was dumped on us late Sunday night and we have to vote on this three days later," Assembly member Al Muratsuchi, D-Torrance, said of the bill during a June 2022 floor debate.

He then voted for the bill, paraphrasing a famous line by a former NFL running back: "In the words of Marshawn Lynch, I'm here because I don't want to get fined."

The changes to electric billing became so controversial that nearly two dozen Democrats signed onto an [effort to repeal it](#) earlier this year.

"We really believe that these type of discussions should take place in the legislature, so that we can all be a part of a decision and really look at what are the potential pitfalls," Asm. Jacqui Irwin, who spearheaded the effort, said at a January press conference.

When asked why Democrats supported the original bill to change rate payments, Irwin said "having it part of such a huge trailer bill is, in my opinion, not appropriate."

Her repeal bill stalled earlier this year. Irwin declined an interview for this story.

When asked about AB 205, Skinner, a former Senate budget chair, said the bill “was in print at least 72 hours before we voted on it. It’s not like anybody pulled the wool over anybody’s eyes.”

## WHAT HAPPENED THIS YEAR?

The extent the governor used the budget this year to advance his policy ideals is not clear.

Before the striking an agreement, Newsom proposed budget bills that would [give his administration more control over tax filing deadlines](#) (last year’s delayed deadline is often blamed for the scope of this year’s budget deficit) and make [permanent a program that gives free State Parks passes](#) to 4th graders – a priority of his wife, First Partner Jennifer Siebel Newsom.

Both proposals made it into the final budget package.

Top lawmakers also used the budget process this year to their own advantage by exempting construction of a new Capitol annex from environmental law. Some Democratic lawmakers supported the change, accusing opponents of ‘NIMBYist’ abuse of environmental law to delay the project.

Gallagher, the Republican leader, said the CEQA exemption is the latest example of Democrats’ “rules for thee-style” governing. He called for comprehensive reform to CEQA in order to speed housing construction across the state.

“The final product suffers when significant policy making is done through the budget,” said Mike Gatto, a Democrat and former state lawmaker.

“It’s part of a trend where the executive branch has gotten more and more powerful at the expense of the legislative branch.”



California lawmakers passed a 19-bill, 2,100-page budget package late last month and, maybe unknowingly, approved some pet priorities of Gov. Gavin Newsom.

The second-term governor has a history of tucking policy priorities into budget bills, a move that has a three-pronged benefit of limiting public debate, securing support from members of the legislature's Democratic supermajority and allowing them to take effect immediately.

By and large, the legislature has let him do it.

"It's kind of offensive when the governor and legislative leaders basically say, 'We don't give a s— what anyone thinks, this is what we're doing,'" said one Democratic lawmaker, who requested anonymity so they could speak freely. "It's effectively taking away every representative's vote and the say of my constituency."

State lawmakers are briefed on the details of a budget agreement struck between the "Big Three" leaders: the governor, speaker and Senate president pro Tempore. But some items still find their way into the budget package.

Asked whether Newsom used the approach this year, one Democratic lawmaker said, "I'm sure he did. That's what governors do."

Newsom – and Lt. Gov. Eleni Kounalakis, serving as acting governor – signed the budget package into law in late June and early July.

## ‘WE DON’T KNOW WHAT WE DON’T KNOW’

A bill included in this year's budget package contained provisions from a criminal justice measure proposed two years ago. The law originally would have allowed certain nonviolent felony convictions dating back to the 1970s become eligible for automatic expungement after a person completed their sentence. After hitting

resistance, the bill was watered down to apply to convictions since 2005. But a budget bill passed in late June expands the law to its original 1973.

Half a dozen Democratic lawmakers, both in interviews with The Sacramento Bee and in public statements, said the practice raises troubling transparency concerns.

“We don’t know what we don’t know,” a chief of staff to a Democratic state lawmaker said of the fine-print details hidden in California’s sprawling budget package.

Rank-and-file Democrats are generally expected to support budget bills and other leadership priorities. In the past, members have been removed from committee posts or otherwise punished for opposing them.

This year, Newsom and lawmakers also used the budget process to [exempt their new office building from environmental lawsuits](#), which have significantly delayed the project. And the governor is also eyeing budget bills – known as “trailer bills” because they typically are passed after the main budget bill – to [reform the state’s home insurance market](#) and tweak, or [further delay](#), a law increasing the minimum wage for California’s health care workers.

## HOW CALIFORNIA’S BUDGET PROCESS ALLOWS FOR SNEAKY POLICY

Along with the state’s main appropriations bill divvying up California’s nearly \$300 billion in annual spending, state lawmakers pass more than a dozen bills known as budget trailers. These trailer bills direct more specific spending on topics like public safety and education in order to implement the spending plan.

But sometimes they contain much more.

In recent years, Newsom has used the legislature’s budget process to implement an extensive [infrastructure streamlining package](#), push through funding for an ambitious project to “reimagine” [San Quentin State Prison](#), and effectively change how many [Californians are charged for electricity](#).

One Democratic lawmaker called the 72 hours after a trailer bill's introduction "a charade that rolls into a floor vote." Another said it's "completely insane that we do almost any policy in the budget, particularly controversial things."

All bills in California face transparency rules, including a requirement to be public for 72 hours before they can be approved. But budget bills have lower hurdles than other legislation – the most significant being they take effect immediately with a simple majority vote, while other bills require two-thirds.

As part of the budget, details of trailer bills are often worked out in closed-door negotiations between the governor, Assembly speaker and Senate president pro Tem. Unlike most legislation, trailer bills [originate with the state's Department of Finance](#), meaning in their earliest form they are written by the administration's staff rather than by the legislature.

By the time budget agreements are published in bill form, they are all but certain to be signed into law days later without any changes.

This year, a budget agreement was announced on a Saturday morning in June, days away from the start of the state's new fiscal year. Over the rest of the weekend, state lawmakers received 19 bills containing the details of the agreement and totalling more than 2,100 pages. They approved most of the package days later, on Wednesday night.

Republicans have been more vocal about Newsom's tactics, leveling criticism at Democrats for voting on complex budget bills that often contain more than just dollars and cents.

"Especially recently, they haven't been very transparent" about everything tucked inside these bills, said Assembly Republican Leader James Gallagher, R-Nicolaus. "Trailer bills are supposed to be used to clean up a budget issue. They aren't supposed to be ... the governor's vehicles to push his own policies through the legislature quickly without deliberation."

Lawmakers of both parties and Capitol observers say while the strategy is not unique to Newsom, he uses it more frequently than his predecessor, Jerry Brown, did as governor.

"Gavin is different," one Democratic lawmaker said. "He runs the state like a mayor. He wants to have his hands in everything. But some of his proposals are not as well thought-out and don't get the vetting they might deserve."

## NEWSOM DEFENDS HIS STRATEGY AS 'NECESSARY' & 'APPROPRIATE'

Asked about criticisms for tucking policy priorities into trailer bills, Newsom defended the practice as "necessary to move the needle" to "improve the lives of 40 million Californians."

"It's afforded to us and it's the appropriate mechanism on issues that are challenging and in the past have been stubborn to get across the finish line," he told The Bee at a [recent public event](#).

He pointed to a package of 2023 bills meant to speed up major infrastructure projects by hastening environmental review and permitting. The package – consisting of five trailer bills approved last summer – is already working to [speed the timeline of a new reservoir](#) planned for Northern California.

"It's a proof point of how we can work together with a sense of urgency to actually accomplish big things," Newsom said. (He had pushed to pass the infrastructure package much more quickly but [several lawmakers demanded](#) – and got – more robust public hearings on the bills.)

The governor has official reasons for using trailer bills in this way and lawmakers have reasons to continually allow it: most trailer bills really do deal with state spending issues or more mundane topics.

And both branches have unofficial reasons, including that it helps Democrats hurry through proposals that might otherwise face criticism if interest groups were able to rally opposition.

"When you're trying to do hard things," one Democratic lawmaker said, "the more time you give opponents, it gives them more opportunity to unravel it."

Some top Democratic leaders also defended the practice.

"With any budget, it's going to be focused on fiscal and policy. I don't think you can have one without the other," said Senate President pro Tem Mike McGuire, D-Healdsburg.

Speaker Robert Rivas, who took over the Assembly after last year's budget was completed, has said he favors more transparency as leader. His spokesman said the chamber "generally wants less policy done in the budget, and every year pushes back against trailer bill proposals."

"The budget is always a negotiation, and members fight hard to ensure policy travels through a process that results in smart spending and a responsible budget," Rivas communications director Nick Miller said in a statement.

One bill the Newsom administration originally included in the budget package raises the fee on pesticides sold into the state over the next four years. After some pushback from lawmakers, [the bill](#) received additional hearings in legislative policy committees. It passed and was signed into law with the rest of the budget.

"In any given year you'll have one or more legislators who don't feel that something in a trailer bill should be in a trailer bill. That is not unusual," said Sen. Nancy Skinner, D-Berkeley, who shepherded scores of budget bills during her three years as chair of the Senate Budget and Fiscal Review Committee.

## DEM LAWMAKERS QUIETLY HATE IT

In interviews with The Bee, a half dozen lawmakers in both chambers expressed concerns with both the lack of transparency that comes with enormous trailer bills and an expectation that the caucus vote in favor of them.

Lawmakers largely did not want to speak publicly on the topic, citing the same reasons they vote in favor of budget bills on which they might disagree: a fear of being stripped of committee assignments and the ability to influence legislation before them, fear of the consequences for their own bills, and a desire to stay in the good graces of Newsom and legislative leaders.

"The unspoken rule is you never go up against a leader of your party," one Democratic lawmaker said.

Especially one like Newsom, a rising star in national politics who still wields the power of the veto pen.

One Democratic lawmaker, granted anonymity to speak freely on the matter, said trailer bills like AB 205 are "bad policy and have led to embarrassing situations" for the supermajority party.

"It's not the way that policymaking is supposed to be done. It erodes the public's trust when you take shortcuts," they said.

Any concerns raised in committee hearings rarely, if ever, result in changes to the legislation because the bills often face hard constitutional deadlines, lawmakers said. And once a budget bill reaches the floor, Democrats are generally expected to vote in favor of it.

Members of the Senate have more leeway to refrain from voting, as long as they raise concerns with leadership ahead of time.

Assembly members appear to be getting some of that flexibility under Rivas' leadership. Vote tallies show some Democratic Assembly members did not vote on certain budget bills this year.

In the past, Assembly members have been [removed from committees](#) as punishment for [falling out of line](#) on budget bills and other leadership priorities.

As several lawmakers told The Bee, sometimes legislative leaders also keep details at a minimum to get more controversial priorities across the finish line.

"Legislative leaders of both houses have done (this) in the past, too," one Democratic lawmaker said.

"A (former) budget leader once told me, 'How else are we going to get 41 votes on controversial policy,'" another Democrat said.

Multiple lawmakers have pointed to AB 205, which contained the fixed electric rate charge, as an example of an egregious use of trailer bills.

The sweeping 2022 bill dealt with state energy programs and climate goals. But tucked inside [the 21,000-word bill](#) was language that would lead to a controversial charge [coming soon to millions of Californians' electric bills](#), which directed utility regulators to adopt fixed energy usage fees based on a household's income.

At the time, lawmakers of both parties criticized the content of the bill and its rushed timeline, though it easily passed along party lines. But the fixed-income provision was not mentioned in a one-hour public hearing of the bill or its floor debates.

"This is a crappy trailer bill that was dumped on us late Sunday night and we have to vote on this three days later," Assembly member Al Muratsuchi, D-Torrance, said of the bill during a June 2022 floor debate.

He then voted for the bill, paraphrasing a famous line by a former NFL running back: "In the words of Marshawn Lynch, I'm here because I don't want to get fined."

The changes to electric billing became so controversial that nearly two dozen Democrats signed onto an [effort to repeal it](#) earlier this year.

"We really believe that these type of discussions should take place in the legislature, so that we can all be a part of a decision and really look at what are the potential pitfalls," Asm. Jacqui Irwin, who spearheaded the effort, said at a January press conference.

When asked why Democrats supported the original bill to change rate payments, Irwin said "having it part of such a huge trailer bill is, in my opinion, not appropriate."

Her repeal bill stalled earlier this year. Irwin declined an interview for this story.

When asked about AB 205, Skinner, a former Senate budget chair, said the bill "was in print at least 72 hours before we voted on it. It's not like anybody pulled the wool over anybody's eyes."

## WHAT HAPPENED THIS YEAR?

The extent the governor used the budget this year to advance his policy ideals is not clear.

Before striking an agreement, Newsom proposed budget bills that would [give his administration more control over tax filing deadlines](#) (last year's delayed deadline is often blamed for the scope of this year's budget deficit) and make [permanent a program that gives free State Parks passes](#) to 4th graders – a priority of his wife, First Partner Jennifer Siebel Newsom.

Both proposals made it into the final budget package.

Top lawmakers also used the budget process this year to their own advantage by exempting construction of a new Capitol annex from environmental law. Some Democratic lawmakers supported the change, accusing opponents of 'NIMBYist' abuse of environmental law to delay the project.

Gallagher, the Republican leader, said the CEQA exemption is the latest example of Democrats' "rules for thee-style" governing. He called for comprehensive reform to CEQA in order to speed housing construction across the state.

"The final product suffers when significant policy making is done through the budget," said Mike Gatto, a Democrat and former state lawmaker.

"It's part of a trend where the executive branch has gotten more and more powerful at the expense of the legislative branch."