TO: State Association of County Retirement Systems
FROM: Cara Martinson, Capitol Advocacy
Laurie Johnson, LJ Consulting & Advocacy
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RE: Legislative Update – November

2026 General Election: Key Results and Implications
California's November 3 general election produced a significant Democratic victory, reinforcing the party's control of state government and setting the stage for an even stronger Democratic majority in the Legislature. Xavier Becerra will become California's next Governor, winning approximately 64% of the vote. Democrats are also positioned to expand their supermajorities, with an estimated 64–67 seats in the Assembly (up from 60) and 31–32 seats in the Senate (up from 30) with votes in close races still being counted. Under the newly approved Proposition 50 congressional map, Democrats are expected to gain five additional seats in the U.S. House.

Implications for the 2027 Legislative Session
The expanded Democratic majorities will further strengthen the Legislature's ability to advance its policy and budget priorities, including potential tax increases and urgency legislation without Republican support. Governor-elect Becerra will enter office facing significant budget challenges, including federal healthcare funding reductions, a structural state budget deficit, wildfire liability, and growing concerns over utility and insurance costs. His administration's initial policy priorities and budget proposals are expected to take shape in December and January.

Statewide Ballot Measures
Voters approved several significant measures, including the $11.25 billion veterans and affordable housing bond (Prop 1), an expansion of the state's rainy-day reserve (Prop 2), and the extension of higher income tax rates (Prop 3). The middle-income homebuyer loan program (Prop 37) also passed. Voters rejected the voter identification measure (Prop 39), the proposed billionaire wealth tax (Prop 40), and changes to CEQA review (Prop 45). The competing tax measures, Props 41 and 42, remain subject to final vote counts. The community health clinic spending mandate (Prop 44) was decisively rejected.

Local Government and Infrastructure
Local voters demonstrated continued support for transportation and infrastructure investment. San Bernardino County Measure I and Riverside County Measure A, both extending half-cent transportation sales taxes, passed with approximately 69% and 70%

support, respectively. Several local revenue measures also performed well, including business license tax increases in Perris, Chino, Upland, and Costa Mesa, as well as sales and hotel tax increases in Orange.

What Comes Next
The election results remain preliminary. Counties may continue receiving eligible mailed ballots through November 10, with county certification scheduled for December 3 and new legislators taking office December 7. The Secretary of State is scheduled to certify statewide results December 11.The expanded Democratic majorities, incoming Becerra administration, and voter decisions on taxes, housing, healthcare, and infrastructure will shape California's policy and fiscal landscape in 2027.

Contact:
If you have any questions, contact Cara Martinson at cmartinson@capitoladvocacy.com, or Laurie Johnson at lauriejconsult@gmail.com.