
MEMORANDUM

To: Orange County Sanitation District
From: Townsend Public Affairs
Date: July 5, 2023
Subject: Monthly Legislative Report

State Legislative Update

The month of June saw the rapid approach of the State budget and first house bill deadlines. Lawmakers worked to pass legislation out of their respective house of origin before June 2 and agree on a budget framework before June 15. Additionally, the Legislature negotiated with the Administration on a comprehensive budget for 2023. The Governor signed the 2023 Budget Act into law prior to the constitutional deadline of July 1.

State Budget

During the last week of June, the Legislature and Governor Newsom announced they had reached a deal on the 2023 State Budget. On June 13, Governor Newsom signed the 2023 Budget Act, [SB 101](#), into law, four days before the constitutional deadline of July 1. Overall, the budget reflects a \$310.8 billion spending plan for the 2023-24 fiscal year. This agreement also closes an estimated \$32 billion budget deficit while setting aside about \$37.8 billion in reserves.

In early July, the Governor will continue to sign “Budget Jr. Bills” and “Budget Trailer Bills” which amend the Budget Act and provide implementing language for key spending programs and reflects the final agreement on the State’s spending plan reached between the Administration and the Legislature.

Much of the negotiations during June centered around the Governor’s desire to include several measures to expedite large-scale infrastructure projects by, in part, accelerating the judicial review of CEQA lawsuits and providing funding for transit operations. Ultimately, the negotiations resulted in a concession the Governor made to remove the proposed Delta Tunnel water project from being eligible for expedited CEQA review. This could prove fatal for the Delta Tunnel water project that is certain to face a tough uphill CEQA battle.

The Budget maintains \$8.6 billion of previously allocated multi-year commitments on water and wastewater related funding to minimize the immediate economic and environmental damage from drought. Of most interest to OC San is the included money in the Budget for water recycling, which will likely be distributed through the existing water recycling funding program as a function of the State Revolving Fund.

Assembly Member Robert Rivas Succeeds Assembly Member Anthony Rendon as Speaker

Following nearly a year-long transition, Friday, June 30 marked the final day of the Session with Anthony Rendon as the Assembly Speaker, as Robert Rivas was sworn in to serve as the 71st Speaker of the Assembly. Following the Oath of Office Ceremony, Speaker Rivas made a speech where he shared his goals for the upcoming year, which included working to address the issues of homelessness and affordable housing. In early July and after the Legislature's Summer Recess, Speaker Rivas is expected to announce his leadership team, as well as any changes that will be made to the membership of committees in the Assembly. This is likely to have a ripple effect in the Assembly's priorities, policy actions, and political factions of the legislative body as a whole.

This will have unknown impacts to OC San and Orange County as a whole. Speaker Rivas is expected to install new chairs of relevant Assembly Committees that OC San cares about including Budget, Local Government, Water Parks and Wildlife, and Natural Resources. Specifically, Speaker Rivas has already made a change in the Assembly Local Government chairmanship by giving the job to Assembly Member Juan Carrillo (D-Palmdale) which could open up possibilities for OC San supported legislation to pass.