

---

MEMORANDUM

---

**To:** Orange County Sanitation District  
**From:** Townsend Public Affairs  
**Date:** April 4, 2024  
**Subject:** State Legislative Monthly Report

---

## STATE LEGISLATIVE UPDATES

The month of March continued with the Legislature’s quick pace of considering and amending legislation to ensure bills progressed through their first house. In addition to the growing momentum of legislative progress within the Legislature, March featured numerous developments related to addressing priority issues such as the State Budget, retail theft, and affordability in the utility sector. The Legislature also observed its Spring Recess from March 22 – March 29 and returned to Sacramento on April 1.

March featured numerous policy committees and robust agendas for bill considerations. This pace will continue through April and May before bills cross over to their second house by the May 24 legislative deadline. The Legislature will shift its focus once again to the budget process in May, which marks the release of the Governor’s “May Revision” of the January budget proposal, followed by the constitutional deadline of July 1 wherein the Governor must sign a budget bill into law.

In addition to policy committee events, March saw several bill amendments. With the bill introduction deadline on February 16, the Legislature introduced 1,520 Assembly Bills and 639 Senate Bills, for a total of 2,159 bills. In addition, there are 397 combined Assembly and Senate “2-year bills” that were introduced in 2023, which have been able to resume the legislative process since January 2024.

### State Budget Update—Senate Releases Early Action Plan

On March 14, the Senate released its [budget priorities](#) document, which overviews their proposed amendments to the Governor’s January budget proposal. The priority document is titled “Protect our Progress,” and serves as an important benchmark for the negotiations between the Governor’s Administration, the Assembly, and the Senate on how each stakeholder would like to see the State’s spending plan for the fiscal year implemented. Since the release of the Governor’s January Budget proposal, which outlined a \$38 billion projected shortfall, the Legislative Analyst Office (LAO) has reported the problem could grow by an additional \$15 billion, which would take the shortfall to \$53 billion. The May Revision of the January Budget Proposal which will incorporate April tax receipts and revenue returns data will provide a more precise number, which could range from lower than \$38 billion to higher than \$53 billion.

These conversations and budget negotiations are particularly **relevant to OC San** because of the impacts they can have on priority pots of funding from the State or on the likelihood of Member directed spending from the Budget.

The Senate report suggests that the Legislature could enhance the management of the shortfall by promptly implementing several billion dollars' worth of proposed solutions. To be precise, the adoption of \$17.1 billion in solutions, aligned with the Governor's proposal for a partial utilization of the Rainy-Day Fund, constitutes Step 1 of the Senate's Protect Our Progress 2024 budget plan, achieving the following objectives:

- “Shrinks the Shortfall” from a projected \$38-\$53 billion to a more manageable \$9-24 billion.
- Positions the Legislature and the Governor to best protect progress by maximizing the time and energy spent focusing on the most challenging solutions to close the remaining budget shortfall during the critical time leading up to the June 15 constitutional deadline for the Legislature to pass the Budget Bill.

Step 2 of the Senate’s Protect Our Progress 2024 budget plan, is anticipated to be released later in the Spring and will provide a comprehensive proposal for a balanced, responsible budget that protects core programs and services. The release of the priority outline document will soon be complemented by the Assembly’s priorities, which will eventually be incorporated into the Legislature’s official budget proposal bill following negotiations between both houses.

On March 20, Governor Newsom and Senate Pro Tem McGuire reached a tentative compromise to help close the current budget shortfall. Currently, no official language has been released, however, a compromise is anticipated to address the current shortfall with cost savings of between \$12-18 billion.

### **California Water Supply Conditions**

In recent years, Spring has generally marked the end of California's rainy season. Spring also marks a pivotal time of year for water managers in the State to record snow levels in the Sierra Nevada. This year, water reservoirs are marginally surpassing the average levels at the Sierra Nevada and the Colorado River Basin, which are pivotal reservoirs of water.

Additionally, this year marks an anomaly; despite prolonged drought and occasional heavy floods during the winter, the Sierra snowpack is currently reporting average levels. By comparison, this time last year Sierra snowpack hovered around 230 percent of average, replacing a dismal year of just 35 percent the year before.

The National Weather Service has issued a winter storm warning for the Sierra for early April, forecasting approximately one to two feet of snow. A relatively normal snowpack is a good sign and helps water managers plan effectively for water deliveries in the upcoming year. **Particularly of an interest to OC San**, a strong snowpack likely suggests more water deliveries to Southern California and a decreased likelihood of mandatory reductions or conservations orders that can impact OC San operations.