

Agenda Report

File #: 2023-3072, **Version:** 1

FROM: Robert Thompson, General Manager

SUBJECT:

LEGISLATIVE AFFAIRS UPDATE FOR THE MONTH OF MAY 2023

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Receive and file the Legislative Affairs Update for the month of May 2023.

BACKGROUND

The Orange County Sanitation District's (OC San) legislative affairs program includes advocating for OC San's legislative interests; sponsoring legislation (where appropriate); and seeking Local, State, and Federal funding for projects and programs.

RELEVANT STANDARDS

- Maintain influential legislative advocacy and a public outreach program
- Build brand, trust, and support with policy makers and community leaders
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities

PROBLEM

Without a strong advocacy program, elected officials may not be aware of OC San's mission, programs, and projects and how they could be impacted by proposed legislation.

PROPOSED SOLUTION

Continue to work with Local, State, and Federal officials to advocate for OC San's legislative interests. Help to create/monitor legislation and grants that would benefit OC San, the wastewater industry, and the community. To assist in relationship building efforts, OC San will continue to reach out to elected officials providing facility tours, one-on-one meetings, and trips to Washington D.C. and Sacramento.

RAMIFICATIONS OF NOT TAKING ACTION

If OC San does not work with Local, State, and Federal elected officials, legislation could be passed that negatively affects OC San and the wastewater industry. Additionally, a lack of engagement may result in missed funding opportunities.

ADDITIONAL INFORMATION

Federal Update:

Debt Ceiling Agreement:

After several budget related discussions, Congress passed, and the President signed into law, the Fiscal Responsibility Act (H.R. 3764). This Act suspends the debt limit until January 2025. It limits future Federal spending growth to 1%. After six years, the Act is estimated to reduce the rate of federal spending by an estimated \$1 trillion dollars. As part of the Act, Congress must pass all spending bills by October 1 to avoid an automatic year-long Continuing Resolution accompanied by a 1% budget cut. This provides an incentive for Congress to pass all spending bills by October 1. For Fiscal Year 2024, Congress has until January 1, 2025, in recognition that the appropriations process was delayed due to the debt limit negotiations. What this means for OC San is continued opportunities to request Community Project Assistance in the coming budget cycles.

State Update:

State Budget Update:

On May 12, Governor Newsom released the May Revision of his budget proposal for the 2023-2024 fiscal year. The "May Revise" edition of the budget framework reflects revised revenue and expenditure estimates for both the current and budget years and allows the Administration and the Legislature to reconcile and reconfigure spending plans appropriately. In total, the May spending plan includes \$224 billion in General Fund spending, with a projected \$31.5 billion budget shortfall. Since January, the budget shortfall has increased by approximately \$9 billion, which is within the range the Administration was expecting. This means that there are limited funding opportunities for OC San through the Governor's budget with a focus on funding from potential bonds.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Federal Legislative Update
- Federal Legislative Matrix
- State Legislative Update
- State Legislative Matrix