

TO: Salton Sea Authority Board of Directors

FROM: Oracio Gonzalez, Ollin Strategies

DATE: June 2023

SUBJECT: California State Advocacy

This memorandum provides a summary of state legislative and fiscal developments related to the Authority's state advocacy.

Fiscal

On June 15, 2023, the state legislature passed a budget for purposes of meeting the constitutional deadline for a balanced budget to be passed and sent to the Governor. The budget that was passed, SB 101, is not "real" in that it was passed for purposes of meeting the constitutional deadline, and does not reflect a final agreement with the Governor. That said, the budget does reflect the priorities the legislature would like to see reflected in the final budget that is being actively negotiated with the Governor. Of note, SB 101 reduced the magnitude of Salton Sea Restoration funds that would be "shifted" to a general obligation bond from the \$169 million proposed by the Governor to \$119 million. Specifically, the legislature voted to restore \$50 million of the \$80 million the Governor had proposed in January 2023.

As noted in a previous report, there are two primary bond vehicles moving through the legislature:

- AB 1567 (Garcia), a measure that would place a \$15.9 billion general bond before voters on March 5, 2024. On May 26, the measure was amended to increase funding for Salton Sea restoration from \$240 million to \$400 million. Of these funds, the bond continues to set aside \$30 million for the Salton Sea Authority. In addition, the bond would set aside \$15 million for a Salton Sea conservancy. Measure is awaiting a hearing before the Senate Natural Resources Committee.
- SB 867(Allen), a measure that would place a \$15.5 billion general obligation bond before voters during a yet to be specified date. As proposed, the measure includes \$100 million for Salton Sea restoration activities. Measure was heard by the Assembly Water Parks and Wildlife Committee on June 20, 2023, and is now awaiting a hearing before the Assembly Natural Resources Committee.

Conservancy (SB 583)

Pursuant to the direction of the Board, the Authority submitted an "Oppose Unless Amended" position letter and accompanying amendments to Senator Padilla and the members of the

Assembly Natural Resources Committee. Senator Padilla has not indicted if he plans to accept the amendments. The measure is scheduled to be heard by the Natural Resources Committee on Monday, June 26, 2023, at 2:30pm.