

TO: Salton Sea Authority Board of Directors

FROM: Oracio Gonzalez, Ollin Strategies

DATE: November 2023

SUBJECT: California State Advocacy

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

As of the writing of this memo, Senate and Assembly leadership have not released the updated membership for policy and budget committees. As noted in last month's memo, with the election of Assemblymember Robert Rivas as Speaker of the Assembly, and the selection of Senator Mark McGuire as Senate President designee, it is anticipated most if not all committees will have new chairs and members next year.

The Authority remains keenly focused on changes to the leadership of committees with jurisdiction over the Salton Sea, including the Assembly Water Parks and Wildlife Committee, the Assembly Natural Resources Committee, the Assembly Budget Subcommittee 3 Climate Crisis, Resources, Energy, and Transportation, the Senate Natural Resources Committee and Senate Budget Subcommittee 2 on Resources, Environmental Protection and Energy.

From a fiscal perspective, the state finances continue to face uncertainty going into next year with most analyst predicting a significant budget deficit. The uncertainty was compounded by the Internal Revenue Service's extension of the tax filing deadline to November 16, 2023 for virtually all California tax payers. Historically, November would have seen a flurry of reports from the state discussing what policy makers could expect the state's finances to look like going into next year, but those reports have mostly been postponed to December. That said, initial indicators are suggesting a slowdown in the economy and a projected deficit of approximately \$15 billion.

The Governor will formally announce his proposed budget on January 10, 2024, a week after the legislature reconvenes on January 3, 2024.