

Legislative Update

May has been busy, as there are a number of legislative deadlines this month. May 23 was the deadline for fiscal committees to hear and report to the floor bills introduced to their house. May 30 is the deadline for bills to be passed out of their house of origin. Because some of the bills we were tracking did not meet these deadlines, the bill tracking report is shorter this month. Additionally, there was a change of leadership in the State Assembly this month. On May 12, Assembly Member Toni Atkins from San Diego was sworn in as the new Speaker.

The Governor released the May Revision to the administration's Budget Proposal earlier this month, which contained increased revenue projections from the January revenue projections. Major provisions in the May Revision include a recently negotiated Rainy Day Fund and a proposal to fully fund the California State Teachers' Retirement System, CalSTRS, in about 30 years by increasing contributions from the state, districts, and teachers. There are also proposals in the May revision for emergency drought response. These include an additional \$142 million in 2014-15, on top of the \$687 million in funding passed by the Legislature in February 2014.

The Water Bond bills are still in varying stages. Since April, several have been amended and some have failed to meet legislative deadlines. The bond bills that are still moving forward are:

- AB 1331 by Assembly Member Rendon
- AB 2554 by Assembly Member Rendon
- AB 2043 by Assembly Members Conway and Bigelow
- AB 2686 by Assembly Member Perea
- SB 848 by Senator Wolk
- SB 1250 by Senator Hueso
- SB 1370 by Senator Galgiani

While it is becoming more clear which vehicles for the bond are emerging, the content of the water bond is still up for debate and likely to change before any measure makes it onto the ballot. A stated deadline for putting a new water bond on the November ballot is June 26, however some believe there is more flexibility.

The Governor's office released draft groundwater management bill language dated May 22 that is based on the idea that each region is different and that groundwater resources are best managed at the local level. Now that the administration's proposal is out, we can expect a more detailed discussion on groundwater legislation in the coming weeks.

The Senate last week passed the Conference Report on the Water Resources Reform and Development Act, or WRRDA as it is known, and it now goes to President Obama, who has indicated he will sign it. WRRDA is a water infrastructure funding bill that authorizes 34 Army Corps projects to strengthen infrastructure, restore ecosystems, and maintain navigation routes, including strengthening the levees in the Natomas Basin (\$1B). WRRDA includes a requirement that the Corps of Engineers update its guidelines for the removal of vegetation on Corps levees after seeking public input. The Delta Plan recommends exempting Delta levees from the current Corps policy (ER R4).

Additionally, last week the Senate passed Senator Feinstein's Emergency Drought Relief Act of 2014, S. 2198. It contains provisions to increase water supplies, including that federal agencies must provide maximum water supplies possible from Delta pumping while being consistent with the ESA and biological opinions for smelt and salmon. There is some controversy about whether the bill preempts environmental protection laws and several NGOs have voiced their concerns.

In conclusion, the deadline for the Legislature to pass the budget bill is June 15, I will be able to update you on that next month. You also have an updated water bond chart and bill tracking report in front of you. There is nothing I would call to your attention to, except one bill, AB 2108, which I will be turning to Jessica for.