



-VIA ELECTRONIC MAIL-

January 17, 2024

To: Steve Cole, Santa Clarita Valley Water Agency

From: Dennis Albiani and Annalee Augustine, California Advocates

Subject: Supplemental Report for January 2024 - Governor Newsom's Proposed Budget

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On January 10, Governor Newsom unveiled his budget plan for the 2024-2025 fiscal year. The total amount for the state's proposed budget is \$291.5 billion, with an estimated \$37.9 billion shortfall and \$208.7 billion for the General Fund. This shortfall is lower than the estimated \$68 billion from the Legislative Analyst Office's prediction published last fall, with differences largely attributed to a higher revenue projection (by \$15 billion) and a different interpretation of what is considered a "baseline change."

There are a number of proposed cuts in the categories related to water, which are included in the "climate change" section of budget materials. Proposed changes and provisions to highlight for SCV Water include:

- A reversion of \$71.6 million from the General Fund and reduction of \$30 million in 2024-25 for PFAS support. The Budget maintains \$53 million previously allocated to this program.
- A reversion of \$174.4 million from the General Fund and a delay of \$100 million until 2025-26 for water recycling and groundwater cleanup. The Budget maintains \$348 million previously allocated to this program.
- A reversion of \$50 million from the General Fund for dam safety investments. The Budget maintains \$50 million previously allocated to this program.
- A reversion of \$88.4 million from the General Fund and a reduction of \$350 million over the next two years for various watershed climate resilience programs within the DWR and the Wildlife Conservation Board. The Budget maintains \$56 million previously allocated to these programs.

Please find links to resources with more details below, and do not hesitate to reach out if there are any questions.

- [Governor's Budget Summary \(Climate Change Section Only\)](#)
- [Legislative Analyst's Office Overview of the Governor's Budget](#)