



April xx, 2025

The Honorable Gavin Newsom
Governor of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Mike McGuire
Senate President Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

The Honorable Scott Wiener
Chair, Senate Budget Committee
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Comm
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Ben Allen
Chair, Senate Budget Sub Comm #2
1021 O Street, Suite 6610
Sacramento, CA 95814

The Honorable Steve Bennett
Chair, Assm. Budget Sub Comm #4
1021 O Street, Suite 4710
Sacramento, CA 95814

RE: Vacant Positions Sweep—Oppose elimination of fee-based positions

Dear Governor Newsom, Pro Tem McGuire, Speaker Rivas, Chair Wiener, Chair Gabriel, Chair Allen and Chair Bennett,

Budget Trail Bill language in 2003 (SB 1049) transitioned the funding of its waste discharge program, water rights program, water quality program, dam safety program from the General Fund to a fee-based system during the 2003–2004 fiscal year. This shift was part of a broader budget strategy to alleviate the state's General Fund expenditures by increasing reliance on fees collected from regulated entities. This shift has saved California hundreds of millions of dollars over the last 20 years. Recycled water permit fees were just created in 2023 in recognition that to permit projects that will bring on new sources of water, consistent revenue to fund staff positions at the State and Regional Water Boards is imperative.

In the March 6, 2025 hearing of the Senate Budget Sub Committee 2, the Department of Finance confirmed that the “vacant positions sweep is agnostic to fund” and noted that vacant positions are being swept from funds that are fee-based, not funded by the General Fund.

Further discussion focused on the possibility that fees could be lowered by these sweeps. While we have not seen such proposals yet, we are not in favor of a lower level of service from the state's regulatory agencies.

In 2003, the water community, largely, did not oppose the creation of fees to cover the cost of service of issuing permits and other regulatory actions. The water community recognized that to ensure staff were in place to expeditiously review permits, a consistent source of revenue was needed. We agreed that the reliability industry-based fees would provide were worth cost.

California's water, wastewater, stormwater and recycled water agencies are strong partners to the state and are committed to providing clean, safe and affordable water; treating wastewater and stormwater while protecting the environment, and creating recycled water to drought-proof California communities. California agencies cannot do these things without strong state partners to issue permits.

It is for these reasons that we are strongly opposed to vacant positions getting swept up in fee-based programs, even if it would result in fee reductions. These positions are critical to providing essential services to Californians. Reducing fees would not result in any savings to ratepayers, and will only serve to delay critical projects. Furthermore, it does not result in any General Fund savings, as articulated by the Department of Finance on March 6.

As Senator Allen noted on March 6, "just because a position is vacant, does not mean it is unnecessary to fulfill the law." We couldn't agree more.

We appreciate the Governor and the Legislature trying to eliminate inefficiencies and save General Funds. Sweeping up fee-based positions is not the way to achieve that goal. We strongly urge vacant positions funded by fees to not be eliminated, and in fact, filled expeditiously.

Sincerely,

Brenley McKenna
Managing Director
WaterReuse CA

Julia Hall
State Relations Director
Assn. of CA Water Agencies

Jessica Gauger
Dir. of Legislative Advocacy
CA Assn. of Sanitation Agencies

Andrea Abergel
Director for Water
CA Municipal Utilities
Association

Karen Cowan
Executive Director
CA Stormwater
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cc: Members, Senate Budget Sub Committee #2
Members, Assembly Budget Sub Committee #4
Joanne Roy, Consultant, Senate Budget Committee
Christine Miyashiro, Consultant, Assembly Budget Committee
Emylie Reeb, Senate Republican Consultant
Joe Shinstock, Assembly Republican Consultant
Christine Aurre, Office of the Governor