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# SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair

2025 - 2026 Regular Session

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## SB 872 (McNerney) - Delta Levees and Canal Subsidence Fund

**Version:** April 14, 2026

**Urgency:** No

**Hearing Date:** May 14, 2026

**Policy Vote:** E.Q. 5 - 0, N.R. & W. 7 - 0

**Mandate:** No

**Consultant:** Ashley Ames

**Bill Summary:** This bill would establish the Delta Levees and Canal Subsidence Fund (Fund) and, upon appropriation, would require the Secretary of the California Natural Resources Agency (CNRA) to allocate from the fund, through the 2046-47 fiscal year, \$150 million annually to the Department of Water Resources (DWR) for supporting capital improvements to restore the original design water conveyance capacity for state water conveyance systems impacted by land subsidence and \$150 million annually to the Sacramento-San Joaquin Delta Conservancy (Conservancy) for projects in the Sacramento-San Joaquin Delta or Suisun Marsh to improve existing levees, as specified.

**\*\*\*\*\* ANALYSIS ADDENDUM – SUSPENSE FILE \*\*\*\*\***

**The following information is revised to reflect amendments  
adopted by the committee on May 14, 2026**

### **Fiscal Impact:**

- Unknown but significant cost pressures (various funds) to provide funding for deposit into the Delta Levees and Canal Subsidence Fund in order to be allocated pursuant to the provisions of this bill. SB 872 would require CNRA to allocate monies in the fund, subject to availability, to specified purposes proportionate to need, as determined by CNRA, and based, at least in part, on seismic risk assessment. Some of these monies may come from sources other than state funds, such as private or federal funds.
- Unknown, potentially significant ongoing costs, possibly in the hundreds of thousands of dollars annually (General Fund) for the Conservancy and Department of Water Resources to develop and produce spending plans as provided.
- Implementation and administration costs for CNRA, DWR, the Conservancy, and other state entities would be dependent upon actual amounts allocated in any given year, and would likely vary significantly across departments and fiscal years.
  - DWR has existing State Water Project staff who are already doing some of the subsidence work identified by the bill and therefore DWR anticipates no additional costs to implement that portion of the bill.
  - DWR operates two local assistant programs that support work on levees of the Delta – the Delta Levee Maintenance Subventions Program and the Delta Special Projects Program – that currently receive between \$12 million and \$15 million annually and are supported by approximately 10 staff. Based on current program data, it is estimated that each doubling of grant monies would call for an increase of approximately 5 staff. Actual staffing needs and associated costs would depend on amounts allocated.

- The Conservancy estimates that in order to implement a new program it would need funding allocated across several key functions. Of the total amount allocated, the Conservancy estimates it would need approximately five percent to support program delivery, including contract management, communications, budgeting, and accounting. An additional five percent would be dedicated to planning and monitoring activities, such as grant and contract management. Lastly, the Conservancy estimates that about 10 percent would fund technical assistance, provided by both internal staff and external consultants. The Conservancy notes that the scope and cost of technical assistance would vary depending on the type of expertise required and the location of the work.
- Unknown but potentially significant costs for the Delta Stewardship Council to support implementation of annual Delta Levees Investment Strategy prioritization.
- Unknown costs of up to the low hundreds of thousands of dollars once every five years for CNRA to prepare and provide the required report to the Legislature.

**Author Amendments:** Author amendments would modify the Delta Conservancy spending plan, and add a spending plan for DWR.

**Committee Amendments:** Committee amendments would strike references to specific dollar amounts and instead require CNRA to allocate monies in the fund based on need and, at least in part, assessment of seismic risk.

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