

BOARD MEETING DATE: March 1, 2024

AGENDA NO. 15

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, February 9, 2024. The following is a summary of the meeting.

**RECOMMENDED ACTION:**

Receive and file this report and approve agenda items as specified in this letter.

Michael A. Cacciotti, Chair  
Legislative Committee

DJA:LTO:PFC:DPG:ar:mc

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**Committee Members**

Present: Councilmember Michael A. Cacciotti, Committee Chair  
Mayor Patricia Lock Dawson  
Supervisor Curt Hagman  
Supervisor V. Manuel Perez  
Councilmember Nithya Raman  
Councilmember José Luis Solache

Absent: None

**Call to Order**

Committee Chair Michael Cacciotti called the meeting to order at 9:02 a.m.

**Roll Call**

**ACTION/DISCUSSION ITEMS:**

**1. Update on Proposed Sponsor Bills**

Philip Crabbe, Senior Public Affairs Manager/Legislative, Public Affairs & Media, informed the Committee that over 30 meetings with state legislators and their staff have been held to secure authors for South Coast AQMD sponsored state bill proposals. Sponsor bills include:

- Increase compensation for local air district board members by doubling the current limit and adding an annual consumer price index increase going forward.
- Provide CARB board members representing local air districts with the same level of compensation as other voting CARB board members.
- Update the Carl Moyer program by expanding the liquidation time for Moyer funding from 4 to 6 years; and increasing program administrative fees for larger air districts from 6.25% to 12.5%.

Staff will continue to conduct outreach meetings regarding the bill proposals.

Supervisor Manuel Perez inquired about possible authors for the bill proposals. Derrick Alatorre, Deputy Executive Officer/Legislative, Public Affairs & Media, responded that staff will be in Sacramento on February 12 to meet with legislative offices to seek authors for the bill proposals and will have more information following those meetings. For additional information, please refer to the [Webcast](#) beginning at 5:45.

There was no public comment.

## **DISCUSSION ITEMS:**

### **2. Update and Discussion on Federal Legislative Issues**

South Coast AQMD's federal legislative consultants (Carmen Group, Cassidy & Associates, and Kadash & Associates) provided written reports on key Washington, D.C. issues.

Gary Hoitsma, Carmen Group, provided an overview of South Coast AQMD's advocacy trip to Washington, D.C. in partnership with the Ports of Los Angeles and Long Beach, Pacific Merchant and Shipping Association, International Longshore and Warehouse Union, Pacific Environment, and Sierra Club. Meetings scheduled by Carmen Group were with the Maritime Administration, U.S. Department of Energy Office of Energy Efficiency & Renewable Energy and the U.S. Chamber Commerce.

Jed Dearborn, Cassidy & Associates, reviewed meetings organized by their firm with Committee staff from House Energy and Commerce and Senate Environment and Public Works regarding U.S. EPA's proposed disapproval of South Coast AQMD's plan to meet the 1997 8-hour ozone standard and regional efforts to apply for grants under the U.S. EPA's jurisdiction. Cassidy & Associates also secured meetings with the White House Office of Climate and the U.S. Department of Transportation's Office of the Secretary who oversee Bipartisan Infrastructure Law and Inflation Reduction Act programs.

Mark Kadesh, Kadesh & Associates, shared that their firm secured 12 meetings with Members of Congress for South Coast AQMD's delegation. The coalition led by South Coast AQMD in support of funding to support the zero-emissions transformation of our regions goods movement system, was well received by Members of Congress and their staff.

Supervisor Perez asked about U.S. EPA's decision-making process in relation to recent actions to propose disapproval of our plan and other issues. Wayne Natri, Executive Officer, responded that U.S. EPA's actions seem to be guided by a legal perspective. For additional information, please refer to the [Webcast](#) beginning at 10:50.

Thomas Jelenic, representing Pacific Merchant Shipping Association, commented on the recent Washington, D.C. advocacy trip with South Coast AQMD and the need for federal action in controlling federal emissions sources.

### **3. Update and Discussion on State Legislative Issues**

South Coast AQMD's state legislative consultants (Resolute, California Advisors, LLC, and Joe A. Gonsalves & Son) provided written reports on key issues in Sacramento.

Alfredo Arredondo, Resolute, reported that the new Senate President Pro Tempore Mike McGuire announced changes to key senate leadership and committee positions. The changes include Senators Lena Gonzalez as Majority Leader, Anna Caballero as Chair of Appropriations Committee, Ben Allen as Chair of Environmental Quality Committee, Josh Becker as Chair of Budget Subcommittee 2 on Resources, Environmental Protection and Energy, and Dave Cortese as Chair of Transportation Committee.

Ross Buckley, California Advisors, LLC, reported that the Department of Finance announced that no additional spending adjustments to the Governor's January budget would be considered until the May Budget Revise, due to the deficit and fiscal uncertainty facing the State. The State could be approximately \$6 billion short for January revenue estimates.

Paul Gonsalves, Joe A. Gonsalves & Son, provided a status update on two-year bills being considered by the Legislature, and presented an overview of the legislative calendar. Key deadlines include:

- Last day for bills to be introduced on February 16.
- Last day to pass the budget bill on June 15.
- End of session on August 31.

For additional information, please refer to the [Webcast](#) beginning at 30:26.

There was no public comment.

**OTHER MATTERS:**

**4. Other Business**

There was no other business to report.

**5. Public Comment Period**

There was no public comment.

**6. Next Meeting Date**

The next regular Legislative Committee meeting is scheduled for Friday, March 8, 2024, at 9:00 a.m.

**Adjournment**

The meeting was adjourned at 9:34 a.m.

**Attachments**

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports

# ATTACHMENT 1

## **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – February 9, 2024**

Councilmember Michael Cacciotti .....	South Coast AQMD Board Member
Mayor Patricia Lock Dawson .....	South Coast AQMD Board Member
Supervisor Curt Hagman .....	South Coast AQMD Board Member
Supervisor V. Manuel Perez .....	South Coast AQMD Board Member
Councilmember Nithya Raman .....	South Coast AQMD Board Member
Councilmember José Luis Solache .....	South Coast AQMD Board Member
Debra Mendelsohn .....	Board Consultant (McCallon)
Uduak-Joe Ntuk .....	Board Consultant (Solache)
Mark Taylor .....	Board Consultant (Rodriguez)
Ben Wong .....	Board Consultant (Cacciotti)
Alfredo Arredondo .....	Resolute
Ross Buckley .....	California Advisors, LLC
Jed Dearborn .....	Cassidy & Associates
Paul Gonsalves .....	Joe A. Gonsalves & Son
Gary Hoitsma .....	Carmen Group, Inc.
Mark Kadesh .....	Kadesh & Associates
Mark Abramowitz .....	Public Member
Sam Emmersen .....	Public Member
Bill La Marr .....	Public Member
Nicole Rice .....	Public Member
Peter Whittingham .....	Public Member
Denny Zane .....	Public Member
Derrick Alatorre .....	South Coast AQMD Staff
Debra Ashby .....	South Coast AQMD Staff
Jason Aspell .....	South Coast AQMD Staff
Barbara Baird .....	South Coast AQMD Staff
Cindy Bustillos .....	South Coast AQMD Staff
Lara Brown .....	South Coast AQMD Staff
Maria Corralejo .....	South Coast AQMD Staff
Philip Crabbe .....	South Coast AQMD Staff
Javier Enriquez .....	South Coast AQMD Staff
Denise Gailey .....	South Coast AQMD Staff
Bayron Gilchrist .....	South Coast AQMD Staff
De Groeneveld .....	South Coast AQMD Staff
Sheri Hanizavareh .....	South Coast AQMD Staff
Anissa Cessa Heard-Johnson .....	South Coast AQMD Staff
Roupen Karakouzian .....	South Coast AQMD Staff
Aaron Katzenstein .....	South Coast AQMD Staff
Angela Kim .....	South Coast AQMD Staff
Howard Lee .....	South Coast AQMD Staff
Cristina Lopez .....	South Coast AQMD Staff
Jason Low .....	South Coast AQMD Staff
Connie Mejia .....	South Coast AQMD Staff
Ian MacMillan .....	South Coast AQMD Staff

Susan Nakamura .....South Coast AQMD Staff  
Wayne Nastri .....South Coast AQMD Staff  
Robert Paud .....South Coast AQMD Staff  
Sarah Rees .....South Coast AQMD Staff  
Mary Reichert .....South Coast AQMD Staff  
Aisha Reyes .....South Coast AQMD Staff  
Lisa Tanaka O'Malley .....South Coast AQMD Staff  
Connie Villanueva .....South Coast AQMD Staff  
Mei Wang .....South Coast AQMD Staff  
Paul Wright .....South Coast AQMD Staff  
Victor Yip .....South Coast AQMD Staff

# ATTACHMENT 2A



**Carmen Group**  
I N C O R P O R A T E D

**To:** South Coast AQMD Legislative Committee  
**From:** Carmen Group  
**Date:** January 25, 2024  
**Re:** Federal Update -- Executive Branch

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## **Department of Transportation**

**DOT Announces Grant Awards for EV Charging Infrastructure:** In January, the Department of Transportation (DOT) announced two sets of EV charging infrastructure grant awards, both from funds authorized under the Bipartisan Infrastructure Law. In the first set, \$653 million was distributed to 47 projects (for new EV charging and/or hydrogen or alternative fueling) in 22 states under the Charging and Fueling Infrastructure (CFI) Discretionary Grant Program. This involved 10 project grants in California, including: \$19.6 million for the City of Blythe; \$14.8 million for the City of Palmdale; \$12 million for the Victor Valley Transit Authority; and \$7.2 million for California State Los Angeles University Auxiliary Services, Inc. In the second set, \$150 million was distributed to 24 recipients in 20 states under the National Electric Vehicle Infrastructure (NEVI) Formula Program's 10% set-aside for local communities to repair or replace nearly 4,500 existing EV charging ports. The largest grant by far (\$63.7 million) was awarded to the California Department of Transportation to address over 1300 EV charging ports throughout the state.

**DOT All-In to Advance Brightline HSR Project:** In January, DOT approved \$2.5 billion in private activity bonds authority for the Brightline West High-Speed Rail (HSR) project connecting Las Vegas and Southern California. This follows a previous \$1 billion private activity bond allocation in 2020, a \$3 billion grant for the project to Nevada DOT in 2023, and a \$25 million RAISE grant to the SBCTA earlier in 2023 for the two Brightline stations in San Bernardino County.

**New DOT Advisory Committee to Focus on Transportation Innovation:** In January, DOT held the first meeting of its new 27-member Transforming Transportation Advisory Committee (TTAC). Among the issues it will explore are “pathways to safe, secure equitable, environmentally friendly and accessible deployments of emerging technologies.”

## **Department of Energy**

**DOE All-In to Advance Electric Vehicles:** In January, the Department of Energy (DOE) announced a series of federal investments designed to promote electric vehicles. DOT's Vehicle Technologies Office (VTO) selected 27 projects to receive \$71 million to lower the cost of EV batteries, advance EV charging systems, and increase EV driving

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range. It also provided \$60 million to the US Advanced Battery Consortium (USABC) for vehicle-related advanced battery R&D. In addition, the Joint Office of Energy and Transportation announced \$46.5 million for 30 projects in 16 states to boost EV charging performance and reliability. Meanwhile, the Treasury Department expanded eligibility for the EV charging tax credit, and the President vetoed a measure to repeal the waiver to allow a percentage of foreign-made parts in government-funded EV chargers.

## **Environmental Protection Agency**

**EPA New Proposed Methane Rule:** In January, the EPA announced a new proposed rule to assess a Waste Emissions Charge on certain larger oil and gas industry emitters of waste methane to accelerate deployment of technology to reduce such emissions.

**EPA New Proposed Solid Waste Burn Rule:** In January, the EPA proposed new emissions standards for facilities that burn municipal solid waste.

**EPA Announces Funds Available to Address Air Pollution at Schools:** In January, the EPA announced the availability of \$32 million under the agency's Grant Funding to Address Indoor Air Pollution at Schools Program. Applications due March 19, 2024.

**EPA Appointments to Local Government Advisory Committee:** In January, the EPA announced the appointment of the 29 members who will be serving on the agency's Local Government Advisory Committee (LGAC), first established in 1993 to provide independent policy advice on issues affecting local governments. California members are: **Miki Esposito**, Los Angeles Assistant Director of Public Works, and **Darcy Burke**, Elsinore Valley Municipal Water District Director.

**EPA Kicks Off Regional Roadshow Events for Environmental Justice:** In January, the EPA began hosting a series of Regional Roadshow events across the country to help local communities better access EPA's Inflation Reduction Act funding opportunities. The effort is part of the Community, Equity & Resiliency initiative coordinated by the EPA's Offices of Air & Radiation, Environmental Justice, and Civil Rights.

**EPA Selects Grant Applicants for Wildfire Smoke Preparedness in Buildings:** In January, the EPA announced the selection of nine grant applicants to receive a total of \$10 million under the Wildfire Smoke Preparedness in Community Buildings grant program. The grants range in size from \$350,000 to \$2 million. The California selectee is Esperanza Community Housing Corporation/Mercado La Paloma Building in South Los Angeles which received a grant of \$1.89 million.

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**Congress:** New FY24 Appropriations Deadlines: March 1 and March 8.

**Outreach:** In January, Carmen Group coordinated with officials at the DOT's Maritime Administration, the DOE's Office of Energy Efficiency and Renewable Energy, the Joint Office of Energy and Transportation, and the U.S. Chamber of Commerce on possible meetings and issues related to SCAQMD's February trip to DC.

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## ATTACHMENT 2B



To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: January 25, 2024  
Re: January Report

### *HOUSE/SENATE*

#### *Congress*

Last week, Congress passed another Continuing Resolution (CR), extending Fiscal Year (FY) 2024 appropriations deadlines to March 1 for four bills (Agriculture-Rural Development, Military Construction-Veterans Affairs, Energy & Water, and Transportation-Housing and Urban Development) and March 8 for the remaining eight bills (Commerce-Justice-Science, Defense, Financial Services & General Government, Homeland Security, Interior-Environment, Labor-Health and Human Services -Education, Legislative Branch, and State & Foreign Operations). This extension provides Congress with additional time to negotiate on spending while retaining Speaker Mike Johnson's (R-LA-4) tiered deadline structure.

This week the House is in recess but the Senate is in session and has turned its focus to a national security supplemental bill. Senate leaders will need to negotiate on border security and immigration policy as well as spending for Ukraine and Israel. Senators James Lankford (R-OK) and Chris Murphy (D-CT) are leading the negotiations but have yet to reach a deal, which would additionally require sign off from Senate Minority Leader Mitch McConnell (R-KY), Senate Majority Leader Chuck Schumer (D-NY), and the White House. Even then, there is no assurance Speaker Johnson will put a Senate-passed supplemental on the House floor for consideration. Outstanding issues in a national security supplemental include asylum and parole policy and funding levels for Ukraine and Israel aid.

In Senate committee activity this week, the Banking, Housing, and Urban Affairs Committee will hold a hearing on reauthorizing the National Flood Insurance Program; the Budget Committee will hold a hearing on how the climate crisis threatens ocean industries; the Senate Judiciary Committee will hold a hearing on the use of Artificial Intelligence in criminal investigations and prosecutions; and the Special Committee on Aging will hold a hearing on assisted living facilities.

## *EPA*

On January 8, the Environmental Protection Agency (EPA) finalized a rule to prevent companies from starting or resuming the manufacture or processing of “inactive PFAS,” 329 per- and poly-fluoroalkyl substances (PFAS) that have not been made or used for many years, without a complete EPA review and risk determination. These chemicals were part of the thousands that were grandfathered in during the enactment of the Toxic Substances Control (TSCA) in 1976 and allowed to remain in commerce without additional EPA review. The final rule applies to PFAS that have been designated as inactive on the TSCA Inventory and that are not already subject to a significant new use rule (SNUR). Read more [here](#).

On January 8, the Environmental Protection Agency (EPA) announced the selection of five applicants in California to receive \$88 million through EPA’s first Clean School Bus Program Grants Competition to purchase clean school buses. Zum Services Inc, Porterville Unified School District, Los Angeles Unified School District, San Diego Unified School District, and Kern High School District will purchase a combined 234 school buses through the program. The awards will accelerate the transition to low-emission and zero-emission vehicles, improving air quality for children and families. Read more [here](#).

On January 9, the Environmental Protection Agency (EPA) announced the automatic addition of seven per- and polyfluoroalkyl substances (PFAS) to the list of chemicals covered by the Toxics Release Inventory (TRI). Facilities in designated industry sectors are required to report the amount of Tri-listed chemicals above set quantities that were released into the environment or managed as waste. The Fiscal Year 2020 National Defense Authorization Act (NDAA) added PFAS to the TRI list upon the EPA’s finalization of a toxicity value. The data is available online for use by the public, government agencies, non-governmental organizations, and private companies. Read more [here](#).

On January 11, the Environmental Protection Agency (EPA) announced a proposal to strengthen Clean Air Act standards for large facilities that burn municipal solid waste. The proposed standards would apply to 57 facilities with 152 units that have the capacity to combust more than 250 tons per day of municipal solid waste. The updated standards would reduce emissions

of nine pollutants by approximately 14,000 tons per year, benefiting the primarily low-income communities and communities of color who live in the surrounding areas. Read more [here](#).

On January 11, the Environmental Protection Agency (EPA) announced \$32 million in grant funding to address indoor air pollution in schools. EPA anticipates awarding four to six grants of \$5 million to \$8 million to support five years of school indoor air quality and energy efficiency activities, including greenhouse gas reduction capacity building, training and education campaigns, and research and demonstration projects. Indoor air pollutants such as radon, asbestos, mold, and methane have been linked to short-term and long-term health effects for students and staff, which increases absenteeism and reduces academic performance. Read more [here](#).

On January 12, the Environmental Protection Agency (EPA) announced a proposed rule to reduce methane emissions from the oil and gas sector by charging large emitters of waste methane that exceed emissions intensity levels set by Congress. The proposed rule addresses the Inflation Reduction Act's Waste Emissions Charge for oil and gas facilities that report emissions of more than 25,000 metric tons of carbon dioxide. Facilities in compliance with the Clean Air Act standards for oil and gas operations would be exempt from the charge. Read more [here](#).

Cassidy and Associates support in January:

- Worked with SCAQMD staff to strategize on DC outreach.
- Secured meetings in advance of SCAQMD February fly in.
- Continued to monitor and report on activities in Congress and the Administration that impact the District.
- Participated in weekly strategy sessions with SCAQMD staff.

## *IMPORTANT LEGISLATIVE DATES*

**March 1, 2024:** FY2023 funding for Agriculture-FDA, Energy and Water, Military Construction-VA, and Transportation-HUD spending bills.

**March 8, 2024:**

- FY2023 funding for Commerce-Justice-Science, Defense, Financial Services, Homeland Security, Interior-Environment, Labor-HHS-Education, Legislative Branch, and State-Foreign Operations bills.
- National Flood Insurance Program reauthorization deadline.

- Deadline for the Federal Aviation Administration reauthorization.

**September 30, 2024:** The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries; the bill is reauthorized on a five-year cycle. The Congressional Budget Office (CBO) projects a combined budget of \$648 billion for the 2023 Farm Bill.

**December 31, 2024:** National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

## AGENCY RESOURCES

USA.gov is cataloging all U.S. government activities related to coronavirus. From actions on health and safety to travel, immigration, and transportation to education, find pertinent actions [here](#). Each Federal Agency has also established a dedicated coronavirus website, where you can find important information and guidance. They include: Health and Human Services ([HHS](#)), Centers of Medicare and Medicaid ([CMS](#)), Food and Drug Administration ([FDA](#)), Department of Education ([DoED](#)), Department of Agriculture ([USDA](#)), Small Business Administration ([SBA](#)), Department of Labor ([DOL](#)), Department of Homeland Security ([DHS](#)), Department of State ([DOS](#)), Department of Veterans Affairs ([VA](#)), Environmental Protection Agency ([EPA](#)), Department of the Interior ([DOI](#)), Department of Energy ([DOE](#)), Department of Commerce ([DOC](#)), Department of Justice ([DOJ](#)), Department of Housing and Urban Development ([HUD](#)), Department of the Treasury ([USDT](#)), Office of the Director of National Intelligence ([ODNI](#)), and U.S. Election Assistance Commission ([EAC](#)).

Helpful Agency Contact Information:

U.S. Department of Health and Human Services – Darcie Johnston (Office – 202-853-0582 / Cell – 202-690-1058 / Email – [darcie.johnston@hhs.gov](mailto:darcie.johnston@hhs.gov))

U.S. Department of Homeland Security – Cherie Short (Office – 202-441-3103 / Cell – 202-893-2941 / Email – [Cherie.short@hq.dhs.gov](mailto:Cherie.short@hq.dhs.gov))

U.S. Department of State – Bill Killion (Office – 202-647-7595 / Cell – 202-294-2605 / Email – [killionw@state.gov](mailto:killionw@state.gov))

U.S. Department of Transportation – Sean Poole (Office – 202-597-5109 / Cell – 202-366-3132 /  
Email – [sean.poole@dot.gov](mailto:sean.poole@dot.gov))

**KADESH & ASSOCIATES**

South Coast AQMD Report for the February 2024  
Legislative Meeting covering January 2024  
Kadesh & Associates

January signaled the kickoff of the second session of the 118<sup>th</sup> Congress, but unfortunately the fundamental challenges facing the institution carried over into the new year. After much back-and-forth, Congress passed yet another continuing resolution (CR) this month to extend the current spending agreements. As a reminder, at Speaker Johnson's direction, Congress has bifurcated the FY24 CR into two "minibus" packages: transportation/housing, agriculture, energy and water, and military construction/veterans make up the first package, which will now expire on March 1, and the balance of the appropriations bills expire on March 8, including the Interior-Environment bill that funds the EPA.

In an important step this month, Speaker Johnson and Senate Majority Leader Schumer reached agreement on a topline spending deal – nearly \$1.66 trillion – to cover all of the appropriations bills for FY24. Settling on that number had previously been one of the major sticking points to finalizing full-year appropriations bills (as opposed to the temporary CRs). However, this new deal was immediately rejected by the House Freedom Caucus and other hardliners. That opposition – coupled with an insistence that the House-passed immigration bill accompany a spending bill – has become a new hurdle to finishing the FY24 process.

The House is scheduled to return to Washington on January 29, but little progress has been made on funding negotiations, and it will take some time for any FY24 spending bills to be finalized. In addition, the hardline members of the House may continue to make regular floor votes more difficult; as of January, Republicans hold only 219 seats in the House, so even a small handful of Members can create chaos.

Separately, Congress is still struggling to move on the President's \$106 billion supplemental appropriations request for emergency aid for Israel and Ukraine, and a potentially emerging bipartisan immigration/border deal in the Senate. The immigration negotiations are at an especially sensitive time, as election year politics are now at play.

The President's annual State of the Union speech will be on March 7. We expect to see the FY25 budget request either that week or soon thereafter. For reference, Super Tuesday is on March 5 this year.

**Contacts:**

Contacts included staff and Members throughout the CA delegation, especially new members of the delegation, members with taking leadership roles on key issues related to air quality, Senate offices, and members of key committees. We have also been in touch with administration staff.

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## South Coast Air Quality Management District Legislative and Regulatory Update – January 2024

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### ❖ Important Upcoming Dates

Jan 31, 2024 – House of Origin Deadline for 2-Year Bills

### ❖ RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana, and Alfredo Arredondo continued their representation of South Coast AQMD before the state's Legislative and Executive branches. Selected highlights of our recent advocacy include:

- Provided ongoing updates as the Legislature reconvened for the new legislative session and the Governor released his January Budget Proposal.
- Set and attended meetings with legislative offices regarding bill proposals for the 2024 legislative session.

### ❖ Governor's January Budget Proposal: On January 10, the Governor released a proposed budget. A key point to note is that while in December the Legislative Analyst Office (LAO) forecasted a \$68 billion deficit, the Governor is forecasting a \$38 billion deficit in his proposal. Below are some of the key budget proposals included in the [Budget Summary](#).

To address the projected budget shortfall, the Budget proposes General Fund solutions to achieve a balanced budget. These include:

- Expenditure Reductions—A reduction of \$38.1 million General Fund for various programs including Drayage Trucks and Infrastructure Pilot Project (\$23.5 million), ZEV Manufacturing Grants (\$7.3 million), and Emerging Opportunities (\$7.3 million). The Budget maintains \$477 million previously allocated for these programs.
  - Fund Shifts—A shift of \$475.3 million General Fund to the GGRF in the current year for various programs including ZEV Fueling Infrastructure Grants (\$218.5 million); Drayage Trucks and Infrastructure (\$157 million); Transit Buses and Infrastructure (\$28.5 million); and Clean Trucks, Buses and Off-Road Equipment (\$71.3 million).
  - Funding Delays—A delay of \$600 million GGRF from 2024-25 to 2027-28 across various programs including Clean Cars 4 All and Other Equity Projects (\$45 million), ZEV Fueling Infrastructure Grants (\$120 million), Equitable At-home Charging (\$80 million), Drayage Trucks and Infrastructure (\$98 million), Clean Trucks, Buses and Off-Road Equipment (\$137 million), Community-Based Plans, Projects and Support/ Sustainable Community Strategies (\$100 million), and Charter Boats Compliance (\$20 million). This delay enables a shift of \$600 million General Fund expenditures to the GGRF for other programs.
- ### ❖ AB 617 Funding in Governor's Proposal. A core priority for South Coast AQMD in the budget is the funding allocation made to AB 617/Community Air Protection Program.

The proposal includes the following amounts for AB 617 which total \$250 million:

- Community Air Protection Program Incentives: \$195 million
- Local Air Districts Implementation: \$50 million
- Technical Assistance Grants: \$5 million

- ❖ **GGRF Expenditure Plan.** The following table provides the full proposal for the Greenhouse Gas Reduction Fund Expenditure Plan as proposed by the Governor:

**Discretionary Cap and Trade Funding in 2024 Governor's Budget**

(Dollars in Millions)\*

<b>Department</b>	<b>Program</b>	<b>2023-24<sup>1</sup></b>	<b>2024-25</b>
Air Resources Board	AB 617 - Community Air Protection		\$195
	AB 617 - Local Air District Implementation		\$50
	AB 617 - Technical Assistance Grants		\$5
Secretary of Transportation	Transit (ZEV Package)		\$230
Secretary of Transportation	Transit Inter-City Rail Capital Program and Other Transportation (Fund Shift)		\$791
Energy Resources Conservation and Development Commission	Zero Emission Vehicle Package - ZEV Fueling Infrastructure Grants (Fund Shift)	\$219	
	Zero Emission Vehicle Package - Drayage Trucks & Infrastructure (Fund Shift)	\$157	
	Zero Emission Vehicle Package - Transit Buses & Infrastructure (Fund Shift)	\$29	
	Zero Emission Vehicle Package Investment Delay - Clean Trucks, Buses, and Off-Road Equipment (Fund Shift)	\$71	
	Energy Package - Equitable Building Decarbonization (Fund Shift)		\$87
	Energy Package - Incentives for Long Duration Storage (Fund Shift)		\$57
Department of Forestry and Fire Protection	Fire Prevention Grants (Fund Shift)	\$82	
Department of Forestry and Fire Protection	Wildfire Package - Unit Fire Prevention Projects (Fund Shift)		\$26
Department of Food and Agriculture	Livestock Methane Reduction (Fund Shift)		\$24
Department of Food and Agriculture	Water and Drought Resilience Package - State Water Efficiency and Enhancement Program (Fund Shift)		\$21
California Natural Resources Agency	Extreme Heat Package - Urban Greening/Urban Forestry (Fund Shift)		\$24
California Natural Resources Agency	Coastal Resilience Package - Ocean Protection/SB 1 Implementation (Fund Shift)		\$37
Department of Conservation	Wildfire Package - Regional Forest & Fire Capacity (Fund Shift)		\$20
Department of Conservation	Climate Jobs Package - Oil Well Plug and Abandonment (Fund Shift)		\$50
Strategic Growth Council	Extreme Heat Package - Extreme Heat and Community Resilience Program (Fund Shift)		\$70
Various	Wildfire Package - Stewardship of State-Owned Lands (Fund Shift)		\$35
	<b>Total</b>	<b>\$557</b>	<b>\$1,721</b>

\*Does not include baseline support items for various departments.

<sup>1</sup>Previously funded by General Fund now being shifted to GGRF as part of solutions.



# ATTACHMENT 3B



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## CALIFORNIA ADVISORS, LLC

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South Coast AQMD Report

California Advisors, LLC

February 9, 2024, Legislative Committee Hearing

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### **Legislative Update**

On December 27, Assembly Speaker Robert Rivas announced the full committee assignments for the remainder of the 2023-24 session. The committee announcements were highly anticipated given that the Speaker had previously only announced the committee chairs. Interestingly, he made several changes to the size of the committees. For example, he decreased the number of members on the Budget Committee from 31 to 26. He also eliminated the Accountability and Administrative Review Committee.

On January 3, the Legislature reconvened from their interim break. The newly formed committees went to work on hearing “two-year” bills and have to move those bills out of each house of origin by January 31. The deadline to introduce new bills for the 2024 session will be February 16. While new measures have been slowly introduced during January, we anticipate that introductions will significantly pick up in February.

### **Budget Update**

To meet his constitutional requirement, Governor Gavin Newsom released his 2024-25 budget proposal to the Legislature on Wednesday, January 10. This year, the fiscal outlook has been projected to be dire. Specifically, the Legislative Analyst Office (LAO) has stated, that they estimate the Legislature will need to solve a budget problem of \$68 billion in the upcoming budget process. Notably, Newsom’s Administration projects the budget shortfall to be only \$37.86 billion, which is roughly \$30 billion lower than what the LAO estimated. This is largely because the Governor believes the state will save about \$15 billion on Prop 98 spending due to revenue estimates they made during last year's budget being higher than what the state received.

The other \$15 billion in dispute comes from the Governor taking a more optimistic view on revenues in the short-term. However, on the revenue front, the LAO has already noted that personal income tax for the month of January is \$3-\$4 billion short of the Governor's budget projections.

In the Governor's proposal, he offered six solutions to address the budget deficit:

- Drawing \$13.1 billion from our reserve accounts.
- Making reductions of \$8.5 billion across numerous programs.
- Internal borrowing of \$5.7 billion.
- Delaying \$5.1 billion in funding to future years.
- Shifting \$3.4 billion to other funds. The largest being GGRF at \$1.8 billion
- Deferring \$2.1 billion in payments.

On January 25, the Department of Finance informed the Legislature that the Administration would not be proposing any April 1 Finance Letter spending adjustments or May 1 capital outlay adjustments. The reasoning they gave in the letter was due to the substantial structural deficit and fiscal uncertainty the state is facing. The administration is planning on evaluating all additional changes in the May Revise. Typically, these finance letters are meant to be submitted by the state departments to request additional budget augmentations.

The Legislature has already held two hearings on the Governor's proposal. The Assembly Chair mentioned they would be holding 61 sub-committee meetings between now and the June 15 deadline.

# ATTACHMENT 3C



## **Joe A. Gonsalves & Son**

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**TO:** South Coast Air Quality Management District  
**FROM:** Anthony, Jason & Paul Gonsalves  
**SUBJECT:** Legislative Update – January 2024  
**DATE:** Thursday, January 25, 2024

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The Legislature returned from interim recess on January 3, 2024 to start the second half of the 2023-24 Legislative Session. This new Legislative Session will bring a lot of change to the Legislature. There's change in Legislative leadership from previous sessions, change in Chairs and Members of committees from previous sessions, change in the State's budget finance, and change in future legislative representation.

### **LEADERSHIP CHANGES**

Former Assembly Speaker, Anthony Rendon, and current President Pro Tem of the Senate, Toni Atkins, are both in their last year of office due to term limits. Because of this, both houses had to elect new leaders who can continue to move the Legislature forward.

#### **Assembly**

Assembly Speaker Robert Rivas took over for former Assembly Speaker Anthony Rendon during the final weeks of the 2023 session, however Assembly Speaker Rivas did not utilize or wield the power of the Speaker during that time. His influence is now taking shape and will grow in the 2024 Legislative Session. Speaker Rivas has installed many new committee chairs and has appointed dozens of new members to committees. One early and notable change is that Speaker Rivas has directed committee chairs to allow all bills referred to committee to be eligible for a hearing in that committee if the author of the bill so chooses. While this changes the policy of the previous Speaker, who had allowed chairs to simply decide whether a bill deserved a hearing or not, it is actually a return to long-standing procedures of the Legislature whereby the authors could decide whether their bill is set for a hearing or not.

#### **Senate**

Late in the 2023 Legislative Session, the Senate elected Senator Mike McGuire to be the next President Pro Tem of the Senate, however they did so without specifying a date for the transition. The date was worked out during the fall legislative break and Senator McGuire will take over the

Senate on February 5, 2024, thereby allowing all the two-year bills that needed to clear the house of origin to do so under the sitting leader and committee chairs.

Senator McGuire is a very active, hands-on legislator. As a current lieutenant to President Pro Tem Atkins, he manages the workflow of the Senate and is in a constant state of motion, engaging with his colleagues and being “in the know” on the matters at hand. This is a stark contrast to the otherwise staid and mellow action of the Senate as a whole. It is expected that McGuire will make changes to chairs and members of the Senate committees, but at this time, it is not evident what and how substantive those changes will be.

### **COMMITTEE CHANGES**

As noted above, Assembly Speaker Rivas has made significant changes to the committees in the Assembly. Notable changes of significance include installing new chairs of several prominent committees with members who were not previously sitting on those committees. Some of the most notable new committee chairs in the Assembly are as follows:

- Appropriations Chair – Assemblymember Buffy Wicks
- Budget Chair – Assemblymember Jesse Gabriel
- Environmental Safety and Toxic Materials Chair, Assemblymember Eduardo Garcia
- Governmental Organization Chair, Assemblymember Blanca Rubio
- Housing and Community Development Chair, Chris Ward
- Local Government Chair, Assemblymember Juan Carrillo
- Natural Resources Chair, Assemblymember Isaac Bryan
- Public Employment and Retirement Chair, Assemblymember Tina McKinnor
- Public Safety Chair, Assemblymember Kevin McCarty
- Revenue and Taxation Chair, Assemblymember Jacqui Irwin
- Rules Chair, Assemblymember Blanca Pacheco
- Transportation Chair, Assemblymember Lori Wilson
- Utilities and Energy Chair, Assemblymember Cottie Petrie-Norris
- Water, Parks, and Wildlife Chair, Assemblymember Diane Papan

### **STATE BUDGET**

Possibly the biggest change going into the 2024 Legislative Session is the fiscal health and stability of the state budget. After years of multi-billion-dollar budget surpluses, the state of California is facing an estimated \$38-\$68 billion budget deficit (depending on who you ask). Nearly all of the sitting legislators have either served during times of budget surpluses, or they are in their first term. Their “hard” budget decisions to date have revolved around how much money to add to programs or creating new spending programs. These members have not had to make cuts to programs, nor have they had to sell their constituents on broader increases to taxes and fees to support existing spending.

When it comes to budget negotiations, the Governor generally holds the leverage. We will see if that dynamic continues under the new leadership and new Budget Committee Chairs. Furthermore, with all 80 members of the Assembly and half of the Senate up for election this year, we expect the Legislature to make changes to the Governor's proposed Budget that reflects the desires of the Assembly and Senate.

### **ELECTORAL CHANGE**

The 2024 Legislative Session will also bring change to the Legislature. As previously mentioned, all 80 Assembly seats are up for reelection along with 20 of the 40 Senate seats. Of the 120 seats in the Legislature, there are 35 members who are termed out in 2024. A majority of these 35 legislators are seeking a different elective office, which might be the other house, Congress, or local elective office. For those running for a different office, some of these legislators have found themselves running against another sitting legislator for a new office. The electoral future of some of these legislators will be decided in the event they lose. Those moving on will find themselves in a continued "campaign mode".

Every election cycle brings a modest amount of change to the Legislature. 35 termed out Members is a large number and how they legislate in their final months will be an interesting development.

### **2024 LEGISLATIVE DEADLINES**

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|-------------|--|
| January 1   | Statutes take effect.  |
| January 3   | Legislature reconvenes.  |
| January 10  | Budget must be submitted by Governor.  |
| January 12  | Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house in the odd-numbered year.  |
| January 19  | Last day for any committee to hear and report to the Floor bills introduced in that house in the odd-numbered year. Last day to submit bill requests to the Office of Legislative Counsel. |
| January 31  | Last day for each house to pass bills introduced in that house in the odd numbered year.   |
| February 16 | Last day for bills to be introduced  |
| April 26    | Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house  |
| May 3       | Last day for policy committees to hear and report to the Floor nonfiscal bills introduced in their house.  |
| May 10      | Last day for policy committees to meet prior to May 28.  |

- May 17 Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to May 28.
- May 20-24 Floor session only. No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
- May 24 Last day for each house to pass bills introduced in that house.
- May 28 Committee meetings may resume
- June 15 Budget Bill must be passed by midnight.
- June 27 Last day for a legislative measure to qualify for the Nov. 5 General Election ballot
- July 3 Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment, provided Budget Bill has been passed.
- August 5 Legislature reconvenes from Summer Recess.
- August 16 Last day for fiscal committees to meet and report bills.
- August 19-31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
- August 23 Last day to amend bills on the Floor.
- August 31 Last day for each house to pass bills. Final Recess begins upon adjournment