



South Coast Air Quality Management District



21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

LEGISLATIVE COMMITTEE MEETING

Committee Members

Council Member Judith Mitchell, Chair
Council Member Joe Buscaino, Vice Chair
Dr. William A. Burke
Senator Vanessa Delgado (Ret.)
Supervisor V. Manuel Perez
Supervisor Janice Rutherford

May 8, 2020 ♦ 9:00 a.m.

Pursuant to Governor Newsom's Executive Orders N-25-20 (March 12, 2020) and N-29-20 (March 17, 2020), the South Coast AQMD Legislative Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop
<https://scaqmd.zoom.us/j/91830657613>

Zoom Webinar ID: 918 3065 7613 (applies to all)

Teleconference Dial In
+1 669 900 6833

One tap mobile
+16699006833,,91830657613#

Audience will be allowed to provide public comment through telephone or Zoom connection during public comment periods.

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54854.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

CALL TO ORDER

DISCUSSION ITEMS (Items 1 through 3):

1. Update and Discussion on Federal Legislative Issues
(No Motion Required)
Consultants will provide a brief oral report of Federal legislative activities in Washington DC.
[Attachment 1 - Written Reports]

*Amelia Jenkins
Cassidy & Associates
pgs 4-10*

*Mark Kadesh
Kadesh & Associates, LLC
pg 11*

*Gary Hoitsma
Carmen Group*
2. Update and Discussion on State Legislative Issues
(No Motion Required)
Consultants will provide a brief oral report on State legislative activities in Sacramento.
[Attachment 2 - Written Reports]

*Will Gonzalez
California Advisors, LLC
pgs 12-13*

*Paul Gonsalves
Joe A. Gonsalves & Son
pgs 14-15*

*David Quintana
Resolute
pgs 16-19*

pgs 20-23
3. Update on Legislation Regarding Voting District Authorization for Clean Air
(No Motion Required)
Staff will provide an update regarding South Coast AQMD-sponsored legislation relating to a voting district authorization to allow for potential voter initiative ballot funding measures within the District.

*Derrick J. Alatorre
Deputy Executive Officer
Legislative, Public Affairs &
Media*

OTHER MATTERS:

4. Other Business
Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)
5. Public Comment Period
At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Legislative Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.
6. **Next Meeting Date** – Friday, June 12, 2020 at 9:00 am.

ADJOURNMENT

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Stacy Day at (909) 396-2495, or send the request to sday@aqmd.gov.

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Legislative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to South Coast AQMD. Please contact Stacy Day at (909) 396-2495 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to sday@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

ATTACHMENT 1



CASSIDY | ASSOCIATES

To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: April 23, 2020
Re: April Report

HOUSE/SENATE

The House came back to session to hold an in-person vote on April 22nd and passed legislation to extend the Paycheck Protection Program. The top-line numbers of the current deal are: \$300 billion for the Paycheck Protection Program (PPP), \$75 billion for hospitals, \$25 billion for testing, \$60 billion for SBA disaster/small lenders.

The latest package was delayed over debates for funding STATE AND LOCAL governments. The CARES 3.5 legislation did NOT include additional funding for state and local governments. It is anticipated there will be another round of negotiations in the coming months. Of interest to South Coast AQMD is the allocation of funding for “subdivisions of the state” or a specific reference to air quality agencies that would enable South Coast AQMD to qualify for direct funding without a passthrough from the State.

Cassidy and Associates support in April:

- Drafted and distributed one-page summary of COVID impacts to South Coast AQMD to Hill offices.
- Streamed information to key Hill and leadership offices on South Coast AQMD funding needs not met by current funding programs.
- Strategized with South Coast AQMD staff on how to craft legislative language that would enable South Coast AQMD to compete for federal funding
- Collaborated with other consultants on solutions for funding
- Attended and participated in weekly consultant calls and ad hoc calls as requested.

Government funding, major programs up for renewal Sept. 30

- Government funding for fiscal year year2021 must be addressed to avoid shutdown
- Annual defense authorization, surface transportation also on deck

Other expirations include:

- Surveillance authorities that lapsed on March 15
- Federal health programs, which are now set to expire Nov. 30. Renewal has been targeted for action on surprise billing, drug pricing
- Pandemic response programs, many of which expire at the end of year
- Tax extenders, including for energy and alcohol, which expire Dec. 31

Important Legislative Dates

May

House National Defense Authorization Act (NDAA) floor action planned

Senate Armed Services Committee planned fiscal year 2021 NDAA markup

June

Senate NDAA measure could come to the floor

July

NDAA conference could start

Sept. 30

Fiscal year 2020 funding expires, as well as other major programs:

- National Defense Authorization Act (\$735.8 billion)
- Surface transportation authorization (FAST Act - \$64.1 billion)
- National Flood Insurance Program (\$30.4 billion)
- National Institutes of Health authorization (\$36.5 billion)
- Every Student Succeeds Act (\$26.1 billion, extends automatically for one year if Congress doesn't act)
- Workforce Innovation and Opportunity Act (\$10 billion)
- Child care and development block grants (\$2.7 billion)
- Federal Communications Commission authorization (\$339.6 million)
- America's Water Infrastructure Act sewer overflow and other grants (\$240 million)
- Runaway and homeless youth programs (\$127.4 million)
- VA authorities, including health care, homelessness (\$69 million)
- Immigration programs, including E-Verify and EB-5 investor visa

Nov. 30 – December 31

- Temporary Assistance for Needy Families
- Community health centers
- Medicare programs

Pandemic Response Programs and Authorities

End Date/Program

June 30, 2020

Paycheck Protection Program – \$349 billion in small business loans

July 31, 2020

Additional \$600 per week federal pandemic unemployment benefit

Sept. 30, 2020

Student loan repayment and interest accrual suspension

Dec. 31, 2020

Treasury Department business, state & local government loan authority

Various temporary tax breaks

Emergency sick and family leave programs

Pandemic unemployment assistance

Medicare sequestration suspension

Changes to banking and accounting rules (could expire sooner if epidemic ends)

March 27, 2025

Special Inspector General for Pandemic Recovery

Sept. 30, 2025

Pandemic Response Accountability Committee, Congressional Oversight Commission

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)

U.S. Department of Homeland Security – Cherie Short (Office – 202-441-3101 / Cell – 202-893-2941 / Email – cherie.short@hq.dhs.gov)

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

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

IMPORTANT DATES: ELECTIONS

2020 ELECTION CALENDAR

JANUARY

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□ Democratic Caucus
 ○ Democratic Primary
 ★ Democratic Convention
 ★ VP Debate
□ Republican Caucus
 ○ Republican Primary
 ★ Republican Convention
★ Presidential Debate
☑ Election Day
politicopro.com

DATE	STATE	DEMOCRAT	REPUBLICAN
February 3	Iowa	Caucus	Caucus
February 11	New Hampshire	Primary	Primary
February 22	Nevada	Caucus	---
February 29	South Carolina	Primary	---
March 3	Alabama	Primary	Primary
	American Samoa	Primary	Primary
	Arkansas	Primary	Primary
	California	Primary	Primary
	Colorado	Primary	Primary
	Democrats Abroad	Primary	---
	Maine	Primary	Primary
	Massachusetts	Primary	Primary
	Minnesota	Primary	Primary
	North Carolina	Primary	Primary
	Oklahoma	Primary	Primary
	Tennessee	Primary	Primary
	Texas	Primary	Primary
	Utah	Primary	Primary
	Vermont	Primary	Primary
	Virginia	Primary	---
March 8	Puerto Rico	---	Primary
March 10	Hawaii	---	Caucus
	Idaho	Primary	Primary
	Michigan	Primary	Primary
	Mississippi	Primary	Primary
	Missouri	Primary	Primary
	North Dakota	Primary	Primary
	Washington	Primary	Primary
March 14	North Mariana	Caucus	---
March 17	Arizona	Primary	---
	Florida	Primary	Primary
	Illinois	Primary	Primary
	Ohio	Primary	Primary
March 24	Georgia	Primary	Primary
March 29	Puerto Rico	Primary	---
April 4th	Alaska	Primary	---
	Hawaii	Primary	---
	Louisiana	Primary	Primary
	Wyoming	Caucus	---
April 7	Wisconsin	Primary	Primary
April 28	Connecticut	Primary	Primary
	Delaware	Primary	Primary
	Maryland	Primary	Primary
	New York	Caucus	Primary
	Pennsylvania	Primary	Primary
	Rhode Island	Primary	Primary

DATE	STATE	DEMOCRAT	REPUBLICAN
May 2	Guam	Caucus	---
	Kansas	Primary	---
May 5	Indiana	Primary	Primary
May 12	Nebraska	Primary	Primary
	West Virginia	Primary	Primary
May 19	Kentucky	Primary	Primary
	Oregon	Primary	Primary
June 2	District of Columbia	Primary	---
	Montana	Primary	Primary
	New Jersey	Primary	Primary
	New Mexico	Primary	Primary
	South Dakota	Primary	Primary
June 6	Virgin Islands	Caucus	---
July 13 - 16	Democratic Convention (Milwaukee, WI)	---	---
August 24 - 27	Republican Convention (Charlotte, NC)	---	---
September 29	First Presidential Debate (South Bend, IN)	---	---
October 7	Vice Presidential Debate (Salt Lake City, UT)	---	---
October 15	Second Presidential Debate (Ann Arbor, MI)	---	---
October 22	Third Presidential Debate (Nashville, TN)	---	---
November 3	2020 Presidential Election	---	---

South Coast AQMD Report for the May 2020 Legislative Meeting covering April 2020 Kadesh & Associates

April:

April featured the House and Senate largely in recess, with the House in session on April 23rd to pass HR 266 (aka COVID 3.5) and the Senate doing so earlier by Unanimous Consent with very few Senators present.

In coordination with South Coast AQMD staff we are pursuing eligibility issues for the agency in regard to federal COVID funding and removing the prohibition on state and local units of government from using Tax Credits for repayment to employers (i.e. South Coast AQMD) for mandated paid Emergency Sick Leave and Emergency Family Leave. In coordination with South Coast AQMD staff we have secured a joint letter signed by multiple air pollution control districts within the state advocating for common goals being pursued in federal legislation. We continue to pursue robust funding levels for programs of interest to South Coast AQMD such as DERA and Targeted Airshed Grants.

We continue to pursue support in the delegation for the Clean Corridors legislation. On May 15, 2019 Congressman Mark DeSaulnier (CA-11) announced legislation to launch a major federal program to accelerate the transition to clean transportation technology. The Clean Corridors Act (H.R. 2616) would direct \$3 billion in federal dollars over the coming decade to construct and install infrastructure to support technologies like hydrogen fuel cell and electric battery-powered vehicles.

COVID 3.5

On April 24 President Trump signed HR 266 (Public Law 116-139), a \$484 billion interim spending package that includes:

- \$321.3 billion in additional appropriations to support the Paycheck Protection Program, which the bill would modify to set some funds aside to support loans issued by smaller lenders;
- \$60 billion for separate disaster loans to small businesses;
- \$75 billion for hospitals; and
- \$25 billion for virus testing.

The measure puts the total figure of stimulus spending since the crisis started to almost \$3 trillion, and the Congressional Budget Office in a new study said the nation's deficit could surpass \$3.7 trillion this year. Lawmakers are already talking about the next phase of coronavirus rescue legislation, with no further action expected until at least next month, with both Democrats and Republicans split over how much more relief to provide and where it should go. Congress is not scheduled to be in session until May 4. Debate over the next round of stimulus has stalled on whether states, cities and other units of local should use federal funds to replace lost revenue.

HR 266 is the fourth COVID spending measure since early March, totaling nearly \$3 trillion, an amount of federal aid that far surpasses the sums spent following the 2008 financial crisis.

Contacts:

Contacts included staff and House Members throughout the CA delegation, especially Leadership and Appropriators who were targeted for support on South Coast AQMD issues.

###



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

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: April 23, 2020

Re: Federal Update -- Executive Branch

Coronavirus Legislative Push Continues: After enacting three major Coronavirus response initiatives and four bills -- including the \$2.2 trillion CARES Act in March with its \$484 billion add-on supplemental bill in April, Congress and the Administration are now poised to embark on a fourth major legislative push that promises to be even larger in scope and cost. According to the President, this new legislation may include 1) significant new funding for states and local governments to help with lost revenues; 2) up to \$2 trillion in infrastructure including roads, bridges, tunnels and broadband; 3) tax incentives for restaurants, entertainment and sports; and 4) payroll tax cuts to increase economic growth. And this is just a starting point for discussions that are already underway with a strong potential to be even broader in scope. For South Coast AQMD, special focus will be on advocacy for direct grant funding to address lost revenue from COVID-19 and increased funding for incentive programs such as DERA, Targeted Airshed Grants, and infrastructure for electric, hydrogen, and natural gas vehicles.

Trump Administration Posture: With regard to infrastructure especially, it is important to continually note the President's baseline endorsement of the bipartisan Barrasso-Carper surface transportation bill unanimously approved by the Senate Environment and Public Works Committee last year. This bill includes 1) a multi-year reauthorization of DERA with increased funding; 2) \$1 billion to build alternative fuel infrastructure for EVs, hydrogen and natural gas; and 3) \$3 billion for incentives for carbon emission reductions. This is a solid starting point for negotiations on our issues.

Business and Trucking Groups Aligned with SCAQMD: Through our continuing outreach, we detect this month greatly heightened activity, planning and preparation for strong advocacy efforts on the COVID 4 bill, many devoted to causes that align with SCAQMD priorities. These would include greater funding and incentives for faster truck fleet turnovers, broader use of electric and low- and zero-emission vehicles, more R&D for advanced vehicle technologies and fueling infrastructure, and support for DERA.

EPA Retains NAAQS Standards for Particulate Matter: The EPA announced in April that it is proposing to retain, without changes, the National Ambient Air Quality Standards (NAAQS) for particulate matter (PM), including both fine particles (PM2.5) and coarse particles (PM10). The proposal comes pursuant the statutory requirement of the Clean Air Act that calls for separate reviews of the standards as they apply to each of the six major criteria air pollutants, of which PM is one, within a five-year timeframe.

NHTSA/EPA Publish Final SAFE Rule: On March 31, the National Highway Traffic Safety Administration (NHTSA) and the Environmental Protection Agency (EPA) released the final SAFE rule setting corporate average fuel economy (CAFÉ) and CO2 emissions standards for cars and light trucks in model years 2021-2026, meeting a self-imposed April 1 deadline. The rule will increase the stringency of the standards by 1.5% each year through 2026 (compared to 5% each year under the standards set in 2012) and reach a 40.4 mpg projected overall industry average required fuel economy in 2026 (compared to a 46.7 mpg industry average under the 2012 standards).

EPA Announces Funds Available for Tribal DERA Grants: The EPA announced in April the availability of \$2 million in grant funding for tribal applicants to establish diesel emission reduction projects. Applicants may request up to \$800,000 in federal funding. Proposals from tribal applicants are due July 9, 2020.

EPA Extends Comment Period Affecting Science Transparency Proposed Rule: The EPA in April announced it was extending the comment period on the Supplement to the proposed rule “Strengthening Transparency in Regulatory Science.” EPA issued a supplemental notice on March 18, 2020, seeking additional comment on the proposed rule under a 30-day comment period that was scheduled to end on April 17. The extended comment period will now close on May 18, 2020.

DOE to Fund Research on Capturing CO2 from Ambient Air: The Department of Energy will provide up to \$22 million aimed at achieving breakthroughs in the effort to capture CO2 from air. Eligible applicants include universities, nonprofits, and industry, with a 20 percent cost share.

From Administration 50th Earth Day Messages (April 22):

President Trump: *“On the 50th anniversary of Earth Day, we pay tribute to our Nation’s long history of environmental stewardship and conservation...I am also pleased to report that the United States continues to be a world leader in clean air, including in reductions of energy-related carbon dioxide emissions, which have significantly declined in the last 15 years.”*

EPA Administrator Wheeler: *“Over the last 50 years... America continues to be a leader in clean air progress, by reducing the six main criteria air pollutants by 73 percent (and by) doubling to 86 percent the number of low income communities achieving attainment with EPA’s National Ambient Air Quality Standards since 2008.”*

Presidential Appointment of Note:

DOT: Joel Szabat of Maryland has been nominated to be **Under Secretary of Transportation for Policy**. He has served in the position in an Acting capacity since June of 2019. He first joined the Department in 2002 and is also currently the Assistant Secretary of Transportation for Aviation and International Affairs.

Outreach: Relevant contacts included the office of Sen. James Inhofe on infrastructure and representatives of Cummins, PACCAR, EMA and the U.S. Chamber of Commerce on DERA, infrastructure, tax incentives and pending COVID legislation.

###

ATTACHMENT 2



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
May 8, 2020 Legislative Committee Hearing

General Update

On April 14, Governor Gavin Newsom laid out parameters and tools needed before California would modify its statewide stay-at-home order and other COVID-19 related restrictions. The Governor mentioned that the state is starting to move towards the next phase in dealing with this pandemic and that is the suppression stage.

His office has released the framework that will guide their decision-making process on when to reopen the state. The six specific indicators are listed below:

1. The ability to monitor and protect our communities through testing, contact tracing, isolating, and supporting those who are positive or exposed;
2. The ability to prevent infection in people who are at risk for more severe COVID-19;
3. The ability of the hospital and health systems to handle surges;
4. The ability to develop therapeutics to meet the demand;
5. The ability for businesses, schools, and child care facilities to support physical distancing; and
6. The ability to determine when to reinstitute certain measures, such as the stay-at-home orders, if necessary.

Newsom announced on April 22nd plans to allow hospitals and health systems to resume scheduling surgeries that had been delayed because of COVID-19. One of the key elements the State did to prepare for the surge in COVID-19 related hospitalizations was to delay certain types of preventative or non-urgent surgeries to clear bed space. The Governor did say they would be smart on how they increased this workload and they would monitor the data daily to ensure there are no flare ups in COVID-19 related cases. On multiple occasions, he referenced how this situation was like a light dimmer and not a light switch.

In terms of the Legislature, as of April 23rd, the Assembly remains committed to returning on May 4th and they are working on getting bills ready to be heard in policy committees. They are currently processing bill amendments and will be referring bills to policy committees. There is an effort to have bills only referred to only a single policy committee.

There remain no uniform guidelines on how either house will trim down the number of bills they hear during this shortened session. We have heard some committees will only hear COVID-19 related legislation, others will only hear bills the Chair deems "critical", or some committees are simply leaving it up to the author's discretion. We do know that regardless of what bills are heard in policy committees

one of the major hurdles will be in the Appropriations Committee. The fiscal committees will be cracking down on legislation that costs the state additional revenues during this time of economic crisis.

There are still several logistical concerns that both houses are working through for holding committee hearings. There are only a few rooms that could accommodate all of the committee members and that are big enough so they can observe physical distancing requirements. Due to these limitations, there is likely to only be one or two hearings per day. The same could be said for the floor sessions, they have discussed having half of the legislators vote at a time or moving floor session to an off-site auditorium.

Elected Officials Contacted on Behalf of South Coast AQMD:

California Advisors met with the following legislators or their offices on behalf of the South Coast Air Quality Management District:

Senate:

Toni Atkins (SB 1099, SB 1185, SB 802), Patricia Bates (SB 1099, SB 1185, SB 802), Brian Dahle (SB 1099, SB 1185, SB 802), Jerry Hill (SB 1099, SB 1185, SB 802), Ben Hueso (SB 1099, SB 1185, SB 802), Holly Mitchell (AB 617 Funding), Nancy Skinner (SB 1099, SB 1185, SB 802), Henry Stern (SB 1099, SB 1185, SB 802), Bob Wieckowski (SB 1099, SB 1185, SB 802)

Assembly:

Cristina Garcia (AB 617 Funding), Anthony Rendon (AB 617 Funding), Phil Ting (AB 617 Funding)



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

925 L ST. · SUITE 250 · SACRAMENTO, CA 95814-3766

916 441-0597 · FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – May 2020 Legislative Committee

DATE: Thursday, April 23, 2020

As you know, the Legislature has adjourned until May 4, 2020 due to Covid-19 impacts. The Capitol is closed to the public and the City of Sacramento has issued a stay-at-home order to prevent the spread of COVID-19. If the Legislature wants to resume their session on May 4, 2020, the Governor and the City of Sacramento must lift their Stay-At-Home orders.

The following will provide you with a summary of actions related to the District:

COVID-19 UPDATE

Earlier this month, President Trump publicly turned the re-opening of business, schools and gatherings over to the Governors of the states. This ends any speculation or debate over whether the President has the authority to force states to eliminate stay-at-home orders against their will or advice of public health officials.

As for re-opening the California economy, Governor Newsom outlined the six factors he will use in deciding when and how to modify the statewide state-at-home order and he placed no timeline on when modifications of his order would occur. Those six factors are: Expanded testing to enable track and trace of the illness, Protecting populations vulnerable to COVID-19 infection; addressing the needs of the hospital delivery system, developing protocols and therapeutics for recovery; redrawing floor plans to conduct business and schools with appropriate physical distancing; developing tools to know when to reinstate more vigorous controls (like shelter in place).

Protecting populations vulnerable to COVID-19 is one of the six factors listed above and the Governor has already enacted substantive Executive Orders in the employment context to protect Essential Critical Infrastructure workers who are vulnerable to COVID-19 infection. We expect additional Executive Orders to be forthcoming for these

workers in the coming weeks and it is reasonable to assume that similar orders will be considered applicable to the general workforce and all employers as a condition for relaxing stay-at-home orders and returning people to school, work, and public spaces.

Paid Sick Leave: On April 16, the Governor issued an Executive Order to ensure that employees from large employers in the food sector industry, which includes the whole food distribution chain from agriculture, packing and canning, delivery, and grocery stores are eligible for a two-week expanded State Supplemental Paid Sick Leave program. This specific state paid leave closes a gap left by the federal paid leave which exempted employers with more than 500 employees. At the same time, several local jurisdictions have adopted or are considering adopting similar paid leave programs for all COVID-19 impacted employees.

Worker Safety Guidelines and Protections: Since the beginning of the COVID-19 crisis, the California workplace safety agency, CalOSHA has actively issued guidance to all employers, with specific requirements on employers with employees subject to higher risk of infection. For example, Cal-OSHA has adopted requirements and procedures for specific industries, including grocery, child care, health care and there are specific new requirements for businesses already subject to airborne infectious disease regulations. At the same time, Cal-OSHA guidance for general business advises that employers actively discourage sick employees from coming to work, ensure availability of hand-washing stations, and routinely disinfect the workplace.

The new requirements agreed to by the grocery industry and its represented labor workforce could become a model for future requirements on many customer-facing industries.

Workers' Compensation: Not yet addressed in any Executive Order is the role of California's no-fault workers' compensation insurance program. Right now, care for those who become ill from COVID19 infection is paid for by Medi-Cal or private insurance. We expect that workers' compensation claims are being made by employees who are infected at work and that the existing claims process is underway. The California Labor Federation has expressed in a letter to the Governor that any COVID19 infection by a health care worker, firefighter, EMS, frontline law enforcement, and all employees deemed Essential Critical Infrastructure be conclusively presumed to have occurred at work. It is unclear whether and how the Governor will act on this request in an Executive Order. Absent an Executive Order, we expect this matter to surface in a bill when the Legislature returns. However, we believe greater clarity and rules governing how workers' compensation claims are considered and adjudicated will be part of the equation before the stay-at-home orders are lifted for non-essential businesses that are currently closed.

All these items are fast-moving and our firm will keep you apprised as the issues progress.

SPECIAL ELECTIONS:

In light of stay-at-home and physical distancing orders due to the COVID-19 pandemic, Governor Gavin Newsom signed an executive order to address upcoming local elections.

Three local special elections that have been scheduled for May and June will be held as all-mail ballot elections. Local election officials can also make in-person voting available, to ensure every voter has an opportunity to vote, but only in a manner consistent with public health and safety, including appropriate physical distancing.

The upcoming elections impacted are a May 19, 2020 special recall election in the City of Santa Ana; a June 2, 2020 special municipal election scheduled in the City of Commerce; and a special recall election in the El Rancho Unified School District, also scheduled for June 2, 2020.

BUDGET IMPACTS

The impact to the State's current fiscal status is unknown. Although the State has an \$18 billion rainy day fund, the Legislative Analyst's Office (LAO) says California is likely to blow through its record budget surplus and face deficits of more than twice as much because of the severe recession expected from the COVID-19 pandemic.

Unemployment claims show that as many as 15% of California workers have lost their jobs and those numbers suggest the state is already in a recession that could severely crimp tax revenue.

The LAO estimates a worst-case scenario of a budget deficit of as much as \$35 billion near term, swelling to \$85 billion in later years. Such a shortfall would deal a significant blow to California. Over the past decade, the state has raised taxes and resisted wide-scale spending increases after facing major deficits.

Governor Gavin Newsom in January proposed a \$153 billion general fund budget that swelled savings to roughly \$18 billion. Although California is better prepared than ever to experience an economic downturn, it likely won't insulate us from the economic harm due to COVID-19.

The federal stimulus package includes about \$15 billion for California and its local governments (50/50 split), which should offset some of the immediate costs of the crisis. Still, the Center on Budget and Policy Priorities said states may face budget deficits of \$500 billion combined over the next two years as the deep economic slowdown causes revenue to plunge.

California, which typically takes in the bulk of its tax revenue in April, has extended the deadline for individuals to pay income taxes until July. Newsom's finance department said that the state has about \$8.7 billion in cash and unused internal borrowable resources available through June 30, the end of the fiscal year.

2020 LEGISLATIVE CALENDAR:

Given the impacts of COVID-19 on the Legislative process, we expect many of the following deadlines to be amended or waived. The only 2 deadlines that are constitutionally protected are the June 15 budget deadline and the August 31 final recess. Additionally, the Governor has the ability to call a special session at any time.

April Deadlines

Apr. 2 Spring Recess begins upon adjournment (J.R. 51(b)(1)).

Apr. 13 Legislature reconvenes from Spring Recess (J.R. 51(b)(1)).

Apr. 24 Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(b)(5)).

May Deadlines

May 1 Last day for **policy committees** to meet and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).

May 8 Last day for **policy committees** to meet prior to June 1 (J.R. 61(b)(7)).

May 15 Last day for **fiscal committees** to hear and report to the **floor** bills introduced in their house (J.R. 61 (b)(8)). Last day for **fiscal committees** to meet prior to June 1 (J.R. 61 (b)(9)).

May 25 Memorial Day.

May 26-May 29 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 (J.R. 61(b)(10)).

May 29 Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).

June Deadlines

June 1 Committee meetings may resume (J.R. 61(b)(12)).

June 15 Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).

June 25 Last day for a legislative measure to qualify for the Nov. 3 General Election ballot (Elections Code Sec. 9040).

June 26 Last day for **policy committees** to hear and report fiscal bills to fiscal committees (J.R. 61(b)(13)).

July Deadlines

July 2 Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)).

Summer Recess begins upon adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).

July 3 Independence Day observed.

August Deadlines

Aug. 3 Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).

Aug. 14 Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).

Aug. 17-31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(16)).

Aug. 21 Last day to **amend** bills on the floor (J.R. 61(b)(17)).

Aug. 31 Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)). Final Recess begins upon adjournment (J.R. 51(b)(3)).

RESOLUTE^{*}

To: South Coast AQMD Board
From: David Quintana
Subject: Monthly Legislative Report
Date: 29 April, 2020

Meetings

During the last month RESOLUTE met (calls) with the following legislators on behalf of SCAQMD:

- Sen. Budget Chair, Holly Mitchell
- Asm. Water Parks and Wildlife Chair, Eduardo Garcia
- Asm. Christina Garcia

Pro Tem Atkins Announces Senate Return Calendar

Senate Pro Tem Toni Atkins has now created the Special Committee on Pandemic Emergency Response. They are scheduled to meet Wednesday, May 6, 2020 at 1:30 p.m.

- The committee is tasked with reviewing the state's response to the COVID-19 health crisis. The committee will also make findings and recommendations for future preparedness. The special committee is chaired by Senator Lena A. Gonzalez (D-Long Beach), vice-chaired by Senator Patricia C. Bates (R-Laguna Niguel), and will include the following Senators: Andreas Borgeas (R-Fresno), Anna M. Caballero (D-Salinas), Bill Dodd (D-Napa), Hannah-Beth Jackson (D-Santa Barbara), Brian W. Jones (R-Santee), Mike McGuire (D-Healdsburg), Richard Pan (D-Sacramento), Thomas J. Umberg (D-Santa Ana), and Scott D. Wiener (D-San Francisco).
- As with the Senate's April 16, 2020 budget hearing on COVID-19, some members of the committee are expected to participate remotely under the terms of Senate Resolution 86, which was adopted by the Senate to allow its work to continue during the COVID-19 crisis.
- Details on where to watch the hearing and how to submit public testimony will be provided in the file notice for the hearing. Due to increased demand following the April 16 hearing, the Senate has increased its viewing and participation capacity.

The Senate is now to return from recess on Monday, May 11, 2020.

- The Senate's final return date is subject to ongoing information and guidance from health officials and the Senate's priority remains returning in a way that does not endanger the health of the public, Senators, or staff. Details on physical distancing, remote participation, and other necessary public health precautions will be announced prior to the Senate's return.

The committee process in the Senate is still fluid. However, my discussions with the Chief of Staff to the Pro Tem have made it very clear that the Pro Tem intends to cut back committee hearings dramatically. For bills that are given the green light to move, it is unlikely that we will see multiple committee referrals. It is more likely that bills go to one policy committee then Appropriations if necessary then the Floor. This is simply due to the constitutional adjournment date of August 31st, there is just very little time to take care of Senate business.

Speaker Rendon Announces Assembly Return Calendar

Assembly Speaker Anthony Rendon has stood by his promise to have the Assembly return from recess on May 4th. While details as to how the entire legislative process will “work” are still not totally clear, we have learned this much from conversations with the Speaker’s Office:

- Assemblymembers will not participate remotely
- Assembly staff have been contemplating the configuration of each hearing room to accommodate as many people as possible while maintaining physical distancing.
- They indicated that Room 4202 will be the main hearing room and that there may be other rooms utilized as well, perhaps even the Assembly Chambers.
- It is possible that there could be more than one hearing held at a time – but right now that is unlikely
- The Assembly is contemplating in-person or remote testimony for sponsors and subject matter experts witnesses *only* and “telephone testimony” for “me-toos”
- The Assembly is using WebEx as its video platform and AT&T as the teleconferencing platform.
- According to staff, the spot bills currently in Rules Committee are going to be processed between now and the return of the Assembly and will be in print prior to May 4.
- Opposition witnesses would need to agree upon who provides lead opposition testimony and likewise notify the committee 48 hours prior. With regard to the telephone testimony, the chair would announce a telephone number at the open and close of each bill. People would need to initiate a call for each individual bill and be prepared to answer three to five predetermined questions from the facilitator to help speed the process along (e.g. name, org, bill no., position).

Constitutional Deadlines

Given their absence due to recess, the legislature has now moved past several key deadlines in the legislative process. Therefore, in order to conduct business, my sources tell me that they are likely to issue a huge number of rule waivers for both legislation so that it may continue to proceed forward, and for deadlines so they can be realigned to the calendar that is left. The only two deadlines that cannot be moved in any way are the following two which are in the state constitution:

- **June 15** Budget Bill must be passed by midnight (Art. IV, Sec. 12(c))
- **August 31** Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)). Final Recess begins upon adjournment (J.R. 51(b)(3)).

The Budget

Normally, the month of April would have been consumed with budget sub-committee hearings in order to try and align the budget the governor proposed in January with the priorities of the legislature. Unfortunately, because of the recess, and because of the unknowns of the COVID economic hit to the state, this has not happened. This means that this year we will have a very **condensed** budget process. Instead of the months of hearings and process, we will now have the following: The May Revise will come out on May 15th and then there will be 30 days to get the budget done – that’s it. Combined with the social distancing, this will make lobbying on budget items far more difficult than ever before.

One final item that will make this year’s budget process way more complex than we have ever seen is that the CA tax returns and payments have been pushed out to July 15. This adds an additional major unknown to the budgeting process where they will not be able to factor in any numbers on personal income tax revenue into their accounting.

Intel on How the Budget Will Look in May

I have had a discussion with one of the consultants to the Governor. That person told me that the budget that we will see at the May Revise will be one of “shock and awe”. Look for 20-40% cuts across the board. The person also said that “all oxes will be gored, including those items many think are untouchable - legislators will be extremely upset”.

However, I have also learned that the Governor might try and do two more budgets, one in August, after tax returns are received and can be evaluated, and after the “reopening” has occurred and we can see how much the economy is lifted. I was told there also might be one more later if it looks like the economy is picking up at a greater pace that anyone has predicted.

CA, OR, WA, CO & NV Form Western States Pact on Reopening

On April 27th, Colorado Governor Jared Polis and Nevada Governor Steve Sisolak announced that they would be joining California Governor Gavin Newsom, Oregon Governor Kate Brown and Washington Governor Jay Inslee under a shared vision for gradually modifying their states’ stay at home orders and fighting COVID-19. They listed three shared principles as foundational to the agreement:

- **Our residents’ health comes first.** As home to nearly one in five Americans and gateway to the rest of the world, the West Coast has an outsized stake in controlling and ultimately defeating COVID-19.
- **Health outcomes and science – not politics – will guide these decisions.** Modifications to our states’ stay at home orders must be made based off our understanding of the total health impacts of COVID-19, including: the direct impact of the disease on our communities; the health impact of measures introduced to control the spread in communities —particularly felt by those already experiencing social disadvantage prior to COVID-19; and our health care systems’ ability to ensure care for those who may become sick with COVID-19 and other conditions. This effort will be guided by data. We

need to see a decline in the rate of spread of the virus before large-scale reopening, and we will be working in coordination to identify the best metrics to guide this

- **Our states will only be effective by working together.** Each state will work with its local leaders and communities within its borders to understand what’s happening on the ground and adhere to our agreed upon approach.

CA Air Resources Board Increases Electronic Truck Sales Targets

On April 28th the CA Air Resources Board proposed to strengthen their first-in-the-nation sales mandate for electric trucks by doubling the number of vehicles that manufacturers must sell by 2035, by revising the Advanced Clean Trucks rule that would result in roughly 300,000 electric trucks on the road by 2035 — rather than the 150,000 previously. The rule accelerates zero-emission sales targets for all classes of trucks, particularly pickup trucks, which make up about two-thirds of medium-duty vehicles. Pickup manufacturers would be subject to sales targets starting in 2024, rather than 2027. CARB also extended the targets through 2035, rather than stopping them in 2030, for higher ultimate levels of zero-emissions vehicle penetration. The rule is open for public comment through May 28 and is expected to come up for a vote at CARB's June board meeting.