



# South Coast Air Quality Management District

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

## HYBRID LEGISLATIVE COMMITTEE MEETING

### Committee Members

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

**January 12, 2024 ♦ 9:00 a.m.**

**A meeting of the South Coast Air Quality Management District Legislative Committee will be held at 9:00 a.m. on Friday, January 12, 2024, through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.**

**Please refer to South Coast AQMD’s website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:**

### TELECONFERENCE LOCATION

|   |  |
|---|--|
| Lynwood City Hall<br>11350 Bullis Road<br>Lynwood, CA 90262   | Office of Supervisor V.<br>Manuel Perez<br>78015 Main Street<br>Suite 205<br>La Quinta, CA 92253 |
| Riverside City Hall<br>3900 Main Street<br>7 <sup>th</sup> Floor Conference Room<br>Riverside, CA 92522 | Los Angeles City Hall<br>200 N. Spring Street<br>Room 415<br>Los Angeles, CA 90012               |

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

## INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

*Join Zoom Webinar Meeting - from PC or Laptop*

<https://scaqmd.zoom.us/j/99574050701>

**Zoom Webinar ID: 995 7405 0701** (applies to all)

**Teleconference Dial In**

+1 669 900 6833

**One tap mobile**

+16699006833,, 99574050701#

**Audience will be able 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 54954.3(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 total for all items on the agenda.*

**CALL TO ORDER**

**ROLL CALL**

**ACTION/DISCUSSION ITEM (Item 1):**

**1. Update on Proposed Sponsored Bills  
(No Motion Required)**

*Staff will provide an update on the proposed sponsored bills.*

*Philip Crabbe III  
Senior Public Affairs Manager  
Legislative, Public Affairs &  
Media*

**DISCUSSION ITEMS (Items 2 through 3):**

**2. Update and Discussion on Federal Legislative Issues  
(No Motion Required)**

*Consultants will provide a brief oral report on Federal legislative activities in Washington D.C.*

***[Attachment 1a-1c - Written Reports]***

*Amelia Morales  
Cassidy & Associates*

*Mark Kadash  
Kadash & Associates, LLC*

*Gary Hoitsma  
Carmen Group*

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

*(No Motion Required)*

*Consultants will provide a brief oral report on State legislative activities in Sacramento.*

*[Attachment 2a-2c - Written Reports]*

*Ross Buckley  
California Advisors, LLC*

*Paul Gonsalves  
Joe A. Gonsalves & Son*

*David Quintana  
Resolute*

**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, February 9, 2024, at 9:00 a.m.**

**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 Aisha Reyes at (909) 396-3074 or send the request to [areyes2@aqmd.gov](mailto:areyes2@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 Aisha Reyes at (909) 396-3074 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [areyes2@aqmd.gov](mailto:areyes2@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.



To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: December 21, 2023  
Re: December Report

## *HOUSE/SENATE*

### *Congress*

The House and Senate have both adjourned until January. Before leaving town, Congress passed the Fiscal Year 2024 National Defense Authorization Act (NDAA) and an extension to the Federal Aviation Administration (FAA)'s funding authority until March 8 while they continue to negotiate the FAA reauthorization bill. The Senate is scheduled to return on January 8, and the House on January 9. When Congress returns, Members will resume work on appropriations bills as the first of the two-tiered funding deadline approaches on January 19, when FY23 appropriations will expire for Agriculture, Energy and Water Development, Military Construction and Veterans Affairs, and Transportation, Housing, and Urban Development. Congress will also continue debate on a supplemental package that includes sending aid to Israel and Ukraine and funding the border.

### *EPA*

On December 2, the Environmental Protection Agency (EPA) announced a final rule to reduce methane and other harmful air pollutants from the oil and natural gas industry. Oil and natural gas operations are the nation's largest industrial source of methane, responsible for approximately one-third of the warming from greenhouse gases. EPA's final rule is estimated to prevent 58 million tons of methane emissions from 2024 to 2038. The rule will eliminate routine

flaring of natural gas, require comprehensive monitoring for methane leaks, and establish equipment standards that will reduce emissions. Read more [here](#).

On December 14, the EPA announced that it will begin the process for prioritizing five additional chemicals for risk evaluation: acetaldehyde, acrylonitrile, benzenamine, MBOCA, and vinyl chloride. EPA will consider whether to designate the chemicals as High Priority Substances during the twelve-month process, authorized under the Toxic Substances Control Act. Read more [here](#).

On December 18, the EPA released its FY23 Enforcement and Compliance Annual Results, which showed increased on-site inspections, new criminal investigations, civil settlements, and cleanup enforcement. In 2023, the enforcement and compliance program focused on underserved and overburdened communities who have faced the greatest effects of pollution. Read more [here](#).

On December 20, the EPA released its annual Automotive Trends Report, which showed record low CO2 emissions and record high fuel economy. The increased use of electric and hybrid vehicles and the use of advanced technologies by manufacturers have helped to achieve emissions goals. All fourteen large manufacturers are in compliance with the light-duty greenhouse gas program requirements. Read more [here](#).

On December 20, the EPA announced the selection of California-based Social and Environmental Entrepreneurs, Inc. (SEE) to serve as the EPA Region 9 Grantmaker as part of the Environmental Justice Thriving Communities Grantmaking Program. SEE will receive \$50,000,000 to allot as subgrants to community-based organizations to fund environmental project activities, including local emergency preparedness, environmental workforce development programs for local jobs reducing greenhouse gas emissions, and fenceline air quality and asthma-related projects. Read more [here](#).

Cassidy and Associates support in December:

- Worked with South Coast AQMD staff to strategize on DC outreach.
- Assisted and coordinated on reauthorization of BioWatch program.
- Continued to monitor and report on activities in Congress and the Administration that impact the District.
- Participated in weekly strategy sessions with South Coast AQMD staff.
- Prepared for February South Coast AQMD fly in.

## *IMPORTANT LEGISLATIVE DATES*

### **January 19, 2023:**

FY 2023 Appropriations expire for:

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- Energy and Water Development
- Military Construction, Veterans Affairs, and Related Agencies
- Transportation, Housing and Urban Development, and Related Agencies

### **February 2, 2024:**

FY 2023 Appropriations expire for:

- Commerce, Justice, Science, and Related Agencies
- Department of Defense
- Financial Services and General Government
- Homeland Security
- Interior, Environment, and Related Agencies
- Labor, Health and Human Services, Education, and Related Agencies
- Legislative Branch
- State and Foreign Operations and Related Programs

## *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 January 2024  
Legislative Meeting covering December 2023  
Kadesh & Associates

Following a dramatic Fall, it was a relief to nearly all in Washington that the short-term federal funding dilemma was quickly resolved when the House and Senate passed a two-tiered Continuing Resolution (CR) to keep the government funded into the new year. Under this bill, four FY24 appropriations bills were extended until January 19; those bills cover agriculture, military construction, transportation/housing, and energy/water. The remaining eight bills, including the bill that funds the EPA, will be extended until February 2. Aside from the bifurcated extension dates, the new CR straightforwardly extends FY23 funding levels, as well as farm bill and health programs. It also extended DHS' Countering Weapons of Mass Destruction Office, which would otherwise have expired Dec. 21; this office funds the Biowatch program that has supported monitoring at South Coast AQMD.

The CR was approved under the "suspension of the rules" procedure in the House, meaning it needed a 2/3 vote to pass. The suspension process was required because passing the rule to govern debate became untenable due to political pressures in the House. In the end, almost all House Democrats supported the bill, while the House Republican conference was divided.

However, despite the welcome respite from shutdown threats, the House and Senate are no closer to an agreed-upon topline number for FY24 appropriations. The Senate marked up its bills to the number (\$1.59 trillion) set in the debt ceiling deal passed earlier this year. The House, however, has been using \$1.47 trillion as its topline number. This will be the next meaningful battle in appropriations, and if a shutdown occurs in January or February, it will be over which topline to use.

Without the pressure of a pending shutdown, Congress adjourned for the year in mid-December, leaving additional substantive work to be completed in January. Neither the CR nor the FY24 topline numbers include or address the President's request for emergency aid for Israel and Ukraine. In addition, Senate Republicans have insisted on border/immigration policy changes as a condition of considering the Israel/Ukraine funding. Senate negotiators have been working towards a deal over the holiday recess.

## Kadesh & Associates Activity Summary-

- Worked with South Coast AQMD and the congressional delegation on whole-of-government efforts to address air quality through BIL and IRA funding programs and Clean Air Act issues.
- Assisted with BioWatch reauthorization issue.

## Contacts:

Contacts included staff and Members throughout the CA delegation, especially new members of the delegation, authors of priority legislation, Senate offices, and members of key committees. We have also been in touch with administration staff.

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

**To:** South Coast AQMD Legislative Committee

**From:** Carmen Group

**Date:** December 27, 2023

**Re:** Federal Update -- Executive Branch -- (November and December)

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## Department of Transportation

**DOT Announces Funds Available for RAISE Grants:** In November, the Department of Transportation (DOT) announced the availability of \$1.5 billion for the FY 24 RAISE grant program to help communities carry out transportation infrastructure projects with significant local or regional impact. In 2023, the program funded 162 projects covering all 50 states. Applications due February 28, 2024.

**MARAD Announces Port Infrastructure Grant Awards:** In November, The Maritime Administration (MARAD) announced the award of over \$653 million to fund 41 projects across the nation selected under the Port Infrastructure Development discretionary grant program. These included four projects in California: \$52.6 million at Long Beach North Harbor; \$11.3 million at National City Marine Terminal (San Diego); \$8.6 million at Redwood Marine Terminal (Eureka); and \$2 million at Port of Hueneme (Oxnard).

**DOT Announces Opening of Two EV Charging Stations:** In December, DOT announced the opening of the first two new EV charging stations (one in Ohio and one in New York) funded by the National EV Infrastructure Formula Program created under the Bipartisan Infrastructure Law passed in 2021. The program is designed to provide \$5 billion directly to the states and an additional \$2.5 billion in discretionary grants to build out a national network of over 500,000 stations over five years. Also in December, the Federal Highway Administration (FHWA) announced it will soon publish a new Request for Information (RFI) seeking stakeholder feedback to help update the agency's minimum standards and requirements for such charging stations.

**FHWA Announces GHG Climate Performance Measure:** In November, the FHWA announced a new finalized "performance measure" regulation that will impose on state DOTs and Metropolitan Planning Organizations (MPOs) a new national requirement to track transportation-related greenhouse gas (GHG) emissions, while providing flexibility to set their own targets for emission reductions. A few days later, at a hearing of the House Transportation & Infrastructure Highways & Transit Subcommittee, Republicans questioned the DOT's authority to impose such a requirement, saying such authority was not Congressionally authorized under the Bipartisan Infrastructure Law (BIL). The FHWA administrator countered that the authority came not from the BIL but from the previous authorization bill, the FAST Act, which the BIL replaced.

**Proven Process. Proven Results.™**

## **Environmental Protection Agency**

**EPA Announces Actions to Reduce Methane Emissions:** In December, the EPA announced two measures to reduce methane emissions from the oil and gas industry, a key target of the administration’s national and international climate agenda. First, EPA announced (at the COP28 Climate Summit in Dubai, UAE) its finalized rulemaking on methane after receiving nearly 1 million public comments. The rule sets rigorous new standards to slash methane emissions and incentivize innovation. Second, the EPA also announced (with the Department of Energy) a commitment of \$350 million from the Inflation Reduction Act to 14 states (including California) to help them reduce methane emissions in their states.

**EPA Announces Environmental Justice Actions:** The EPA recently announced the following significant Environmental Justice-related actions: 1) Providing \$600 million to 11 organizations nationwide selected as Grantmakers under the EPA’s Environmental Justice Thriving Communities Grantmaking program, created by the Inflation Reduction Act. Such Grantmakers are intended to streamline the process of funding a range of environmental projects important to local communities; 2) Designating California-based Social and Environmental Entrepreneurs (SEE) to serve as EPA’s Region 9 EJ Thriving Communities Grantmaker. SEE will use its expertise and local connections to design a subgrant program “that prioritizes equity-centered grantmaking processes and procedures”; 3) Launching the new Community, Equity & Resiliency initiative to help communities across the nation navigate all of EPA’s Inflation Reduction Act investments and other new related funding opportunities; and 4) Issuing a \$777,000 grant to the California Department of Public Health to provide technical assistance to general aviation airports in California in disadvantaged communities to support the transition from leaded to unleaded aviation gasoline.

**EPA Announces Youth Advisory Council Members:** In November, the EPA Administrator announced his selection of the 16 initial members who will serve two-year terms on the EPA’s newly created National Environmental Youth Advisory Council (NEYAC) which will begin work in 2024. All members are between the ages of 16 and 29. The committee will meet twice a year and provide policy advice and recommendations to the Administrator on environmental issues impacting youth. The selected members represent 13 states (including California) and the District of Columbia, come from a variety of backgrounds, party affiliations, geographic locations and lived experiences and were selected from a pool of over 1000 applicants. By design, the committee pledges to maintain at least 50 percent of its membership from disadvantaged communities.

**EPA Launches Video Prize Challenge to Showcase EV Transportation:** The EPA recently announced it is conducting a prize competition (“My Electric Ride”) soliciting 1-2-minute videos showcasing the advantages of electric transportation in the categories of personal mobility, electric vehicles, and electric buses. Nine winners can receive up to \$3000 each. Submissions due January 23, 2024.

**EPA Among Seven Agencies in “Climate Corps” MOU:** In December, the EPA, the Departments of Commerce, Interior, Agriculture, Labor and Energy, and AmeriCorps announced they are formally entering into a Memorandum of Understanding (MOU) to

begin implementation of President Biden’s September 2023 executive order creating what is being called the American Climate Corps. This sweeping initiative to hire up to 40,000 people initially (mostly ages 18-35) to be trained for environmental work and careers, has no apparent authorization in law, was rejected by Congress as part of the Inflation Reduction Act, and is now under investigation by the House Oversight & Accountability Committee, where public hearings are expected to be held in early 2024.

## **Department of Energy**

**Notable Appointment:** **Raylene Yung** to be *Chief of Staff, Office of Clean Energy Demonstrations*. Previously served as executive director of the Technology Modernization Fund at the US General Services Administration; CEO of US Digital Response; Engineering and product development roles in the private sector. Originally from California. BS and MS degrees from Stanford University.

**DOE Announces New Technology Office:** In December, the Department of Energy announced the launch of the new Office of Critical and Emerging Technology to oversee areas such as artificial intelligence, biotechnology, quantum computing, and semiconductors, many of which will have broad applications to many DOE priorities including clean energy. The office will be directed by **Helena Fu**, who has been a senior advisor at DOE after serving as Director of Technology and National Security at the National Security Council. She will also serve as DOE’s Chief Artificial Intelligence Officer.

**DOE Announces Funds Available for Domestic Battery Manufacturing:** In November, DOE’s Office of Manufacturing and Energy Supply Chains (MESC) announced the availability of \$3.5 billion from the Bipartisan Infrastructure Law to boost domestic production of advanced batteries and battery materials. The funding is designed to create new, retrofitted, and expanded domestic facilities for battery-grade processed critical minerals, battery precursor materials, battery components and cell and pack manufacturing all of which are critical to supporting clean energy electric vehicles and related supply chains of the future. Concept papers due January 9, 2024. Full applications due March 19, 2024.

**DOE Announces US-Canada Rail Decarbonization Task Force:** In December, on the margins of the COP28 Climate Conference in Dubai, UAE, the U.S. Secretary of Energy and Canada’s Minister of Transport issued a joint statement noting the creation of a Rail Decarbonization Task Force “to develop a common vision to reduce emissions from the rail sector.” It says the two countries will “establish a joint research agenda,” “coordinate strategies,” and “collaborate” on a “rail sector net-zero climate model by 2025.”

**Congress:** New FY24 Appropriations Deadlines: January 19 and February 2.

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**Outreach:** In November, Carmen Group coordinated with officials at the Department of Transportation’s Maritime Administration on issues related to the agency’s Port Infrastructure Development grant program.



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# CALIFORNIA ADVISORS, LLC

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South Coast AQMD Report  
California Advisors, LLC  
January 12, 2024, Legislative Committee Hearing

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## **Legislative Update**

On November 21<sup>st</sup>, Speaker Robert Rivas announced new committee chair appointments. This action marked a critical moment in the Assembly because this was the Speaker finally appointing his inner circle to key committee assignments. While he did keep some committee chairs in place from the previous regime, most of the major committees saw a new Chair being appointed. This included Assembly Appropriations, Budget, Health, Judiciary, Labor and Employment, Natural Resources, Rules, Transportation, and many others.

It was important to announce these changes before the start of the new year so that these chairs could familiarize themselves with the bills still on their agendas. When the Legislature returns to Sacramento in January they will immediately dive into “two-year” bills. These are bills that need to move to the other house before the end of January. This expedited process will see several bills moving and these new chairs will have to make some tough decisions. Additionally, we expect additional changes to be made to the committee memberships before the new year.

Also, it was announced that Senator Mike McGuire would officially become the next Senate President Pro Tempore on February 5<sup>th</sup>, 2024. In the announcement, they said to expect additional details in the coming weeks regarding the full transition timeline. Senator McGuire will succeed Senator Toni G. Atkins who was elected as Pro Tempore in 2017.

## **Budget Update**

On December 7<sup>th</sup>, the Legislative Analyst’s Office (LAO) released the Fiscal Outlook in anticipation of the upcoming budget season. The LAO estimated a budget problem of \$68 billion in the upcoming budget process. This largely comes because of severe revenue decline in 2022-

23. They stated that while addressing a deficit of this scope will be challenging, the Legislature has several options available to do so. In particular, the state has nearly \$24 billion in reserves to address the budget problem. In addition, there are options to reduce spending on schools and community colleges that could address nearly \$17 billion of the budget problem. Further adjustments to other areas of the budget, such as reductions in one-time spending, could address at least an additional \$10 billion or so. These options and some others, like cost shifts, would allow the Legislature to solve most of the deficit largely without impacting the state's core ongoing service level.

Further, on December 12<sup>th</sup>, the Department of Finance sent out a letter to every state department which indicated they were expecting significant General Fund budget deficits in fiscal years 2023-24 and 2024-25. Accordingly, the Department of Finance directed all entities under the Governor's direct executive authority to take immediate action to reduce current-year General Fund expenditures. There were a limited number of exemptions from the spending reduction which included addressing declared emergencies, providing 24-hour medical care, avoiding significant revenue loss, and achieving significant net cost savings. Agency Secretaries and Cabinet-level Directors will be required to report monthly to Finance and the Governor's Office on all approved exemptions as well as achieved savings.

It should also be noted that California's cash position remained relatively strong over the last few months. As of November 30<sup>th</sup>, the state treasury retained more than \$91 billion of available "cash on hand". This revenue is predominately made up of money in accounts outside of the state's General Fund. This money could potentially be used as a temporary "borrowable resource" for the General Fund.

### **Governor Appointments**

The Governor announced on December 14<sup>th</sup> that Hazel Miranda was appointed Chief of Staff and Policy Advisor for the Chair of the California Air Resources Board. In 2023, Miranda founded Miranda Strategies, a regulatory and strategy consulting firm. She served as a Deputy Legislative Secretary in the Office of Governor Gavin Newsom from 2021 to 2023. She was Legislative Director in the Office of Government Affairs at the California Public Utilities Commission from 2016 to 2021.



## 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](mailto:gonsalves@gonsalvi.com)

**TO:** South Coast Air Quality Management District  
**FROM:** Anthony, Jason & Paul Gonsalves  
**SUBJECT:** Legislative Update – December 2023  
**DATE:** Tuesday, December 19, 2023

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December is always a very quiet month in Sacramento, especially in the first year of a two-year session. When the Legislature returns to session next month, there will be two priorities on the agenda.

First, the Governor and the Legislature are facing a \$68 billion deficit. The last time the state faced significant budget woes was before 2012. Very few legislators remain in office who experienced this significant of a deficit. It is unclear whether this large deficit represents a one-time issue or a more long-term structural problem. Regardless, it is a large deficit and closing the gap will demand considerable attention from the Governor and legislative leadership.

Next, all bills introduced in 2023 that did not pass out of the house they were introduced in must pass by the end of January 2024 to stay alive. Legislators will focus some of their attention on this task throughout the first month of the year.

The following will provide you with updates of interest to the District:

### **NEW SENATE PRESIDENT PRO TEMPORE**

Senator Mike McGuire will be sworn in as the next President Pro Tempore of the California Senate on February 5, 2024, replacing outgoing Senate Pro Tempore Toni Atkins. The timeline puts Senator McGuire in charge as lawmakers grapple with a large projected budget deficit that could require steep cuts to state spending. Senator McGuire's leadership stint will be no more than 2½ years since he is termed out in 2026. This means a new Leadership team, Committee Chairs and Committee makeups for the 2024 Legislative session.

As previously reported, the Assembly elected a new Speaker, Assemblymember Robert Rivas, who took over the top leadership position on July 1, 2023. Both newly elected leaders, Assembly Speaker Rivas and Senate President Pro Tempore elect McGuire, are from Northern California

and both come from rural districts. This is a sharp contrast to their predecessors who both come from highly urbanized areas of Southern California.

Assembly Speaker Rivas has already made significant changes to the legislative process by way of new committee chairs, the makeup of committees, and leadership roles. Once Senator McGuire takes over as Senate President Pro Tempore, he too will make his own changes to the legislative process.

## **BUDGET**

Last week, the nonpartisan Legislative Analyst's Office (LAO) said that the state's budget deficit will likely grow to \$68 billion in fiscal year 2024-25, a stark contrast to the \$14 billion Lawmakers anticipated when crafting last year's budget deal.

California's revenue system relies heavily on income taxes. One reason why previous estimates differed so greatly is because of federal tax filing extensions. Legislators and the LAO did not have a complete picture of the tax collections until after the 2023-24 fiscal year ended. Budget watchers expected some high-wage earners and large corporations to file their income taxes at the November filing deadline. However, that failed to materialize.

The LAO projects that 2022-23 revenues will be \$26 billion below prior estimates. Collections data shows a 25% reduction in total income tax collections. Still, the state is in a much better position to respond to the deficit than in years past. The state has closed similar funding gaps before and has nearly \$91 billion in unused borrowable funds. Legislators could also borrow from special funds, pull back allocations, or recalculate the state's obligation to schools and community colleges. The LAO warned that although tax revenues will likely begin growing next year, recovery will be slow.

## **SALTON SEA RESTORATION**

On December 8, 2023, Governor Gavin Newsom announced \$70 million in federal investment coming to California to accelerate the state's ongoing work to restore the Salton Sea through efforts that enhance wildlife habitat, protect public health and improve water quality at the lake.

The Biden-Harris Administration announced that \$70 million in federal funding is being transferred to the state's Salton Sea Management Program, the first tranche of funding from a \$250 million federal commitment announced last year to accelerate dust suppression and aquatic habitat projects at the Salton Sea. California has committed more than \$500 million in state funding for Salton Sea projects to date.

The \$70 million will be used to expand the state's Species Conservation Habitat Project, which is creating a network of ponds and wetlands over 4,000 acres to provide fish and bird habitats and suppress dust emissions. This federal funding will enable the expansion of the project at the southern edge of the sea.



An additional \$2 million in federal funding was announced for the Torres Martinez Desert Cahuilla Indians to expand the Tribe's technical capacity by funding positions entrusted with supporting Salton Sea project implementation.

### **COMMUNITY AIR GRANT PROGRAM**

On December 11, 2023, The California Air Resources Board (CARB) announced the award of \$10 million from the Community Air Grant program to 42 local non-profit organizations and California Native American tribes for projects that focus on air pollution reduction efforts across the state.

These funds are allocated to local organizations and California Native American tribes to launch community-driven projects that engage residents and support grassroots ideas aimed at tackling air pollution issues. This year, the grant program is funding a new kind of project called a Local Community Emissions Reduction Plan (L-CERP), which encourages community collaboration with local air districts and other government agencies that can help implement proposed air improvement actions prioritized by residents. Eight organizations were awarded funds to launch this new effort. Other funded projects range from educational outreach efforts to increase awareness about local pollution and advocacy opportunities to air monitoring programs that supply residents with data about conditions in their community.

Community Air Grants are an essential component of CARB's implementation of AB 617, which requires that air pollution reduction efforts target disadvantaged communities. Since the program was launched in 2018, \$35 million has been awarded to 69 local organizations and eight California Native American tribes. All projects are located in and benefit disadvantaged and low-income communities.

The Award Recipients within the SCAQMD boundaries include:

- The Soboba Band of Luiseño Indians will develop a targeted local Tribal Community Emissions Reduction Plan for harmful emissions that impact the Soboba Reservation. The Soboba Tribe faces challenges from increasing wildfires, transportation sources, and industrial operations surrounding the reservation. The project will provide data, training and educational resources that target pollution reduction, including the creation of a local emissions inventory. Following that initial work, the community will develop an action plan to tackle sources of emissions.
- The People's Collective for Environmental Justice will support an educational project that includes community engagement and leadership capacity-building goals for the residents of Bloomington and the City of Colton in the Inland Valley. Residents in these two areas experience air pollution from heavy-duty diesel and drayage trucks and locomotives. This project will provide tools the community can use to advocate for clean air and a healthy environment.
- The Del Amo Action Committee in Los Angeles County will conduct a comprehensive technical air toxics study that includes measuring the air pollution levels in the

community, documenting emission sources, and estimating the cumulative health risks from all air pollution. Air pollution sources near the Del Amo neighborhood include an industrial park, warehouses, Superfund sites, and the Ports of Los Angeles and Long Beach. The Del Amo project will involve education, training, and community capacity-building activities.

- The Morongo Band of Mission Indians will implement a technical project to enhance and expand its Community Air Quality Monitoring Network and perform additional air quality sampling for air toxics impacting the Morongo Reservation. Air quality on the Morongo Reservation is impacted by multiple industrial and mobile sources in neighboring Riverside and Los Angeles Counties. This project will help support and enhance the community by engaging, informing and empowering the community to take action to protect air quality and reduce exposure of air pollution on the reservation.

### **GOVERNOR'S APPOINTMENTS**

On December 14, 2023, Hazel Miranda, of Sacramento, was appointed Chief of Staff and Policy Advisor to the Chair of the California Air Resources Board. In 2023, Miranda founded Miranda Strategies, a regulatory and strategy consulting firm. She served as a Deputy Legislative Secretary in the Office of Governor Gavin Newsom from 2021 to 2023. She was Legislative Director in the Office of Government Affairs at the California Public Utilities Commission from 2016 to 2021. She was an Advisor to Commissioner Andrew McAllister at the California Energy Commission from 2013 to 2016. Miranda was a Public Utilities Regulatory Analyst at the California Public Utilities Commission from 2011 to 2013 and a Researcher and Consultant at SEIU Local 1021 from 2010 to 2011. Miranda was a graduate Consultant at the U.N. Economic Commission for Europe in 2009 and Legislative Director in the Office of State Assemblymember Warren Furutani in 2008. She was a Legislative Aide in the Office of State Assemblymember Jose Solorio from 2006 to 2008 and in the Office of State Senator Martha Escutia from 2004 to 2006. Miranda was a Polanco Fellow at the California Latino Legislative Caucus Institute for Public Policy from 2003 to 2004. She earned a Master of Public Affairs degree from the Princeton School of Public and International Affairs. This position does not require Senate confirmation and the compensation is \$189,864.

### **TRANSFORMATIVE CLIMATE COMMUNITIES PROGRAM (TCC)**

On December 18, 2023, the California Strategic Growth Council announced the award of \$98 million for 11 disadvantaged, unincorporated, and tribal communities across the state. The funds are to be used to plan and implement projects that reduce greenhouse gas emissions, improve public health and the environment, and expand economic opportunity for residents.

The current round of TCC grant funding will support three Planning Grants, four Project Development Grants, and four Implementation Grants. Planning grants provide support to communities to successfully apply to future funding rounds through TCC or other funding

sources, while Project Development Grants help fund pre-development costs, and Implementation Grants fund affordable housing, transit access and mobility, solar, energy efficiency, building electrification, green infrastructure, air quality, workforce training, anti-displacement programs, and more.

The Implementation Grants funded within the SCAQMD boundaries include:

- \$22,125,000 Award to The Energy Coalition – Pomona ACTS
- \$22,125,000 Award to the City of Coachella – Coachella Prospera

The Project Development Grants within the SCAQMD boundaries include:

- \$4,018,788.45 Award to Riverside County – Mecca and North Shore Climate Resiliency Plan

The Planning Grants funded within the SCAQMD boundaries include:

- \$300,000 Award to GRID Alternatives Greater Los Angeles – PACT for Paramount

## **2024 LEGISLATIVE DEADLINES**

|             |  |
|-------------|--|
| 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

# RESOLUTE<sup>\*</sup>

## South Coast Air Quality Management District Legislative and Regulatory Update – December 2023

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### ❖ Important Upcoming Dates

Jan 3 2024 – Legislature Reconvenes

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

- Provided ongoing updates as the Legislature stayed in interim recess and the Governor finalized decisions on bills at his desk.
- Set and attended meetings with legislative offices regarding bill proposals for the 2024 legislative session.

### ❖ LAO Budget Deficit Projections: The Legislative Analyst's Office has released their fiscal outlook for the next budget year which included a projection of a \$68 Billion budget deficit. The full report is available here: <https://lao.ca.gov/Publications/Report/4819>

#### EXECUTIVE SUMMARY FROM LAO:

*California Faces a \$68 Billion Deficit.* Largely as a result of a severe revenue decline in 2022-23, the state faces a serious budget deficit. Specifically, under the state's current law and policy, we estimate the Legislature will need to solve a budget problem of \$68 billion in the upcoming budget process.

*Unprecedented Prior-Year Revenue Shortfall Creates Unique Challenges.* Typically, the budget process does not involve large changes in revenue in the prior year (in this case, 2022-23). This is because prior-year taxes usually have been filed and associated revenues collected. Due to the state conforming to federal tax filing extensions, however, the Legislature is gaining a complete picture of 2022-23 tax collections after the fiscal year has already ended. Specifically, we estimate that 2022-23 revenue will be \$26 billion below budget act estimates. This creates unique and difficult challenges—including limiting the Legislature's options for addressing the budget problem.

*Legislature Has Multiple Tools Available to Address Budget Problem.* While addressing a deficit of this scope will be challenging, the Legislature has a number of options available to do so. In particular, the state has nearly \$24 billion in reserves to address the budget problem. In addition, there are options to reduce spending on schools and community colleges that could address nearly \$17 billion of the budget problem. Further adjustments to other areas of the budget, such as reductions to one-time spending, could address at least an additional \$10 billion or so. These options and some others, like cost shifts, would allow the Legislature to solve most of the deficit largely without impacting the state's core ongoing service level.

*Legislature Will Have Fewer Options to Address Multiyear Deficits in the Coming Years.* Given the state faces a serious budget problem, using general purpose reserves this year is merited. That said, we suggest the Legislature exercise some caution when deploying tools like reserves and cost shifts. The state's reserves are unlikely to be sufficient to cover the state's multiyear deficits—which average \$30 billion per year under our estimates. These deficits likely necessitate ongoing spending reductions, revenue increases, or both. As a result, preserving a substantial portion—potentially up to half—of reserves would provide a helpful cushion in light of the anticipated shortfalls that lie ahead.

- ❖ **Assembly Committee Assignments.** Speaker Rivas has made the appointments for all committee seats. This is in addition to the Chair appointments that were released in November. The full makeups of the committees are available in the Assembly Daily File here: <https://www.assembly.ca.gov/schedules-publications/assembly-daily-file>. The following are the committee memberships for the most relevant committees for South Coast:

**Assembly Natural Resources:**

Assemblymember Isaac Bryan, Chair  
Assemblymember Heath Flora, Vice Chair  
Assemblymember Rebecca Bauer-Kahan  
Assemblymember Laura Friedman  
Assemblymember Josh Hoover  
Assemblymember Ash Kalra  
Assemblymember Devon Mathis  
Assemblymember Al Muratsuchi  
Assemblymember Gail Pellerin  
Assemblymember Buffy Wicks  
Assemblymember Jim Wood

**Assembly Budget Sub #4 on Climate, Resources, Energy and Transportation**

Assemblymember Steve Bennett, Chair  
Assemblymember Damon Connolly  
Assemblymember Heath Flora  
Assemblymember Lori Wilson  
Assemblymember Jesse Gabriel, Democrat Alternate  
Assemblymember Vince Fong, Republican Alternate

**Assembly Utilities and Energy**

Assemblymember Cottie Petrie-Norris, Chair  
Assemblymember Jim Patterson, Vice Chair  
Assemblymember Rebecca Bauer-Kahan  
Assemblymember Lisa Calderon  
Assemblymember Phillip Chen  
Assemblymember Damon Connolly  
Assemblymember Laura Friedman  
Assemblymember Chris Holden  
Assemblymember Joe Patterson  
Assemblymember Eloise Gómez Reyes  
Assemblymember Miguel Santiago  
Assemblymember Pilar Schiavo  
Assemblymember Phil Ting  
Assemblymember Greg Wallis  
Assemblymember Jim Wood

**Joint Legislative Committee on Climate Change**

Assemblymember Damon Connolly, Vice Chair  
Assemblymember Wendy Carrillo  
Assemblymember Heath Flora  
Assemblymember Laura Friedman  
Assemblymember Al Muratsuchi

**Assembly Transportation**

Assemblymember Lori Wilson, Chair  
Assemblymember Vince Fong, Vice Chair

Assemblymember Cecilia Aguiar-Curry  
Assemblymember Marc Berman  
Assemblymember Juan Carrillo  
Assemblymember Laurie Davies  
Assemblymember Gregg Hart  
Assemblymember Corey Jackson  
Assemblymember Josh Lowenthal  
Assemblymember Diane Papan  
Assemblymember Kate Sanchez  
Assemblymember Phil Ting  
Assemblymember Greg Wallis  
Assemblymember Christopher Ward  
Assemblymember Buffy Wicks