

BOARD MEETING DATE: September 1, 2023

AGENDA NO. 27

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, August 11, 2023. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Michael A. Cacciotti, Chair
Legislative Committee

DJA:LTO:PFC:ar

Committee Members

Present: 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

Absent: None

Call to Order

Committee Chair Michael Cacciotti called the meeting to order at 9:00 a.m.

DISCUSSION/ACTION ITEM:

- 1. Execute Contract(s) for Legislative Representation in Sacramento, California**
On May 5, 2023, the Board approved release of an RFP for legislative representation in Sacramento, California. Four separate proposals were received from Actum, LLC, California Advisors, LLC, Joe A. Gonsalves & Son, and The Monares Group.

The Legislative Committee conducted interviews with the four entities that submitted proposals: Actum, LLC, California Advisors, LLC, Joe A. Gonsalves & Son, and The Monares Group. For additional information, please refer to the Webcast beginning at 5:40.

As a result of the above interviews, the Legislative Committee recommended approval of the execution of contracts with California Advisors, LLC for \$143,836, and Joe A. Gonsalves & Son for \$143,836 for legislative representation in Sacramento, California. The Legislative Committee also recommended staff look into other options and come back with further recommendations including possibly hiring a third lobbying firm for legislative representation in Sacramento, California for South Coast AQMD. For additional information, please refer to the Webcast beginning at 43:41.

Moved by: Hagman, Second by: Raman
Ayes: Cacciotti, Dawson, Hagman, Perez, Raman, Solache
Noes: None
Abstain: None
Absent: None

Harvey Eder, Public Solar Power Coalition, commented that the Public Solar Coalition has been around for about 50 years and public power is needed. It is important to educate people.

DISCUSSION ITEMS:

2. Update and Discussion on Federal Legislative Issues

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

There was no public comment.

3. Update and Discussion on State Legislative Issues

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

There was no public comment.

OTHER MATTERS:

4. Other Business

There was no other business to report.

5. Public Comment Period

Mr. Eder provided public comment that was not on any subject relevant to the Committee or within the Committee's authority that was not on the agenda.

6. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, September 8, 2023, at 9:00 a.m.

Adjournment

The meeting adjourned at 10:12 a.m.

Attachments

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

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – August 11, 2023

Council Member Michael Cacciotti..... South Coast AQMD Board Member
Mayor Patricia Lock Dawson..... South Coast AQMD Board Member
Supervisor Curt Hagman..... South Coast AQMD Board Member
Supervisor V. Manuel Perez..... South Coast AQMD Board Member
Council Member Nithya Raman..... South Coast AQMD Board Member
Council Member José Luis Solache South Coast AQMD Board Member

Uduak-Joe Ntuk..... Board Consultant (Kracov)
Mark Taylor..... Board Consultant (Rodriguez)
Ben Wong..... Board Consultant (Cacciotti)

Ross Buckley California Advisors, LLC
Paul Gonsalves Joe A. Gonsalves & Son
Gary Hoitsma Carmen Group, Inc.
Ben Miller Kadesh & Associates
Amelia Morales Cassidy & Associates
David Quintana..... Resolute

Mark Abramowitz..... Public
Kimberly Caceres Public
Ramine Cromartie..... Public
Harvey Eder..... Public Solar Power Coalition
Victor Ibarra Public
Adam Keigwin..... Public
Bill La Marr..... Public
Dan McGivney Public
Jacqueline Moore..... Public
Kristy Monji Public
Patty Senecal Public

Derrick Alatorre..... South Coast AQMD Staff
Debra Ashby South Coast AQMD Staff
Cindy Bustillos South Coast AQMD Staff
Lara Brown..... South Coast AQMD Staff
Maria Corralejo South Coast AQMD Staff
Philip Crabbe..... South Coast AQMD Staff
Iliana Garcia South Coast AQMD Staff
Bayron Gilchrist South Coast AQMD Staff
Sheri Hanizavareh South Coast AQMD Staff
Anissa Cessa Heard-Johnson..... South Coast AQMD Staff
Sujata Jain South Coast AQMD Staff
Aaron Katzenstein South Coast AQMD Staff
Angela Kim South Coast AQMD Staff
Howard Lee South Coast AQMD Staff
Alicia Lizarraga South Coast AQMD Staff
Brisa Lopez South Coast AQMD Staff

Cristina Lopez South Coast AQMD Staff
Ron Moskowitz South Coast AQMD Staff
Susan Nakamura South Coast AQMD Staff
Wayne Nastri South Coast AQMD Staff
Robert Paud South Coast AQMD Staff
Genny Pearce South Coast AQMD Staff
Sarah Rees South Coast AQMD Staff
Aisha Reyes South Coast AQMD Staff
Lisa Tanaka O'Malley South Coast AQMD Staff
Charlene Wang South Coast AQMD Staff
Mei Wang South Coast AQMD Staff
Paul Wright South Coast AQMD Staff
Victor Yip South Coast AQMD Staff

ATTACHMENT 2A

KADESH & ASSOCIATES

South Coast AQMD Report for the August 2023
Legislative Meeting covering June-July 2023
Kadesh & Associates

President Biden signed the Fiscal Responsibility Act (FRA) into law on June 3, ending the months-long disagreement between his White House and the Republican-led House about the right approach to raising the debt ceiling. The final votes in the House and Senate came just days before the Treasury would no longer have had the ability to meet the nation's financial obligations. In the House, a majority of both parties supported the deal: Republicans voted 149-71, while Democrats voted 165-46. In the Senate, 17 Republicans joined the majority of Democrats for a vote of 63-36.

In addition to postponing the debt limit for two years (i.e. until after the November 2024 elections), the new law establishes new budget caps, alters certain NEPA requirements, reinstates payment requirements on federal student loans, modifies the work requirements of some safety net programs, and directs federal approvals for the Mountain Valley Pipeline. The bill also "claws back" tens of billions of dollars of unobligated/unspent funding from several COVID-era funding bills.

Establishing these budget caps gave the House and Senate appropriators the ability to begin working on fiscal 2024 spending bills. However, nothing in this session of Congress is easy: just days after the FRA vote, the House Freedom Caucus issued new demands of their GOP leadership, going as far as to derail regular business on the House floor. At Speaker McCarthy's direction, the House Appropriations Committee set a new topline funding level of \$1.47T, far below the FRA budget cap.

Using this lower funding level, the House Appropriations Committee has started to approve its bills along party-line votes. In the Interior-Environment bill, funding for clean air programs emerged relatively unscathed: the bill calls for \$69.9M for Targeted Airshed Grants, \$105 for DERA, and \$231M for CAA 103/105 programs. (For comparison, the final FY23 numbers were \$69.9M, \$100M, and \$249M, respectively.) However, the bill also prohibits EPA from approving a California waiver request under the Clean Air Act for the Small Off-Road Engine Regulations, cuts billions from the EPA including \$7.8 billion from the Greenhouse Gas Reduction Fund, and reduces funding for EJ programs as well. The bill report also directs EPA to take no regulatory action related to ethylene oxide until the FDA certifies that the new regulations will not impact medical device sterilization. Note, that the bill report is guidance and not legally enforceable.

The Interior bill is often contentious, but it is not clear as of this memo whether even the "low hanging fruit" bills, such as the Agriculture-FDA appropriations bill, will be considered on the floor before the August recess as planned. On one side, the Freedom Caucus is calling for more funding cuts; on the other, some Republican members (including appropriators) have joined Democrats in raising concerns about low funding levels as well as the culture war policy riders that are now included, especially regarding abortion.

KADESH & ASSOCIATES

In the Senate, the Appropriations committee has begun to approve its bills on a more bipartisan basis. The Interior-Environment bill has not yet been released; it will be marked up in late July. However, several infrastructure programs that can help with air quality have robust funding numbers in the Senate bill, including MARAD's Port Infrastructure Development Program (Senate: \$213M, House: \$69.7M) and FRA's Consolidated Rail Infrastructure and Safety Improvements program (Senate: \$572M, House: \$258M). Overall, the Senate's topline number is \$1.59T, meaning that the two chambers of Congress will have a lot of work to do to reach final FY24 funding and policy agreements, and not a lot of time to do so before the September 30 fiscal year deadline. The Senate is not likely to agree to issues like prohibition on California waiver for Small Off-Road Engine Regulations. The most likely outcome is a shutdown starting in October, a scenario that the Freedom Caucus has publicly welcomed.

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.

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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ATTACHMENT 2B



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

To: South Coast AQMD Legislative Committee
From: Carmen Group
Date: July 27, 2023
Re: Federal Update -- Executive Branch

Congress Once Again on the Annual Spending Bills Brink: As Congress embarked on its summer recess, it left town with major questions unanswered about the how the Fiscal Year (FY) 24 appropriations process would be brought to a close, leaving little time in September to try to sort out seemingly intractable differences, not only between the Republican House and the Democratic Senate, but also within the House Republican caucus. A normal short-term Continuing Resolution (CR) to keep government running past September 30 at current spending levels will almost certainly be needed, but its passage in the House, normally routine, is far from certain, so a government shutdown is deemed possible.

Here is the current scorecard: In the House, 10 of the 12 appropriations bills have been approved through committee and one of these has passed through the full House. In the Senate, 12 of its 12 bills have been approved through committee, but none have passed through the full Senate. At the end of July, House Speaker McCarthy (R) and Senate Leader Schumer (D) met briefly and expressed their commitment and desire to pass all bills through their respective chambers by the end of September - - a tall order. Meanwhile, all of the Senate bills are being written to a higher overall spending cap than is being self-imposed in the House, where there are unresolved differences between the lower spending cap approved during the debt limit negotiations and the even lower cap -- -matching FY 22 levels -- being pushed by a group of some House Republicans.

Here are the proposed FY24 spending levels in committee-approved bills for key programs of special interest to South Coast AQMD. These are good, better than current year levels:

--FY24 House: TAG - \$69.9M; DERA - \$105M; SEC103/105 - \$231M
--FY24 Senate: TAG - \$69.9M; DERA - \$100M; SEC103/105 - \$249M

Separately, Senate EPW marked up S. 2195, a five-year DERA Reauthorization.

Department of Transportation

Funds Available for Mega and INFRA Grant Programs: In June, the Department of Transportation announced that applications are being solicited together under a single opportunity titled the Multimodal Project Discretionary Grant Program (MPDG). The

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solicitation includes \$1.8 billion available under the National Infrastructure Assistance (MEGA) program for large complex projects costing over \$100 million; \$3.1 billion under the Infrastructure for Rebuilding America (INFRA) program for multimodal projects of national and regional significance; and \$675 million for the Rural Surface Transportation Grant (Rural) program for major projects (over \$25 million) in rural areas. Applications due August 21, 2023.

Funds Available for “Reconnecting” and “Neighborhood Access” Grant Programs:

In July, the Department of Transportation announced that applications are being solicited under a single opportunity titled the Reconnecting Communities and Neighborhoods (RCN) Program. The solicitation includes \$198 million available under the Reconnecting Communities Pilot Program established in the Bipartisan Infrastructure Law and \$3.155 billion available under the Neighborhood Access and Equity Program established in the Inflation Reduction Act. These programs are both covered under the Administration’s Justice40 Initiative, which sets the goal that 40% of the overall benefits flow to disadvantaged communities. Applications due September 28, 2023.

RAISE Grant Awards Announced: In June, the Department of Transportation announced the award of more than \$2.2 billion from the RAISE (formerly TIGER) discretionary grant program for 162 projects across the country, including eight in California. Among the California grants were \$25 million for two intercity passenger rail stations in San Bernardino County, almost \$7 million for improvements along the Wilmington Avenue Corridor in Los Angeles; and over \$5 million for the design of transportation connections to the regional rail/bus center in Anaheim.

Bus Grant Awards Announced: In June, the Federal Transit Administration (FTA) announced a total of 130 bus-related grant awards across the country worth nearly \$1.7 billion that among other things will fund the purchase more than 1700 new buses, nearly half of which are zero-emission. The awards come from the agency’s two major bus discretionary grant programs: The Bus and Bus Facilities Program and the Low and No Emission (Low No) Vehicle Program.

Toolkit Gives Guidance to Urban Communities on EV Charging Infrastructure: In July, the Joint Office of Energy and Transportation released a free technical resource to help larger communities take full advantage of federal funding for electric vehicle charging stations and other forms of electric transportation. The new guide is called [Charging Forward: A Toolkit for Planning and Funding Urban Electric Mobility Infrastructure](#).

Airport Grants Targeted to Support Zero-Emission Goals: In July, the Federal Aviation Administration (FAA) announced that as part of nearly \$268 million in new Airport Improvement Program (AIP) grants, a total of about \$92 million will go to 21 airports across the country for solar panels, electric buses, charging stations and electrification infrastructure.

Trottenberg Named as Acting FAA Administrator: In June, the President designated DOT Deputy Secretary Polly Trottenberg to be Acting Administrator of the Federal Aviation Administration (FAA), effective immediately, while a search continues for a nominee who can be confirmed to fill a full five-year term in this important post.

Environmental Protection Agency

Greenhouse Gas Reduction Fund Grant Competitions: In July, the Environmental Protection Agency announced two grant competitions to begin the process to advance clean technology projects especially in low-income and disadvantaged communities. Under the agency's \$27 billion Greenhouse Gas Reduction Fund program established through the Inflation Reduction Act, two initial grant competitions are being launched to set up the mechanisms by which funding and financing will be ultimately distributed to thousands of projects in local communities. The \$14 billion National Clean Investment Fund grant competition will select two or three non-profit national clean financing institutions, enabling them to partner with the private sector to provide financing for clean technology projects nationwide. The \$6 billion Clean Communities Investment Accelerator grant competition will select two-to-seven hub non-profit organizations, enabling them to provide funding and technical assistance to community lenders working in low-income communities. Carmen Group attended the pre-application webinar providing information on the National Clean Investment Fund grant competition. While South Coast AQMD would not be eligible to apply, the program will affect communities in the South Coast AQMD region on clean technology issues of importance to the agency.

EPA Targets Methane Emissions from Oil and Gas Sector: In June and July, the EPA made several announcements about the Methane Emissions Reduction Program established by the Inflation Reduction Act. These announcements included a \$1 billion partnership between the EPA and the Department of Energy and its National Energy Technology Laboratory to address methane emissions; a proposal to amend reporting requirements for oil and gas systems under the Greenhouse Gas Reporting Program; and a notice of intent announcing the first in a series of funding opportunities to monitor and reduce methane emissions. Meanwhile on July 26, the Administration hosted the 2023 White House Methane Summit to announce the establishment of a new Cabinet-level Methane Task Force and other measures to address the problem on a government wide basis.

EPA Proposes Air Reporting Improvements: In July, the EPA announced proposed updates to the agency's Air Emissions Reporting Requirements Rule, including a proposal to require reporting of hazardous pollutants, or "air toxics." While the rule currently requires states to report emissions from common criteria pollutants and most states voluntarily report some air toxics, the data reported is not consistent nationwide. The agency is currently taking written comments on the proposed reporting requirement changes.

EPA Introduces Clean Air Tracking Tool: The EPA recently released the ECHO Clean Air Tracking Tool ([ECATT](#)), a repository of Clean Air Act data that can be used to evaluate emissions at stationary sources of air pollution and analyze general air quality.

EPA Launches Youth Advisory Council and Seeks Members: In June, the EPA announced the formation of the National Environmental Youth Advisory Council (NEYAC) to provide independent advice and recommendation to the EPA on a range of environmental issues as they relate to youth communities. EPA is soliciting applications

to fill 16 vacancies. Members will be appointed by the Administrator and must be between the ages of 16 and 29. Applications due August 22, 2023. [NEYAC Webpage](#)

Department of Energy

Energy Secretary Visits California; Cites Key Energy Facts: In June, Energy Secretary Jennifer Granholm visited California in the Los Angeles and Pendleton areas where her office cited several key energy facts of special interest, including:
--California has over 40,000 alternative fueling stations already, highest of any state
--California has the highest EV sales in the country, over 1.1 million EVs registered in CA

DOE Advances Clean Hydrogen Agenda: In June, the Department of Energy (DOE) released the [U.S. National Clean Hydrogen Strategy and Roadmap](#), a comprehensive framework for accelerating the production, processing, delivery, storage and use of clean hydrogen. In July, the Department released a Notice of Intent (NOI) which includes a Request for Information (RFI) to invest up to \$1 billion to support the Regional Clean Hydrogen Hubs (H2Hubs) program. [Notice of Intent](#)

Funds Available for Advancing Battery Recycling Technology: In June, the DOE announced two funding opportunities to advance battery recycling technology, which will be critical for the success of an expanding domestic electric vehicle market. These include DOE's \$125 million Consumer Electronics Recycling, Reprocessing and Battery Collection funding opportunity with applications due November 29, 2023; and DOE's \$60 million Advanced Battery R&D Consortium funding opportunity with applications due September 8, 2023.

DOE Says New Plan Will Ensure Public Access to the Department's Research: In June, the Department of Energy released a [Public Access Plan](#) to ensure the Department's federally-funded research is more open and accessible to the public, researchers, and journalists. The plan was developed with the participation and engagement of numerous communities including researchers, libraries, professional societies, publishers, Federal agency partners and the public. The plan anticipates that most requirements and guidance will be in place by the end of 2024 with implementation by the end of 2025.

Outreach: Contacts included staff at the Department of Defense Office of Naval Research (ONR) to arrange and coordinate additional meetings with South Coast AQMD on ocean-going-vessels emissions research; staff at the Senate Committee on Environment & Public Works regarding its July hearing on reducing rail industry emissions; and staff at the Environmental Protection Agency regarding its July webinar attended by Carmen Group on the Greenhouse Gas Reduction Fund/National Clean Investment Fund grant competition.

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ATTACHMENT 2C



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: July 27, 2023
Re: June and July Report

HOUSE/SENATE

Congress

Appropriations and the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2024 remained top priorities this month as Congress nears the August recess. So far this summer the Senate Appropriations Committee has concluded marking up their Energy and Water Development; State and Foreign Operations; Transportation, Housing, and Urban Development; Legislative Branch; Commerce, Justice, and Science; Financial Services; Military Construction and Veterans Affairs; and Agriculture appropriations bills. The Committee will finish [marking up](#) its version of the Defense; Interior and Environment; Labor, Health and Human Services, and Education; and Homeland Security appropriations bills on Thursday, July 27. Party leaders are hoping to conclude floor action on [NDAA](#) by the end of the week, despite several outstanding amendments and the absence of Senate Majority Whip Dick Durbin (D-IL) who has COVID-19.

The House Appropriations Committee has approved many of their spending bills as well, including Interior and Environment; Transportation, Housing, and Urban Development; Financial Services; State and Foreign Operations; Energy and Water Development; Defense; Legislative Branch; Homeland Security; Agriculture; and Military Construction and Veterans Affairs. The House's Interior and Environment spending bill would include a \$3.962 billion, or 39% reduction to the EPA budget. The House additionally passed [its version](#) of the NDAA in June.

Other agenda items for Congress include the 2023 Farm Bill and the reauthorization of the Federal Aviation Administration (FAA). There has been little progress on the Farm bill thus far.

The Senate version of the FAA Reauthorization bill is awaiting markup; the House passed their version of the legislation on July 20.

Congress will be in recess beginning on July 29. The Senate is scheduled to return on September 5, and the House is scheduled to return on September 12.

EPA

In late May, the EPA released the ECHO Clean Air Tracking Tool (ECATT), which compiles Clean Air Act Data and can be used to evaluate emissions at stationary sources of air pollution and analyze general air quality. The two main searches available are the Air Monitoring Station search and the Emissions Screener search. You can access the tool [here](#).

The EPA continues to encourage parties to apply for the Clean School Bus Program, which funds zero emission buses. The EPA plans to award around \$400 million in grants nationally. On June 14, Rep. Brittany Pettersen (D-CO) and Rep. Joe Neguse (D-CO) participated in a webinar on the program along with EPA staff.

On June 21, the EPA issued a [final rule](#) under the Renewable Fuel Standard (RFS) program. The rule establishes biofuel volume requirements for 2023 to 2025 and intends to reduce reliance on foreign oil sources and monitor the implementation of the RFS program, which aims to reduce greenhouse gas emissions.

The EPA and Department of Energy [announced](#) a new partnership on June 30. The project, dubbed the [Methane Emissions Reduction Program](#), will provide \$1 billion in funding to reduce methane emissions from the oil and gas sector. The EPA will oversee the regulatory aspects of the program whilst DOE will assist in the financial and technical aspects. The program will provide funding for the creation of greenhouse gas reports, methane emissions monitoring, improvement of equipment to reduce emissions, innovation, mitigating legacy air pollution, and more.

On July 6, the EPA issued a proposal to amend reporting requirements for petroleum and natural gas systems under the Greenhouse Gas Reporting Program. The amendment aims to improve the accuracy of emissions data on methane, consistent with the Methane Emissions Reduction Program under the Inflation Reduction Act changes to the Clean Air Act.

On July 11, the EPA issued a final rule to implement a 40% reduction in hydrofluorocarbons (HFCs) below historic levels from 2024 through 2028. HFCs, which are a common greenhouse gas, have already been the subject of phasedown efforts from the Biden administration.

On July 25, the EPA announced a proposed update to their Air Emissions Reporting Requirements [rule](#). The updates would require states and facilities to report hazardous air pollutants known as air toxics which can cause serious health issues. The requirement would

enable the EPA to better examine data and identify locations in which people are exposed to harmful pollutants.

Cassidy and Associates support in June and July:

- Secured key meetings with the Biden Administration for Executive staff
- Worked with South Coast AQMD staff to strategize on DC outreach
- Provided an overview of EPA Clean Ports funding program
- Advised staff on House and Senate Appropriations markups, focusing on South Coast AQMD priorities
- Continued to monitor and report on activities in Congress and the Administration that impact the District

IMPORTANT LEGISLATIVE DATES

September 30, 2023:

FY 2023 appropriations expire.

September 30, 2023:

The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries expires; the bill is reauthorized on a five-year cycle.

September 30, 2023:

Deadline for the Federal Aviation Administration reauthorization.

September 30, 2023:

National Flood Insurance Program reauthorization deadline.

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 – 202-441-3103 / 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)

ATTACHMENT 3A



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 – June & July 2023
DATE: Thursday, July 27, 2023

During the months of June and July, the Legislature’s focus was on reaching an agreement on the state budget. In January, the Governor’s proposed budget identified a \$22.5 billion budget deficit that ballooned to \$31.5 billion in his May Revise. Although the Legislature and Governor were unable to reach an agreement by the June 15th Constitutional deadline, the Legislature passed a 2-house budget to meet the deadline and ultimately reached an agreement with the Governor by the end of June on a final budget package.

The Legislature adjourned for its summer recess on July 14. They will not return to Sacramento until August 14, at which point they will have just over four weeks to complete their work and adjourn this year’s session.

The final month of session is typically a hectic time as legislators, staff, and lobbyists scramble to move or kill bills in the final weeks of session. We also expect wrangling to continue over the content of various general obligation bonds the Governor and the Legislature are currently considering.

The following will provide you with updates of interest to South Coast AQMD:

Bonds

The climate and flood bonds that have been moving through the state Legislature include SB 867 (Allen), SB 638 (Eggman), AB 1567 (Garcia), and AB 305 (Villapudua). While all of these bonds passed out of the house they were introduced in, none were set for hearing in the “second house” policy committees they were referred to. The Senate declined to set the Assembly bonds and the Assembly followed suit.

The Legislature and the Governor are grappling with a number of competing bond proposals. Other bonds on the table include a \$14 billion school bond, a \$10 billion affordable housing bond, and a \$5.2 billion fentanyl bond. In addition to all of these proposals, the Governor’s immediate priority is a \$4.7 billion bond for behavioral health.

The Legislature and the Governor must grapple with a few issues. First, voters have limited appetite for taking on more debt. Exactly how much appetite they have is discerned through a combination of polling and guesswork. Separate from the total amount of debt, there is the fatigue of voters from being asked to weigh in on too many bonds on the same ballot.

The latter issue appears to be a factor for the climate bonds. While proponents of both SB 867 and AB 1567 are pushing for their inclusion on the March ballot, the Governor is also seeking to place his behavioral health bond on that ballot. Pushing the climate bonds to the November election is always an option, but the Legislature and the Governor will still have to agree on how to prioritize their asks of voters in both elections.

New Speaker and Leadership Changes:

On July 1, 2023, Assemblymember Robert Rivas became the new Assembly Speaker, replacing Speaker Anthony Rendon. The new Speaker has made few changes during this transition so that the legislative process is not interrupted in the last few months of session. That said, Assembly Speaker Rivas announced that Assemblywoman Cecilia Aguiar-Curry is the new Speaker Pro Tem, the second most powerful role in the Assembly. Assemblymember Aguiar-Curry was Chair of the Assembly Local Government Committee and was replaced with Assemblyman Juan Carrillo as the new Chair. Additionally, Speaker Rivas announced that Assemblyman Isaac Bryan is the new Majority Leader for the 62-member Democratic caucus. Assemblymember Bryan was the Chair of the Assembly Elections Committee and Assemblywoman Gail Pellerin replaced him as the new Chair.

We expect numerous changes to occur once this legislative session is over and we will be sure to keep you apprised of those changes.

Budget:

On June 15th, the Assembly and Senate passed SB 101, the main budget bill. The details of this budget agreement really didn't matter because passing the Budget Bill was just a drill to meet the June 15 deadline so the Legislature could continue to receive their paycheck. Legislative leaders, Speaker Rendon and Pro Tem Atkins, described it as a two-party agreement and continued to negotiate with the Governor to make progress on a three-party final budget agreement.

Just a few weeks later, Governor Newsom and Legislative Leaders reached a 3-party agreement on a final budget. The agreement reflects weeks of negotiations over the Governor's major infrastructure package.

This year's budget is \$310.8 billion that covers the \$32 billion deficit without tapping into the State's \$37.8 billion in reserves. The budget includes:

- \$5.1 billion for transit
- A \$2.9 billion cut to climate change programs that were previously a multiyear commitment.

- \$1 billion into round 5 of the state's Homeless Housing, Assistance and Prevention program
- \$330 million film tax credit

The Legislative Analyst Office (LAO) declared that revenues would fall short of projected numbers and raised the projected deficit by several billion dollars. Additionally, the LAO projected that continuing the spending proposed in Governor Newsom's budget to the following year would cost \$30 billion more for the two-year period along with projected annual deficits averaging \$18 billion over the next three years.

Governor's Infrastructure Package

As previously mentioned, one of the main sticking points for this year's budget was the Governor's proposed Infrastructure Package. The Governor released 11 bills comprising his Infrastructure Package that includes CEQA reform and permit streamlining legislation. The bills condense CEQA litigation timelines, reform the process of developing an administrative record for CEQA litigation and provide for other permitting-related process reforms.

The Legislature had serious reservations regarding the Governor's Infrastructure Package, mainly around the process. Many legislators were frustrated that the proposal was being done in the budget rather than through the legislative policy process. Nonetheless, the Legislature was able to reach an agreement with the Administration on a paired down version of the Infrastructure Package.

Zero Emission Trucks

On June 28, 2023, Governor Gavin Newsom along with California Attorney General Rob Bonta, and the California Air Resources Board (CARB) led a multistate coalition in moving to intervene in lawsuits challenging the decision by the U.S. Environmental Protection Agency (EPA) to authorize CARB regulations that would speed the adoption of zero-emission trucks. The regulations would help California tackle its significant climate and air quality challenges by reducing greenhouse gases, nitrogen oxides, particulate matter, and other emissions from medium- and heavy-duty vehicles. Trucking and petroleum industry groups (but not vehicle or engine manufacturers) are among the petitioners seeking judicial review of EPA's action to grant CARB's request for waivers of preemption, which allowed these CARB regulations to move forward. California, along with a coalition of other states and cities, is moving to intervene to defend its ability to enforce its laws.

The truck emission regulations at issue include the following:

Advanced Clean Trucks regulation, which aims to accelerate the widespread adoption of zero-emission vehicles in the medium- and heavy-duty truck sector by requiring manufacturers of medium- and heavy-duty trucks to sell increasing numbers of zero-emission vehicles.

Zero Emission Airport Shuttle regulation, which would accelerate the adoption of zero-emission vehicle technology in airport shuttles at the 13 largest California airports, including Los Angeles

International Airport (LAX), San Francisco International Airport (SFO), San Diego International Airport (SAN), and Sacramento International Airport (SAC).

Heavy-Duty Emissions Warranty regulation, which, among other things, would lengthen the period during which manufacturers must guarantee the emissions performance of their on-road diesel engines.

Under the federal Clean Air Act, California may request a waiver of preemption from EPA to enforce emission standards for new motor vehicles. EPA must grant a waiver request unless the record supports one of three limited findings for denial. Most other states have a choice of adopting California's standards to apply in their jurisdictions or relying instead on federal standards.

Joining California in filing the motion to intervene are the States of Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Minnesota, New Jersey, New York, North Carolina, Oregon, Rhode Island, Vermont, and Washington, the Commonwealths of Massachusetts and Pennsylvania, the District of Columbia, and the Cities of Los Angeles and New York.

Agreement on Zero-Emission Transition

On July 6, 2023, California announced a partnership with the nation's top truck manufacturers that advances the development of zero-emission vehicles (ZEVs) for the commercial trucking industry, putting the state on track to meet our climate goals and protecting the health of front line communities impacted most by trucking pollution.

The agreement reached between CARB and the Truck and Engine Manufacturers Association and its commercial engine and vehicle members and Ford Motor Company includes a commitment from the companies to meet California's ZEV standards of 100% clean truck sales by 2036. The agreement also includes stipulations regarding emissions standards, regulatory changes, and more.

As previously reported, last April California became the first jurisdiction in the world to end the sales of traditional combustion trucks by 2036, creating a path to 100% zero emission medium heavy-duty trucks on the roads in California by 2045. This adds to California's Advanced Clean Trucks rule, which requires manufacturers to accelerate sales of new zero emissions heavy-duty trucks by 2035. The two regulations work in tandem to drastically cut air pollution, especially in disadvantaged communities.

2023 LEGISLATIVE DEADLINES

June 2 - Last day for each house to pass bills introduced in that house

June 5 - Committee meetings may resume

June 15 - Budget Bill must be passed by midnight

July 14 - Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment, provided Budget Bill has been passed

August 14 - Legislature reconvenes from Summer Recess

September 1 - Last day for fiscal committees to meet and report bills

September 5-14 - Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees

September 8 - Last day to amend on the Floor

September 14 - Last day for each house to pass bills. Interim Recess begins upon adjournment

South Coast Air Quality Management District Legislative and Regulatory Update – June and July 2023

❖ Important Upcoming Dates

August 14 – Legislature Reconvenes from Summer Recess
September 1 – Last Day for Fiscal Committees To Meet and Report Bills

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

- Provided key updates regarding the transition of leadership in the Assembly.
- Set and attended meetings with legislative offices in support of sponsored legislation.

❖ Politico: Democrats push back on Newsom's proposed cuts to transit and climate change. By Lara Korte | 06/12/2023 01:50 AM EDT

SACRAMENTO, Calif. — Legislative Democrats are looking to restore some of the cuts proposed by Gov. Gavin Newsom to next year's budget, laying out a plan to fund certain transit, climate change and health insurance programs in a massive budget bill released Sunday night.

Key context: Senate Bill 101 and Assembly Bill 101 will act as the primary budget bills for the 2024 fiscal year, but a complete spending plan is still weeks away. The legislation released Sunday night represents a joint agreement between the two houses — not necessarily Newsom. Lawmakers are constitutionally required to pass a bill by June 15 or risk losing pay, but the final details will be negotiated after that date with the governor's office and passed into law in the following weeks through dozens of trailer bills.

Newsom and the Legislature are under pressure to make up an estimated \$31.5 billion deficit this year, but have differed on some key points.

Transit: Newsom in May had proposed cutting \$2.2 billion from public transit operators. But Legislative Democrats say a cut in state funding could be dire with regional agencies like BART suffering from low ridership after the pandemic. The budget bill maintains that funding to the Transit and Intercity Rail Capital and Active Transportation programs, which lawmakers say was a core part of an agreement with the administration last year to fund high-speed rail.

Climate change: Part of the governor's plan included cutting or delaying funding for the some of the state's climate, resources and energy projects. Legislators want to pull back on those cuts and make up the difference in other places. They're proposing spending more than \$1 billion on programs for recycled water, parks, urban greening, coastal climate change protections, extreme heat and community resilience, PFAS cleanup, dam safety and Salton Sea restoration. Instead, the Legislature wants to cut \$937 million from the strategic energy reserve, which was created last year to help sustain the electrical grid.

❖ CalMatters: How will Robert Rivas lead the CA Assembly?.

The key to understanding new Assembly Speaker Robert Rivas' leadership might be his severe childhood stutter.

Growing up, he often had his ears open more than his mouth. Now, Rivas said Wednesday in an interview hosted by the Sacramento Press Club, his greatest strength is hearing people out and engaging with the concerns of his colleagues.

“When sometimes you can’t say things, you have no choice but to listen,” the [Salinas Democrat](#) said. That was the pitch Rivas said he made last year to his fellow Assembly Democrats as he waged a [protracted, and highly political, battle](#) with [former Speaker Anthony Rendon](#) for control of the lower house of the California Legislature. He would be a convener, inclusive, unifying the caucus’ agenda.

During the interview Wednesday, his first major public event since he was [sworn in as speaker less than two weeks ago](#), Rivas still seemed to be figuring out what exactly that would entail. Repeatedly emphasizing that it was only his 12th day on the job, Rivas offered few specifics about what might be a priority as the Legislature enters its final month of session, or where he would want to direct the oversight efforts that he suggested during his inaugural speech should be a greater focus for lawmakers.

Rivas did acknowledge that he wants the Assembly to pass Senate Bill 423, a [contentious measure to fast-track permits](#) for new apartment buildings in much of the state, which only narrowly advanced out of committee earlier this week when several Democratic and Republican members [teamed up to override the chairperson](#).

“With housing, we continue to just chip around the corners on this problem,” Rivas said. “But people expect us to make progress, and much more progress.”

In a rapid-fire round, he also expressed his support for [legalizing psychedelic drugs](#) in California and raising the minimum wage for [health care workers to \\$25 per hour](#). His favorite Mexican food in Sacramento, he said, is a home-cooked meal from Assemblymember [Sharon Quirk-Silva](#), a Fullerton Democrat.

Rivas tried to draw a sharp professional boundary with his brother, Rick Rivas, who has been his closest political adviser throughout his career and works as a consultant for the American Beverage Association, a soda industry group.

“My brother is not a lobbyist. He’s never lobbied me,” the speaker said. “I will always serve the residents of this state to the best of my ability and always maintain those lines of ethics, of doing things the right way.”

Though they have a tight bond — forged by sharing a bed as children — Robert Rivas said there would be no undue influence from his brother’s clients on his agenda. Rick Rivas also advises Govern For California, a donor network that aims to counteract the influence of unions at the state Capitol and that [pushed the boundaries of state campaign finance law](#) as it boosted Robert Rivas’ speakership bid.

“How I won the speakership was through engagement and through the relationships I have built up and down this state,” he said, dismissing the notion that he bought the role. “I take that responsibility very seriously. I certainly appreciate all of the political advice my brother has ever given me. But he has a job to do and so do I.”

❖ **Politico: Gavin Newsom poised to play \$26 billion gatekeeper for California Democrats**
By Jeremy B. White | 07/21/2023 06:16 PM EDT

SACRAMENTO, Calif. — California is on the cusp of a borrowing bonanza as Democratic lawmakers line up tens of billions of dollars in bond proposals to pay for mental health treatment, schools and adapting to climate change.

But voters would need to sign off on the new debt. And everyone is looking to Gov. Gavin Newsom to settle how much to ask for and where to spend it — acknowledging that asking an economically anxious electorate for too much could mean inundating voters in 2024 and ending up empty-handed.

“A number of legislative leaders have come to me — ‘Hey, support this, support my bond, this bond,’” Newsom said at a recent press conference. “We have to work together on what the priorities are going to look like for November.”

The governor and others are weighing a complex set of political calculations as proposals advance in the Legislature, including whether to target the March primary ballot, when turnout will be lower and skew more conservative, or a crowded November ballot where a cluster of initiatives will compete for voters’ attention.

Then there are the practical constraints: The state generally avoids taking on excessive debt as a matter of fiscal caution and Wall Street financing’s capacity, with Newsom estimating the prudent limit at around \$26 billion.

Democrats’ bond bills — added together — would tally more than \$100 billion, though some overlap and would almost certainly be combined.

Newsom would have to sign off on any bond measure the Legislature approves with a two-thirds vote. He has signaled he’d like his proposal — to fund thousands of new mental health and substance use treatment slots — to sit alone on the March ballot, which would push other bonds to a November election teeming with high-stakes initiatives. Lawmakers have until October to place something before primary voters.

Here are the major proposals and players:

Behavioral health treatment

This is Newsom’s baby. The governor wants to ameliorate homelessness by channeling money into treatment for substance abuse and serious mental health disorders with a \$4.68 billion bond that would fund up to 10,000 placements and housing for veterans. A companion policy bill changes how an existing, voter-passed mental health initiative allocates money.

Lawmakers have rallied behind the governor’s proposal, along with the California Professional Firefighters, who respond to addiction and mental health crises. Both measures are exceedingly likely to pass — and Newsom has emphasized he wants to focus on this before moving on to the other bond proposals.

Climate change

Flood prevention, water supplies, clean energy generation: There’s no shortage of ideas to help California adapt to a changing climate. Newsom backed a bond measure this year to offset his deficit-driven cuts to environmental programs.

Assemblymember Eduardo Garcia and state Sen. Ben Allen, Southern California Democrats, have proposed measures worth more than \$15 billion. The parallel bills are parked in committee, at leadership’s request, as the players negotiate. There are also multiple flood-focused bond bills.

The Nature Conservancy has been heavily involved in negotiations, conducting polling on the ideal size and timing, along with an array of environmental and local government groups. Water politics will influence the outcome, with the Association of California Water Agencies and its members pushing for funding.

Education

Voters in 2020 decisively rejected the last statewide school construction bond despite Newsom backing the measure. Supporters say the need for school facility improvements has only increased since then, with the state estimating last year that needed upgrades would cost more than \$7 billion.

But the bond's failure has informed current negotiations as players look to avoid another rejection. One point of contention: whether to fund university facility projects. A \$15 billion bond from state Sen. Steve Glazer would cover four-year colleges, while a \$14 billion proposal from Assemblymember Al Muratsuchi would fund only K-12 schools and community colleges.

Glazer's proposal has support from the University of California and California State University. Muratsuchi's has marshaled a larger coalition that includes administrators, school boards, construction groups like the California Building Industry Association and the Coalition for Adequate School Housing, a group that spent heavily for the 2020 measure.

Housing

California faces a massive housing shortfall. Assembly Housing Chair Buffy Wicks, an Oakland Democrat, wants to make a dent with a \$10 billion bond, much of which would flow to the state's Multifamily Housing Program to construct and renovate housing for low-income Californians. State Sen. Anthony Portantino is pursuing a separate mortgage and construction bond that, at its current \$25 billion, would swallow up the entire bond budget.

Wicks has some powerful allies in supporters like the California Apartment Association, which represents landlords, and the California Housing Consortium. The State Building and Construction Trades Council union group supports Portantino's measure.

Wicks acknowledged in an interview that there are limits to what voters would accept and said she's working with Newsom on a coordinated housing response. The governor has called a potential housing measure "a big part" of negotiations.

"What I want to avoid is housing fatigue on the ballot," Wicks said. "I don't want five housing bonds on the ballot and voters go 'uhhh, I don't know.'"

ATTACHMENT 3C



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
August 11, 2023, Legislative Committee Hearing

Legislative Update

July 14th marked the last day for policy committees to meet and report bills before the start of the summer recess, which concludes on August 14th. During this time, lawmakers will return to their districts or take a much-deserved vacation. While legislators are away, consultants, legislative staff and legislative advocates will continue efforts to finalize legislation before legislators return to Sacramento for the final month of session.

Upon return, attention will turn to the appropriations committees, which will decide the fate of hundreds of fiscal bills placed on the “suspense” file. The fiscal committees have until September 1st to report bills to the floor; those that pass will go before the Senate and Assembly for a full vote before their respective houses. The final day to amend bills on the floor is on September 8th before the end of Session on September 14th. Bills that do not pass will become two-year bills, subjected to an expedited schedule in January when Session resumes in 2024.

On June 30th, the Assembly held a ceremony to formally transition the leadership to Speaker Robert Rivas. Outgoing Speaker-emeritus Anthony Rendon spent more than six years in the post. He was the third longest serving Speaker in history, behind Jesse Unruh and Willie Brown. Speaker Rivas formally announced two new members of his leadership team, Speaker Pro Tem Cecilia Aguiar-Curry (Winters) and Majority Leader Isaac Bryan (Los Angeles). There are several changes expected in the fall to policy committees once this legislative session is complete.

Budget Update

The Legislature and the Governor spent much of June negotiating a state budget. While the Legislature ultimately passed a \$311.7 billion budget deal by the required June 15th deadline, additional time was necessary to pass follow up budget bills, which reflected weeks of negotiations between the Legislature and the Governor. Governor Newsom signed the budget on June 27th followed quickly by a package of five infrastructure bills. Despite large budget deficits, the budget included mechanisms, such as delaying or reducing funding, that covered a \$30 billion-plus shortfall without dipping into reserves.

The infrastructure package generally centers on streamlining permitting processes, speeding up judicial review to prevent undue delays from legal challenges, and addressing elements of the California Environmental Quality Act. It represents a push by Governor Newsom and the

Legislature to take advantage of over \$180 billion in state, local and federal infrastructure funds over the next ten years to achieve California's energy and climate goals. The bills include urgency clauses and take effect immediately.

Critically, the funding for AB 617 remained at \$300 million. After months of advocacy and various proposals the final budget reflected the state's ongoing commitment to the program and included additional money for air districts to implement this program. Like years past, they used a mix of Greenhouse Gas Reduction Fund and General Fund dollars to fund this program.

On July 6th, Governor Newsom announced \$1.5 billion in Port Infrastructure Upgrades. This money included \$450 million to support zero-emission projects at the ports. There was also \$350 million awarded to 13 projects that eliminated street-level rail crossings to make safety improvements and reduce emissions. South Coast Air Quality Management District was awarded \$76,250,003 from the Port and Freight Infrastructure Program (PFIP) for the Freight Air Quality Solutions (FAQS) project.