

BOARD MEETING DATE: August 1, 2025

AGENDA NO. 17

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, June 13, 2025. The following is a summary of the meeting.

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

Michael A. Cacciotti, Committee Chair
Legislative Committee

LTO:PFC:DPG:EV:MC

Call to Order

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

Roll Call

Committee Members

Present: Vice Chair Michael A. Cacciotti, Committee Chair
Supervisor Curt Hagman
Vice Mayor Brenda Olmos
Supervisor V. Manuel Perez

Absent: Mayor Patricia Lock Dawson
Councilmember Nithya Raman

ACTION/DISCUSSION ITEMS:

1. Update and Discussion on State Legislation and South Coast AQMD Priorities

Lisa Tanaka, Deputy Executive Officer, Legislative Public Affairs and Media and Ross Buckley, Buckley Government Affairs, LLC, Paul Gonsalves, Joe A. Gonsalves & Son, and Alfredo Arredondo, Resolute, presented an Overview of State Legislative Issues including the Governor's proposed budget, legislative budget process, Cap and Trade Reauthorization, AB 617 program funding, and status of South Coast AQMD sponsored and position bills. For additional information, please refer to the [Webcast](#) beginning at 3:35.

Supervisor Hagman asked about the environment in Sacramento given the challenges California is facing from federal actions and policies. Mr. Gonsalves responded that policymakers in Sacramento are feeling bullied by the federal government but are not backing down or adjusting their policy priorities in response. Mr. Buckley commented that state policymakers are also focused on increasing affordability for state residents given rising prices. Mr. Arredondo mentioned that some of California's response to harmful federal actions will be adjudicated through the court system.

Supervisor Perez inquired about SB 34 (Richardson) and the impact on South Coast AQMD if AB 617 program funding were to be eliminated. Ms. Tanaka provided details regarding SB 34. Executive Officer Wayne Nastri, responded that the AB 617 program does not receive continuous funding and staff advocates for annual incentive and implementation funding each legislative session. Susan Nakamura, Chief Operating Officer, added that South Coast AQMD receives approximately \$21 million annually for program implementation and there are a total of 90 positions dedicated to the program. The rainy-day fund in the budget is approximately 40 percent. Supervisor Perez recommended that the rainy-day fund not go lower than 20 percent.

Moses Huerta provided public comment in support of the AB 617 program.

For additional information, please refer to the [Webcast](#) beginning at 03:23.

WRITTEN REPORTS/ DISCUSSION ITEMS:

2. Update and Discussion on Federal Legislative Issues

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

Gary Hoitsma, Carmen Group, informed the committee that it is a federal priority to work on Surface Transportation Reauthorization later this year, since the current program expires on September 30, 2026. For additional information, please refer to the [Webcast](#) beginning at 1:00:16.

Lio Barrera, Cassidy & Associates, provided an update on the Fiscal Year 2025 Budget Reconciliation Bill, H.R. 1, "One Big Beautiful Bill." For additional information, please refer to the [Webcast](#) beginning at 1:01:03.

Mark Kadesh, Kadesh & Associates, gave a status report on Fiscal Year 2026 Appropriations bills. Government funding expires on September 30, 2025. For additional information, please refer to the [Webcast](#) beginning at 1:01:40.

Harvey Eder provided public comment regarding energy and the environment.

3. Update and Discussion on State Legislative Issues

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

David Quintana, Resolute, reported that Senator Monique Limon is the Senate President Pro Tem-elect. She will assume the position in early 2026. For additional information, please refer to the [Webcast](#) beginning at 1:04:31.

Ross Buckley, Buckley Government Affairs, LLC, reported that Governor Newsom signed an Executive Order affirming the state's commitment to clean vehicles following federal actions to roll back the California Waivers for cars and trucks. For additional information, please refer to the [Webcast](#) beginning at 1:04:52.

Paul Gonsalves, Joe A. Gonsalves & Son, reported that the Assembly passed the state's budget bill, SB 101. The budget bill will next head to the Senate for consideration. For additional information, please refer to the [Webcast](#) beginning at 1:05:27.

Mr. Eder provided public comment regarding socio-economic equity.

OTHER MATTERS:

4. Other Business

There was no other business to report.

5. Public Comment Period

Mr. Eder provided a comment not related to this committee.

6. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, August 8, 2025, at 9:00 a.m.

Adjournment

The meeting was adjourned at 10:07a.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 – JUNE 13, 2025

Councilmember Michael Cacciotti	South Coast AQMD Board Member
Supervisor Curt Hagman	South Coast AQMD Board Member
Vice Mayor Brenda Olmos	South Coast AQMD Board Member
Supervisor V. Manuel Perez	South Coast AQMD Board Member
Guillermo Gonzalez	Board Consultant (Perez)
Katherine Kolcheva	Board Consultant (Hagman)
Debra Mendelsohn	Board Consultant (McCallon/Rodriguez)
Diane Nguyen	Board Consultant (Nguyen)
Marisela Santana	Board Consultant (Olmos)
Ben Wong	Board Consultant (Cacciotti)
Ross Buckley	Buckley Government Affairs, LLC
Gary Hoitsma	Carmen Group, Inc.
Lio Barrera.....	Cassidy & Associates
Paul Gonsalves	Joe A. Gonsalves & Son
Ben Miller.....	Kadesh & Associates
Alfredo Arredondo	Resolute
David Quintana	Resolute
Harvey Eder	Public Member
Grace Garner.....	Public Member
Moses Huerta.....	Public Member
Peter Okurowski.....	Public Member
Bill Quin.....	Public Member
Peter Whittingham	Public Member
Jason Aspell	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Lara Brown.....	South Coast AQMD Staff
Matthew Ceja	South Coast AQMD Staff
Maria Corralejo.....	South Coast AQMD Staff
Philip Crabbe	South Coast AQMD Staff
Scott Gallegos	South Coast AQMD Staff
Denise Gailey	South Coast AQMD Staff
Bayron Gilchrist	South Coast AQMD Staff
De Groeneveld	South Coast AQMD Staff
Alex Han	South Coast AQMD Staff
Sheri Hanizavareh	South Coast AQMD Staff
Anissa Cessa Heard-Johnson.....	South Coast AQMD Staff
Aaron Katzenstein	South Coast AQMD Staff
Roupen Karakouzian	South Coast AQMD Staff
Angela Kim.....	South Coast AQMD Staff
Howard Lee	South Coast AQMD Staff
Jocelyn Lee	South Coast AQMD Staff
Alicia Lizarraga	South Coast AQMD Staff
Brisa Lopez	South Coast AQMD Staff

Jason Low	South Coast AQMD Staff
Terrence Mann	South Coast AQMD Staff
Ian MacMillan	South Coast AQMD Staff
Ron Moskowitz	South Coast AQMD Staff
Susan Nakamura	South Coast AQMD Staff
Robert Paud	South Coast AQMD Staff
Metzli Perez	South Coast AQMD Staff
Sarah Rees	South Coast AQMD Staff
Lisa Tanaka	South Coast AQMD Staff
Melina Tisopulos	South Coast AQMD Staff
Mei Wang	South Coast AQMD Staff
Victor Yip	South Coast AQMD Staff

ATTACHMENT 2A

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: May 27, 2025

Re: Federal Update -- Executive Branch

California Waivers: In May, at the request of the Environmental Protection Agency, the U.S. Senate joined the House of Representatives in passing three Congressional Review Act (CRA) resolutions of disapproval overturning the Biden EPA's granting of waivers for California's Advanced Clean Cars II, Advanced Clean Trucks, and Heavy-Duty Low-NOx rules.

Reconciliation: In May, the House of Representatives approved its version of President Trump's "One Big Beautiful Bill" reconciliation package, encompassing tax cuts, new spending for border, military and other priorities. Along with major spending reductions in other programs including many associated with the clean energy provisions of the Inflation Reduction Act. Now the Senate will take up the same bill while making significant changes with a goal to get its version passed by July 4, 2025.

Environmental Protection Agency (EPA)

EPA Announces HQs Office Restructuring: In May, the EPA announced a series of organizational and efficiency changes affecting five major offices within the agency, including shifts within the Office of the Administrator, the Office of Air and Radiation (OAR), the Office of Chemical Safety and Pollution Prevention (OCSPP), the Office of Water, and the Office of Research and Development (R&D). Highlights include integrating scientific staff directly into the program offices; creating a new Office of Applied Science and Environmental Solutions within the Administrator's Office; bringing more than 130 scientific and technical experts into the OCSPP to address backlogs of chemical and pesticide reviews; and creating two new offices within OAR—the Office of State Air Partnerships to improve coordination with state and local agencies and the Office of Clean Air Programs to align statutory obligations and essential functions promoting greater regulatory transparency.

EPA Allows for Nationwide Year-Round E15: In May, the EPA issued an emergency fuel waiver under the Clean Air Act allowing for the sale of E15 gasoline – gasoline blended with 15% ethanol – on a nationwide basis. The agency says it expects to extend waiver as long as needed to address unusual fuel supply circumstances.

EPA Seeks to Reconstitute Science Advisory Panels: In May, the EPA formally solicited nominations for memberships on the agency's Scientific Advisory Board (SAB),

the SAB's standing committees, and the EPA's Clean Air Scientific Advisory Committee (CASAC).

Department of Energy (DOE)

DOE Announces Changes to Upgrade US Energy Infrastructure: In May, the DOE announced Headquarters organizational changes it says are needed to help ensure that America can stay in front of the global race for AI leadership. With AI being dependent on hugely increased energy supplies and infrastructure, DOE is creating a new Office of Cybersecurity, Energy Security, and Energy Response (CESER) to be headed by current DOE chief of staff Alex Fitzsimmons, who served at DOE in the first Trump administration and has a Master of Science in Cybersecurity from Georgia Tech. Meanwhile, Carl Coe will take over as Chief of Staff, having led the Department of Government Efficiency (DOGE) effort at DOE, working closely with 40 offices there.

DOE Proposes Major Deregulatory Push: In May, the DOE proposed the elimination or modification of 47 regulations including dozens of consumer appliance standards, rules limiting building and energy production, and unscientific DEI requirements for grant recipients. These actions affected a variety of things such as natural gas exports, electric transmission facilities, greenhouse gas requirements, grant programs for schools and hospitals, federal building codes, and numerous consumer products such as ice makers, microwave and conventional ovens, faucets, showerheads, dishwashers, and washers and dryers, among many others.

Department of Transportation (DOT)

DOT Announces Funds Available for Bus Grants: In May, the Federal Transit Administration announced that \$1.5 billion is being made available for the latest round of grants under the Bus and Bus Facilities Program and the Low or No Emission Bus Program. The Department notes that this year's Notice of Funding Opportunity (NOFO) strips requirements related to climate change, sustainability, environmental justice, and diversity-equity-and-inclusion as applied under the previous administration. Information webinar scheduled June 4. Applications due July 14, 2025.

DOT Moves Ahead with New CAFÉ Rule: On May 19, DOT Secretary Sean Duffy announced that the National Highway Traffic Safety Administration (NHTSA) recently submitted a new interpretive rule, "Resetting the Corporate Average Fuel Economy Program (CAFÉ)" to the Office of Management and Budget for review.

DOT Responds to Lawsuit on EV Charger Program: In May, DOT asserted that the Department is properly reviewing the National Electric Vehicle Infrastructure (NEVI) Formula Program and plans to issue new guidance to states under authority granted to the Department by the Congress. Meantime no new obligations may occur under the program, but reimbursements of existing obligations will continue. The halt in new obligations is currently being challenged in federal court by 16 states.

Outreach: During May, Carmen Group was in touch with committee staff and business group representatives on issues including the California waivers, the federal budget, appropriations and reconciliation.

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ATTACHMENT 2B



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: May 27, 2025
Re: May Report

HOUSE/SENATE

Congress

The House and Senate are in recess this week. Before leaving town, the House passed its version of the reconciliation bill by a vote of 215 to 214, largely along party lines. The bill passed after multiple late nights of Committee activity and concessions to hardline conservatives. The bill now heads to the Senate, where additional changes are expected, before returning to the House for a vote on final passage. The President and the Speaker of the House continue to push a July 4 deadline.

The Senate voted to overturn three California Clean Air Act waivers under the Congressional Review Act (CRA) process, despite determinations by the Government Accountability Office (GAO) and the Senate Parliamentarian that the waivers could not be overturned by Congress. The House passed the disapproval resolutions earlier this month, and the President is expected to sign them into law. The waivers allowed California to set stricter air quality standards for vehicle emissions.

The House and Senate are focused on Fiscal Year (FY) 2026 appropriations following President Trump's release of his FY26 proposal on discretionary funding levels. The budget proposal broadly outlined a nearly 55% reduction in funding levels for the Environmental Protection Agency (EPA), including deep cuts to the Office of Research and Development and the elimination of Diesel Emissions Reduction Act Grants and the Atmospheric Protection Program.

EPA

In May, Administrator of the Environmental Protection Agency (EPA) Lee Zeldin testified in front of four Congressional Committees on the EPA's FY26 budget – the House and Senate Appropriations Committees, the House Energy and Commerce Committee, and the Senate Environment and Public Works Committee. He discussed the EPA's shift in focus to cooperative federalism and reducing regulatory burdens, as well as the historic wildfire cleanup in California and the prioritization of efforts to combat PFAS. Lawmakers questioned him about frozen and terminated grants, the agency's reorganization and reduction in staffing, and the elimination of the Greenhouse Gas Reduction Fund. Republican lawmakers praised the agency's efforts to rollback Biden-era regulations and reorient the agency around the priorities of the Trump Administration.

On May 12, it was reported that the EPA did not publish the U.S. Greenhouse Gas Emissions and Sink Inventory report, which is mandated by the United Nations Framework Convention on Climate Change. The Environmental Defense Fund, an environmental non-profit organization, filed a Freedom of Information Act request and [published it online](#) last week. The report demonstrates that the U.S. is making progress to reduce greenhouse gas emissions, but not at a rate sufficient to reach the 2035 reduction targets published by the U.S. last year. According to the report, gross greenhouse gas emissions in 2023 saw a 17% reduction from 2005 levels. Read more [here](#).

On May 12, it was reported that scientists at EPA's Office of Research and Development (ORD) were told by political leaders to apply to openings in other offices. This follows announcements obtained from internal emails that ORD is "shutting down their laboratory activities" and that scientific expertise would be shifted to program offices. The agency has said that this phase in reorganization efforts does not include layoffs, but the goal is to reduce staffing to Reagan-era levels. Read more [here](#).

On May 5, the Environmental Protection Agency (EPA) officials reportedly announced in a staff meeting that divisions overseeing climate change and energy efficiency would be eliminated in restructuring efforts, which include the Office of Atmospheric Protection that administers the Energy Star program. The program, which provides certification for energy-efficient appliances, was first launched in 1992. Critics argue that cutting the Energy Star program is counterproductive to lowering household energy costs and addressing the nation's energy challenges as demand for electricity surges. Although previous attempts by the Trump Administration to defund the program were met with bipartisan resistance, the restructuring

aligns with President Trump's 2026 budget to reduce funding for environmental programs. Read more [here](#).

Cassidy and Associates support in May:

- Advised AQMD staff on the repeal of the California Clean Air Waivers
- Provided background on ongoing tax and recission legislation impacting AQMD priorities
- Worked with AQMD staff to strategize on future DC outreach and plan for DC visits.
- Advised AQMD throughout the appropriations cycle to identify and pursue funding opportunities.
- Participated in weekly strategy sessions with SCAQMD staff

IMPORTANT LEGISLATIVE DATES

September 30, 2025: Deadline to fund the federal government.

September 30, 2025: The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries, expired in 2023. The bill is reauthorized on a five-year cycle.

December 31, 2025: National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

ATTACHMENT 2C

KADESH & ASSOCIATES

South Coast AQMD Report for the June 2025
Legislative Meeting covering May 2025
Kadesh & Associates

May was a very busy month in Congress, with consequential votes on several issues of importance to the South Coast AQMD. The two most important: the House of Representatives approved its budget reconciliation bill, and both the House and Senate approved three Congressional Review Act resolutions in an attempt to block Clean Air Act waivers granted to the California Air Resources Board (CARB).

The passage of the House's budget reconciliation bill, with many committee meetings lasting well into the night: the House Energy and Commerce Committee (with jurisdiction over the EPA and DOE) met for more than 24 hours on their portion of the bill, and the Ways & Means Committee spent more than 17 hours debating the tax provisions. The House Rules Committee set an unusual start time for its debate -- 1:00 a.m. on Wednesday morning -- and did not conclude until after 10:30 p.m. With late-breaking concessions and persuasion, the bill passed the House by a party-line vote of 215-214. The bill now heads to the Senate, where Majority Leader Thune will need to walk the same balancing act as Speaker Johnson: finding a bill that can satisfy both those in his party who want deeper cuts and those who want to protect specific programs.

The House-passed bill includes an extension of the 2017 tax cuts, increased funding for the military and border security, changes to the Medicaid and SNAP programs, an increase in the federal debt limit, and repeals of tax incentives for EVs and renewables. The bill would also rescind unobligated funds from the EPA clean air programs created by the Inflation Reduction Act, including: the Clean Heavy Duty Vehicles program and the Clean Ports program, funding for DERA and air monitoring grants, and environmental and climate justice grants. Note that once a federal agency has awarded a contract, the funds are generally considered obligated.

The House and Senate also voted to block implementation of several CARB rules, using the Congressional Review Act (CRA) process to "disapprove" three Clean Air Act waivers previously granted by EPA (on Advanced Clean Cars II, Advanced Clean Trucks and Heavy-Duty Engine and Vehicle Omnibus). This CRA debate has been extremely contentious, and Senators Padilla and Schiff argued strenuously that this was an unprecedented move that goes beyond the scope of the Senate's power; prior to this year, EPA and Congress have never treated California waivers as subject to the CRA.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on funding implications of Executive Orders and agency directives, as well as reconciliation and California waivers.

Contacts: Contacts included staff and Members throughout the CA delegation, Senate offices, and members of key committees.

South Coast Air Quality Management District Legislative and Regulatory Update -May 2025

❖ Important Upcoming Dates

June 06, 2025 – House of Origin Deadline
June 15, 2025 – Budget Bill Must be Passed by Midnight

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

- Provided ongoing updates as the policy committees have been hearing bills.
- Followed up on bills for the 2025 legislative session, including for South Coast AQMD sponsored legislation.
- Arranged meetings with key legislators on behalf of South Coast AQMD.

❖ AB 907 (Chen). Assemblymember Philip Chen has introduced AB 907, sponsored legislation for South Coast AQMD, dealing with the inequity of pay for air district board members appointed to serve on the CA Air Resources Board.

AB 907 was heard in Assembly Appropriations Committee on May 23rd and passed:

Ayes: 14

Noes: 0

Abstained: 1

The bill will now have a final vote on the Assembly floor to determine if it will move on to the Senate.

❖ AB 1106 (Rodriguez). Assemblymember Michelle Rodriguez introduced AB 1106, sponsored by South Coast AQMD, which would establish air quality incident response centers to support response to crises impacting air quality and public health in Southern, Central and Northern California. The centers would provide technical and communications infrastructure to support emergency response including, but not limited to, air monitoring, data collection and analysis, publishing data, integration into Unified Command and/or Joint Information Center, and other related activities. The bill would require funding to plan, construct, and equip the centers as well as for on-going administration and operation of the centers to support readiness and implementation during crises.

AB 1106 was heard in Assembly Appropriations Committee on May 23 and was held on the suspense file. AB 1106 will not move forward.

ATTACHMENT 3B

South Coast AQMD, Legislative Committee Report
Buckley Government Affairs LLC
June 13, 2025

Legislative Session Update

On Friday, May 23, the Senate and Assembly Appropriations Committees held their all-important "suspense file" hearings, where they determined the fate of hundreds of bills with significant fiscal impacts. These hearings are a critical step in the legislative process, as they decide which bills will advance to the floor and which will be held due to budgetary concerns.

This year's hearings were particularly noteworthy as they came just one week after the Governor released the May Revise, which highlighted the state's ongoing budget deficit. As a result, there was heightened speculation that more bills would be held in committee due to cost pressures.

In the Assembly, 666 bills were considered, with 435 measures advancing to the Assembly Floor and 231 bills held in committee. In the Senate, 432 bills were heard, with 307 advancing and 125 being held. A very small number of the held bills were converted into "two-year bills," allowing them to be reconsidered in the 2026 legislative session. Despite concerns about the fiscal outlook, the number of bills held this year represents only a marginal increase compared to last year.

Finally, June 6th is the last day for each house to pass bills introduced in that house. The "House of Origin" deadline marks the half-way point in the Legislative calendar. There will be a rush of policy and budget committees occurring throughout June.

Budget Update

On May 14th, Governor Newsom held a press conference to unveil his May Revise budget proposal. The Governor is currently estimating a projected \$11.9 billion budget shortfall for the upcoming fiscal year, largely driven by a \$16 billion anticipated downturn over the next two years, which he attributed to the so-called "Trump Slump." This includes reductions in capital

gains, corporate profits, and personal income tax collections. While revenues have come in \$7.9 billion above January projections, the broader economic outlook remains volatile.

The May Revise outlines a total budget of \$321.9 billion, including \$226.4 billion in General Fund spending and \$15.7 billion in total reserves. To address the projected shortfall, the Administration is proposing a mix of solutions totaling approximately \$12 billion. This includes \$5 billion in program reductions and savings, \$5.3 billion would be addressed through borrowing and revenue transfers, and \$1.7 billion would be a fund shift of CalFire operations to the Greenhouse Gas Reduction Fund (GGRF).

The fund shift of CalFire operations represents a significant change in how GGRF money has been used in the past. This reallocation could put substantial pressure on other GGRF-funded programs, including the AB 617 program and other air quality initiatives. We will continue to monitor the implications for specific programs and funding lines as more details become available. The Legislature must pass a balanced budget by June 15th.

ATTACHMENT 3C



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

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Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – May 2025

DATE: Tuesday, May 27, 2025

The month of May is occupied by the Governor's May Revise and the deadline for bills that would cost the state money to pass out of the Appropriations Committees. Any bill costing the state more than \$150,000 are at risk of being held "on suspense" and dying. In a year where the Governor and Legislature are facing a multi-billion-dollar deficit with larger shortfalls potentially being delivered from Washington D.C., more bills than normal would be held on suspense. That was not the case. Of the 1,098 measures on suspense, only 32% died. This is roughly consistent with the number of bills held at this time last year.

On May 14, 2025, Governor Gavin Newsom released the May Revision of the 2025–26 California state budget. The revised budget addresses a projected \$11.95 billion shortfall, largely attributed to a combination of federal policy impacts including tariffs, market instability, and reduced international tourism, which together have led to an estimated \$16 billion decline in state revenues.

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

COMMUNITY AIR GRANTS

On May 6, 2025, the California Air Resources Board (CARB) announced a record-breaking \$20.9 million in Community Air Grants, funding 51 projects across the state, more than doubling previous award cycles. This unprecedented investment supports 43 nonprofit organizations and four California Native American Tribes in advancing community-led air quality initiatives. The grants, funded by California's Cap-and-Trade Program, aim to build local capacity for air monitoring and pollution reduction in the state's most environmentally burdened communities, including those in Sacramento, Los Angeles, the Central Valley, San Diego, the Bay Area, and the Imperial Valley.

Now in its fifth funding cycle, the Community Air Grants program plays a critical role in California's broader environmental justice strategy by empowering residents to take an

active role in identifying and mitigating local sources of air pollution. As part of CARB's updated Blueprint 2.0, the program is expanding to reach more communities that have consistently sought air quality support. This latest round of grants reflects CARB's ongoing commitment to equity, inclusion, and public health, and is a key component of California Climate Investments, a statewide initiative using Cap-and-Trade dollars to reduce greenhouse gas emissions, strengthen the economy, and improve quality of life, particularly in underserved areas.

MAY REVISE

On May 14, 2025, Governor Newsom unveiled his May Revision proposal for the 2025–26 California state budget, outlining a strategic plan aimed at securing the state's long-term prosperity amid ongoing economic headwinds. Facing a projected \$11.95 billion deficit, driven in part by a \$16 billion revenue decline attributed to federal instability, including tariff disruptions, market volatility, and decreased international tourism, the revised budget emphasizes fiscal responsibility while maintaining bold investments in housing, education, and infrastructure. The Governor is also proposing a legislative package to streamline permitting and expedite housing development, including aligning Coastal Commission timelines, promoting infill and transit-oriented projects, and supporting CEQA reforms. Additionally, the proposal includes a housing and infrastructure bond to accelerate the pace of development statewide.

The May Revision also tackles rising healthcare costs by targeting prescription drug middlemen and increasing oversight of Pharmacy Benefit Managers (PBMs) to reduce costs and protect access to essential medications, including abortion pills. CalRx's expanded authority will further shield Californians from politically driven supply threats. As climate change intensifies, the budget accelerates the modernization of the State Water Project via the Delta Conveyance, aiming to secure water supplies for 27 million residents. The proposal continues transformative educational investments, funding universal transitional kindergarten, free school meals, expanded learning programs, and \$545 million for literacy efforts with a focus on multilingual learners. It also features historic emergency response funding, a tax cut for military retirees, and the creation of a new agency to streamline housing and homelessness programs. Through California's Cap-and-Invest initiative, the state will continue funding major climate efforts while delivering up to \$60 billion in utility credits through 2045.

ZEV SALES HOLD STEADY IN 2025

On May 16, 2025, the California Energy Commission announced that during the first quarter of 2025, Californians purchased 100,326 zero-emission vehicles (ZEVs), accounting for 23% of all new vehicle sales in the state. While this represents a slight decline from the record-breaking Q1 sales in 2024, California still surpassed a major milestone last year by exceeding 2 million total ZEVs sold. The modest decrease in overall ZEV sales was largely attributed to a 21.5% year-over-year drop in Tesla registrations. However, this was offset in part by a 14% increase in registrations of non-Tesla electric vehicles, reflecting a diversifying market.

California's EV landscape continues to expand, with 147 electric vehicle models available in Q1 2025 (up from 105 the year prior) giving consumers more options and confidence in the state's growing charging infrastructure. California remains the national leader in ZEV adoption, accounting for over 30% of all ZEVs sold in the U.S., according to the California Air Resources Board (CARB). Despite the dip in California, EV sales nationwide rose by 11.4% in Q1 2025, and the used EV market saw strong momentum as well, with Carvana reporting a 182% year-over-year increase in used EV sales in 2024.

SALTON SEA

On May 22, 2025, Governor Newsom announced a key restoration achievement at the Salton Sea with the filling of the East Pond Expansion, an effort aimed at reviving habitats lost due to increasing salinity and water depletion. This development is part of the broader Species Conservation Habitat Project, which falls under California's 10-year plan to restore the Salton Sea's ecosystem. The project is designed to create sustainable environments for local wildlife while also addressing regional air quality issues by minimizing dust emissions from the exposed lakebed.

As California's largest inland lake, the Salton Sea has experienced significant shrinkage in recent years due to decreased water inflows, leading to heightened salinity and environmental degradation. These changes have jeopardized habitats vital to migratory birds along the Pacific flyway and worsened air quality in the Imperial Valley.

Governor Newsom has prioritized major restoration efforts at the Salton Sea, with the Species Conservation Habitat Project expanding from an initially planned 4,100 acres to over twice that size, thanks in part to \$245 million in additional federal funding.

AFFORDABLE CLEAN CARS COALITION

On May 23, 2025, Governor Newsom announced that California has joined an 11-state coalition dedicated to promoting clean and affordable vehicles, following an attempt by the U.S. Senate to revoke California's authority to set its own clean air standards. The newly formed Affordable Clean Cars Coalition, led by the U.S. Climate Alliance, aims to accelerate the nation's shift to cleaner transportation, support American automotive jobs, and uphold states' rights to enforce stronger air quality protections.

The coalition includes California, Colorado, Delaware, Massachusetts, Maryland, New Jersey, New Mexico, New York, Oregon, Rhode Island, and Washington. These states will collaborate on strategies to lower costs, expand consumer options, and improve access to charging and fueling infrastructure for clean vehicles. In addition, they will work to protect their rights under the Clean Air Act and explore the development of future vehicle standards. The U.S. Climate Alliance, which leads this effort, is a bipartisan group of 24 governors representing around 60% of the national economy and 55% of the U.S. population.

2025 LEGISLATIVE DEADLINES

June 2-6: Floor Session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees

June 6: Last day for each house to pass bills introduced in that house

June 9: Committee meetings may resume

June 15: Budget bill must be passed by midnight

July 18: Last day for policy committees to hear and report bills

Aug. 29: Last day for fiscal committees to hear and report bills to the Floor

Sept. 2-12: Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees

Sept. 5: Last day to amend on the Floor

Sept. 12: Last day for each house to pass bills. Interim Recess begins upon adjournment