

BOARD MEETING DATE: September 5, 2025

AGENDA NO. 22

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, August 8, 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

LT:CG:PC: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
Mayor Patricia Lock Dawson
Supervisor Curt Hagman
Vice Mayor Brenda Olmos

Absent: Supervisor V. Manuel Perez
Councilmember Nithya Raman

ACTION/DISCUSSION ITEMS:

1. Update on South Coast AQMD Sponsored and Position State Legislation

Carlos Gonzalez, Assistant Deputy Executive Officer, Legislative Public Affairs and Media, provided an update on South Coast AQMD sponsor and position bills:

- AB 1338 (Solache): Fenceline Monitoring at Metal Shredding Facilities. This measure has been made a two-year bill. Staff continue to work with the author, Assemblymember Mia Bonta, and legislative staff on potential amendments for consideration in the next legislative session.

- AB 907 (Chen): Fair Compensation for Air District Representatives on the CARB Board. This bill is now a two-year bill.
- AB 1106 (Rodriguez): Statewide Air Quality Incident Response Program. This bill was held on suspense by the Assembly Appropriations Committee due to the tight budget year and is now dead.
- SB 34 (Richardson): South Coast AQMD Indirect Source Rulemaking Authority for Ports. SB 34 was substantially amended in both Assembly Natural Resources and Assembly Transportation committees. South Coast AQMD remains opposed to the bill, and the bill is currently pending in the Assembly Appropriations Committee.

For additional information, please refer to the [Webcast](#) beginning 5:17.

Chair Cacciotti inquired about the latest developments with SB 34. Lisa Tanaka, Deputy Executive Officer, Legislative Public Affairs and Media, reported that the bill was most recently heard in the Assembly Transportation Committee, where Executive Officer Wayne Nastri testified in opposition. The Pacific Maritime Association (PMA) and Pacific Merchant Shipping Association (PMSA), along with other industry representatives now oppose the bill. Staff is working to schedule meetings with the Assembly Appropriations Committee and Chair Buffy Wicks to convey continued opposition. Chair Cacciotti inquired as to why these entities changed their position. Ms. Tanaka responded that PMA's primary concern is the bill's provision restricting automation. PMSA shares this concern, along with additional issues.

Fernando Gaytan representing Earthjustice, Fernando Marquez Duarte, and Theral Golden, member of the West Long Beach Association, provided public comment in opposition to SB 34. Harvey Eder, Public Solar Power Coalition, raised concerns about SB 34.

2. Overview on Current Federal Legislation

Ms. Tanaka, Gary Hoitsma, Carmen Group, Mark Kadesh, Kadesh & Associates, and Lio Barrera, Cassidy & Associates presented an Overview of Federal Legislative Issues. The presentation included updates on the congressional calendar, budget reconciliation process, recissions, Fiscal Year 2026 appropriations, surface transportation reauthorization, Clean Air Act related efforts, and South Coast AQMD's federal priorities.

For additional information, please refer to the [Webcast](#) beginning at 7:45.

3. This agenda item was misnumbered and left intentionally blank.

WRITTEN REPORTS/ DISCUSSION ITEMS:

4. Update and Discussion on State Legislative Issues

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

Ross Buckley, Buckley Government Affairs LLC, reported that CARB released the *Community Air Protection Program Annual Progress Report* at the end of July. The report highlights significant emission reductions achieved under the AB 617 program in some of the state's most impacted communities. The Governor also issued a press release underscoring the program's effectiveness. Mr. Buckley noted that both the report and the press release are positive indicators for continued efforts to secure AB 617 program funding.

For additional information, please refer to the [Webcast](#) beginning at 43:01.

Paul Gonsalves, Joe A. Gonsalves & Son, reported that former Vice President Kamala Harris and Lieutenant Governor Eleni Kounalakis will not run in the 2026 gubernatorial race. Mr. Gonsalves noted that the field remains crowded.

For additional information, please refer to the [Webcast](#) beginning at 44:05.

David Quintana, Resolute, provided a brief overview of key remaining dates in the legislative session, noting that the Legislature will reconvene from summer recess on August 18.

For additional information, please refer to the [Webcast](#) beginning at 45:45.

Chair Cacciotti inquired about a budget item in the Buckley Government Affairs written report concerning funding for air monitoring by South Coast AQMD. Mr. Buckley explained that the budget provision supports requirements created by AB 98 (Carrillo, 2024) for air monitoring. Chair Cacciotti asked if the funding in the budget is related to the Warehouse Action and Investments to Reduce Emissions (WAIRE) program. Mr. Nastri clarified that the funds are not connected to the WAIRE program and noted that the \$1 million allocated in the budget will help support South Coast AQMD in conducting the state-mandated study. Ms. Tanaka added that staff is collaborating with the Office of Senator Reyes to develop the study's scope.

OTHER MATTERS:

5. Other Business

There was no other business to report.

6. Public Comment Period

Harvey Eder, Public Solar Power Coalition, provided public comment not related to the committee's jurisdiction.

7. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, September 12, 2025, at 9:00 a.m.

Adjournment

The meeting was adjourned at 9:49 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 8, 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
Mayor Patricia Lock Dawson	South Coast AQMD Board Member

Ben Wong	Board Consultant (Cacciotti)
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Ross Buckley	Buckley Government Affairs, LLC
Gary Hoitsma	Carmen Group, Inc.
Lio Barrera.....	Cassidy & Associates
Samantha Swing	Cassidy & Associates
Paul Gonsalves	Joe A. Gonsalves & Son
Mark Kadesh.....	Kadesh & Associates
Alfredo Arredondo	Resolute
David Quintana	Resolute

Whitney Amaya	Public Member
Ramine Cromartie	Public Member
Harvey Eder	Public Member
Fernando Gaytan	Public Member
Grace Garner.....	Public Member
Bill LaMarr	Public Member
Hadley Nolan	Public Member
Bill Quinn	Public Member
Ramine Ross	Public Member
Petter Whittingham.....	Public Member

Jason Aspell	South Coast AQMD Staff
Debra Ashby	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Cathy Bartels	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
Bayron Gilchrist	South Coast AQMD Staff
Carlos Gonzalez	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
Cristina Lopez	South Coast AQMD Staff
Jason Low	South Coast AQMD Staff
Terrence Mann	South Coast AQMD Staff
Ian McMillan	South Coast AQMD Staff
Ron Moskowitz	South Coast AQMD Staff
Robert Paud.....	South Coast AQMD Staff
Sarah Rees	South Coast AQMD Staff
Mary Reichert	South Coast AQMD Staff
Lisa Tanaka	South Coast AQMD Staff
Brian Tomasovic	South Coast AQMD Staff
Alexis Thrower	South Coast AQMD Staff
Elizabeth Vega	South Coast AQMD Staff
Mei Wang	South Coast AQMD Staff
Victor Yip	South Coast AQMD Staff

ATTACHMENT 2A



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

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: July 22, 2025

Re: Federal Update -- Executive Branch (June-July)

Reconciliation: After much legislative maneuverings and back-and-forth negotiations among Republicans in the House and Senate, Congress passed (on close party-line votes in both chambers) President Trump's One Big Beautiful Bill reconciliation package of tax cuts, spending cuts, and defense, border, and energy investments, along with a critical debt limit increase. Immediately in its wake, key Republicans began touting the possibility that two additional Republican-only reconciliation bills could be cobbled together and passed—with additional spending cuts—one late this year and another early next year. But whether Republican unity could be sustained for that to happen remains highly doubtful.

FY26 Appropriations: Attention in Congress now turns to the annual appropriations spending bills, which must be passed or addressed in a mutually agreeable “continuing resolution” by September 30 to avoid a government shutdown. With partisan acrimony flowing from the reconciliation fight and with the 2026 mid-term elections fast approaching, the prospects for smooth legislative sailing this fall are dicey.

Department of Transportation

DOT Launches Surface Transportation Reauthorization Planning Efforts: In July, Transportation Secretary Sean Duffy convened a symbolic kick-off conference at US DOT HQs designed to foster collaboration among Congressional members and infrastructure stakeholders on priorities for the surface transportation reauthorization process which will swing into high gear this fall. As part of the effort, Duffy sent a [letter](#) to the nation's governors encouraging states to streamline Federal project permitting by assuming greater responsibility (as allowed by law) for the federal environmental review process under the National Environment Policy Act (NEPA). In addition, the Department of Transportation (DOT) issued a formal [Request for Information](#) (RFI) to gather public feedback, ideas, and recommendations to help inform legislative priorities for the next surface transportation reauthorization effort. RFI responses due August 20, 2025.

DOT Announces BUILD and Other Key Grant Awards: In July, DOT announced \$488 million in awards to 30 projects nationwide under Department's flagship BUILD (formerly TIGER) discretionary grant program. In addition, the Department announced that it had expedited the delivery of funding for a new series of 529 grants (highway,

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transit, rail, aviation, and maritime) that had been originally approved during the previous administration.

NHTSA Publishes New Final Rule on CAFÉ Standards: In June, the National Highway Traffic Safety Administration (NHTSA) published a final rule, “Resetting the Corporate Average Fuel Economy Program.” The new interpretive rule does not technically change the existing standards, but clarifies NHTSA’s authority on enforcement and brings the CAFÉ program into compliance with relevant statutory requirements which the agency says were misinterpreted by the previous administration.

DOT Announces Policy Changes to Advance Infrastructure Projects: In June and July, DOT announced the following policy changes its say will help DOT to spend federal money more efficiently and expedite and advance more Federal transportation projects: NEPA (Updated environmental review procedures regarding timelines, page limits, agency jurisdictions, and categorical exclusions); TIFIA (Updated policies greatly expanding more projects to credit program access; and DEI (Updated guidance confirming that, where lawful, the DOT will no longer enforce previously approved project requirements that relate in any way to “climate change, ‘greenhouse gas’ emissions, racial equity, gender identity, ‘diversity, equity and inclusion’ goals, environmental justice, or the Justice 40 Initiative.”

DOT Terminates California HSR Grant Agreements: In July, DOT announced its final determination to terminate approximately \$4 billion in unspent federal funding for California’s High-Speed Rail Project. Meanwhile, Federal Railroad Acting Administrator Drew Feely outlined the reasons for the federal government’s decision in a 22-page [letter](#) to the California High-Speed Rail Authority, saying the DOT has now de-obligated the funding involved, and will start exploring how these funds can be made available to “viable and meritorious” passenger rail projects.

MARAD Announces US Center for Maritime Innovation Website: www.uscmi.org

Notable DOT Appointments:

Bryan Bedford confirmed as *FAA Administrator*. (Former CEO, Republic Airways)
Sang H. Yi, *Acting MARAD Administrator*. (Frmr House staff, Merchant Marine Grad)
12 members named to the new *USDOT Advisory Board*.

Environmental Protection Agency

EPA Proposes Repeal of Power Plant and MATS Regulations: In June, the EPA announced proposals to repeal all “greenhouse gas” emissions standards for power plants and to repeal amendments to the 2024 Mercury and Air Toxics Standards (MATS) targeting coal-fired plants. The Agency said these Biden-era regulations imposed massive costs on coal-, oil-, and gas-fired power plants and were imperiling the reliability of the electric grid.

Zeldin Taking Prominent Role in Trump “Energy Dominance” Agenda: EPA Administrator Lee Zeldin is taking an increasingly visible role in promoting the Trump Administration’s aggressive energy policies designed to increase energy production,

especially from oil, gas, and nuclear. In June and July, Zeldin: 1) Strongly applauded the President's signing into law the three Congressional Review Act resolutions disapproving California's vehicle emissions waivers, calling it "a decisive blow to the electric vehicle mandate"; 2) Traveled to the North Slope of Alaska with other top Trump officials and international energy leaders to promote Alaska's strong energy potential and provisions in the Republican's Reconciliation bill in Congress that would advance energy production; 3) Authored a Washington Examiner op-ed in the wake of July 4th touting EPA's work to streamline the permitting process for critical energy projects; 4) traveled with President Trump to Pittsburgh to participate in US. Sen. Dave McCormick's (R-PA) Pennsylvania Energy and Innovation Summit where industry leaders announced over \$90 billion in investments helping to unleash American energy; and 5) authored an exclusive op-ed on the EPA's role in advancing energy production and artificial intelligence.

EPA Announces Reduction in Force: In July, the EPA announced its latest reduction in force focused on the restructuring of the Office of Research and Development. Combined with other previously announced reductions, voluntary retirements and separations, the EPA workforce stands at 12,448, down from 16,155 in January 2025.

EPA Announces New Information Websites: [geoengineering](#) and [contrails](#).

Notable EPA Appointment:

David Fotouhi confirmed as *Deputy Administrator* (Trump I Acting EPA Gen. Counsel)

Department of Energy

DOE Announces Updated NEPA Procedures: In June and July, the Department of Energy announced new updates to the Department's National Environmental Policy Act (NEPA) procedures designed to fix what it called the "broken permitting process" for major energy projects. As part of its update effort, DOE published an [interim final rule](#) substantially revising DOE's NEPA procedures. Reforms include 1) Eliminating outdated procedures; 2) Reducing EA and EIS completion times from 3 to 2 years; 3) Requiring lead agency designations; 4) Implementing strict deadlines and page limits; 5) Providing clear direction to use common sense; 6) Increasing transparency; and 7) Maximizing the use of "categorical exclusions."

Energy Secretary Makes Case to Stop Subsidizing Solar and Wind: In June, Energy Secretary Chris Wright wrote in a *NY Post* [op-ed](#) that it was time to stop subsidizing solar and wind energy, arguing that such subsidies were not serving an appropriate goal of reducing prices while increasing energy supplies.

Outreach: During June and July, Carmen Group was in touch with congressional staff and business group representatives on appropriations and reconciliation issues. We also had a courtesy meeting with the Department of Transportation's Deputy Assistant Secretary for Policy on surface transportation reauthorization and related matters.

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ATTACHMENT 2B

KADESH & ASSOCIATES

South Coast AQMD Report for the August 2025
Legislative Meeting covering June-July 2025
Kadesh & Associates

Congress has delivered significant legislative and budget wins to President Trump, after weeks of dramatic holdouts and numerous narrow votes. The House will recess this week, with Members headed to their districts until after Labor Day. The Senate will likely recess next week, but we are starting to see the usual warnings from leadership that the Senate's August recess may be shortened unless the chamber can approve more nominees.

The budget reconciliation bill was signed into law in early July, after a 51-50 vote in the Senate (with VP Vance breaking the tie) and a 218-214 vote in the House. Despite the close votes, significant intra-Republican debate, and ultimatums by multiple holdouts, the overall legislation changed very little over the course of the process. The new law permanently extends the 2017 tax cuts, adds significant new funds for defense and immigration and border enforcement, and will reduce funding for Medicaid and federal nutrition programs. Clean energy tax credits under the IRA will be phased out, EV tax credits will be eliminated, and the law also rescinds unobligated funds from many of the EPA clean air programs created by the Inflation Reduction Act, including the Clean Heavy Duty Vehicles program. It also rescinds any unobligated funds the IRA added to DERA and air monitoring. Note that once a federal agency has awarded a contract, the funds are generally considered obligated.

The House and Senate also approved the President's FY25 rescissions request on party-line votes in July. The rescissions process is a rarely used tool for Congress to cancel previously appropriated funds; like reconciliation, it requires only a simple majority to pass in the Senate. The \$9.4 billion package of cuts - focused largely on cutting funding for foreign aid and public broadcasting - passed the Senate, 51-48, and then the House by a vote of 216-213.

While these unique and contentious budget processes have consumed much of the oxygen in DC, the Appropriations Committees are continuing to work through the regular FY26 funding bills, and the House and Senate have each started to move those bills to the floor. The key air quality programs -- TAG, DERA, and the 103/105 grants - are level-funded in the House bill, which is a promising sign following the President's budget request to cut DERA and 103/105. However, one immediate result of the rescission vote is to make a final bipartisan appropriations deal for FY26 more difficult. Appropriations bills require 60 votes to proceed in the Senate, which gives the minority party leverage and a stake in the outcome. However, because the bipartisan FY25 agreement was then undone by a party-line vote, it significantly complicates the negotiating environment as we approach the September 30 fiscal deadline.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on funding implications of FY26 appropriations and reconciliation.

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

ATTACHMENT 2C



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: July 9, 2025
Re: June Report

HOUSE/SENATE

Congress

After months of negotiations, Congress completed the reconciliation process with the passage of the One Big Beautiful Bill Act (OBBBA), meeting the President's deadline of July 4. The bill rescinds unobligated balances for several Environmental Protection Agency (EPA) programs that were funded by the Inflation Reduction Act (IRA), including diesel emissions reductions, fence line air monitoring, methane monitoring, multipollutant monitoring stations, Clean Air Act grants, and programs to address air pollution at schools. The bill passed after multiple late nights in the Senate, with tense negotiations around changes to Medicaid and SNAP eligibility.

In July, the Senate Appropriations Committee is expected to hold markups for Fiscal Year (FY) 2026 appropriations bills. Congress must pass appropriations bills or a continuing resolution (CR) before the end of the fiscal year on September 30. Before leaving for a month-long August recess, the Senate and House will work on the National Defense Authorization Act (NDAA).

EPA

On June 30, more than 270 Environmental Protection Agency (EPA) employees signed a letter to EPA Administrator Lee Zeldin denouncing the Trump administration's effort to "politicize, dismantle, and sideline" the agency. This follows a similar move by employees at the National Institute of Health. The EPA employees claim that the administration's policies have undermined

the agency's mission of protecting human health and the environment. The letter also criticized the proposed elimination of some of the EPA's divisions including the agency's scientific research arm and plans to repeal significant environmental rules that limit pollution, protect wetlands, and regulate greenhouse gases. Read more [here](#).

According to a court filing from June 16, the Trump administration is reconsidering a ban on the last type of asbestos still used in the United States. Chrysotile asbestos, also known as "white" asbestos, is banned in more than 50 countries due to links to multiple types of cancer. It has long been imported to the United States for use in roofing materials, textiles, cement, and automotive parts. Last year, the Environmental Protection Agency (EPA) banned its use with a measure that would have still allowed some manufacturers to phase out the material for up to 12 years. However, this reconsideration, which has not yet been commented on by the EPA, is estimated to take up to 30 months to complete and would consider removing the rule's ban on the import and use of asbestos in the production of chlorine and chemical manufacturing. Read more [here](#).

On June 11, the Environmental Protection Agency (EPA) announced two proposals to repeal all greenhouse gas emissions standards for the power sector under section 111 of the Clean Air Act (CAA) and to repeal amendments to the 2024 Mercury and Air Toxics Standards (MATS). EPA characterized this as a step towards ensuring affordable, dependable energy for all Americans, restoring American energy dominance, and lowering the cost of transportation, heating, utilities, farming, and manufacturing. Under the proposal, EPA is now suggesting that greenhouse gas emissions from fossil fuel fired power plants do not contribute significantly to dangerous air pollution and is proposing efficiency-based requirements as an alternative. Similarly, according to the proposal, the MATS rule created regulatory uncertainty for coal plants, and the proposal includes relieving all facilities of three different standards under the rule. Read more [here](#).

On June 10, the Senate approved David Fotouhi as the Deputy Administrator of the Environment Protection Agency (EPA). David Fotouhi is an environmental attorney who previously served as the EPA's Acting General Counsel and Principal Deputy General Counsel in Trump's first term. He brings experience in environmental legal and policy issues to his new role. Fotouhi stated that the "EPA must strive to empower American innovation to find tomorrow's solutions for today's environmental challenges, and I look forward to working with Administrator Zeldin and the thousands of EPA career professionals to make tangible environmental progress for the American people." Read more [here](#).

Cassidy and Associates support in June:

- Updated AQMD staff on proposed EPA program cuts.
- Provided intel and guidance on budget reconciliation matters
- Provided guidance for the FY 26 appropriations process
- Updated AQMD staff on highway surface reauthorization
- Continued conversations on permitting reform efforts in Congress and the Administration.
- Worked with SCAQMD staff to strategize on future DC outreach and plan for DC visits.
- 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.



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: July 21, 2025
Re: July Report

HOUSE/SENATE

Congress

Lawmakers continue to work on Fiscal Year (FY) 2026 appropriation bills before the month-long August recess starts after August 1. The House passed the FY 2026 Defense appropriations bill, clearing the first hurdle to funding the Department of Defense ahead of the September 30 deadline. The House Appropriations Committee held markups of the appropriations bills for Transportation, Housing and Urban Development; Energy and Water Development; Interior and Environment; National Security and Department of State; and Commerce, Justice, and Science. The Senate Appropriations Committee held markups of the appropriations bills for Commerce, Justice, and Science; Military Construction and Veterans Affairs; Agriculture; and the Legislative Branch. Additionally, the House and Senate Armed Services Committees held full committee markups of the FY 2026 National Defense Authorization Act.

Last week, the House passed the White House's \$9.4 billion rescissions package, which cuts foreign aid and more than \$1 billion from the Corporation for Public Broadcasting. Two House Republicans voted against the bill, Reps. Brian Fitzpatrick (R-PA) and Mike Turner (R-OH). Earlier in the week, two Republican Senators also voted against the bill, Sen. Lisa Murkowski (R-AK) and Sen. Susan Collins (R-ME). The bill heads to the President's desk for signature.

In Committee activity, the Senate Environment and Public Works Committee held a hearing on stakeholders' perspectives on the Surface Transportation Reauthorization Bill, while the House

Energy and Commerce Committee held a hearing on recycling that covered e-waste and opportunities to bolster domestic recycling capacity.

EPA

On July 17, the U.S. Environmental Protection Agency (EPA) announced the next phase of its internal reorganization to improve efficiency, modernize mission support, and better fulfill its core responsibilities of protecting air, water, and land. The changes impact multiple offices, including Mission Support, the Chief Financial Officer, Enforcement and Compliance Assurance, and Land and Emergency Management. Key updates include the creation of a centralized Office of Finance and Administration and adjustments to enforcement and land management offices that aim to better align regulatory actions with legal mandates and community needs. Read more [here](#).

On July 17, the U.S. Environmental Protection Agency (EPA) issued a direct final rule and companion proposal extending compliance deadlines for coal combustion residual management units (CCRUMs). Facilities can now submit both sections of the required Facility Evaluation Report by February 8, 2027, and groundwater monitoring requirements have been extended to August 8, 2029. These extensions apply across all related CCRMU compliance deadlines. EPA Administrator Lee Zeldin framed the move as part of the agency's broader deregulatory agenda. The final rule will take effect six months after publication with a 30-day public comment window now open. Read more [here](#).

On July 7, the U.S. Environmental Protection Agency (EPA) reached a settlement with Gateway Energy Storage, LLC, following a lithium-ion battery fire at its San Diego facility, which began on May 15, 2024, and flared periodically until May 28. The site housed nearly 14,800 nickel-manganese-cobalt lithium-ion batteries, posing significant risks of fire, explosion, and exposure to toxic chemicals. Under the settlement, Gateway is required to conduct environmental monitoring, safely remove and dispose of damaged batteries, and submit progress reports to the EPA. EPA Regional Administrator Josh F.W. Cook emphasized the environmental and health hazards of utility-scale battery fires, particularly for first responders. Read more [here](#).

On July 3, the Environmental Protection Agency (EPA) placed 144 employees on administrative leave and launched an investigation after the employees signed a letter accusing the Trump administration of politicizing the agency. The EPA claims the employees misused their official titles and undermined leadership, while unions and advocacy groups argue this is unconstitutional retaliation against protected free speech. Read more [here](#).

The One Big Beautiful Bill Act, signed into law on July 4, repealed the Greenhouse Gas Reduction Fund, a multibillion-dollar green bank for financing climate-friendly projects. Back in March, Climate United Fund and other nonprofits sued the Environmental Protection Agency (EPA) for the freeze and cancellation of funds from the program. Now, according to a new filing, the EPA believes the bill's repeal of the green bank will aid their victory in the lawsuit. Read more [here](#).

Cassidy and Associates support in July:

- Provided guidance for the FY 26 appropriations process, including language report for non-attainment areas
- Updated AQMD staff on highway surface reauthorization
- Tracked energy and environment amendments for the budget reconciliation process
- Continued conversations on permitting reform efforts in Congress and the Administration.
- Worked with SCAQMD staff to strategize on future DC outreach and plan for DC visits.
- Participated in weekly strategy sessions with SCAQMD staff.

IMPORTANT LEGISLATIVE DATES

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

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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 3A

South Coast AQMD, Legislative Committee Report
Buckley Government Affairs LLC
August 8, 2025

Legislative Session Update

Following the House of Origin deadline on June 6, the Legislature quickly resumed work, turning its attention to bills introduced in the opposite house. This period marks the halfway point of the legislative year.

Throughout June and July, the Legislature has been focused on the July 18 deadline for two key reasons. First, it is the final day for policy committees to advance bills to the floor or to the Appropriations Committee. Second, it signals the start of the Legislature's summer recess. In the weeks leading up to this deadline, committee hearings were packed and often extended late into the evening. Notably, one committee considered over 80 bills in a single day, adjourning just before 11:00 p.m.

Legislators will be away from the Capitol from July 18 to August 18. During this time, most members will either work out of their districts or take a well-deserved break before returning for the final sprint to the end of the session.

Budget Update

As in previous years, the Legislature passed its own version of the state budget ahead of the constitutional deadline on June 15, allowing continued negotiations with the Governor before the start of the fiscal year on July 1. Ultimately, a "three-party" agreement was reached, and budget bills reflecting that deal were passed by the Legislature on June 27 and signed by the Governor that same day. However, negotiations took a tense turn when the Governor threatened to veto the budget unless the Legislature also sent him a package of bills that included CEQA reform aimed at expediting housing projects. Those bills were ultimately worked out and sent to the Governor the following week. One of the most notable elements of the Governor's May Revise was the proposal to shift \$1.5 billion in CalFire operational costs into the Greenhouse Gas Reduction Fund (GGRF) expenditure plan, alongside a \$1 billion allocation for High-Speed Rail. His

proposal also eliminated all the existing programs and deferred those decisions until later in the year.

As part of the final budget compromise, CalFire was still shifted over to the cap-and-trade auction program from the General Fund—\$1 billion in 2025–26, up to \$1.25 billion in 2026–27, \$500 million in 2027–28, and another \$500 million in 2028–29. These future fund shifts may ultimately prove unnecessary if General Fund revenues improve. Final GGRF appropriations are expected to be addressed in August or September through additional budget actions, while reauthorization of the cap-and-trade program remains deferred for future policy bill discussions.

Additional budget provisions on the budget include:

- \$1 million for the South Coast Air Quality Management District to deploy mobile air monitoring systems.
- Trailer bill language expanding current law to allow CARB to use transportation equity funds—including unspent funds from the 2021 and 2022 Budget Acts—to help the Clean Cars for All programs serve pending applications.
- \$132.2 million from the Air Pollution Control Fund for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), funded through a recent legal settlement with Hino Motors.

The reauthorization of the Cap-and-Trade program and negotiations over the associated expenditure plan are expected to continue during the summer recess. When the Legislature returns to Sacramento, this issue will be among the most pressing matters to address before adjournment on September 12.

ATTACHMENT 3B



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 – June & July 2025

DATE: Tuesday, July 22, 2025

The California State Legislature had experienced fast-paced June and July with the house of origin deadline passing on Friday, June 6, when all legislation must be acted on in the first house before advancing to the next chamber. Budget negotiations were also ongoing, with the Constitutional deadline of June 15 to pass a budget.

In addition, the Senate Democrats elected Senator Monique Limon to be the next President Pro Tempore and the Assembly Republicans elected Assemblymember Heath Flora to be the next Republican Leader.

The Legislature adjourned for summer recess on July 17, 2025 and will return on August 18, 2025. They will then have until the end of session, September 12, 2025, to take final action on all pending legislation.

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

Budget

On June 13, 2025, the Legislature passed their budget bill, SB 101, reflecting a 2-house budget agreement for the 2025–26 fiscal year. This act addresses the state’s projected \$12 billion shortfall while preserving investments in housing, infrastructure, education, and climate resilience. The agreement draws down \$7.1 billion from the State’s rainy-day fund, leaving \$11.2 billion in the account. In addition, lawmakers drew \$2.5 billion from the \$4.5 billion in the State’s Special Fund for Economic Uncertainties.

The joint legislative proposal also includes a \$1 billion loan program for municipalities in Los Angeles County recovering from wildfires, \$750 million in loans for Bay Area transit agencies, and \$110 million for Prop 36, which was not included in the Governor’s proposed budget. The agreement also rejects a proposed \$1.1 billion cut to public transit funding proposed by Governor Newsom. The Legislature continued to negotiate with Governor Newsom on a final budget package and on June 27, 2025, Governor Newsom signed California’s 2025–26 state budget.

California's budget includes several provisions that impact air quality, air pollution control, and climate-related programming, most notably the diversion of cap-and-trade revenues to wildfire resilience.

Key Air Quality Provisions

- Cap-and-Trade Revenue Diversion
- Approximately \$1 billion in cap-and-trade funds is redirected toward wildfire response and emergency services.
- This reallocation limits available funding for long-term clean air initiatives, such as sustainable communities, clean mobility, and local air district programs.

CARB Operations and Investments

- CARB receives continued funding to support:
- Low Carbon Transportation and Air Quality Improvement Program
- Mobile source emission enforcement, including \$3.5 million for new staff to implement the Zero-Emission Forklift Regulation
- Air Pollution Control Fund and GGRF-backed programs, totaling over \$49 million for statewide air quality and climate investments

Clean Appliance Standards and Legal Pushback

- The state advances clean air regulations phasing out gas-powered appliances.
- These efforts have drawn lawsuits from utilities such as SoCal Gas, which could delay implementation and reduce expected emission benefits.

Structural and Fiscal Risks

- Cap-and-trade auction revenues are volatile—recent shortfalls have reduced available funds by over 40% in one quarter.
- Long-term stability for air quality programs depends on legislative reauthorization of the cap-and-trade program beyond 2030.

CAP-AND-TRADE

The Cap-and-Trade program extension is not a part of this package of budget trailer bills. The Governor and Legislature are still negotiating on how long to extend the program and how to spend the GGRF revenues.

In our conversation with legislators, we are being told that this will be a 2-step process. The first step is for the legislature to extend the Cap-and-Trade program. This is priority #1 as the uncertainty of the future of the Cap-and-Trade program has caused the market to be skeptical and

auctions revenues to come in much lower than normal. Once they are able to extend the program, then they will start part 2, which is how to allocate GGRF revenues.

Originally, the Governor and Legislature wanted to change the allocation of the GGRF and to eliminate the continuous appropriations that were included in the last reauthorization. However, there is a new push to keep the current funding mechanisms in place because they have already been litigated in court and the Legislature worries that if they make changes, then it will open them up to new lawsuits.

There is still a lot of work to be done on this issue and we will continue to keep you apprised as the issue progresses.

NEW SENATE PRESIDENT PRO TEMPORE

On June 9, 2025, California Democratic leaders in the state Senate decided on a new leader, electing state Senator Monique Limón to take the role of Senate President Pro Tempore in early 2026. She will replace current Senate President Pro Tempore Mike McGuire during his last year in the Senate.

Senator Limón will be the first woman of color to ever hold the role. Just like Senate President Pro Tempore McGuire, Senate President Pro Tempore elect Limon will serve only 2 years, as she is terming out in 2028.

This restores the balance in leadership between the 2 houses. Prior to electing Senator Limon, the Assembly and Senate both had leaders from the North. Now with Senator Limon being elected, the Assembly leader will be from the north and the Senate leader will be from the south.

NEW ASSEMBLY REPUBLICAN LEADER

On July 9, Assembly Republicans elected Assemblymember Heath Flora, R-Ripon, to be the leader of the Republican Party in the Assembly as current leader James Gallagher, R-Yuba City, prepares to term out in 2026. The Republican Caucus announced that Republican members unanimously elected the Central Valley lawmaker to take over the post.

Assemblymember Republican Leader Gallagher, who has led since 2022, will complete the current legislative session and officially step down on September 16, 2025. Assemblymember Flora, first elected in 2016 and a former firefighter and lifelong farmer, currently serves as Floor Leader and represents rural San Joaquin Valley communities

In announcing his ascension, Assemblymember Flora emphasized unity, a commitment to effective communication, and a vigorous defense of Californian values in a heavily Democratic legislature.

NANCY SKINNER – APPOINTED TO CEC

The California State Senate voted on May 27 to confirm former State Senator Nancy Skinner to the California Energy Commission (CEC), following her appointment by Governor Gavin Newsom in January. Skinner will serve as the commissioner representing science and engineering and will lead the agency's work on clean transportation, ports, and industrial decarbonization. Her appointment marks a full-circle moment in her public service career, which began as a UC Berkeley graduate student serving on the city's energy advisory commission. Over the decades, she has held elected roles on the Berkeley City Council, the East Bay Regional Park District board, and in both chambers of the California Legislature. Known for her leadership on clean energy policy, Skinner authored major legislation including AB 2514, which enabled large-scale battery storage, and SB X1-2, aimed at increasing transparency in gasoline pricing.

At the CEC, Skinner is prioritizing the transition to zero-emission transportation and the infrastructure needed to support it, with an emphasis on improving air quality and affordability. She emphasized at her confirmation hearing that maximizing energy efficiency is the most cost-effective path forward, reducing costs across the system. In addition to her legislative background, she has held executive roles at non-profits like The Climate Group and ICLEI – Local Governments for Sustainability. Skinner also brings academic experience as a former lecturer at UC Berkeley's Goldman School of Public Policy and a senior advisor at UC Davis' Energy and Efficiency Institute. She stressed the importance of making the Commission's work accessible and understandable to the public, reflecting her commitment to inclusive, transparent policymaking.

LOW CARBON FUEL STANDARDS

CARB has announced that its updated Low Carbon Fuel Standard (LCFS) regulation will go into effect on July 1, 2025. The revised rule aims to accelerate investment in clean fuels and zero-emission vehicle infrastructure, helping California meet its air quality and climate goals. CARB emphasizes that the LCFS delivers public health benefits, economic growth, and fuel market stability, while ensuring compliance with federal and state environmental standards. Despite claims to the contrary, fuel prices have remained stable or declined, supported by increased competition and the growing use of cleaner fuels.

The LCFS operates through a credit system that incentivizes low-carbon fuel production and penalizes non-compliant fuel producers. Since its inception, the program has generated \$4 billion annually in private investment and displaced over 30 billion gallons of petroleum fuel. Businesses have earned more than \$68 billion in LCFS credits, and the regulation has helped support the expansion of EV charging and hydrogen fueling infrastructure. The program also contributes to public health and equity, with an estimated \$12 billion in avoided healthcare costs and nearly \$5 billion expected to be invested in disadvantaged communities over the next decade.

CARB projects that the amended LCFS will reduce greenhouse gas emissions by 558 million metric tons and significantly cut nitrogen oxide and particulate matter pollution through 2045. The updates set new targets: a 30% reduction in fuel carbon intensity by 2030 and a 90% reduction by

2045. Designed to be cost-effective, the LCFS includes monitoring provisions to track retail gas price impacts and report findings annually in collaboration with the California Energy Commission.

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

South Coast Air Quality Management District

Legislative and Regulatory Update – June/July 2025

❖ Important Upcoming Dates

August 18, 2025 – Legislature Reconvenes from Summer Recess
August 29, 2025 – Last day for Fiscal Committee to Hear 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 the Executive branch. 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 introduced AB 907, sponsored legislation for South Coast AQMD dealing with the inequity of pay for AQMD board members appointed to serve on the CA Air Resources Board. AB 907 is now a 2-year bill.
- ❖ **Cap and Trade Reauthorization.** The Legislature went on Summer Recess on July 18th without taking a vote to reauthorize Cap and Trade prior to the break. As a result, the next auction on August 20th will occur without the market certainty that a Reauthorization could have provided. It is widely expected that the August auction will provide very lackluster revenue results which will mean less revenue for the Greenhouse Gas Reduction Fund.