

STATE LEGISLATIVE UPDATE, OUTLOOK, & STRATEGY

Governing Board Retreat
September 10, 2026



OVERVIEW

Political Environment

Legislative Strategy – Turning Challenges into Opportunities

2025 – 2026 Actions & Results

Outlook for 2027

Building on Strategies

DYNAMICS AFFECTING LEGISLATION



STATE CHALLENGES & ISSUES

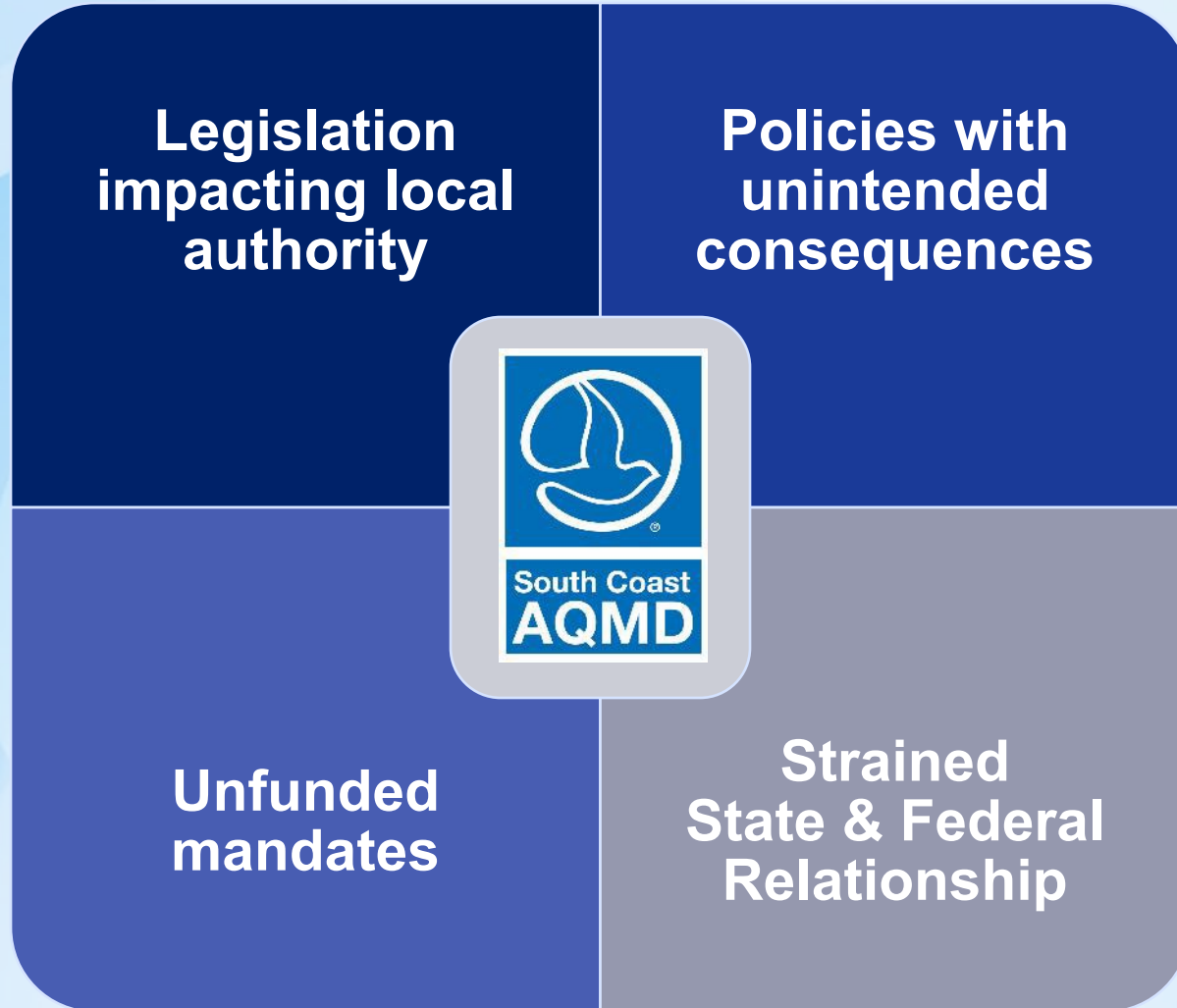
- Over 30% turnover in Legislature
- High staff turnover
- 35 bill limit per Legislator
- Budget deficit
- External pressures: uncertain economy and global politics
- More bills that reflect increased concern and impact of air agencies
- California defending against federal actions

FEDERAL CHALLENGES & ISSUES



- Divided Congress with narrow majorities
- Administrative Actions: Executive Orders, rescinding & changing regulations, programs & grants
- Retroactive application of Congressional Review Act
- Uncertain economy
- Mid-term elections

TURNING CHALLENGES INTO OPPORTUNITIES



Legislative Strategy

- Strategic shift on how we build and maintain relationships with elected officials, agencies & other stakeholders
- Make South Coast AQMD the trusted source for technical information
- Increase understanding of air quality issues, impacts on public health, clean technologies contribution to economy & jobs

STRATEGIES & ACTIONS



Cross-Agency & Stakeholder Engagement

- Coordinate with local, regional and statewide agencies
- Lead policy discussions
- Educational discussion with local stakeholders



Presence & Visibility

- Present at hearings
- Advocacy in Sacramento
- Local Government Affairs Committees



Education & Engagement

- Webinar series
- Clean Air Day in Sacramento
- District Tours



Legislative Partnerships

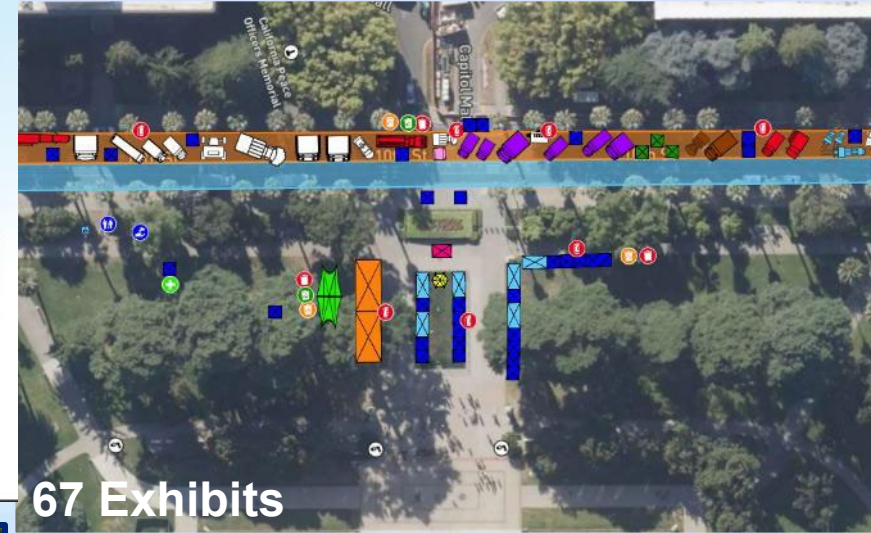
- Resource on legislation and local issues
- Support District activities



South Coast
AQMD



Clean Air, Clean Solutions Showcase



67 Exhibits



67 Exhibitors



12 Air
Districts



500+
attendees



CAPCOA



Over 30
Legislators



Fire Truck



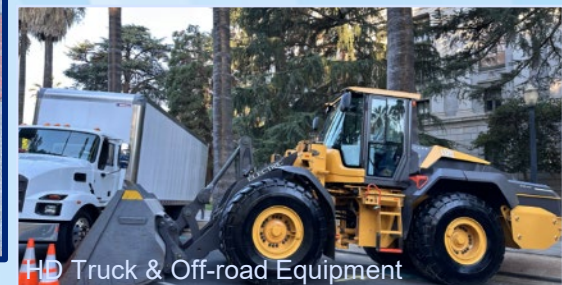
Waste hauler



Energy Playground



Lawn & Garden

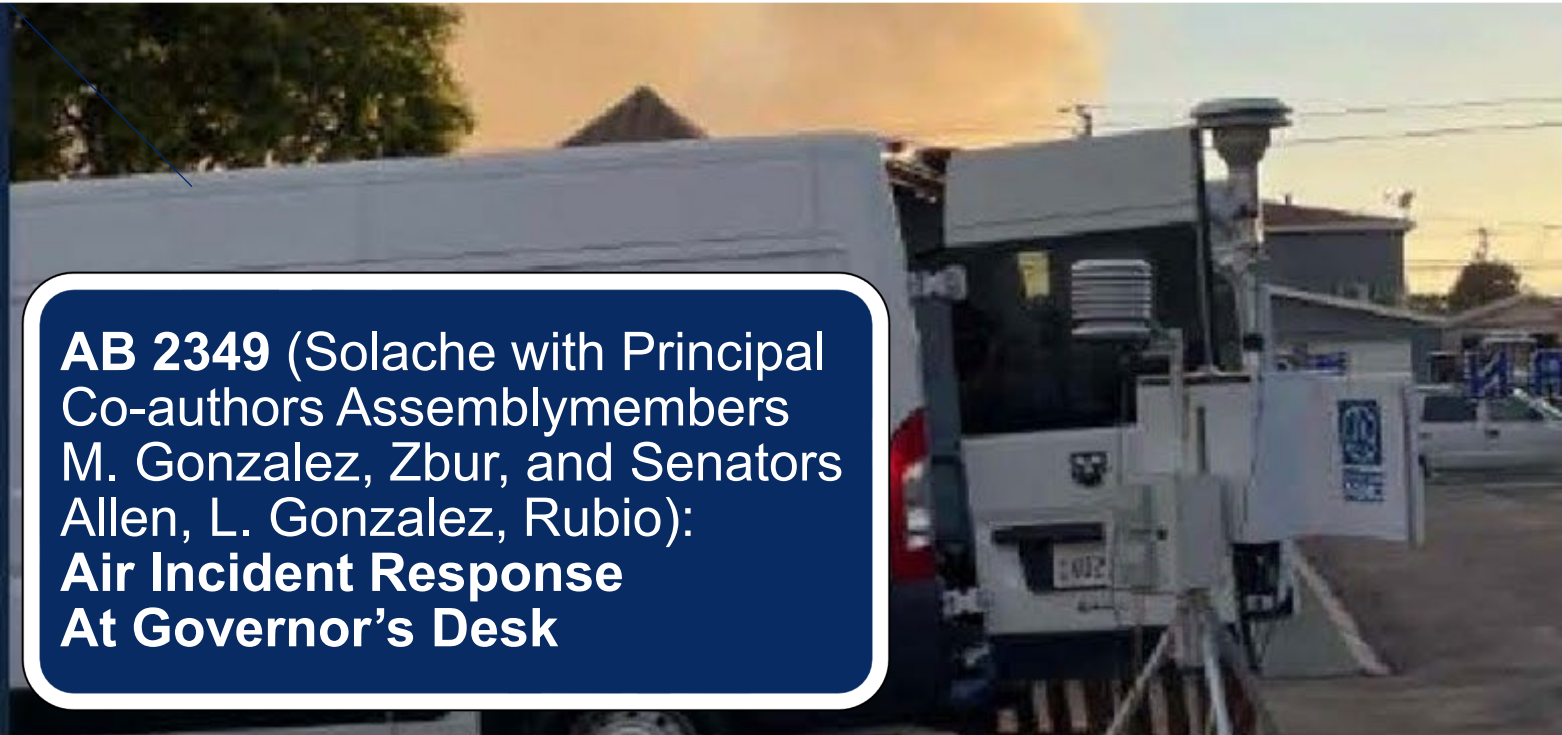


HD Truck & Off-road Equipment



Incident Response

RESULTS: 2025-26 SPONSOR BILLS



AB 2349 (Solache with Principal Co-authors Assemblymembers M. Gonzalez, Zbur, and Senators Allen, L. Gonzalez, Rubio):
**Air Incident Response
At Governor's Desk**

- **AB 1338 (Solache):** Metal Shredding Facilities. Gut and amended
- **AB 907 (Chen changed to Solache):** CARB Board Compensation. Held in Senate Appropriations Committee
- **AB 1106 (M. Rodriguez):** Air Incident Response. Held in Assembly Appropriations Suspense File



POSITION BILLS: 2025-26 HIGHLIGHTS

Support

- **AB 1661 (Bryan):** Oil and Gas: Baldwin Hills – Sent to Governor
- **SB 1213 (Reyes):** Zero and near-zero medium- and heavy-duty vehicles – Sent to Governor

Oppose

- **SB 34 (Richardson):** South Coast AQMD: Ports - Vetoed
- **AB 1791 (Sanchez):** State Air Board & South Coast AQMD: prohibit zero-emission regulations – Failed deadline
- **AB 2752 (Avila Farias):** Oil Refineries – No vote in Committee, failed deadline
- **SB 1075 (Reyes):** AB 617 – Held in Senate Appropriations

Non-Legislative Solution

- **AB 1266 (Solache):** Administrative Procedures Act
- **SB 526 (Menjivar):** Accountability for Aggregate Facilities

BUDGET: AIR QUALITY HIGHLIGHTS



Community Air Protection Program (AB 617)

- 2025-26: \$100M
- 2026-27: Approximately \$229M
 - \$150M General Fund
 - \$20M GGRF Tier 2
 - \$59M GGRF Tier 3



Carl Moyer

- 2025-26: \$130.7M
- 2026-27: \$130.7M



Clean Truck & Bus Voucher Incentive Program (HVIP)

- 2025-26: \$132M
- 2026-27: \$135.5M

STATE OUTLOOK FOR 2027

Opportunity to Lead/Shape Narrative

- Cap-and-Invest authorized through 2045
- August GGRF auction was better - \$860M
- House and/or Senate could flip changing dynamic inside and outside beltway
- Momentum built from last year and improved relationships
- New Governor

Challenges

- Affordability
- Economy?
- CA Budget structural deficit
- GGRF auctions? Uncertainty on amendments to Cap-and-Invest (Manufacturers Decarbonization Incentive)
- Energization and zero-emission infrastructure
- Instability from polarized legislating and regulatory environment
- Elections on all levels
- 21 open legislative seats, all 80 Assembly seats and 20 of 40 Senate (odd numbered) are on ballot
- Air incidents

POTENTIAL LEGISLATION OR OTHER ACTIONS

State

- Funding & policy for Community Air Protection Program (AB 617)
- Funding for Air Incident Response
- Cost recovery for air monitoring – unfunded mandates
- Energization issues
- Address administrative issues related to state incentive programs to facilitate program implementation

Federal

- Pending litigation and Congressional efforts to repeal California Clean Air Act Waivers
- Legislation seeking to weaken Clean Air Act or amendments to address current challenges
- Fiscal Year 2027 Appropriations – current continuing resolution expires December 11, 2026
- Reauthorization of Surface Transportation Act
- Pending changes to Office of Management and Budget regulations for grant administration

SOUTH COAST AQMD TIMELINE

October

- **Legislative Committee:**
State & Federal Guiding Principles
RFP for Specialized representation in Washington, D.C. for Clean Air Act related issues

November

- **Governing Board:**
State & Federal Guiding Principles
RFP for Specialized representation in Washington, D.C. for Clean Air Act related issues
- **Legislative Committee:**
Consider concepts for potential state sponsor bills and/or issue areas of focus
Update on Congressional Elections & Preliminary Outlook

December

- **Governing Board:**
Concepts for potential sponsor bills and/or issue areas for focus
- **Legislative Committee:**
Update on State Elections & Preliminary Outlook

BUILDING ON STRATEGIES:

Achieving outcomes

- Introduce South Coast AQMD to newly elected Members & Leadership
- General and focused Legislator and Committee discussion on critical issues such as incident response, funding
- District Tours
- Continue Webinar series on strategic topics
- Partner with UCLA on Policy Forum for Community Air Protection Program

**Legislative
Partnerships**

**Presence &
Visibility**

**Education &
Engagement**

**Interagency & Stakeholder
Relations**



The Work Continues

Turning challenges into opportunities and positioning for the future