

BOARD MEETING DATE: September 4, 2026

AGENDA NO. 26

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, August 14, 2026. The following is a summary of the meeting.

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

Patricia Lock Dawson,  
Acting Committee Chair,  
Legislative Committee

LTO:CG:PC:EV:MC:MC

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### **Call to Order**

Acting Committee Chair Mayor Patricia Lock Dawson called the meeting to order at 9:00 a.m.

### **Roll Call**

#### **Committee Members**

Present: Mayor Patricia Lock Dawson, Committee Chair on behalf of Supervisor Perez  
Councilmember Adrin Nazarian  
Mayor Brenda Olmos

Absent: Committee Chair V. Manuel Perez  
Supervisor Curt Hagman  
Supervisor Janet Nguyen

For additional details of the Legislative Committee meeting, please refer to the [Webcast](#).

*Agenda items were taken out of order.*

## **ACTION/DISCUSSION ITEMS:**

### **1. Update on South Coast AQMD Sponsored and Position Bills**

Carlos Gonzalez, Assistant Deputy Executive Officer, Legislative, Public Affairs and Media provided an update on South Coast AQMD's sponsored and position bills. For additional details, please refer to the [Webcast](#) beginning at 4:24.

- AB 2349 (Solache) would establish a statewide network of regional Air Quality Incident Response Centers, including at South Coast AQMD. The bill passed the Senate Appropriations Committee unanimously and will advance to the Senate Floor for consideration.
- AB 907 (Solache) would provide air district representatives serving on the CARB board the same level of compensation as other voting board members. The bill was held in the Senate Appropriations Committee and will not advance in the current legislative session.
- SB 1075 (Reyes) would make significant changes to the AB 617 Community Air Protection Program. South Coast AQMD's Board approved an "Oppose Unless Amended" position. SB 1075 was held in the Assembly Appropriations Committee and will not advance during the current legislative session.

Harvey Eder, Public Solar Power Coalition, provided public comment regarding SB 1075, the AB 617 Community Air Protection Program, and public solar power. For additional details, please refer to the [Webcast](#) beginning at 7:25.

Committee Chair Lock Dawson asked about South Coast AQMD's concerns regarding SB 1075. Mr. Gonzalez emphasized the implementation challenges South Coast AQMD would face, noting that the bill also faced significant opposition from cities, counties, and other organizations. For additional details, please refer to the [Webcast](#) beginning at 9:30.

## **DISCUSSION ITEMS:**

### **2. Update and Discussion on Federal Legislative Issues**

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

Anna Karakitsos, Cassidy & Associates, provided an overview of the remaining legislative days left for the 119<sup>th</sup> Congress. For additional details, please refer to the [Webcast](#) beginning at 11:45.

Ben Miller, Kadesh & Associates, reported on the Fiscal Year 2027 Appropriations bills. For additional details, please refer to the [Webcast](#) beginning at 12:52.

Amelia Jenkins Morales, Holland & Hart, provided an update on House and Senate resolutions that have been introduced under the Congressional Review Act to repeal California Waivers for six rules affecting light-duty vehicles, small off-road equipment, harbor craft, and ocean-going vessels at berth. For additional details, please refer to the [Webcast](#) beginning at 14:05.

Mr. Eder provided public comment regarding the Clean Air Act and solar power. For additional details, please refer to the [Webcast](#) beginning at 18:50.

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

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

David Quintana, Resolute, reported on changes to Republican leadership in both the Assembly and Senate. For additional details, please refer to the [Webcast](#) beginning at 20:45.

Ross Buckley, Buckley Government Affairs, provided an update on the state budget, and highlighted the allocation of \$150 million in General Fund support for the Community Air Protection Program (AB 617). For additional details, please refer to the [Webcast](#) beginning at 22:18.

Paul Gonsalves, Joe A. Gonsalves & Son, reported on pending bills and legislative deadlines before adjournment of session at the end of August. For additional details, please refer to the [Webcast](#) beginning at 24:31.

Mr. Eder provided public comment regarding AB 617. For additional details, please refer to the [Webcast](#) beginning at 26:15.

### **ACTION/DISCUSSION ITEMS:**

#### **4. Execute Contract(s) for Legislative Representation in Sacramento, California**

Lisa Tanaka, Deputy Executive Officer, Legislative, Public Affairs and Media introduced the three candidate firms that responded to the Request for Proposals for South Coast AQMD's legislative representation in Sacramento. Three proposals were received including Buckley Government Affairs, Joe A. Gonsalves & Son, and Catalyst. The Legislative Committee interviewed all three firms and recommended approval of the execution of contracts with each of these firms for legislative representation in Sacramento.

**Staff recommended approval of the execution of contracts with Buckley Government Affairs, Joe A. Gonsalves & Son, and Catalyst for Legislative Representation in Sacramento.**

There was no public comment.

Moved by Olmos; Seconded by Lock Dawson, unanimously approved.

Ayes: Lock Dawson, Nazarian, Olmos

Noes: None

Absent: Hagman, Nguyen, Perez

For additional details, please refer to the [Webcast](#) beginning at 27:28.

**OTHER MATTERS:**

**5. Other Business**

There was no other business to report.

**6. Public Comment Period**

Mr. Eder provided public comment.

**7. Next Meeting Date**

The next regular Legislative Committee meeting is scheduled for Friday, September 11, 2026 at 9:00 a.m.

**Adjournment**

The meeting was adjourned at 10:11 a.m.

**Attachments**

1. Attendance
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 14, 2026**

|                                    |                                 |
|------------------------------------|---------------------------------|
| Mayor Patricia Lock Dawson .....   | South Coast AQMD Board Member   |
| Mayor Brenda Olmos .....           | South Coast AQMD Board Member   |
| Councilmember Adrin Nazarian ..... | South Coast AQMD Board Member   |
| Ken Chawkins .....                 | Board Consultant (Cacciotti)    |
| Marisela Santana .....             | Board Consultant (Olmos)        |
| Polash Mukerjee .....              | Board Consultant (Rutland)      |
| Ross Buckley .....                 | Buckley Government Affairs, LLC |
| Anna Karakitsos .....              | Cassidy & Associates            |
| Amelia Jenkins .....               | Holland and Heart               |
| Paul Gonsalves .....               | Joe A. Gonsalves & Son          |
| Jason Gonsalves .....              | Joe A. Gonsalves & Son          |
| Ben Miller .....                   | Kadesh & Associates             |
| Alfredo Arredondo .....            | Resolute                        |
| David Quintana .....               | Resolute                        |
| Michael .....                      | Public Member                   |
| Melodee Black .....                | Public Member                   |
| Todd R Campbell .....              | Public Member                   |
| Martin Gardner .....               | Public Member                   |
| Hadley Hanour .....                | Public Member                   |
| Bill LaMarr .....                  | Public Member                   |
| Peter Okurowski .....              | Public Member                   |
| Bill Quinn .....                   | Public Member                   |
| Ramine Ross .....                  | Public Member                   |
| Debra Ashby .....                  | South Coast AQMD Staff          |
| Jason Aspell .....                 | South Coast AQMD Staff          |
| Cesar Ayala .....                  | South Coast AQMD Staff          |
| Barbara Baird .....                | South Coast AQMD Staff          |
| Lara Brown .....                   | South Coast AQMD Staff          |
| Cindy Bustillos .....              | South Coast AQMD Staff          |
| Maria Corralejo .....              | South Coast AQMD Staff          |
| Matthew Ceja .....                 | South Coast AQMD Staff          |
| Jack Cheng .....                   | South Coast AQMD Staff          |
| Philip Crabbe .....                | South Coast AQMD Staff          |
| Scott Gallegos .....               | South Coast AQMD Staff          |
| Carlos Gonzalez .....              | South Coast AQMD Staff          |
| De Groeneveld .....                | South Coast AQMD Staff          |
| Alex Han .....                     | South Coast AQMD Staff          |
| Anissa Cessa Heard- Johnson .....  | South Coast AQMD Staff          |
| Sheri Hanizavareh .....            | South Coast AQMD Staff          |

|                         |                        |
|-------------------------|------------------------|
| Aaron Katzenstein ..... | South Coast AQMD Staff |
| Angela Kim .....        | South Coast AQMD Staff |
| Grace Leblanc .....     | 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 McMillan .....      | South Coast AQMD Staff |
| Nahal Mogharabi .....   | South Coast AQMD Staff |
| Ron Moskowitz .....     | South Coast AQMD Staff |
| Ghislain Muberwa .....  | South Coast AQMD Staff |
| Wayne Natri .....       | South Coast AQMD Staff |
| Sarah Rees .....        | South Coast AQMD Staff |
| Brian Roberts .....     | South Coast AQMD Staff |
| Alberto Silva .....     | South Coast AQMD Staff |
| Danielle Soto .....     | South Coast AQMD Staff |
| Lisa Tanaka .....       | South Coast AQMD Staff |
| Brian Tomasovic .....   | South Coast AQMD Staff |
| Mei Wang .....          | South Coast AQMD Staff |
| Victor Yip .....        | South Coast AQMD Staff |

## ATTACHMENT 2A



To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: July 23, 2026  
Re: July Report

*HOUSE/SENATE*

### *Congress*

The House of Representatives is completing its final legislative week before the August recess, and the Senate will spend the next week focused largely on judicial and executive nominations and Committee business. Following Senator Lindsey Graham's (R-SC) death on July 12, South Carolina Governor Henry McMaster appointed Darline Graham to the vacant seat on July 13, and she was sworn in the following day; Senate Republicans subsequently selected Senator Ron Johnson (R-WI) to succeed Lindsey Graham as Budget Committee chairman for the remainder of the year. These actions preserve Republicans' Senate majority but transfer responsibility for shepherding reconciliation legislation to a new chairman. Speaker Mike Johnson secured House passage on July 22 of an FY2027 budget resolution, with a vote of 216–214. This formally opens a third reconciliation process centered on approximately \$95 billion in additional defense and national-security funding, agricultural assistance, and provisions intended to advance elements of the SAVE America Act. The package now faces an uncertain Senate path, particularly because some election-policy provisions may encounter reconciliation-rule objections. Meanwhile, the House passed its FY2027 National Defense Authorization Act, H.R. 8800, by a 216–212 vote.

## EPA

On July 1, the Environmental Protection Agency (EPA) issued a proposed rule that would eliminate the federal minimum public participation requirements for minor New Source Review (NSR) permits, instead allowing state and local air agencies to determine public notice and comment for minor source permitting decisions. The agency says the proposal would streamline the permitting process, reduce administrative burdens, and accelerate project approvals while maintaining all existing Clean Air Act emission standards and air quality protections. EPA argues that because minor sources have relatively limited emissions and the Clean Air Act does not require federal public participation procedures for these permits, states and local agencies are best positioned to tailor public engagement to their communities. Read more [here](#).

On July 1, the Environmental Protection Agency (EPA) issued new guidance clarifying that permitting authorities may issue Nonattainment New Source Review (NNSR) permits before a project has secured the required emission reduction credits (ERCs), provided the permit includes enforceable conditions requiring the applicant to obtain the necessary offsets before commencing operations. The agency states the guidance is intended to reduce permitting delays and provide greater regulatory certainty by allowing construction to begin at the developer's risk while maintaining Clean Air Act requirements for emissions offsets before operations start. According to EPA, the policy gives states additional flexibility to advance projects in nonattainment areas without altering existing statutory or regulatory requirements or compromising compliance with National Ambient Air Quality Standards (NAAQS). Read more [here](#).

On June 26, the Environmental Protection Agency (EPA) released three tools to help state, local, and Tribal air agencies prepare exceptional events demonstrations for air quality data affected by events outside their control, such as wildfires. The tools are intended to streamline how agencies identify monitoring data influenced by exceptional weather events, support potential data exclusions under the Clean Air Act and EPA's Exceptional Events Rule, and reduce administrative burdens on air agencies. EPA updated the Expedited Modeling of Burn Events Results (EMBER) Tool to support ozone demonstrations from domestic, Canadian, and Mexican fires, created a new HYSPLIT Trajectory Tool for Exceptional Events to help assess smoke plume and fire impacts at monitoring sites, and worked with the U.S. Forest Service to launch a historical version of the AirNow Fire and Smoke Map for past PM 2.5 conditions. Read more [here](#).

On June 24, the Environmental Protection Agency (EPA) issued a new implementation memorandum directing agency staff to focus comments on other federal agencies' Environmental Impact Statements under the National Environmental Policy Act (NEPA) and Clean Air Act Section

309 on issues that fall within EPA's statutory authority and technical expertise. The guidance is intended to improve consistency, transparency, and efficiency in the environmental review process by ensuring EPA's recommendations are clear, timely, and limited to matters related to air, water, and land protection, while avoiding comments on issues outside the agency's legal responsibilities. Read more [here](#).

On June 24, the Environmental Protection Agency (EPA) awarded more than \$15.8 million in Brownfields funding for California, including over \$15.3 million in Multipurpose, Assessment, and Cleanup (MAC) grants and an additional \$500,000 for the City of Fresno's Brownfields Revolving Loan Fund. The funding will support the assessment, cleanup, and redevelopment of contaminated properties across the state, with the goal of reducing environmental risks, revitalizing communities, creating jobs, and encouraging economic development. EPA said the grants will help local governments and organizations transform underutilized brownfield sites into productive assets while advancing environmental protection and public health. Read more [here](#).

On June 12, the Environmental Protection Agency EPA transmitted four California Clean Air Act waiver decisions to Congress under the Congressional Review Act (CRA). The waivers authorize California to implement vehicle and equipment emissions standards that are more stringent than federal requirements, including rules affecting passenger vehicles, greenhouse gas emissions, and small off-road engines. EPA states that the waivers have nationwide implications because other states may adopt California's standards under the Clean Air Act, and that this action allows Congress to exercise its statutory oversight role. The four rules are Motor Vehicle Evaporative Emissions and Greenhouse Gas ("Advanced Clean Cars I"); Reinstatement of ACC 1; Small Offroad Engine (SORE) Amendments; and Greenhouse Gas Emission Standards – 2009 and Subsequent Model Years. Read more [here](#).

Cassidy and Associates support in July:

- Provided guidance for the FY 27 appropriations process;
- Updated AQMD staff on surface transportation reauthorization;
- Shared intelligence on steps following EPA's desired rescission of Section 209(b) waivers; and
- Participated in weekly strategy sessions with SCAQMD staff.

## *IMPORTANT LEGISLATIVE DATES*

February 13, 2026 (expired): Deadline to fund the Department of Homeland Security CBP/ICE.

September 30, 2025 (expired): 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.

September 30, 2026: Deadline to fund the federal government for Fiscal Year 2027.

September 30, 2026: Expiration of current surface transportation authorization.

December 31, 2026: National Defense Authorization Act, which authorizes and funds Department of Defense (DoD) programs and sets the DoD's policy agenda each year.



**Amelia F. Jenkins Morales**  
Senior Director of Federal Affairs  
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## House of Representatives

Before departing for recess, the House passed a clean short-term government funding bill that would extend federal funding through December 4, well ahead of the September 30 shutdown deadline. The continuing resolution did not include policy riders.

### House Hearings

#### Energy and Commerce Committee

**Nuclear:** The House Energy and Commerce Subcommittee on Energy approved six bipartisan nuclear bills designed to streamline Nuclear Regulatory Commission (NRC) regulations and build on the 2024 ADVANCE Act. Key bills passed:

- Efficient Nuclear Licensing Hearings Act – Removes public hearing requirements for reactor licensing when none requested
- NRC Staff Pay Alignment Act – Gives NRC flexibility to increase senior staff pay
- American Enrichment Deployment Act – Allows uranium enrichment facilities to begin construction before full operating license
- Nuclear REFUEL Act – Streamlines licensing for spent nuclear fuel recycling facilities
- Department of Energy Nuclear Transparency Act – Requires DOE to publicly post reports on nuclear safety regulation changes

One sticking point: Democrats opposed the Nuclear Advisory Committee Reform Act, which would make NRC advisory committee consultations optional, and said they would oppose it at full committee unless revised, citing concerns about safety oversight for advanced reactors.

**Clean Air Act bills:** The Environment Subcommittee approved seven bills aimed at reducing regulations to support recycling efforts. Members highlighted concerns about California's emissions standards, the need for practical bus operating rules, and the opportunity to recover valuable minerals—including lithium, cobalt, nickel, and copper—from batteries currently sent overseas for processing.

- H.R. 2140 - Diesel Emissions Reduction Act of 2025
- H.R. 3194 - LOCOMOTIVES Act (addresses California's zero-emission locomotive mandates)
- H.R. 9317 - BUSES Act (addresses safety inspection and idling requirements)
- H.R. 9615 - BRACE Act (battery recycling for critical minerals recovery) amended
- H.R. 9616 - EMRTAI Act of 2026 (environmental monitoring and remediation)
- H.R. 9617 - CHARM Act (recovery of minerals domestically)
- H.R. 9618 - DEF Act (diesel engine flexibility) amended

### **House Transportation and Infrastructure**

The House Transportation and Infrastructure Committee approved the Water Resources Development Act of 2026, complementing the Senate's unanimous passage and demonstrating strong bipartisan support for the legislation. The House bill authorizes 133 new feasibility studies for locally proposed water infrastructure projects and 14 projects ready for construction authorization.

Beyond project authorizations, WRDA 2026 includes significant policy improvements designed to streamline project delivery and enhance collaboration between the Army Corps of Engineers and non-federal interests. Key provisions establish specialized Corps offices focused on inland navigation, alternative delivery methods, water supply, and technical assistance, while also strengthening alternative project delivery programs and emphasizing non-federal stakeholder input in feasibility studies. The legislation aims to accelerate construction funding timelines and encourage the Corps to utilize multi-year contracts for greater efficiency.

## **Senate**

Senator Darline Graham (R-SC) officially assumed the late Senator Lindsey Graham's (R-SC) committee assignments on Judiciary, Appropriations, Environment and Public Works, and Budget. Lindsey Graham's death will have broader implications for Republican committee leadership in the 120th Congress, with current chairs potentially shifting into new leadership roles and senators moving up in seniority on their respective committees. As expected, Senator Ron Johnson (R-WI) officially took over as the Chair of the Senate Budget Committee.

Majority Leader John Thune (R-SD) publicly discussed a short-term stopgap with "anomalies"—special exceptions to prevent service disruptions—on the chamber floor before the August recess. The White House submitted a list of these exceptions but they were not included in the House measure. Thune also threatened to pursue another party-line bill to fund the entire government if Democrats do not agree to a compromise, though he expressed hope that would not be necessary.

## **Senate Hearings**

**Senate EPW:** The Senate Environment and Public Works Committee unanimously approved the Water Resources Development Act of 2026. The bill would authorize new water infrastructure projects managed by the Army Corps of Engineers. Beyond those project-specific authorizations, the legislation reauthorizes billions of dollars in federal loans and grants for drinking water and sewer systems over the next five years and includes provisions to study microplastics in water and evaluate EPA's funding partner selection process. The bill also reauthorizes EPA programs for restoring critical watersheds, including the Great Lakes and Chesapeake Bay, and includes more than 45 Army Corps studies addressing chronic flooding, erosion, and hurricane damage.

## **Administration**

### **Transportation**

Department of Transportation Secretary Sean Duffy sent a letter to Chairs and Ranking Members of key Senate committees outlining a comprehensive list of policy priorities he wants Congress to include in any surface transportation bill extension. Surface programs are set to expire on September 30.

Duffy urged Congress to eliminate the Highway Trust Fund's mass transit account and redirect all federal fuel tax revenues to the highway account. This proposal directly contradicts House Transportation Chair Graves' position. Additionally, Duffy wants Congress to grant the Federal Transit Administration authority to withhold federal formula funds from transit agencies if they fail to address crime or fare evasion.

Duffy also seeks authority to create a voluntary pilot program allowing autonomous vehicle developers to deploy driverless cars "under structured Federal oversight and preemptive authority," bypassing the existing patchwork of state laws. He wants Congress to require him to establish a new Federal Motor Vehicle Safety Standards framework specifically for "purpose-built vehicles that will never be operated by a

human driver." Duffy has indicated that an extension will "probably" be needed before the September 30 deadline. Additionally, Duffy provided a list of 2021 infrastructure law programs that DOT does not believe should be included in an extension or full bill.

**DOE Oil and Natural Gas Funding Announcement:** DOE announced up to \$65.5 million in federal funding on July 23, 2026, for cost-shared research and development projects aimed at strengthening domestic oil and natural gas production and improving energy infrastructure.

The funding supports three priorities: converting stranded or underutilized oil and gas resources into higher-value products; improving supply chain durability and infrastructure reliability through advanced materials and equipment; and optimizing operations through digitalization, smart facility concepts, artificial intelligence, and monitoring systems. Applications are due September 22, 2026, at 5:00 p.m. ET.

**Interior Department Coal Resources Report:** The U.S. Geological Survey released a report on coal resources beneath federally managed public lands, estimating 4.2 billion short tons of reported coal reserves associated with active mines and an additional 356 billion short tons of available coal resources. The report finds that the current resource base could supply U.S. needs for at least 600 years at current consumption rates. The report was mandated by executive order.

Geographic Distribution

Leading States:

- Wyoming: 87 percent of reported reserves; 14 of 34 federal mines; includes the North Antelope Rochelle Mine (largest coal mine on federal land globally)
- Colorado: 6 mines
- North Dakota & Utah: 4 mines
- Alabama & Montana: 3 mines

Coal Types & Uses

- 29 mines produce thermal coal for electricity generation
- 3 mines (Alabama) produce metallurgical coal for steelmaking
- 1 mine (Colorado) produces coal for cement
- 1 mine (Utah) is currently idled

## **Office of Management and Budget**

The Trump Administration's Management and Budget Office (OMB) has proposed broad regulatory changes to existing guidance related to federal funding. According to the Federal Register Notice, the purpose of the revisions is to "improve transparency, accountability, and oversight of Federal awards across the Federal Government." OMB received over 400,000 comments on the proposal.

Of particular concern to SCAQMD are the new requirements placed on "pass-through entities" that receive federal funding then contract with downstream entities. As proposed, these new oversight and reporting requirements raise questions related to additional risk entities like SCAQMD incur by leveraging federal funding and partnering with other entities. Additionally, federal agencies are required to include new terms and condition in awards to maximize use of goods, products, and materials produced in the United States. Infrastructure projects would still require the mandatory Buy America preferences.

Of the over 400,000 public comments submitted, nearly 15% were specific to the new requirements on pass-through entities. Organizations from the left-leaning Alliance for Justice to the local government organizations like the National Association of Counties and the National League of Cities have all expressed concern with the proposed structure and implementation of the new pass-through requirements.

## **Holland & Hart Support in July**

- Gathered and shared information related to evolving roles within EPA related to their Air Program.
- Researched and provided information on the proposed OMB changes to federal procurement policy.
- Worked with South Coast AQMD staff on possible interventions related to the Boyle Heights warehouse situation.
- Participated in weekly strategy calls with South Coast AQMD staff.

# **ATTACHMENT 2C**

## **KADESH & ASSOCIATES**

South Coast AQMD Report for the August 2026  
Legislative Meeting covering June-July 2026  
Kadesh & Associates

In June, Congress approved a second reconciliation bill to provide \$70 billion for Immigration and Customs Enforcement (ICE) and Customs and Border Protection, the two agencies that Senate Democrats objected to funding during the record-length government shutdown last fall. This “Reconciliation 2.0” bill completed the FY26 appropriations cycle.

The FY27 process is well underway, but House and Senate leadership are dealing with different internal dynamics and are not unified. The House Appropriations Committee moved its FY27 bills out of committee fairly quickly over the course of the spring and early summer, while the Senate committee has been stalled, canceling several markups due to the inability to reach bipartisan agreement on the overall spending levels (called topline). The Senate committee is likely to post its version of the FY27 bills and reports in late July or August.

In July, just before adjourning for the August district work period, the House approved a Continuing Resolution (CR) to keep government agencies funded until December 4. Doing so in July is nearly unprecedented; this is extremely early to stop the regular appropriations process. Senate Majority Leader Thune has suggested that the Senate will instead consider a separate CR that will be bipartisan and incorporate the administration’s anomaly list, representing policy changes that are necessary to keep agencies functioning.

In July, the House also approved a budget resolution to kick off a third budget reconciliation process. This will be the third budget reconciliation bill of this Congress, and this time it is intended to provide \$95B total for White House priorities, including \$73B to replenish munitions and cover personnel costs related to Iran. Majority Leader Thune has indicated that the Senate will not consider this budget resolution until the FY27 CR is resolved.

The EPA has now transmitted six additional California Clean Air Act waivers, intending for Congress to use the Congressional Review Act to rescind them. The list of waivers include: the 2008 Greenhouse Gas Emission Standards for cars; CARB’s 2012 emissions standards for cars (ACC I Rule); the Biden Administration’s 2022 reinstatement of ACC I; the 2022 Small Offroad Engine (SORE) Rule amendments; the Ocean-Going Vessels At Berth Regulation; and the Commercial Harbor Craft regulation. These waivers are longstanding, and California has filed suit to block this process, but it remains possible, even likely, that Congress will carry out this threat to rescind the CARB rules later in the session.

### **Kadesh & Associates Activity Summary-**

-Worked with South Coast AQMD and the congressional delegation on FY27 appropriations and other legislative developments.

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 – June and July 2026

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### ❖ Important Upcoming Dates

August 3, 2026 – Legislature Reconvenes from Recess  
August 14, 2026 – Fiscal Deadline for Policy Bills  
August 31, 2026 – Last Day of the Legislative Session

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

- Provided ongoing updates as the Legislature reconvened.
- Followed up on bills for the 2026 legislative session, including for SCAQMD sponsored legislation.

### ❖ AB 907 (Solache). Assemblymember Philip Chen had 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. The bill is now officially authored by Assemblymember Solache who will continue to carry the legislation forward.

The bill was heard on June 17 in Senate Environmental Quality Committee. The bill passed 5-2 on a party-line vote.

The bill is now in Senate Appropriations on the Suspense File which will be dispensed with by August 14.

### ❖ GGRF Expenditure Plan. Through efforts led by Assemblymember Solache, some funding was made available to the AB 617 program in the budget act passed by the Legislature and signed by the Governor. This is currently proposed to be funded by the General Fund. While normally this program is funded by the Greenhouse Gas Reduction Fund (GGRF), most of the appropriations from the GGRF were punted until August.

# **ATTACHMENT 3B**

South Coast AQMD, Legislative Committee Report

Buckley Government Affairs LLC

August 14, 2026

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## **Legislative Session Update**

The month of June was one of the busiest periods of the legislative session. Following the House of Origin deadline, the Assembly and Senate had just over one month to hear and act on every bill referred to policy committees in the second house. As a result, committee hearings routinely stretched late into the evening as lawmakers worked to meet the July 2 deadline.

On July 2, the Legislature adjourned for its month-long summer recess. Lawmakers will return to Sacramento on August 3 for the final stretch of the 2026 Legislative Session, with just four weeks remaining before the Legislature adjourns for the year on August 31.

When lawmakers return in August, they will first confront the critically important Appropriations Committee suspense hearings, where hundreds of fiscal bills will be considered before advancing to the floor. The final two weeks of session will then be devoted almost exclusively to Floor Session as the Legislature works to pass or defeat the remaining measures before adjournment.

While there will be a number of significant issues competing for attention during the final month of session, one of the most important developments we will be monitoring is how California ultimately allocates funding under the Cap-and-Invest expenditure plan, particularly the future funding of the AB 617 Community Air Protection Program.

## **Budget Update**

On the budget front, the Legislature passed its version of the state budget on June 15 to satisfy the constitutional deadline. As has become common in recent years, however, negotiations between the Legislature and the Governor continued well beyond that date. On June 26, legislative leaders and the Governor announced a final budget agreement.

The Budget Act of 2026 authorizes \$351.7 billion in total expenditures for fiscal year 2026–27, including \$251.5 billion from the General Fund. The budget also establishes a record \$35.2 billion in total reserves, comprised of:

- \$4.5 billion in the Special Fund for Economic Uncertainties (Regular Reserve);
- \$15.1 billion in the Budget Stabilization Account (Rainy Day Fund);
- \$9.2 billion in the Proposition 98 Rainy Day Fund; and
- \$6.4 billion set aside as a surplus reserve for fiscal year 2027–28.

For South Coast AQMD, the budget includes several important investments, including \$150 million from the General Fund for the AB 617 Program, \$135.5 million in one-time funding for medium- and heavy-duty zero-emission vehicle incentives, \$135.5 million in one-time funding for light-duty zero-emission vehicle incentives, and \$17 million annually for five years to support the Clean Cars 4 All program.

Notably, lawmakers deferred action on the Cap-and-Invest expenditure package until August. Those negotiations are expected to be high stakes, as the Legislature determines how future Cap-and-Invest revenues will be distributed among competing priorities, including climate programs, transportation, housing, and AB 617.

In addition to Cap-and-Invest, the Legislature is expected to consider several significant budget trailer bills when it returns from its summer recess. These measures will include additional changes to the budget as needed.

# ATTACHMENT 3C



## **Joe A. Gonsalves & Son**

**Anthony D. Gonsalves**

**Jason A. Gonsalves**

**Paul A. Gonsalves**

PROFESSIONAL LEGISLATIVE REPRESENTATION

925 L ST. • SUITE 250 • SACRAMENTO, CA 95814-5766

916 441-6597 • FAX 916 441-5961

Email: gonsalves@gonsalvi.com

TO: South Coast AQMD

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – June & July 2026

DATE: Thursday, July 23, 2026

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During the month of June, the Legislature was in full swing in Sacramento. The Legislature continued to negotiate with the Governor on the State Budget, which was constitutionally required by June 15 or they forfeit their pay. Further, the deadline to pass all remaining bills out of the second house policy committees was July 2.

The Legislature adjourned for summer recess on July 2 and will return on August 3. They will then have until August 31 to pass all bills to the Governor for his consideration. The Governor will then have until September 30 to take action on the bills that make it to his desk.

The following will provide you with an update on issues of interest to the District:

### **STATE BUDGET**

On June 15, the Legislature approved a constitutional "paycheck budget" to meet the June 15 deadline established by Proposition 25. Over the past two weeks, the Administration and legislative leaders finalized the remaining budget details through a package of 10 budget trailer bills. Governor Newsom signed the 2026–27 California State Budget, along with the 10 accompanying budget trailer bills, concluding months of budget negotiations between the Administration and Legislature. Unfortunately, this year's budget did not include funding for Member's Requests.

The enacted budget reflects a balanced spending plan that addresses the state's current fiscal challenges while maintaining investments in core state programs and preserving significant budget reserves. The Administration projects the \$351.7 billion budget to be structurally balanced, with no operating deficit projected in either fiscal year 2026–27 or 2027–28. The budget also preserves nearly \$30 billion in constitutional and discretionary reserves, and more than \$35 billion when additional reserve and stabilization accounts are included.

Major investments in this year's budget includes continued support for universal school meals, Universal Transitional Kindergarten, expanded childcare programs, healthcare affordability, implementation of Proposition 1 behavioral health reforms, affordable housing and homelessness programs, transportation and infrastructure projects, wildfire prevention and disaster recovery, workforce development, and public safety. The budget also includes housing policy reforms intended to streamline permitting and accelerate residential construction throughout California.

Below is a list that includes the main Budget bill along with the 10 budget trailer bills.

To implement the 2026–27 Budget, Governor Newsom signed the following measures:

| <u>Bill</u> | <u>Author</u>                | <u>Subject</u>                 |
|-------------|------------------------------|--------------------------------|
| AB 109      | Assemblymember Jesse Gabriel | Budget Act of 2026             |
| SB 110      | Senator John Laird           | Budget Act of 2026             |
| SB 111      | Senator John Laird           | Budget Act of 2026             |
| AB 112      | Assemblymember Jesse Gabriel | Budget amendments              |
| SB 122      | Senate Budget Committee      | Taxation                       |
| SB 125      | Senate Budget Committee      | Medi-Cal Managed Care          |
| AB 150      | Assembly Budget Committee    | Early Care and Education       |
| AB 152      | Assembly Budget Committee    | Human Services                 |
| SB 164      | Senate Budget Committee      | Health                         |
| SB 170      | Senate Budget Committee      | Governor's Reorganization Plan |
| SB 174      | Senate Budget Committee      | Courts                         |

### **EXECUTIVE ORDER ON TRANSIT AND RAIL**

On June 26, Governor Newsom signed an executive order (EO) directing California's transportation agencies to accelerate the delivery of local and regional transit and passenger rail improvements statewide. The order is intended to make public transportation faster, more reliable, more affordable, and easier to use while helping accommodate growing travel demand associated with population growth, tourism, and major international events.

The EO directs the California State Transportation Agency (CalSTA) and other state agencies to expedite transit project delivery, improve access to funding, and reduce GHG emissions through expanded transit options. The EO implements recommendations from the SB 125 Transit Transformation Task Force Final Report and fulfills the statewide transit policy requirement established by SB 960 (Wiener, 2024).

Under the EO, CalSTA and partnering state agencies will prioritize critical local and regional transit projects by creating a statewide priority list, establishing public grant dashboards, and adopting common standards for transit data and payment systems. The order also seeks to streamline project delivery by developing standardized design and permitting processes for transit improvements on the state highway system, and reducing delays for local agencies constructing bus stops, shelters, transit lanes, and related infrastructure. In addition, Caltrans is directed to improve coordination between

bus and rail services to better connect rural and underserved communities, while expanding the California Integrated Travel Project (Cal-ITP) to provide standardized real-time transit information and contactless fare payment systems across transit operators.

The EO further promotes the expansion of Bus Rapid Transit and dedicated bus-only lanes along the state highway system, improves transparency by creating public dashboards to track transit grant funding opportunities and application timelines, and directs Caltrans to establish a dedicated Statewide Active Transportation Deployment Team to strengthen project delivery and accountability for bicycle and pedestrian infrastructure. Collectively, these actions are intended to modernize California's transit network, improve the customer experience, and support local agencies in delivering projects more efficiently.

### **MYFIRSTEV PROGRAM**

On July 16, Governor Newsom announced a new partnership between the State of California and 13 major automakers to provide instant rebates for Californians purchasing or leasing their first zero-emission vehicle (ZEV).

Established through SB 168 and backed by a \$135 million state investment that participating automakers will match dollar-for-dollar, the new MyFirstEV program represents a \$270 million commitment to expanding access to electric vehicles. Participating manufacturers include Ford, General Motors, Honda, Hyundai, Kia, Lucid, Mitsubishi, Nissan, Rivian, Subaru, Tesla, Toyota, and Volvo. According to the Administration, the program demonstrates California's continued commitment to clean transportation and affordability following the repeal of the federal electric vehicle incentive program.

The MyFirstEV program is designed to make electric vehicles more affordable by providing point-of-sale rebates directly through participating dealerships. Beginning later this summer, eligible first-time ZEV buyers or lessees in California will be able to receive an instant rebate of up to \$3,500 on new electric vehicles with a manufacturer's suggested retail price (MSRP) of \$50,000 or less, or \$1,750 toward the purchase of a manufacturer-certified pre-owned electric vehicle priced at \$25,000 or less. The program will be administered by the California Air Resources Board (CARB), with additional information regarding funding availability and application procedures expected next month.

The MyFirstEV initiative is part of a broader \$600 million investment in California's clean transportation economy, funded through Cap-and-Invest revenues and smog abatement fees. In addition to the instant rebate program, the funding package includes \$150 million for the AB 617 Community Air Protection Program to support clean transportation projects, \$19.8 million for the Clean Cars 4 All program serving lower-income Californians, \$35 million for clean off-road equipment through the Air Quality Improvement Program, \$135.5 million for the Hybrid and Zero-Emission Truck and Bus

Voucher Incentive Project (HVIP), and \$130 million through the Carl Moyer Program to replace older, higher-polluting heavy-duty engines.

### **\$7.3 MILLION FOR 16 CLEAN TRANSPORTATION PLANNING PROJECTS**

On June 18, CARB awarded nearly \$7.3 million to support 16 community-driven transportation planning and capacity-building projects across California in response to unprecedented demand for funding.

The grants were selected from 84 applications requesting nearly \$38 million, highlighting demand that exceeded available funding by almost five to one. Funded through California Climate Investments, which uses proceeds from the state's Cap-and-Invest Program, the grants will help communities develop transportation solutions that improve mobility, reduce greenhouse gas emissions, and expand access to clean, safe, and affordable transportation options. CARB attributed the high number of competitive applications to expanded technical assistance provided throughout the application process, including workshops, office hours, GIS support, Tribal engagement assistance, and application development resources.

The awarded projects reflect a broad range of community priorities across the state, including transportation planning in rural Tribal communities, safer routes to schools in urban neighborhoods, expanded mobility options in disadvantaged communities, and workforce development initiatives supporting clean transportation.

According to CARB, these planning grants are intended to serve as the foundation for future clean transportation investments by helping communities identify locally driven mobility solutions, prepare implementation-ready plans, and compete for future infrastructure funding. The projects are expected to improve transportation equity, climate resilience, and public health while expanding access to jobs, schools, healthcare, and other essential services, particularly in rural, low-income, and Tribal communities that have historically faced disproportionate pollution burdens and transportation challenges. The program also seeks to strengthen local leadership and governance capacity to ensure future transportation investments reflect community priorities and long-term needs.

### **REPORT ON CAP-AND-INVEST BENEFITS**

On July 20, CARB released its 2026 Annual Report to the Legislature on California Climate Investments, highlighting the continued impact of the state's Cap-and-Invest Program in funding climate, transportation, housing, and community improvement projects. Since the program's inception in 2014, Cap-and-Invest has generated \$36.2 billion through quarterly emissions allowance auctions, with \$15.5 billion already invested through 122 programs supporting more than 600,000 projects statewide. CARB estimates that billions of dollars remain available for future investments, including approximately \$8 billion in additional auction proceeds through 2030, which are expected to continue reducing GHG emissions while supporting economic growth and job creation across California.

The Cap-and-Invest Program places a declining cap on GHG emissions from the state's largest industrial sources while requiring covered entities to purchase emissions allowances. Revenue generated through allowance auctions is deposited into the Greenhouse Gas Reduction Fund (GGRF), where it is appropriated by the Legislature to state agencies for programs that deliver climate, environmental, health, and economic benefits.

In May 2026, CARB adopted updates to the Cap-and-Invest Program designed to keep California on track to achieve its 2030 and 2045 climate goals while helping manage costs for consumers and maintaining long-term certainty for clean energy investment. The revised program is expected to provide approximately \$10 billion in direct electricity bill credits to utility customers while generating an estimated \$8 billion in additional GGRF revenues through 2030. As part of the update, CARB also directed its Executive Officer, in coordination with the Governor's Office and Department of Finance, to emphasize the importance of maintaining stable funding for AB 617 community air protection efforts, public transit, and affordable housing programs during future state budget deliberations.

According to the report, California Climate Investments have produced significant statewide benefits over the past decade. Approximately 76% (\$11.4 billion) of all implemented funding has directly benefited disadvantaged and low-income communities. CARB estimates the funded projects will reduce GHG emissions by 130.5 million metric tons of carbon dioxide equivalent over their lifetimes, which is roughly equal to avoiding the consumption of more than 12.6 billion gallons of gasoline.

## **2026 LEGISLATIVE DEADLINES**

June 1 - Committee meetings may resume.

June 15 - Budget Bill must be passed by midnight.

June 25 - Last day for a legislative measure to qualify for the Nov. 3 General Election ballot.

July 2 - Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment of session, provided Budget Bill has passed.

Aug. 3 - Legislature reconvenes from Summer Recess.

Aug. 14 - Last day for fiscal committees to meet and report bills to the Floor.

Aug. 17 – 31 - Floor Session only. No committee, other than conference and Rules committees, may meet for any purpose.

Aug. 21 - Last day to amend on the Floor.

Aug. 31 - Last day for each house to pass bills. Final recess begins upon adjournment.