



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

REVISED

LEGISLATIVE COMMITTEE MEETING

Committee Members

Council Member Judith Mitchell, Chair
Council Member Joe Buscaino, Vice Chair
Dr. William A. Burke
Senator Vanessa Delgado (Ret.)
Supervisor V. Manuel Perez
Supervisor Janice Rutherford

June 12, 2020 ♦ 9:00 a.m.

Pursuant to Governor Newsom's Executive Orders N-25-20 (March 12, 2020) and N-29-20 (March 17, 2020), the South Coast AQMD Legislative Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely, as teleconference locations do not need to be disclosed nor open to the public.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop
<https://scaqmd.zoom.us/j/91830657613>

Zoom Webinar ID: 918 3065 7613 (applies to all)

Teleconference Dial In
+1 669 900 6833

One tap mobile
+16699006833,,91830657613#

Audience will be allowed to provide public comment through telephone or Zoom connection during public comment periods.

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54854.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

CALL TO ORDER

DISCUSSION ITEMS (Items 1 through 3):

1. Update and Discussion on Federal Legislative Issues
(No Motion Required)
Consultants will provide a brief oral report of Federal legislative activities in Washington DC.
[Attachment 1 - Written Reports]

*Gary Hoitsma
Carmen Group
pgs 5-6
Amelia Jenkins
Cassidy & Associates
pgs 7-13
Mark Kadesh
Kadesh & Associates, LLC
David Quintana
Resolute
pgs 14-16
Will Gonzalez
California Advisors, LLC
Paul Gonsalves
pgs 52-53
Joe A. Gonsalves & Son
pgs 54-58
Derrick J. Alatorre
Deputy Executive Officer
Legislative, Public Affairs & Media*
2. Update and Discussion on State Legislative Issues
(No Motion Required)
Consultants will provide a brief oral report on State legislative activities in Sacramento.
[Attachment 2 - Written Reports]
3. Update on Legislation Regarding Voting District Authorization for Clean Air
(No Motion Required)
Staff will provide an update regarding South Coast AQMD-sponsored legislation relating to a voting district authorization to allow for potential voter initiative ballot funding measures within the District.

ACTION ITEM (Item 4):

4. Recommend Positions on State Bills
(Motion Requested)
This item is to seek approval from the committee on staff's recommendations for positions on the following bills:
[Attachment 3]

<u>Bill#</u>	<u>Author</u>	<u>Bill Title</u>	
AB 2882	Chu	Hazardous emissions and substances: schoolsites: private and charter schools	<i>Philip F. Crabbe, III Public Affairs Manager Legislative, Public Affairs & Media pgs 59-73</i>
AB 3256	E. Garcia	Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020	<i>Philip F. Crabbe, III pgs 74-109</i>

SB 895 Archuleta Energy: zero-emission fuel,
infrastructure, and transportation
technologies

Philip F. Crabbe, III
pgs 110-113

OTHER MATTERS:

5. Other Business

Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)

6. Public Comment Period

At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Legislative Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

7. **Next Meeting Date** – Friday, August 14, 2020 at 9:00 am.

ADJOURNMENT

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Stacy Day at (909) 396-2495, or send the request to sday@aqmd.gov.

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Legislative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to South Coast AQMD. Please contact Stacy Day at (909) 396-2495 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to sday@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

ATTACHMENT 1



To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: May 28, 2020

Re: Federal Update -- Executive Branch

Legislative Outlook in Flux: Truck Business Groups Eye Future Opportunities:

Amid the disruptions caused by the COVID-19 crisis, Congress and the Administration continue to dance around the possible next big steps on the federal legislative front that might include major new clean energy initiatives. Truck-related business groups including the U.S. Chamber, truck dealers and truck manufacturers have an array of proposed tax and other clean energy incentives and programs they would like to see included in legislation this year that would align neatly with South Coast AQMD federal goals, but they are now looking at the surface transportation reauthorization bill later in the year as the most likely legislative vehicle to carry them. While the House passed a giant COVID 4 relief bill in May on a partyline vote, it was immediately rejected by the Administration. Meanwhile, a much smaller COVID relief bill is said to be likely by the end of June, and the House just passed a standalone bill providing more flexibility for small businesses in the CARES Act loan programs which the Administration generally supports. But visions of any new multi-trillion-dollar bill providing for big infrastructure and related clean energy components have largely dissipated over the past few weeks.

Wheeler Responds to Senators at EPA Oversight Hearing: On May 20, EPA Administrator Andrew Wheeler testified and answered questions before the Senate Environment & Public Works Committee. Clean air issues were among many topics that were covered. He vigorously defended the SAFE Rule and other recent EPA air regulations, touted the importance of the Cleaner Trucks Initiative, and also vigorously refuted charges that EPA's COVID 19 "enforcement discretion" policy had allowed increased pollution.

EPA Awards \$4.1 Million TAG Grant to South Coast AQMD: The EPA announced in May that it had awarded SCAQMD \$4,177,083 under EPA's Targeted Airshed Grant program to improve air quality in the South Coast Air Basin. The EPA funds will be combined with support from other sources for a total of \$12.5 million for a project to deploy 15 medium-duty and 20 heavy-duty zero-emission battery-electric trucks. The funding will also support charging infrastructure for the trucks. EPA said the project -- a partnership led by the Daimler Trucks North America (DTNA) E-Mobility Group with US Foods, EPA and South Coast AQMD -- shows concrete progress towards a large-scale shift of commercial truck fleets from diesel fuel to zero-emissions electric powertrain technology.

23 States Sue Trump Administration Over SAFE Rule: On May 27, a coalition of 23 state attorneys general, led by California, sued the Trump Administration over the recently finalized NHTSA/EPA rulemaking on automobile fuel efficiency standards. The suit says the rule conflicts with laws requiring the government to set the maximum possible standard for automakers.

IRS Provides Relief for Taxpayers that Develop Certain Renewable Energy

Projects: On May 27, the Internal Revenue Service announced that, due to supply chain delays and the loss of certain tax credits caused by COVID-19, it was providing special safe harbor tax relief for taxpayers that develop renewable energy projects that produce electricity from sources such as wind, biomass, geothermal, landfill gas, trash, and hydropower, and use technologies such as solar panels, fuel cells, microturbines, and combined heat and power systems.

EPA Announces Grant Funding Available for Environmental Justice Communities:

EPA announced it is making \$1 million in grant funding available to help local environmental justice communities address COVID-19 concerns faced by low-income and minority communities. EPA anticipates awarding five grants of approximately \$200,000 each. Proposals are due by June 30, 2020.

USDOT Announces \$500 Million TIFIA Loan for the Port of Long Beach: The US Department of Transportation announced in May that it will provide a loan of \$500 million under the Transportation Infrastructure Finance and Innovation Act (TIFIA) to the Port of Long Beach. The loan will help finance construction of the Gerald Desmond Bridge Replacement Project.

EPA Highlights Enforcement Actions Involving “Defeat Devices”: EPA announced it resolved three recent cases (among 50 resolved since 2015) where it had identified companies who had manufactured or sold hardware/software specifically designed to defeat required emissions controls on vehicles and engines. It said these cases resulted in significant penalties for violations of the Clean Air Act. EPA noted that “illegally modified engines contribute substantial excess pollution that harms public health and impedes efforts by EPA...and local agencies to plan for and attain air quality standards.”

EPA Advisory Panel Comments Favorably on Science Transparency Rule:

The EPA’s Science Advisory Board (SAB) transmitted its comments on the Agency’s Strengthening Transparency in Regulatory Science proposed rule. The SAB offered its support of the concept behind the rule of sharing accurate data and information to increase credibility, high quality outcomes and public confidence in science. The proposed rule was issued in April 2018 and a supplement notice was issued in March 2020 with its comment period having closed on May 18, 2020.

Outreach: Relevant contacts included Sen. James Inhofe on possible infrastructure, transportation and COVID legislation. Additional contacts with multiple members of our business coalition group, including representatives of PACCAR, the U.S. Chamber of Commerce, the American Truck Dealers-National Automobile Dealers Association, the Alliance for Vehicle Efficiency and NGV America on issues related to clean energy priorities being proposed for possible COVID or transportation legislation later this year.



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: May 28, 2020
Re: May Report

HOUSE/SENATE

This week the House returned for their historic first vote by proxy after the passage of H. Res. 965 authorizing remote voting last week. The resolution allows remote voting for Members of Congress, and for committees to conduct virtual business and proceedings. Hearings can be held on various pre-approved software platforms. Members can designate their colleagues to vote on their behalf after notifying the chamber and passing written instructions on to their designee. Each Member can serve as a proxy for up to 10 other lawmakers. The new rules require renewal every 45 days and will expire at the end of this session of Congress.

In addition to remote voting the House passed H.R. 6800, the Heroes Act. The Manager's Amendment to the Heroes Act contains a number of individual amendments that clarify certain provisions in the bill and make technical fixes. Key changes include:

- \$309 million for rural housing assistance
- Requires study on COVID-19 disinformation
- Fully ensures DC parity for state and local government aid
- Clarifies inclusion of domestic workers in the Employee Retention Tax Credit

- Creates risk corridor programs for individual, group, and Medicare Advantage health insurance plans during COVID-19 emergency
- Applies anti-discrimination protections to Heroes Act and other coronavirus relief packages
- Restricts use of PPP loans to compensate registered lobbyists
- Makes 501(c)(4) organizations ineligible for PPP if they engage in campaign finance activities
- Clarifies PPE as an eligible use for PPP loans
- Narrows \$10,000 student debt cancellation to economically distressed borrowers (those in default, deferral, forbearance, or at \$0 income-based repayment as of March 12, 2020)
- Includes telecommunications workers as essential workers
- Requires scientific integrity policies for all federal agencies involved in scientific research

It is anticipated there will be another round of negotiations in the coming months for another COVID-19 response package. The Senate has not taken up the House-passed Heroes Act, but it is on their schedule when they return to business in June, as well as the bipartisan Great American Outdoors Act to fully fund the Land and Water Conservation Fund.

Last week, EPA Administrator Andrew Wheeler appeared before the Senate Environment and Public Works Committee to defend his agency amidst their COVID-19 response. Administrator Wheeler was pressed on the EPA decision to roll back Obama-era clean car standards, revoke the justification behind toxic mercury air emissions standards, and the continued sale of less stringent wood stoves. Democrats on the committee accused the EPA of focusing on the opposite of what they should be during this pandemic. Senator Carper questioned Administrator Wheeler on whether increases in air pollution could lead to more people becoming seriously ill when infected with COVID-19 and urged the EPA to take this into account when deliberating future rules.

Senator Carper has also sent a letter to EPA Inspector General Sean O'Donnell urging him to conduct an exhaustive investigation into the administration's rollback of clean car standards. New documents that have surfaced show that both EPA career staff and White House economists raised serious concerns about the technical and legal justification for the rule. After these documents were brought to the attention of Senator Carper's office, the Senator suspected that EPA political appointees had purposely neglected to forward voiced concerns to the Office of Management and Budget in an attempt to shield them from the public eye.

The House is planning to address the Paycheck Protection Flexibility Act, H.R. 6886, this week. The bill would modify sections of the Paycheck Protection Program, extending loan forgiveness for expenses for up to 24 weeks and removing the limitation that restricts non-payroll expenses (rent, utilities) to 25% of the loan, eliminating the 2-year loan repayment restrictions, among other changes.

Cassidy and Associates support in May:

- Streamed information to key Hill and leadership offices on South Coast AQMD funding needs not met by current funding programs.
- Strategized with South Coast AQMD staff on how to craft legislative language that would enable South Coast AQMD to compete for federal funding.
- Collaborated with other consultants on solutions for funding.
- Attended and participated in weekly consultant calls and ad hoc calls as requested.
- Worked to get Republican support for independent special district legislation.

Government funding, major programs up for renewal Sept. 30

- Government funding for fiscal 2021 must be addressed to avoid shutdown
- Annual defense authorization, surface transportation also on deck

Other expirations include:

- Surveillance authorities that lapsed on March 15 (in the House this week)
- Federal health programs, which are now set to expire Nov. 30. Renewal has been targeted for action on surprise billing, drug pricing
- Pandemic response programs, many of which expire at the end of year
- Tax extenders, including for energy and alcohol, which expire Dec. 31

IMPORTANT LEGISLATIVE DATES

June

House National Defense Authorization Act (NDAA) floor action planned

Senate Armed Services Committee planned fiscal 2021 NDAA markup

July

NDAA conference could start

Sept. 30

Fiscal 2020 funding expires, as well as other major programs:

- National Defense Authorization Act (\$735.8 billion)
- Surface transportation authorization (FAST Act - \$64.1 billion)
- National Flood Insurance Program (\$30.4 billion)
- National Institutes of Health authorization (\$36.5 billion)
- Every Student Succeeds Act (\$26.1 billion, extends automatically for one year if Congress doesn't act)
- Workforce Innovation and Opportunity Act (\$10 billion)
- Childcare and development block grants (\$2.7 billion)
- Federal Communications Commission authorization (\$339.6 million)
- America's Water Infrastructure Act sewer overflow and other grants (\$240 million)
- Runaway and homeless youth programs (\$127.4 million)
- VA authorities, including health care, homelessness (\$69 million)
- Immigration programs, including E-Verify and EB-5 investor visa

Nov. 30 – December 31

Temporary Assistance for Needy Families

Community health centers

Medicare programs

PANDEMIC RESPONSE PROGRAMS AND AUTHORITIES

End Date/Program***June 30, 2020***

Paycheck Protection Program – \$349 billion in small business loans

July 31, 2020

Additional \$600 per week federal pandemic unemployment benefit

Sept. 30, 2020

Student loan repayment and interest accrual suspension

Dec. 31, 2020

Treasury Department business, state & local government loan authority

Various temporary tax breaks

Emergency sick and family leave programs

Pandemic unemployment assistance

Medicare sequestration suspension

Changes to banking and accounting rules (could expire sooner if epidemic ends)

March 27, 2025

Special Inspector General for Pandemic Recovery

Sept. 30, 2025

Pandemic Response Accountability Committee, Congressional Oversight
Commission

AGENCY RESOURCES

USA.gov is cataloging all U.S. government activities related to coronavirus. From actions on health and safety to travel, immigration, and transportation to education, find pertinent actions [here](#). Each Federal Agency has also established a dedicated coronavirus website, where you can find important information and guidance. They

include: Health and Human Services (HHS), Centers of Medicare and Medicaid (CMS), Food and Drug Administration (FDA), Department of Education (DoED), Department of Agriculture (USDA), Small Business Administration (SBA), Department of Labor (DOL), Department of Homeland Security (DHS), Department of State (DOS), Department of Veterans Affairs (VA), Environmental Protection Agency (EPA), Department of the Interior (DOI), Department of Energy (DOE), Department of Commerce (DOC), Department of Justice (DOJ), Department of Housing and Urban Development (HUD), Department of the Treasury (USDT), Office of the Director of National Intelligence (ODNI), and U.S. Election Assistance Commission (EAC).

Helpful Agency Contact Information:

U.S. Department of Health and Human Services – Darcie Johnston (Office – 202-853-0582 / Cell – 202-690-1058 / Email – darcie.johnston@hhs.gov)

U.S. Department of Homeland Security – Cherie Short (Office – 202-441-3101 / Cell – 202-893-2941 / Email – cherie.short@hq.dhs.gov)

U.S. Department of State – Bill Killion (Office – 202-647-7595 / Cell – 202-294-2605 / Email – killionw@state.gov)

U.S. Department of Transportation – Sean Poole (Office – 202-597-5109 / Cell – 202-366-3132 / Email – sean.poole@dot.gov)

IMPORTANT DATES: ELECTIONS



□ Democratic Caucus ○ Democratic Primary ★ Democratic Convention ⚡ VP Debate
□ Republican Caucus ○ Republican Primary ★ Republican Convention ⚡ Presidential Debate ☑ Election Day

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DATE	STATE	DEMOCRAT	REPUBLICAN
February 3	Iowa	Caucus	Caucus
February 11	New Hampshire	Primary	Primary
February 22	Nevada	Caucus	—
February 29	South Carolina	Primary	—
March 3	Alabama	Primary	Primary
	American Samoa	Primary	Primary
	Arkansas	Primary	Primary
	California	Primary	Primary
	Colorado	Primary	Primary
	Democrats Abroad	Primary	—
	Maine	Primary	Primary
	Massachusetts	Primary	Primary
	Minnesota	Primary	Primary
	North Carolina	Primary	Primary
	Oklahoma	Primary	Primary
	Tennessee	Primary	Primary
	Texas	Primary	Primary
	Utah	Primary	Primary
	Vermont	Primary	Primary
	Virginia	Primary	—
March 8	Puerto Rico	—	Primary
March 10	Hawaii	—	Caucus
	Idaho	Primary	Primary
	Michigan	Primary	Primary
	Mississippi	Primary	Primary
	Missouri	Primary	Primary
	North Dakota	Primary	—
	Washington	Primary	Primary
March 16	North Mariana	Caucus	—
March 17	Arizona	Primary	—
	Florida	Primary	Primary
	Illinois	Primary	Primary
	Ohio	Primary	Primary
March 24	Georgia	Primary	Primary
March 29	Puerto Rico	Primary	—
April 4th	Alaska	Primary	—
	Hawaii	Primary	—
	Louisiana	Primary	Primary
	Wyoming	Caucus	—
April 7	Wisconsin	Primary	Primary
April 28	Connecticut	Primary	Primary
	Delaware	Primary	Primary
	Maryland	Primary	Primary
	New York	Caucus	Primary
	Pennsylvania	Primary	Primary
	Rhode Island	Primary	Primary

DATE	STATE	DEMOCRAT	REPUBLICAN
May 2	Guam	Caucus	—
	Kansas	Primary	—
May 5	Indiana	Primary	Primary
May 12	Nebraska	Primary	Primary
	West Virginia	Primary	Primary
May 19	Kentucky	Primary	Primary
	Oregon	Primary	Primary
June 2	District of Columbia	Primary	—
	Montana	Primary	Primary
	New Jersey	Primary	Primary
	New Mexico	Primary	Primary
	South Dakota	Primary	Primary
June 6	Virgin Islands	Caucus	—
July 13 - 16	Democratic Convention (Milwaukee, WI)		
August 24 - 27	Republican Convention (Charlotte, NC)		
September 29	First Presidential Debate (South Bend, IN)		
October 7	Vice Presidential Debate (Salt Lake City, UT)		
October 15	Second Presidential Debate (Ann Arbor, MI)		
October 22	Third Presidential Debate (Nashville, TN)		
November 3	2020 Presidential Election		

South Coast AQMD Report for the June 2020 Legislative Meeting covering May 2020 Kadesh & Associates

May:

May featured the House largely out of session with the exception of returning to pass the HEROES Act on May 15 and then convening the last week under new, proxy voting procedures. The Senate was in session three of the four weeks of May.

We worked with South Coast AQMD staff on developing a funding request for non-attainment areas for any infrastructure/stimulus legislative vehicle that may develop. We have worked with Representative Garamendi's office on his Special Districts legislation and on removing the prohibition on state and local units of government from using Tax Credits for repayment to employers (i.e. South Coast AQMD) for mandated paid Emergency Sick Leave and Emergency Family Leave. We continue to pursue robust funding levels for programs of interest to South Coast AQMD such as DERA and Targeted Airshed Grants.

We continue to pursue support in the delegation for the Clean Corridors legislation. It was one year ago that Congressman Mark DeSaulnier (CA-11) announced legislation to launch a major federal program to accelerate the transition to clean transportation technology. The Clean Corridors Act (H.R. 2616) would direct \$3 billion in federal dollars over the coming decade to construct and install infrastructure to support technologies like hydrogen fuel cell and electric battery-powered vehicles.

The House passed a bipartisan proposal to make the popular small-business Paycheck Protection Program more flexible and extend the time limit for using the aid. The bill is separate from the \$3 trillion Democratic HEROES Act package (H.R. 6800) combining state aid with new stimulus checks the House passed on May 15 over Republican objections. The Paycheck Protection Flexibility Act (H.R. 6886), introduced by Representatives Dean Phillips (D-Minn.) and Chip Roy (R-Texas), would allow businesses receiving forgivable loans to use the funds on payrolls for more than the eight weeks under the original program and relax a requirement that 75% of the loans be used for payroll expenses. It would also give them more than two years to pay back the loans and allow businesses that receive PPP loans to receive a payroll tax deferment.

Fiscal Year (FY) 21 Appropriations-

As COVID-19 issues consume the legislative agenda and complicate committee work on Capitol Hill, House and Senate appropriators are missing their original targets to mark up and pass spending bills. Adding to the challenges is bipartisan interest in moving a popular veterans health fund outside of the budget caps by declaring it "emergency" cash. House Democrats had planned to mark up and pass all 12 appropriations bills by the end of June, but markups will not occur until Congress can agree on the next COVID-19 relief package. Senate appropriators hope to reach an agreement on subcommittee allocations, with plans to mark up several bills toward the end of June and the remainder coming after the July Fourth recess. The Senate had originally planned to mark up almost all of the bills before the July Fourth recess.

The two-year budget deal signed last summer, H.R. 3877, cemented \$632 billion in nondefense funding this fiscal year, with a \$2.5 billion increase for fiscal 2021, which begins on Oct. 1. House and Senate appropriators must figure out how to divvy up that \$634.5 billion, distributing the additional \$2.5 billion to domestic programs across the federal government — many of which are expecting at least a slight funding boost. If appropriators want to provide more money for veterans' health within the caps, it would come at the expense of other domestic programs. Hence, it is increasingly likely

that the caps will be broken, either formally, or by declaring certain expenditures “emergency” and/or COVID-related.

CV4: HEROES Act and SMART Fund Act-

On May 15 House Democrats passed an 1,800 page, \$3 trillion coronavirus response package, H.R. 6800, but it's been called DOA in the Senate, where GOP leaders have suggested that the next round of negotiations will commence in the latter part of June. Senate Republican Leader Mitch McConnell points out that half of the CARES Act funding has yet to be distributed, but he concurs that there will be another package. McConnell is seeking liability protection for employers while stating that cases of gross negligence and intentional behavior would still be subject to legal action by employees and/or customers. Another issue for McConnell is to revisit Unemployment Insurance which ends in July and, McConnell believes, is too high.

HEROES Act-

Congress has already passed \$3 trillion on four measures in response to the economic downturn caused by the outbreak. House Democrats passed by a vote of 208-199 on May 15 a \$3 trillion coronavirus relief bill (H.R. 6800) combining new relief to state and local governments with direct cash payments, expanded unemployment insurance and food stamp funds, as well as a list of progressive priorities like funds for voting by mail and the U.S. Postal Service.

- Among its key provisions, the bill would provide almost \$1 trillion in aid for state and local governments as well as \$1,200 cash payments to individuals and \$1,200 for dependent children, up to \$6,000 a household. It also would extend a \$600 weekly increase to unemployment insurance into January. *This aid could be used for replacing lost revenues.*
- The bill also provides \$200 billion to fund what it describes as “hazard pay” for essential workers who've had to risk exposure to the virus as they stay on the job while much of the rest of the country has been shut down.
- Another \$75 billion would be allocated for virus testing and contract tracing.
- The bill would greatly expand a tax credit included in the last virus relief bill that gives employers tax breaks for keeping workers paid. The new version would give employers a credit worth up to \$12,000 an employee a quarter, an increase of \$5,000 per worker for the remainder of the year.
- It would suspend the cap on state and local tax, or SALT, deductions for two years. The Republican tax law in 2017 imposed a \$10,000 cap on those tax breaks, which Democrats, particularly those from higher-tax New York and New Jersey, have been seeking to repeal since the law passed.
- The bill would give public transportation systems about \$16 billion in aid to respond to the pandemic. \$11.8 billion would be allocated to urban areas with populations over 3 million, \$4 billion would go to transit agencies that need “significant additional assistance” to maintain basic services.
- Schools would get \$100 billion in the bill, though funding for colleges and K-12 schools in the measure would fall short of the \$250 billion in federal aid education groups have sought.

SMART Fund Act-

A bipartisan group of senators introduced legislation Monday, May 18 that would establish a \$500 billion fund to help state and local governments cope with the impact of the coronavirus. Sen. Bob Menendez, a Democrat from New Jersey, and Sen. Bill Cassidy, a Republican from Louisiana, first announced plans for the bill in April. They have added two more Republicans to the effort: Susan Collins of Maine and Cindy Hyde-Smith of Mississippi as well as Democrats Joe Manchin of West

Virginia and Cory Booker of New Jersey. A companion bill has been introduced in the House by Reps. Mikie Sherrill, D-N.J., and Peter King, R-N.Y., along with a group of bipartisan co-sponsors. Details of the measure include:

- The money would be divided into three tranches, distributed according to population size, infection rates and revenue losses;
- The bill does not have a population requirement, meaning municipalities of any size can use the money it makes available; and
- All states, Puerto Rico and the District of Columbia would receive a minimum of \$2 billion under the plan.

Proxy Voting-

Speaker Pelosi announced that the House will begin using emergency proxy voting procedures during the last week of May. The change is in effect for 45 days unless another emergency is declared. Lawmakers who stay home because of the health crisis can designate other House Members to vote for them. Lawmakers in attendance may cast votes for as many as 10 of their peers under their colleagues' written instructions.

Contacts:

Contacts included staff and House Members throughout the CA delegation, especially Leadership and Appropriators who were targeted.

###

ATTACHMENT 2

RESOLUTE

To: South Coast AQMD Board
From: David Quintana
Subject: Monthly Legislative Report
Date: June 2nd, 2020

Meetings

During the last month RESOLUTE met (calls) with the following legislators and staff on behalf of South Coast AQMD:

- Senate Budget Chair, Holly Mitchell
- Senate Natural Resources Chair, Henry Stern
- Senator Ben Hueso
- Assemblyman Ian Calderon
- Senator Steve Bradford (staff)
- Assemblywoman Cristina Garcia (staff)
- Assemblyman Eduardo Garcia (staff)

Upcoming Schedule

June 5 – Last day for Assembly Appropriations Committee to pass bills to the Assembly floor.
Last day for non-fiscal bills in the Senate to pass out of policy committee.

June 15 – Budget Bill must be passed by midnight.
Assembly floor session begins.

June 19 – Assembly floor session ends; last day for the Assembly to pass bills introduced in that house.
Summer Recess begins for the Assembly.
Last day for Senate Appropriations Committee to pass bills to the Senate floor.

June 22 – Senate floor session begins.

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

June 26 – Senate floor session ends; last day for the Senate to pass bills introduced in that house.

South Coast AQMD Led Fight for “Dear Colleague” Letter to Ensure AB 617 Funding

Led by South Coast AQMD staff, the lobbying team headed up a coalition to get an AB 617 “Dear Colleague” letter drafted, circulated, signed and sent to the Governor and Leadership to ensure adequate funding for AB 617 funding. Letter is attached to report.

LAO Releases ‘May 2020 Cap-and-Trade Auction Update.’

On May 28, the Legislative Analyst’s Office provided [an update](#) of the May 20 quarterly cap-and-trade auction. The state is estimated to receive only \$25 million from the auction, which is a significant shortfall; in previous quarters the state has received over \$600 million.

This quarterly shortfall will likely impact the budget. If trends continue, the LAO estimates that the total revenue for 2019-20 will be about \$300 million less than assumed in the budget, requiring adjustments to programs funded by this revenue in the budget:

Figure 2 - 2019-20 Discretionary Spending Potentially Subject to Adjustment				
In Millions				
Program	Department	Total Allocation	Amount Subject to Adjustment	
AB 617 incentives to reduce air pollution	Air Resources Board	\$245	\$61	
Heavy duty vehicle and off-road equipment programs	Air Resources Board	182	46	
Low-income light duty vehicles and school buses	Air Resources Board	65	16	
Agricultural diesel engine replacement and upgrades	Air Resources Board	65	16	
Transformative Climate Communities	Strategic Growth Council	60	15	
Workforce training for a carbon-neutral economy	Workforce Development Board	35	9	
Dairy methane reductions	Food and Agriculture	34	9	
Waste diversion and recycling	CalRecycle	25	6	
Other administrative costs and technical assistance	Various	9	2	
Total		\$720	\$180	

Notable programs that may be impacted include AB 617 incentives, workforce development and clean job training, and funding for heavy and light duty vehicle programs.

Senators Urge Governor to Support a Climate Resiliency Bond

On May 22, Senators Stern, Allen, Portantino, Beall, Hill, Hueso, Hurtado, Dodd, Wiener, McGuire, and Mitchell wrote to Governor Newsom and the chairs of the Governor’s Task Force on Business and Jobs Recovery asking for his support and feedback for placing a bond to address climate change impacts on the November 2020 ballot.

This letter—signed by chairs of the Senate Budget, Appropriations, Environmental, and Transportation Committees—comes after the Governor did not include a climate bond in his May Revise of the Budget, as well as the ongoing efforts by members of the Assembly to continue to push for a bond to address climate change and spur green economic development.

Senate's Proposed Budget Plan Differs from Newsom's Proposal

The Senate's Budget Committee will be meeting today to discuss their proposed plan. In draft documents, the Senate reveals that they intend to take a different approach from the Governor in key ways:

- The Senate takes cuts to schools and health and human services “off the table” and substitutes cuts in other areas. The Senate also rejects cuts to housing and childcare.
- The Senate assumes Federal funds will materialize, and provides funding to programs through October 1 as if they will, and triggers cuts only if they fail to do so – the opposite of the Governor's approach.
- The Senate does not draw down the Safety Net Reserve as the Governor proposed.

The Senate budget plan indicates that it intends to move forward on its previously announced economic recovery proposals—the \$25 Billion Economic Recovery Fund and the Rent Stabilization Tax Credits—but that they do not need to be enacted with this budget on June 15.

Governor Newsom Signs Executive Order on Upcoming Elections

Governor Gavin Newsom on June 3rd issued a proclamation declaring a statewide General Election on Tuesday, November 3, 2020, and signed an executive order to ensure that Californians can exercise their right to vote in a safe, secure and accessible manner during the upcoming election. The order ensures in-person voting opportunities are available in sufficient numbers to maintain physical distancing. It requires counties to provide three days of early voting starting the Saturday before election day and requires ballot drop-box locations be available between October 6 and November 3, while also allowing counties to consolidate voting locations, with at least one voting location per 10,000 registered voters.

Copy Access Here: <https://www.gov.ca.gov/wp-content/uploads/2020/06/6.3.20-EO-N-67-20-text.pdf>



May 26th 2020

The Honorable Gavin Newsom
Governor of California
State Capitol, Suite 1173
Sacramento, CA 95814

The Honorable Toni Atkins
President Pro Tempore of the California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: \$50 million for AB 617 Implementation; \$200 million for AB 617 Incentives; \$5 million for AB 617 Community Air Grants

Dear Governor Newsom, President Pro Tempore Atkins, and Speaker Rendon:

Recent findings have indicated linkages between exposure to air pollution and COVID-19, a respiratory virus by nature, which may result in increased deaths and negative health impacts among Californians. This finding is particularly concerning for people living in low income and disadvantaged communities, especially communities of color, because they often face the challenge of poor air quality. Preliminary data confirms a disproportionate impact of COVID-19 in these communities in both urban and rural environments.

Under AB 617 (C. Garcia, 2017), local air districts are required to address localized air pollution impacts that endanger the health of selected environmental justice communities. Air districts have worked tirelessly with these communities to reduce the disproportionate levels of air pollution they experience. This year, three new communities were added to the ten already in the program. Unfortunately, all of these communities now face more severe health risks due to COVID-19. The May revision to the 2020–21 budget proposes a priority list of programs to be funded from the GGRTF, with a negligible potential for all other programs to be funded proportionally unless excess revenues are realized during the quarterly auctions. We are deeply



concerned that AB 617 implementation funding is not listed as a priority and likely will not receive any funding in the FY 2020-21 budget. Inadequate funding will reduce monitoring, dramatically slow efforts to clean up air pollution and exacerbate negative public health impacts locally. Given the tragic consequences that air quality has already had on the health of these vulnerable communities before the COVID-19 crisis, and the disproportionate deaths resulting from COVID-19, it is especially clear that funding the AB 617 program is more vital than ever.

Local air districts are required to meet federal air quality standards to protect public health. However, in some parts of the state, over 80% of emissions causing poor air quality are due to mobile sources, such as trucks, trains, and ships, which are under state and federal control. Local air districts have limited authority to regulate them, yet current regulations do not provide sufficient emission reductions to meet federal standards. An expansion of incentive programs is needed to meet these federal standards and to provide emissions reductions that directly benefit AB 617 communities. We are grateful that AB 617 incentive funding is considered a priority in the May Revision, with funding of up to \$200 million. Incentive funding reduces stationary and mobile source emissions of criteria air pollutants and toxic air contaminants by accelerating fleet turnover from dirty, heavy-duty diesel trucks, locomotives, ships, construction equipment, and buses to cleaner alternatives, and by building clean fueling and charging infrastructure. This funding brings emissions reductions to disadvantaged communities faster and helps to meet state greenhouse gas emission reduction goals. This funding will save lives now and reduce health risks from potential pandemics in the future.

The undersigned Members of the Assembly and Senate respectfully request your consideration of a \$50 million budget item for AB 617 implementation, a \$200 million budget item for AB 617 incentives, and \$5 million for AB 617 community grants for local air districts to maintain our commitment to California communities and provide critical funding for the AB 617 Program.



Thank you for your consideration of this proposal. If you have any questions about this request, we may be reached at (916) 319-2058 or (916) 319-2056.

Sincerely,

Cristina Garcia
Assemblymember, 58th District

Miguel Santiago
Assemblymember, 53rd District

Rebecca Bauer-Kahan
Assemblymember, 58th District

Eloise Gómez Reyes
Assemblymember, 47th District

Buffy Wicks
Assemblymember, 15th District

Eduardo Garcia
Assemblymember, 56th District


Ben Hueso
Senator, 40th District

Bob Archuleta
Senator, 32nd District

Luz Rivas
Assemblymember, 39th District

Joaquin Arambula
Assemblymember, 31st District

California Legislature



[Signature] AD 13 *Reginald Byron* AD 59
Marken Ch... AD 25 *Connie Mc...* SD 20

cc: Senator Holly Mitchell, Chair, Senate Committee on Budget & Fiscal Review
Assemblymember Phil Ting, Chair, Assembly Committee on the Budget
Senator Bob Wieckowski, Chair, Senate Budget Subcommittee 2 on Resources,
Environmental Protection, Energy and Transportation
Assemblymember Richard Bloom, Chair, Assembly Budget Subcommittee 3 on
Resources and Transportation
Members of Senate Budget Subcommittee 2
Members of Assembly Budget Subcommittee 3



May 22, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

RE: Bonding for Resilience

Dear Governor Newsom:

As the authors of Senate Bill 45, the Senate's proposal for a resilient infrastructure bond, we write seeking your feedback and support for a bold November 2020 ballot measure.

The need for such infrastructure investment through a general obligation bond is warranted and critical in light of the unavoidable risks of near term climate disasters, and the climate of joblessness that threatens to break working families. We recognize that a general obligation bond requires a long term debt service commitment from a General Fund already under pressure, and that our economy also needs immediate infusions of capital to keep Californians from falling off an economic cliff that cannot wait until next year.

However, the liabilities posed by wildfires, mega-droughts, superfloods and other climate catastrophes are not going away. Absent a long term, large scale capital infrastructure investment plan, these costs will compound the crisis brought on by COVID-19 and will far exceed any debt service costs associated with a bond measure. Pivoting through this crisis with a bold bond is critical to creating the kind of durable employment demand we need to fully recover. According to the Bay Area Council Economic Institute, a resilient infrastructure bond like SB 45 would create over 100,000 jobs statewide and generate nearly \$15 billion in total economic activity. Any proposed bond measure should make job creation and economic recovery through both built and natural infrastructure investment a central priority.

Recent polling conducted from April 22-26 shows that California voters continue to strongly support a wildfire prevention, safe drinking water bond measure despite widespread concern about the health and economic impacts of COVID-19. The poll showed 61% support from likely voters, which is the highest level of initial support we have seen from a natural resources bond measure in over 20 years.

May 22, 2020

Page 2

We are open to alternative approaches for such investment, as well as other sectors worthy of consideration. But the expertise and leadership of your Administration are indispensable in this moment if we are going to offer voters a chance to say “yes” to a resilient recovery.

Sincerely,



Henry Stern, Senate District 27



Ben Allen, Senate District 26



Anthony Portantino, Senate District 25



Jim Beall, Senate District 15



Jerry Hill, Senate District 13



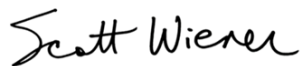
Ben Hueso, Senate District 40



Melissa Hurtado, Senate District 14



Bill Dodd, Senate District 3



Scott Wiener, Senate District 11



Mike McGuire, Senate District 2



Holly Mitchell, Senate District 30

Cc: Tom Steyer, Co-Chair, Governor’s Task Force on Business and Jobs Recovery
Ann O’Leary, Chief of Staff & Co-Chair, Governor’s Task Force on Business and Jobs Recovery

Pending Senate Version of the Budget

DRAFT 5/27

2020-21

Summary:

After spending months preparing for the challenge of this year's budget as the impacts of the COVID-19 virus ravaged the economy, the Senate Committee on Budget and Fiscal Review worked at break-neck speed and under surreal conditions to craft the Senate Version of the Budget.

The Senate Versions closes the \$54 billion budget shortfall and ends with total reserves of \$11.3 billion, including:

- \$2.0 billion in the Regular Reserve;
- \$900 million in the Safety Net Reserve; and
- \$8.35 billion in the Rainy Day Fund.

These figures are all based on the Department of Finance's revenue forecast, but does reflect the LAO's caseload forecast for health and human services programs.

The Senate Version builds on the reasonable framework presented by the Governor and follows the guidelines set forth by the Budget Chair prior to the release of the May Revision:

➤ **Be Responsible.** The Senate Version:

- Looks beyond just the upcoming budget year and preserves 55% of reserves for future years.
- Relies on the sober forecast of the Department of Finance, which forecasts lower revenues than even the Legislative Analyst's most pessimistic scenario.
- Avoids balancing the budget with solutions that may not happen. This includes building in trigger solutions should expected Federal Funds not materialize and not assuming savings from employee pay that need to go through the collective bargaining process.

➤ ***Do Not Become Part of the Problem.*** The Senate Version:

- Protects core education programs rather than past actions that resulted in layoffs of tens of thousands of teachers. In fact, the Senate Version actually provides a slight increase to school funding over the current year, even if additional funds do not materialize and trigger solutions are required.
- Makes use of the historic reserves – rather than draconian cuts – in the event federal funds do not materialize. The Legislature championed the Rainy Day Fund and the Safety Net Reserve precisely to avoid having to immediately resort to deep and harmful cuts that cause ongoing economic harm.
- Avoids cuts to critical safety net programs that cause more long term harm than short term budget gain, including protecting job training programs for struggling Californians, aging programs that avoid costly nursing home costs, and access to health care that would otherwise require lower income seniors to pay a “senior penalty” of several hundred dollars each month.

By following these guidelines, the Senate Version provides a strong budget to keep the state on solid footing as the state enters challenging economic times.

Different Trigger Approach Between May Revision & Senate Version:

While both the May Revision and the Senate Version contain a Federal Funds / Trigger Solutions interaction, the two versions differ in the presumed starting point and other key details of trigger solutions.

- The Governor’s May Revision proposes \$14 billion in budget cuts that would take effect, but then be triggered off if Federal Funds materialize to replace the proposed cuts.
- The Senate Version flips the presumption, and instead budgets as though the Federal Funds will come in, but then triggers on the solutions should the Federal Funds not materialize.
 - As discussed in more detail below, under the Senate Version the most draconian cuts – to schools and health and human services – are taken off the table and instead replaced with other solutions that have always been intended to be used prior to draconian cuts being implemented.

- The trigger solutions effective date is October 1, 2020, ensuring there is time for the federal government to act to provide more relief for state and local governments.
- While much attention has been given to the trigger cuts proposed in the May Revision, there is growing confidence that the federal government will act and the trigger solutions contained in the Senate Version will not be implemented.

Summary of Solutions:

The Senate Version of the budget follows the same categories of solutions as the Governor's May Revision, as follows:

Summary of Solutions (Preliminary Accounting / In billions)	
Category	Senate Version
Reserves	8.3
Borrowing/Transfers/Deferrals	9.3
Temporary Revenues	4.4
Existing Federal Funds	8.2
Cancellations & Other	6.3
HHS Caseload Savings	3.6
Anticipated Federal Funds	14.0
Totals	54.2
<i>Regular Reserve Under above solutions:</i>	<i>2.0</i>
<i>If Federal Funds Do Not Materialize:</i>	
Reduced Federal Funds	-14.0
Trigger Solutions	13.1
Totals	53.3
<i>Regular Reserve under Trigger Solutions</i>	<i>1.1</i>

Major Changes to the Governor's Proposed Solutions:

➤ *Reserves:*

- The Governor's May Revision proposes to draw down \$450 million from the Safety Net Reserve.
- The Senate Version preserves all \$900 million in the Safety Net Reserve to protect critical programs in future years.

➤ *Borrowing/Transfers/Deferrals, Temporary Revenues, and Existing Federal Funds are fairly consistent between the May Revision and the Senate Version.*

➤ *Cancellations of Recent Actions and Other Reductions:*

- The Senate Version approves the vast majority of the Governor's proposals in this category.
- The Senate Version rejects proposed cancellations of Legislative priorities, including:
 - Rejects proposal to reinstate the Senior Penalty in Medi-Cal that would result in increased costs of healthcare for lower income seniors by hundreds of dollars per month.
 - Rejects cuts to critical affordable housing funds.
 - Rejects cuts to child care rate increases, which would further restrict access to child care for working families.
 - Protects one time investments for local homelessness programs, clean water programs, enforcing sexual assault laws, and other priorities.

➤ *Trigger Solutions:*

- The Senate Version rejects solutions subject to the trigger in the May Revision, and replaces them with alternative trigger solutions.
- The Senate Version trigger mechanism follows the trigger practice used in 2011 and 2012. Under this trigger mechanism, the federal funds are assumed to arrive and are deposited into the General Fund. But, if by

September 1, 2020 the federal funds have not materialized, the trigger solutions take effect October 1, 2020.

- If the trigger solutions are implemented, the Senate Version's Regular Reserve will be \$1.1 billion. The trigger solutions are as followings:
 - \$1.8 billion by maximizing use of the Rainy Day Fund, the full 50% of the required deposits will still remain in the Rainy Day Fund (about \$6.7 billion).
 - \$900 million by maximizing the Safety Net Reserve, which will protect draconian cuts proposed in the May Revision.
 - \$1.8 billion by reinstating deferral that were in place until the current year. It is unlikely they would have been turned off had the state known these challenging times would come so soon.
 - \$1.1 billion in a Special Fund loan associated with the reinstating of the deferrals.
 - \$5.3 billion in a Prop 98 deferral, which along with the \$2.7 billion funding increase will provide about \$8.1 billion in programmatic spending over what the May Revision contained in its trigger proposal.
 - \$1 billion by adjusting the Managed Care Organizations charge, in lieu of any cut to Prop 56 funds.
 - \$600 million reduction to the Legislative augmentation to county realignment funds.
 - \$400 million reduction to University of California (\$200 million) and the California State University (\$200 million).
 - \$100 million reduction to the Judiciary (Dependency counsel, self help, court interpreters, and Equal Access Fund are not subject to this cut).
 - \$70 million reduction to Corrections to reflect savings in certain programs due to delays caused by COVID-19.
 - Any Collectively bargained changes to state employee compensation will impact the savings total as well. This Senate

does not presume a specific amount of impact while the collective bargaining is in progress.

Key Issues Associated with the Senate Version of the Budget:

➤ *Economic Recovery.*

- On May 12th, Senate Democrats unveiled two economic recovery proposals stemming from an internal caucus working group on economic recovery.
- The proposals do not necessarily need to be enacted with the budget on June 15, but will be pursued expeditiously to address major economic challenges facing Californians today. The proposals are:
 - *Tenant/Landlord Stabilization.* This proposal address the challenge of Californians struggling due to the COVID-19 crisis being unable to pay their rent and the economic stress it passes along to property owners.

Under this proposal, renters will be forgiven for past due rents and will be protected from eviction. Landlords will be provided transferable future tax credits equal to, or nearly equal to, the value of the missed rent payments. Renters that have the ability to do so, will reimburse the state for the costs of the tax credits over a ten year period beginning in 2024.

- *\$25 Billion Economic Recovery Fund.* This proposal generates \$25 billion over two years for economic stimulus investments to prevent the economy falling further and to assist the economic rebound.

Under this proposals, tax payers and others can prepay future taxes in exchange for future tax vouchers that have a higher face value to reflect inflation and to incentivize participation.

The accelerated revenues will be available for purposes that include but are not limited to, small business assistance, worker retraining, jump starting infrastructure projects, filling gaps in the education system and safety net, and addressing homelessness.

➤ *Generating Additional Resources.*

- The Senate Version acknowledges efforts to authorize and regulate sports wagering in California.

While this will not have a direct near term budget impact, tax revenues from bringing sports wagering activities into legal status will have future budget benefits and help provide resources to combat negative impacts of gaming that we know exist today.

Major Differences with May Revision, by Subcommittee:

Subcommittee 1 on Education Finance

Major changes to the Governor's May Revision:

- Rejects \$8.1 billion of proposed cuts to Proposition 98 funding that were contained in the Governor's May Revision trigger proposal, this includes rejecting cuts to:
 - K-12 Local Control Funding Formula;
 - K-12 Categorical programs, including the After School Education Safety Program and Career Technical Education Programs;
 - State Preschool and Child Care reimbursement rates; and
 - Community Colleges, including career technical education.
- Includes no Proposition 98 cuts in the Senate Version trigger solution plan, instead if federal funds do not materialize \$5.3 billion of school and community college funding will be converted to a deferral, which preserves programmatic funding.
- Provides an Average Daily Attendance hold harmless for Local Educational Agencies in the 2020-21 fiscal year and requires distance learning in the event of school closures.
- Amends the Governor's Special Education proposal to provide \$545 million to increase base rates and \$100 million for the low incidence disabilities cost pool.
- Reduces the nearly \$800 million of proposed cuts to the University of California (\$376 million) and the California State University (\$398 million) that were contained in the Governor's May Revision trigger proposal to \$200 million for each the UC and CSU in the Senate Version trigger solution plan.

- Rejects the \$27.5 million proposed cut to the UC Merced-UCSF Fresno Partnership Branch Medical School and the UC Riverside School of Medicine.

Subcommittee 2 on Resources, Environmental Protection, and Transportation

Major changes to the Governor's May Revision:

- ❑ Requires the California Air Resources Board to conduct a rulemaking to consider improvements to the Cap-and-Trade Program.
- ❑ Rejects the Governor's proposal to roll back the sunset on funding to the Habitat Conservation Fund, which will preserve funding for conservation efforts.
- ❑ Rejects a proposed transfer from the State Highway Account and provides an additional \$130 million for transportation projects
- ❑ Provides statutory relief to transit agencies dealing with the fallout of COVID-19 on ridership and revenues

Subcommittee 3 on Health and Human Services

Major Health program changes to the Governor's May Revision:

- Rejects proposal to reinstate the "senior penalty" and preserves the Medicare Part B disregard adopted in the 2019 Budget Act, preserving health coverage for low-income seniors.
- Rejects cuts to previously approved programs, such as the medical interpreters pilot project in Medi-Cal, funding for behavioral health counselors in emergency departments, caregiver resource centers, and the black infant health program.
- Rejects implementation of a maximum inpatient fee schedule in Medi-Cal managed care, which would have resulted in significant cuts in reimbursement for both public and private hospitals.
- Maintains Governor's January proposal to expand Medi-Cal to all seniors 65 and over, regardless of immigration status, but delays the start date to January 1, 2022. The action includes authority for the Governor to further delay implementation based on ability of budget to afford the cost.

- Rejects all proposed “trigger” reductions to health programs proposed by the Administration. For example, the Senate version of the budget:
 - Rejects elimination of Medi-Cal optional benefits, including dental, optometry, optician/optical lab, audiology, incontinence creams/washes, pharmacist-delivered services, speech therapy, podiatry, acupuncture, nurse anesthetists, occupational therapy, physical therapy, and the diabetes prevention program.
 - Rejects elimination of Proposition 56 supplemental payments for Medi-Cal providers including physicians, dentists, women’s health, family planning, developmental screenings, trauma screenings, community-based adult services, non-emergency medical transportation, and hospital-based pediatric physicians.
 - Rejects cancellation of the Proposition 56 Physician and Dentist Loan Repayment Program, which provides loan repayments for providers willing to devote nearly a third of their practice to serving Medi-Cal patients.
 - Rejects elimination of the multipurpose senior services program (MSSP) benefit and community-based adult services (CBAS).
 - Rejects renewed estate recovery provisions from deceased Medi-Cal beneficiaries
 - Rejects elimination of rate carve-outs for community clinics (FQHCs and RHCs).
 - Rejects elimination of General Fund support for the Song-Brown Healthcare Workforce Training Program.
- Includes in the Senate Version trigger solution plan an adjustment to the Managed Care Organization charge to generate \$1 billion budget benefit should the anticipated funds not materialize. This proposal replaces the proposed cut to Proposition 56 included in the May Revision trigger.

Major Human Services changes to the Governor’s May Revision:

- Provides \$600 million for counties to backfill lost 1991 realignment revenues, with the expectation these funds will assist child welfare services costs. (This augmentation is subject to being triggered off under the Senate trigger solution plan.)

- Returns the CalWORKs time clock to the historic 60-month time period beginning in 2022, improving access to critical services for struggling Californians working to get back on track.
- Rejects proposed cuts In-Home Supportive Services (IHSS) program that would have caused some recipients to lose services and allowed the contracting out of services currently provided by county staff.
- Rejects proposed cuts to supplemental provider rate adjustments for providers that serve individuals with developmental disabilities. These include infant development programs, independent living programs, and early start specialized therapeutic services.
- Rejects all proposed cuts to human services program that the May Revision includes in their “trigger category.” This includes:
 - \$300 million cut to Developmental Services;
 - Various cuts targeting seniors, such as funding cuts to senior nutrition programs and programs that help keep seniors at home and out of nursing homes;
 - Cut to the federal SSI/SSP COLA; and
 - Cut to IHSS service hours by seven percent.

Subcommittee 4 on General Government

Major changes to the Governor’s May Revision:

- Adds tax filers with Individual Taxpayer Identification Numbers with at least one child six years of age or younger to the Earned Income Tax Credit and the Young Child tax Credit.
- Defers the proposed, additional, \$1 per 20 mg nicotine-based tax on E-cigarette or vaping products.
- Defers the expansion of Department of Business Oversight into the new Department of Financial Protection and Innovation.
- Includes \$35 million in additional funds to support the November 2020 general elections.

- Preserves nearly \$250 million for affordable housing development in 2020-21.
- Provides \$13 million for transitional housing and housing navigators for foster youth.
- Provides \$250 million in state funds for homelessness programs for local governments.
- Rejects reductions subject to the May Revision proposed trigger, including the proposed closure of the Barstow Veterans Home. Instead requires the California Department of Veteran Affairs to work with the community stakeholders and submit a closure plan to the Legislature.
- Excludes proposed savings related to reduction of employee pay and suspending employee pay increases subject to the May Revision proposed trigger. Any savings achieved through the collective bargaining process will increase the Senate Version's final reserve.

Subcommittee 5 on Public Safety


Major changes to the Governor's May Revision:

- Approves \$146 million in cuts to California Department of Corrections and Rehabilitation that were not proposed in the Governor's May Revision.
- Rejects several proposed cuts to courts and public safety that the May Revision includes in their trigger category, including:
 - \$166 million in cuts for the state-level judiciary, the trial courts, and other Judicial Branch local assistance programs, including indigent defense, Dependency Counsel, Court Interpreters, Court Appointed Special Advocate Program, Model Self-Help Program, Equal Access Fund; Family Law Information Centers, and Civil Case Coordination.
 - \$37 million in cuts to grants that continue to support the warm hand-off and reentry of offenders transitioning from state prison to communities;
 - \$1.8 million in cuts that limit expansion of state prison oversight.
- Includes in the Senate Version trigger solution:

- \$100 million reduction to the Judiciary, but the reduction cannot impact Dependency Counsel, Court Interpreters, Court Appointed Special Advocate Program, Model Self-Help Program, Equal Access Fund; Family Law Information Centers, and Civil Case Coordination.
- \$70 million, one-year reduction to the Integrated Substance Use Disorder Program due to likely delays tied to COVID-19.

Major policy included in the Governor's May Revision:

- Announces the intention to close one state prison beginning in 2021-22 and a second state prison beginning in 2022-23.
 - The closures are estimated to result in savings of \$100 million in 2021-22, \$300 million in 2022-23 and \$400 million ongoing.
- Includes statutory changes that support thoughtful and responsible achievement of Administration's long term budget reduction proposals.
- Permanently stops intake into the state Division of Juvenile Justice on January 1, 2021, and transfers responsibility for all youth commitments to counties.



2020-21 Budget Draft Assembly Plan

Assemblymember Phil Ting, Chair

Overall Assembly Approach

- Builds on Governor's framework
 - Based on administration's pessimistic economic outlook, even as the economy gradually reopens
- Reflects growing likelihood of more federal relief
- Avoids "overcutting" now when future revenues and economic trends are so uncertain
- Helps protect jobs and preserve vital services
- Increases legislative control over COVID-19 spending

Assembly Budget Architecture

- “Pulls back” \$7 billion of spending approved last year as proposed by Governor in January
- Assumes \$14 billion more in federal funding
- Reflects \$4 billion in caseload savings (generally, as identified by LAO)
- If the federal funds do not materialize...
 - Governor could reduce budgeted amounts in specified programs by a total of about \$8 billion
 - Smaller than Governor’s \$14 billion “trigger”

Substantial Reserves Would Remain

- Deficits likely in future years under both Governor and legislative budgets
- Assembly plan keeps reserves on hand:
 - COVID-19 disaster reserve
 - Governor's plan: \$2.9 billion "contingency reserve"
 - Assembly plan: Available only if appropriated in the future
 - New process to be negotiated for future virus spending
 - Approx. \$1 billion "SFEU" discretionary reserve
 - Approx. \$7 billion Prop. 2 rainy day fund
 - More reserves would be kept if federal funds materialize

Differences Between Legislature and the Administration

- Assembly and Senate working closely, using similar budget architectures
- Administration trigger language very different
 - Governor proposed \$14 billions federal funds trigger, where Governor would “restore programs” if those federal funds materialize
 - Legislature aiming for a simpler, smaller trigger
 - Under our framework, Governor would “cut programs,” as specified, if federal funds are not approved
- Assembly builds on Governor's approach and aims to provide more to local governments to protect public safety, health, and human services programs if the state receives more than \$14 billion of federal funding

Key Features of Assembly Plan

- Holds schools at least harmless at their 2019-20 funding levels and provides a state-level COLA for the LCFF
- Protects child care funding rates and increases access for essential workers
- Protects key health and senior programs
- Protects Prop. 56 funding
- Focuses university cuts on segments' bureaucracy
- Defers consideration of many policy or discretionary items until after June 15
- "Economic stimulus" proposals will be considered separately from the June 15 budget package

Major Revenues

- Includes new revenue proposals including:
 - Suspending net operating loss deductions,
 - Limiting business credits, and
 - Requiring used car dealers to remit sales tax with vehicle registration.

Education

- Holds every LEA at least harmless at their 19-20 funding levels, and provides a state-level COLA to LCFF.
- Reduces federal trigger cuts to 6% of LCFF through increased deferrals.
- Prioritizes learning loss mitigation for low-income students in all schools, including nutrition and student supports.
- Restores key categorical programs, including after-school, Career Tech, and Adult Education.
- Ensures no children are cut from existing care programs, protects child care funding rates, and increases child care access for essential workers.

Higher Education

- Protects students by maintaining most financial aid and focusing some cuts (if triggered) on segment bureaucracy (UCOP, CCC categorical administration)
- Restores 5% operational increases for UC (\$169 M) and CSU (\$199 M). Could tie UC increase to reduction in nonresident enrollment
- Restores January proposals for UC Riverside and UCSF/Fresno/Merced medical schools
- Reduces cuts to community college apportionment and CTE by shifting funding from Calbright and other categoricals

Health and Human Services

- Restores Senior Programs: ADHC/CBAS, MSSP, Caregiver Resource Centers, IHSS, SSI/SSP, Nutrition and Ombudsman.
- Restores Health Programs: Medi-Cal provider rates, dental and all optional benefits, health care workforce support, hearing aids for kids, Black Infant Health and Safe Cosmetics Program.
- Restore DDS and Child Welfare reductions
- Includes Skilled nursing quality assurance fee
- Backfills County Realignment by \$1 billion over two years

Resources and Transportation

- Rejects \$33.7 million ongoing baseline reduction at Department of Fish and Wildlife.
- Rejects \$30 million ongoing baseline reduction Department of Parks.
- Approves \$50M Air Pollution Control Fund for AB 617 implementation.
- Rejects \$130 million transfer from State Highway Account to General Fund.

State Administration

- Expands Young Child Tax Credit to ITIN filers.
- Adds \$350 million for additional homelessness funding to continue federal funding in 2021.
- Rejects proposal to begin closure of Barstow Veterans Home.
- Provides \$35 million of additional funding for November's election.
- Reduces the Moderate-Income Housing Production by \$250 million.
- Transfers \$754.2 million from the State Project Infrastructure Fund (SPIF) to the General Fund (which was anticipated to fund the Capitol Annex).
- Withdraws \$721.7 million to reevaluate Office Space needs in the Sacramento Region.

Public Safety

- Closes 2 state prisons with legislative guidance
- Defers all CDCR capital outlay proposals without prejudice until a timeline for closure and information on the prioritization of capital outlay projects is provided
- Realigns the Division of Juvenile Justice to county probation but maintain state oversight
- Restores Office of Inspector General review and oversight authority of CDCR
- Reductions in the judicial branch trial court operations and suspends additional trial court construction projects

Process Going Forward

- No actions before June 15 in the Assembly due to logistics, timing
- Senate Adopted Budget on Thursday—already very close to our version
- Working with Senate to have Legislative deal by early next week to get Budget Bill ready for June 15
- Timeline constrained by harder logistics around processing 700 page budget bill, three day in print, and session social distancing constraints
- Working with Administration to get agreement in that window



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
June 12, 2020 Legislative Committee Hearing

General Update

On May 14th, Governor Gavin Newsom provided his “May Revision” to his January budget proposal. While the state is now facing over a \$54 billion dollar deficit in the current and upcoming fiscal years, the Governor maintained a defiant stance that the state would not walk away from our values. The Governor compared the stark differences the state is facing between January and now. Earlier this year the state had a record low in unemployment rate, 118 months of consecutive job growth, and a projected budget surplus of \$5.6 billion dollars. Now the COVID-19 recession is projected to be worse than the great recession. The United States GDP is projected to decrease by 26.5% in the spring of 2020. The unemployment rate in California is projected to peak just above 24%.

The Governor laid out his core values that included public education, health, safety, and those Californians hit hardest by COVID-19. He said that the state would spend our entire rainy-day fund over the next 3 years to help alleviate the harsh budget cuts that must be made. One of the biggest announcements was that the state will be working with its bargaining units for all state employees to take a 10% pay decrease.

This has been a unique budget process, on May 26th, the California State Assembly convened as a “Committee of the Whole.” This is the first time the Assembly has used this process in almost 30 years. Under the rules, the Committee of the Whole allowed all members to meet as a committee to hear testimony and discuss an issue. Speaker Anthony Rendon said the goal of holding such a hearing was to allow members to discuss the budget freely, without the “limitations” of traditional processes.

As the Senate and the Assembly are continuing their budget committees’ processes, each house will work to craft their version of the budget and then the Legislative leaders and the Governor will work out the final budget deal before the June 15th deadline.

Elected Officials Contacted on Behalf of South Coast AQMD:

California Advisors met with the following legislators or their offices on behalf of the South Coast Air Quality Management District:

Senate:

Ben Allen (SB 1099, SB 1185), Toni Atkins (SB 1099, SB 1185, AB 617 funding), Patricia Bates (SB 1099, SB 1185), Brian Dahle (SB 1099, SB 1185), Maria Elena Durazo (AB 617 funding), Lena Gonzalez (AB 617 funding), Jerry Hill (SB 1099, SB 1185), Connie Leyva (AB 617 funding), Holly Mitchell (AB 617 Funding), Nancy Skinner (SB 1099, SB 1185), Henry Stern (SB 1099, SB 1185), Bob Wieckowski (SB 1099, SB 1185, AB 617 funding)

Assembly:

Richard Bloom (AB 617 funding), Wendy Carrillo (AB 617 funding), Laura Friedman (AB 617 funding), Cristina Garcia (AB 617 Funding), Al Muratsuchi (AB 617 funding), Anthony Rendon (AB 617 funding), Eloise Gomez Reyes (AB 617 funding), Luz Rivas (AB 617 funding), Phil Ting (AB 617 funding)

**Joe A. Gonsalves & Son****Anthony D. Gonsalves****Jason A. Gonsalves****Paul A. Gonsalves**

PROFESSIONAL LEGISLATIVE REPRESENTATION

925 L ST. • SUITE 250 • SACRAMENTO, CA 95814-3766

916 441-0597 • FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – May 2020

DATE: Thursday, May 28, 2020

The Legislature has been back in session for almost a month now. Given their two-month absence, the Legislature returned with a very full agenda. In order to keep the legislative process moving, the Senate and Assembly have made a number of adjustments. Members have faced a lot of pressure to pare back the number of bills they move in 2020. Some have even chosen to move as few as two bills of the twenty plus that they introduced at the beginning of the year.

Even with the pared down number of bills, the compressed schedule has meant a rapid-fire legislative process. In the Assembly each policy Committee has held one hearing for all of the bills in the Committee, and the Senate has largely followed suit. Given this and social distancing requirements committees have held hearings virtually every day through May. In addition to this workload, a budget crisis was waiting for the Legislature on its return. On May 14, Governor Newsom released his May Revision to the Budget.

The following will provide you with a summary of actions related to the District:

MAY REVISE

On May 14, 2020, Governor Newsom released his May Revision to his January Budget proposal. Prior to COVID-19, the state proposed a \$222 billion budget with an operating surplus of \$21.5 billion. The May Revise proposes a \$203.3 billion budget with a \$54.2 billion operating budget deficit. The Governor projects this recession to be worse than the Great Depression. The U.S. GDP is projected to decrease by 26.5% in the spring of 2020 and the State's General Fund revenues are expected to drop by \$41.2 billion. The State is facing a 27.2% decline in sales tax, 25.5% decline in Personal Income Tax and 22.7% decline in Corporate tax. Additionally, 4.2 million people have filed for unemployment since mid-March with a projected peak of 24.5% unemployment. The

Legislative Analysis office says that personal income will drop by nearly 9% and housing construction will drop by more than 21%. The longer the Stay-at-Home order is in place, the worse it will get.

The Governor's May revise proposes a multi-year approach to address the state's deficit. Of the State's \$16.2 billion rainy day fund, the first year will use \$7.8 billion, the second year will use \$5.4 billion, and the third year will use \$2.3 billion. There are other reserve accounts that will be used to help balance over \$1 billion of the deficit (\$524m from the Proposition 98 reserve account and \$450m from the safety-net reserve account). In addition to using the states reserves, the Governor is proposing 26% in cuts to programs that can be reestablished by the Federal HERO Act should it be passed at the Federal level.

Governor Newsom's proposal also includes \$2.4 billion in cuts to fund CalPERS and CalSTRS and a 10% pay cut for all state workers starting July 1, 2020. The governor's goal is to collectively bargain this cut with state workers, but if not successful, he will implement 2 furlough days per month, which equates to a 10% salary cut.

This is the kick-off to negotiations with the Legislature in order for them to meet their June 15 Constitutional Deadline. Please note, only the main budget bill is required to be adopted by June 15th. Budget Trailer bills can and will be passed between now and the August 31, 2020 end of session.

HONDA MOTOR COMPANY SETTLEMENT:

On May 26, 2020, The California Air Resources Board (CARB) announced they have reached a settlement of \$1,927,800 with American Honda Motor Co., Inc. (Honda) to resolve clean-air violations related to the sale of small off-road engines in California.

The violations involved small off-road engines used in generators and lawn and garden equipment. Through extensive tests in its lab CARB discovered that this equipment did not meet the evaporative control emission standards that Honda had originally agreed to during the certification process. Evaporative emissions of raw fuel, which occur both while an engine is being used and at rest, are known as volatile organic compounds and are a significant precursor of smog.

When a manufacturer certifies small off-road engines they can set their emissions limit to meet the current regulation, or choose to demonstrate that they have met standards below those required by the current regulation. In that case, the manufacturer earns what are known as evaporative credits based on the additional reductions that they assert in the certification process. These credits can then be used for certification purposes to offset emissions on future products. Because Honda's engines did not meet the self-selected lower evaporative emission limits, they forfeited the credits they had earned for claiming to meet stricter evaporative emissions standards, and also gave up additional credits to mitigate the environmental harm.

To resolve the violations, Honda agreed to pay a total settlement of \$1,927,800, with \$963,900 going to the California Air Pollution Control Fund.

The remaining funds, roughly \$1 million, will go to the IQAir Foundation, a non-profit that seeks to promote environmental justice by helping to improve environmental health conditions in neighborhoods unfairly affected by pollution as a result of economic, ethnic, or racial factors.

The IQAir Foundation will use these funds to benefit three Supplemental Environmental Projects:

- **The Coachella Schools Flag Program:** The purpose of the Air Quality School Flag Program is to help people with asthma by improving awareness and education about the school environment with outdoor air quality practices. The air quality school flag program uses colored flags based on U.S. EPA's Air Quality Index (AQI) to notify teachers, coaches, students, and others about outdoor air quality conditions.
- **The Oakland Unified School District Project 2019 – 2023:** This project proposes to install and maintain high-performance air filtration systems in schools located in communities impacted by air pollution within Oakland Unified School District. School districts will provide access to schools, and will maintain the air filtration systems after their maintenance staff is trained on maintenance procedures for these systems.
- **The Coachella Valley Mitigation Project Extension 2018 – 2023:** This project will install and maintain high-performance air filtration systems in schools located in communities impacted by air pollution. This will be used in conjunction with the Coachella Schools Flag Program.

VEHICLE EMISSIONS ROLLBACK LAWSUIT

On May 27, 2020, California joined 22 other states and several other jurisdictions to challenge the Trump Administration's plan to roll back vehicle emissions standards. Since these emission rules were enacted, they have reduced air pollution and protected the air we breathe. The California Air Resources Board helped develop the original 2012 rules and is represented in this case by the California Attorney General.

The new, diminished standards set forth by the federal Environmental Protection Agency and the National Highway Traffic Safety Administration drastically reduce the annual emission reductions from nearly five percent a year to just one and a half percent. The state's suit claims the EPA and NHTSA have violated the laws and bypassed congressional requirements in enacting these rollbacks, and that the federal agencies used a faulty and flawed analysis, unfounded assumptions, and made statistical errors to manipulate data in support of their conclusions.

The 2017 decision to maintain the previous vehicle greenhouse gas regulations was the result of several years of in-depth, joint analysis by U.S. EPA, NHTSA and California. Those rules provided motivation for development of cleaner, safer vehicles and fuels, and marked a national shift in efforts to address seriously the impacts of climate change. Transportation is 40% of GHG emissions in California, and the previous emissions standards are critical in our effort to combat climate change, as well as to assist in further development and growth of California's sustainable economy.

2020 LEGISLATIVE CALENDAR:

Given the impacts of COVID-19 on the Legislative process, the following will provide you with the updated Legislative Calendar for the remainder of 2020. Please note, the Assembly and Senate calendars and deadlines are different:

ASSEMBLY CALENDAR

May

- **May 4** Assembly reconvenes from Joint Recess (A.C.R. 189, Resolution Chapter 15, Statutes of 2020).
- **May 22** Last day for **policy committees** to hear and report to fiscal committees' **fiscal bills** introduced in the Assembly (J.R. 61(b)(5)).
- **May 29** Last day for **policy committees** to hear and report to the floor **non-fiscal** bills introduced in the Assembly (J.R. 61(b)(6)).

June

- **June 5** Last day for **fiscal committees** to hear and report to the **floor** bills introduced in the Assembly (J.R. 61 (b)(8)).
- **June 15** Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).
- **June 15 - 19 Assembly Floor session only.** No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(10)).
- **June 19** Last day for the Assembly to pass bills introduced in that house (J.R. 61(b)(11)). **Summer Recess** begins for the Assembly upon adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).
- **June 25** Last day for a legislative measure to qualify for the Nov. 3 General Election ballot (Elections Code Sec. 9040).

July

- **July 13** Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).
- **July 31** Last day for **policy committees** to hear and report **fiscal bills** to fiscal committees (J.R. 61(b)(13)).

August

- **Aug. 7** Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)).
- **Aug. 14** Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).
- **Aug. 17-31 Floor session only.** No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(16)).
- **Aug. 21** Last day to **amend** bills on the floor (J.R. 61(b)(17)).
- **Aug. 31** Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)). **Final Recess** begins upon adjournment (J.R. 51(b)(3)).

SENATE CALENDAR

May

- **May 11** Senate Reconvenes
- **May 29** Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house (J.R. 61(b)(5)).

June

- **June 5** Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house (J.R. 61(b)(6)). Last day for policy committees to meet prior to June 8 (J.R. 61(b)(7)).
- **June 15** Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)(3)).
- **June 19** Last day for fiscal committees to hear and report to the floor bills introduced in their house (J.R. 61(b)(8)). Last day for fiscal committees to meet prior to June 29 (J.R. 61(b)(9)).
- **June 22-26** Floor Session Only. No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61(b)(10)).
- **June 25** Last day for a legislative measure to qualify for the November 3 General Election ballot (Election code Sec. 9040).
- **June 26** Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).

July

- **July 2** Summer Recess begins upon adjournment provided Budget Bill has been passed (J.R. 51(b)(2)).
- **July 13** Legislature reconvenes from Summer Recess (J.R. 51(b)(2)).
- **July 31** Last day for policy committees to hear and report fiscal bills to fiscal committees (J.R. 61(b)(13)).

August

- **August 7** Last day for policy committees to meet and report bills (J.R. 61(b)(14)).
- **Aug. 14** Last day for fiscal committees to meet and report bills (J.R. 61(b)(15)).
- **Aug. 17 – 31** Floor Session only. No committees, other than conference and Rules committees, may meet for any purpose (J.R. 61(b)(16)).
- **Aug. 21** Last day to amend bills on the Floor (J.R. 61(b)(17)).
- **Aug. 31** Last day for each house to pass bills, except bills that take effect Immediately or bills in Extraordinary Session (Art. IV, Sec. 10(c)), (J.R. 61(b)(18)). Final recess begins upon adjournment (J.R. 51(b)(3)).

South Coast Air Quality Management District
Legislative Analysis Summary – AB 2882 (Chu)
Version: As Amended – 5/13/2020
Analyst: SD

AB 2882 (Chu)

Hazardous emissions and substances: schoolsites: private and charter schools.

Summary: This bill would require charter schools and private schools to follow the same siting requirements as public schools for evaluating a schoolsite for potential hazardous substances, hazardous emissions, or hazardous waste. The bill would also require the evaluation of a potential charter school site to follow the same process as public school site evaluations under the California Environmental Quality Act (CEQA).

Background: Siting schools is not an easy process. Existing law and state regulations prohibit school districts seeking state bond funds from being located on land that was previously a hazardous waste disposal site, that contains pipelines that carry hazardous substances, or that is near a freeway and other busy traffic corridors and railyards that have the potential to expose students and school staff to hazardous air emissions. Existing law also requires school districts to comply with CEQA requirements, review by DTSC, and approval by the California Department of Education (CDE) to ensure the design plans meet the academic need of the school. School districts must also comply with the Field Act, which ensures that school buildings can withstand earthquakes. School districts must submit all school design plans to the Division of State Architect to ensure that the architectural design plans meet fire, life, and safety requirements, Field Act requirements, and access requirements under the Americans with Disability Act. Charter schools are not required to comply with school siting requirements unless they receive state school bond funds. Private schools are not subject to the requirements in the Education Code unless specified, typically related to health and safety issues.

Existing law requires public schools to follow CEQA requirements before approving and building a new school. These requirements include that the governing board of the school district determines that the property is not a current or former hazardous waste or solid waste disposal site, unless the governing board of the school concludes that the waste sites have been removed; a hazardous substance release site identified by the Department of Toxic Substances Control (DTSC); or a site that contains one or more pipelines that carries hazardous substances.

CEQA requires a lead agency to prepare and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect.

Existing law also requires that the school district consult with the administering agency and any local air district necessary to identify facilities within the air district's authority and

within the vicinity of the school property that might emit hazardous emissions, substances, or waste.

According to the author, there are cases in California where schools have been built in a potentially unsafe location near sources of hazardous emissions, substances, or waste which puts at risk the public health and safety of students and school employees at these schools.

Status: 6/02/2020 - In Asm. Approps. committee: Set, first hearing. Referred to APPR. suspense file.

Specific Provisions: Specifically, this bill would:

- 1) Require charter schools and private schools to follow the same siting requirements as public schools for evaluating a schoolsite for potential hazardous substances, hazardous emissions, or hazardous waste; and
- 2) Require the evaluation of a potential charter school site to follow the same process as public school site evaluations under CEQA.

Impacts on South Coast AQMD's Mission, Operations or Initiatives: According to the author, "Private schools and charter schools need to meet the same health and safety requirements as public schools to prevent schools from being built at unsafe locations. With AB 2882, we will ensure the health and safety of all students and school employees in California by requiring proper assessments and evaluations of potential private and charter school sites."

AB 2882 requires charter schools and private schools to perform the same evaluation for a proposed schoolsite as is required for public schools. It appears reasonable to provide the students of charter schools and private schools with the same protections from potential hazardous chemicals at a potential schoolsite that is afforded to students who attend public schools. In addition, AB 2882 is requiring the lead agency, under CEQA, over a charter school, to complete the same evaluations as is required for a lead agency of a public school. There are thousands of known contaminated sites in California, however, there are estimates of tens of thousands of unknown contaminated sites in the state. A site may have been an industrial site in the early 1900's and been vacant for decades, and it's potential of containing hazardous substances is unknown until there is an environmental assessment of the property. It is important that potential schoolsites, regardless of whether the school is a public school, private school, or charter school, be properly evaluated in order to protect the health and well-being of the future students who will attend that school.

This bill is consistent with the South Coast AQMD's policy priorities to protect public health, especially within disadvantaged communities, and to promote environmental justice within the South Coast region. By adding extra protections within the school setting, this bill seeks to protect children, who are at even higher risk as sensitive receptors to pollution.

However, the bill does not appear to require private or charter school sites that involve leased property to abide by the applicable public school siting and CEQA requirements. Thus, South Coast AQMD offers a friendly suggestion that the bill be amended to clarify that the same siting and CEQA requirements that apply to public schools, also apply to private and charter schools located at leased sites.

Recommended Position: SUPPORT

Support:

Bay Area Air Quality Management District (Sponsor)
California Air Pollution Control Officers Association
California Association of Private School Organizations (CAPSO)
California Teachers Association (CTA)

Opposition:

None

AMENDED IN ASSEMBLY MAY 13, 2020

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 2882

Introduced by Assembly Members Chu and Cristina Garcia
(Coauthors: Assembly Members Kalra, Quirk, and Wicks)
(Coauthors: Senators Hill and Wieckowski)

February 21, 2020

An act to amend Section 17213 of, and to add Article 3 (commencing with Section 17235) to Chapter 1 of Part 10.5 of Division 1 of Title 1 of, the Education Code, and to amend Section 21151.8 of the Public Resources Code, relating to schoolsites.

LEGISLATIVE COUNSEL'S DIGEST

AB 2882, as amended, Chu. Hazardous emissions and substances: schoolsites: private and charter schools.

(1) The California Environmental Quality Act (CEQA) requires a lead agency to prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect. CEQA prohibits an environmental impact report or negative declaration from being approved for any project involving the purchase of a schoolsite or the construction of a new elementary or secondary school by a school district unless specified conditions are met, relating to, among other things, whether the property is located on a former hazardous waste disposal site or solid waste disposal site, a hazardous substances release site, or a site that contains a pipeline that carries specified substances, and the property's proximity to facilities that might reasonably be

anticipated to emit hazardous air emissions or handle hazardous or extremely hazardous materials, substances, or waste, as provided.

This bill would additionally prohibit an environmental impact report or negative declaration from being approved for any project involving the purchase of a schoolsite or the construction of a new elementary or secondary school by a charter school, unless those same conditions are met. By imposing new requirements on charter schools, *lead agencies*, cities, and counties, the bill would impose a state-mandated local program.

(2) Existing law prohibits the governing board of a school district from approving a project for the acquisition of a schoolsite, unless specified conditions are met, including, among others, that the school ~~district~~ *district, as the lead agency*, determines that the property to be purchased or built upon is not the site of a former hazardous waste disposal site or solid waste disposal site, a hazardous substances release site, or a site that contains a pipeline that carries specified substances, and that the school ~~district~~ *district, as the lead agency*, has not identified specified facilities within one-fourth mile of the proposed schoolsite that might reasonably be anticipated to emit hazardous air emissions or handle hazardous or extremely hazardous materials, substances, or waste, as provided.

This bill would additionally impose that prohibition on the chartering authority for a charter school and *would require the determination and identification described above to be made by the lead agency. The bill* would impose that prohibition, and related requirements, *additionally* on a private school. By imposing new requirements on charter schools, *lead agencies*, cities, and counties, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17213 of the Education Code is amended
2 to read:

3 17213. (a) The governing board of a school district or the
4 chartering authority, as defined in Section 47613, for a charter
5 school shall not approve a project involving the acquisition of a
6 schoolsite by a school district or charter school, unless all of the
7 following occur:

8 (1) ~~The school district, as the lead agency, as defined in Section~~
9 ~~21067 of the Public Resources Code, or, for a charter school, the~~
10 ~~city or county,~~ determines that the property purchased or to be
11 built upon is not any of the following:

12 (A) The site of a current or former hazardous waste disposal
13 site or solid waste disposal site, unless, if the site was a former
14 solid waste disposal site, the governing board of the school district
15 or, for a charter school, the city or county, concludes that the wastes
16 have been removed.

17 (B) A hazardous substance release site identified by the
18 Department of Toxic Substances Control in a current list adopted
19 pursuant to Section 25356 of the Health and Safety Code for
20 removal or remedial action pursuant to Chapter 6.8 (commencing
21 with Section 25300) of Division 20 of the Health and Safety Code.

22 (C) A site that contains one or more pipelines, situated
23 underground or aboveground, that carries hazardous substances,
24 extremely hazardous substances, or hazardous wastes, unless the
25 pipeline is a natural gas line that is used only to supply natural gas
26 to that school or neighborhood.

27 (2) ~~The school district, as the lead agency, as defined in Section~~
28 ~~21067 of the Public Resources Code, or charter school~~ in preparing
29 the environmental impact report or negative declaration has
30 consulted with the administering agency in which the proposed
31 schoolsite is located, pursuant to Section 2735.3 of Title 19 of the
32 California Code of Regulations, and with any air pollution control
33 district or air quality management district having jurisdiction in
34 the area, to identify both permitted and nonpermitted facilities
35 within that district's authority, including, but not limited to,
36 freeways and other busy traffic corridors, large agricultural
37 operations, and railyards, within one-fourth of a mile of the
38 proposed schoolsite, that might reasonably be anticipated to emit

1 hazardous air emissions, or to handle hazardous or extremely
2 hazardous materials, substances, or waste. ~~The school district, as~~
3 ~~the lead agency, or charter school~~ *lead agency* shall include a list
4 of the locations for which information is sought.

5 (3) The governing board of the school district or, for a charter
6 school, the city or county, makes one of the following written
7 findings:

8 (A) Consultation identified none of the facilities or significant
9 pollution sources specified in paragraph (2).

10 (B) The facilities or other pollution sources specified in
11 paragraph (2) exist, but one of the following conditions applies:

12 (i) The health risks from the facilities or other pollution sources
13 do not and will not constitute an actual or potential endangerment
14 of public health to persons who would attend or be employed at
15 the school.

16 (ii) The governing board or, for a charter school, the city or
17 county, finds that corrective measures required under an existing
18 order by another governmental entity that has jurisdiction over the
19 facilities or other pollution sources will, before the school is
20 occupied, result in the mitigation of all chronic or accidental
21 hazardous air emissions to levels that do not constitute an actual
22 or potential endangerment of public health to persons who would
23 attend or be employed at the proposed school. If the governing
24 board or city or county makes this finding, the governing board
25 or city or county shall also make a subsequent finding, before the
26 occupancy of the school, that the emissions have been mitigated
27 to these levels.

28 (iii) For a schoolsite with a boundary that is within 500 feet of
29 the edge of the closest traffic lane of a freeway or other busy traffic
30 corridor, the governing board of the school district or, for a charter
31 school, the city or county, determines, through analysis pursuant
32 to paragraph (2) of subdivision (b) of Section 44360 of the Health
33 and Safety Code, based on appropriate air dispersion modeling,
34 and after considering any potential mitigation measures, that the
35 air quality at the proposed site is such that neither short-term nor
36 long-term exposure poses significant health risks to pupils.

37 (iv) The governing board or, for a charter school, the city or
38 county, finds that the conditions set forth in clause (ii) or (iii)
39 cannot be met, and the school district or charter school is unable
40 to locate an alternative site that is suitable due to a severe shortage

1 of sites that meet the requirements in subdivision (a). If the
2 governing board or city or county makes this finding, the governing
3 board or charter school shall adopt a statement of overriding
4 considerations pursuant to Section 15093 of Title 14 of the
5 California Code of Regulations.

6 (b) For purposes of this section, the following definitions apply:

7 (1) "Administering agency" means an agency designated
8 pursuant to Section 25502 of the Health and Safety Code.

9 (2) "Extremely hazardous substance" means a material defined
10 pursuant to paragraph (2) of subdivision (j) of Section 25532 of
11 the Health and Safety Code.

12 (3) "Facilities" means a source with a potential to use, generate,
13 emit, or discharge hazardous air pollutants, including, but not
14 limited to, pollutants that meet the definition of a hazardous
15 substance, and whose process or operation is identified as an
16 emission source pursuant to the most recent list of source categories
17 published by the State Air Resources Board.

18 (4) "Freeway or other busy traffic corridor" means those
19 roadways that, on an average day, have traffic in excess of 50,000
20 vehicles in a rural area as defined in Section 50101 of the Health
21 and Safety Code, and 100,000 vehicles in an urban area, as defined
22 in Section 50104.7 of the Health and Safety Code.

23 (5) "Handle" means handle as defined in Article 1 (commencing
24 with Section 25500) of Chapter 6.95 of Division 20 of the Health
25 and Safety Code.

26 (6) "Hazardous air emissions" means emissions into the ambient
27 air of air contaminants that have been identified as a toxic air
28 contaminant by the State Air Resources Board or by the air
29 pollution control officer for the jurisdiction in which the project
30 is located. As determined by the air pollution control officer,
31 hazardous air emissions also means emissions into the ambient air
32 from any substance identified in subdivisions (a) to (f), inclusive,
33 of Section 44321 of the Health and Safety Code.

34 (7) "Hazardous substance" means a substance defined in Section
35 25316 of the Health and Safety Code.

36 (8) "Hazardous waste" means a waste defined in Section 25117
37 of the Health and Safety Code.

38 (9) "Hazardous waste disposal site" means a site defined in
39 Section 25114 of the Health and Safety Code.

1 SEC. 2. Article 3 (commencing with Section 17235) is added
2 to Chapter 1 of Part 10.5 of Division 1 of Title 1 of the Education
3 Code, to read:

4
5 Article 3. Private School Schoolsites
6

7 17235. (a) For purposes of this section, the following
8 definitions apply:

9 (1) "Administering agency" means an agency authorized
10 pursuant to Section 25502 of the Health and Safety Code to
11 implement and enforce Chapter 6.95 (commencing with Section
12 25500) of Division 20 of the Health and Safety Code.

13 (2) "Extremely hazardous substances" has the meaning specified
14 in paragraph (2) of subdivision (j) of Section 25532 of the Health
15 and Safety Code.

16 (3) "Facilities" means any source with a potential to use,
17 generate, emit, or discharge hazardous air pollutants, including,
18 but not limited to, pollutants that meet the definition of a hazardous
19 substance, and whose process or operation is identified as an
20 emission source pursuant to the most recent list of source categories
21 published by the State Air Resources Board.

22 (4) "Freeway or other busy traffic corridors" means those
23 roadways that, on an average day, have traffic in excess of 50,000
24 vehicles in a rural area, as defined in Section 50101 of the Health
25 and Safety Code, and 100,000 vehicles in an urban area, as defined
26 in Section 50104.7 of the Health and Safety Code.

27 (5) "Handle" has the same meaning specified in Section 25501
28 of the Health and Safety Code.

29 (6) "Hazardous air emissions" means emissions into the ambient
30 air of air contaminants that have been identified as a toxic air
31 contaminant by the State Air Resources Board or by the air
32 pollution control officer for the jurisdiction in which the project
33 is located. As determined by the air pollution control officer,
34 hazardous air emissions also means emissions into the ambient air
35 from any substances identified in subdivisions (a) to (f), inclusive,
36 of Section 44321 of the Health and Safety Code.

37 (7) "Hazardous substance" has the same meaning specified in
38 Section 25316 of the Health and Safety Code.

39 (8) "Hazardous waste" has the same meaning specified in
40 Section 25117 of the Health and Safety Code.

1 (9) "Hazardous waste disposal site" has the same meaning as
2 "disposal site," as defined in Section 25114 of the Health and
3 Safety Code.

4 (b) The governing board of a private school shall not approve
5 the acquisition or purchase of a schoolsite, or the construction of
6 a new elementary or secondary school, by, or for use by, a private
7 school unless all of the following occur:

8 (1) The city or county determines that the property proposed to
9 be acquired or purchased, or to be constructed upon, is not any of
10 the following:

11 (A) The site of a current or former hazardous waste disposal
12 site or solid waste disposal site, unless, if the site was a former
13 solid waste disposal site, the city ~~and~~ or county concludes that the
14 wastes have been removed.

15 (B) A hazardous substance release site identified by the
16 Department of Toxic Substances Control in a current list adopted
17 pursuant to Section 25356 of the Health and Safety Code for
18 removal or remedial action pursuant to Chapter 6.8 (commencing
19 with Section 25300) of Division 20 of the Health and Safety Code.

20 (C) A site that contains one or more pipelines, situated
21 underground or aboveground, that carry hazardous substances,
22 extremely hazardous substances, or hazardous wastes, unless the
23 pipeline is a natural gas line that is used only to supply natural gas
24 to that school or neighborhood, or other nearby schools.

25 (D) A site that is within 500 feet of the edge of the closest traffic
26 lane of a freeway or other busy traffic corridor.

27 (2) (A) The governing board has notified in writing and
28 consulted with the administering agency in which the proposed
29 schoolsite is located, and with any air pollution control district or
30 air quality management district having jurisdiction in the area, to
31 identify both permitted and nonpermitted facilities within that
32 district's authority, including, but not limited to, freeways and
33 busy traffic corridors, large agricultural operations, and railyards,
34 within one-fourth of a mile of the proposed schoolsite, that might
35 reasonably be anticipated to emit hazardous emissions or handle
36 hazardous or extremely hazardous substances or waste. The
37 notification by the governing board shall include a list of the
38 locations for which information is sought.

39 (B) Each administering agency, air pollution control district, or
40 air quality management district receiving written notification from

1 a governing board to identify facilities pursuant to subparagraph
2 (A) shall provide the requested information and provide a written
3 response to the governing board within 30 days of receiving the
4 notification.

5 (3) The city or county makes one of the following written
6 findings:

7 (A) Consultation identified no facilities of the type specified in
8 paragraph (2) or other significant pollution sources.

9 (B) One or more facilities specified in paragraph (2) or other
10 pollution sources exist, but one of the following conditions applies:

11 (i) The health risks from the facilities or other pollution sources
12 do not and will not constitute an actual or potential endangerment
13 of public health to persons who would attend or be employed at
14 the proposed school.

15 (ii) Corrective measures required under an existing order by
16 another agency having jurisdiction over the facilities or other
17 pollution sources will, before the school is occupied, result in the
18 mitigation of all chronic or accidental hazardous air emissions to
19 levels that do not constitute an actual or potential endangerment
20 of public health to persons who would attend or be employed at
21 the proposed school. If the city or county makes a finding pursuant
22 to this clause, it shall also make a subsequent finding, before
23 occupancy of the school, that the emissions have been so mitigated.

24 (iii) For a schoolsite with a boundary that is within 500 feet of
25 the edge of the closest traffic lane of a freeway or other busy traffic
26 corridor, the city or county determines, through analysis pursuant
27 to paragraph (2) of subdivision (b) of Section 44360 of the Health
28 and Safety Code, based on appropriate air dispersion modeling,
29 and after considering any potential mitigation measures, that the
30 air quality at the proposed site is such that neither short-term nor
31 long-term exposure poses significant health risks to pupils.

32 (C) One or more facilities specified in paragraph (2) or other
33 pollution sources exist, but conditions in clause (i), (ii), or (iii) of
34 subparagraph (B) cannot be met, and the private school is unable
35 to locate an alternative site that is suitable due to a severe shortage
36 of sites that meet the requirements in this section.

37 SEC. 3. Section 21151.8 of the Public Resources Code is
38 amended to read:

39 21151.8. (a) An environmental impact report shall not be
40 certified or a negative declaration shall not be approved for a

1 project involving the purchase of a schoolsite or the construction
2 of a new elementary or secondary school by a school district or a
3 charter school unless all of the following occur:

4 (1) The environmental impact report or negative declaration
5 includes information that is needed to determine if the property
6 proposed to be purchased, or to be constructed upon, is any of the
7 following:

8 (A) The site of a current or former hazardous waste disposal
9 site or solid waste disposal site and, if so, whether the wastes have
10 been removed.

11 (B) A hazardous substance release site identified by the
12 Department of Toxic Substances Control in a current list adopted
13 pursuant to Section 25356 of the Health and Safety Code for
14 removal or remedial action pursuant to Chapter 6.8 (commencing
15 with Section 25300) of Division 20 of the Health and Safety Code.

16 (C) A site that contains one or more pipelines, situated
17 underground or aboveground, that carries hazardous substances,
18 extremely hazardous substances, or hazardous wastes, unless the
19 pipeline is a natural gas line that is used only to supply natural gas
20 to that school or neighborhood, or other nearby schools.

21 (D) A site that is within 500 feet of the edge of the closest traffic
22 lane of a freeway or other busy traffic corridor.

23 (2) (A) ~~The school district, as the lead agency, or the charter~~
24 ~~school lead agency~~ in preparing the environmental impact report
25 or negative declaration has notified in writing and consulted with
26 the administering agency in which the proposed schoolsite is
27 located, pursuant to Section 2735.3 of Title 19 of the California
28 Code of Regulations, and with any air pollution control district or
29 air quality management district having jurisdiction in the area, to
30 identify both permitted and nonpermitted facilities within that
31 district's authority, including, but not limited to, freeways and
32 busy traffic corridors, large agricultural operations, and railyards,
33 within one-fourth of a mile of the proposed schoolsite, that might
34 reasonably be anticipated to emit hazardous emissions or handle
35 hazardous or extremely hazardous substances or waste. The
36 notification by the ~~school district, as the lead agency, or the charter~~
37 ~~school lead agency~~ shall include a list of the locations for which
38 information is sought.

39 (B) Each administering agency, air pollution control district, or
40 air quality management district receiving written notification from

1 a lead agency to identify facilities pursuant to subparagraph (A)
2 shall provide the requested information and provide a written
3 response to the lead agency within 30 days of receiving the
4 notification. The environmental impact report or negative
5 declaration shall be conclusively presumed to comply with
6 subparagraph (A) as to the area of responsibility of an agency that
7 does not respond within 30 days.

8 ~~(C) If the school district, as a lead agency, or the charter school~~
9 ~~lead agency~~ has carried out the consultation required by
10 subparagraph (A), the environmental impact report or the negative
11 declaration shall be conclusively presumed to comply with
12 subparagraph (A), notwithstanding any failure of the consultation
13 to identify an existing facility or other pollution source specified
14 in subparagraph (A).

15 (3) The governing board of the school district or, for a charter
16 school, the city or county makes one of the following written
17 findings:

18 (A) Consultation identified no facilities of this type or other
19 significant pollution sources specified in paragraph (2).

20 (B) The facilities or other pollution sources specified in
21 paragraph (2) exist, but one of the following conditions applies:

22 (i) The health risks from the facilities or other pollution sources
23 do not and will not constitute an actual or potential endangerment
24 of public health to persons who would attend or be employed at
25 the proposed school.

26 (ii) Corrective measures required under an existing order by
27 another agency having jurisdiction over the facilities or other
28 pollution sources will, before the school is occupied, result in the
29 mitigation of all chronic or accidental hazardous air emissions to
30 levels that do not constitute an actual or potential endangerment
31 of public health to persons who would attend or be employed at
32 the proposed school. If the governing board or, for a charter school,
33 the city or county, makes a finding pursuant to this clause, it shall
34 also make a subsequent finding, before occupancy of the school,
35 that the emissions have been so mitigated.

36 (iii) For a schoolsite with a boundary that is within 500 feet of
37 the edge of the closest traffic lane of a freeway or other busy traffic
38 corridor, the governing board of the school district or, for a charter
39 school, the city or county, determines, through analysis pursuant
40 to paragraph (2) of subdivision (b) of Section 44360 of the Health

1 and Safety Code, based on appropriate air dispersion modeling,
2 and after considering any potential mitigation measures, that the
3 air quality at the proposed site is such that neither short-term nor
4 long-term exposure poses significant health risks to pupils.

5 (C) The facilities or other pollution sources specified in
6 paragraph (2) exist, but conditions in clause (i), (ii), or (iii) of
7 subparagraph (B) cannot be met, and the school district or charter
8 school is unable to locate an alternative site that is suitable due to
9 a severe shortage of sites that meet the requirements in subdivision
10 (a) of Section 17213 of the Education Code. If the governing board
11 or, for a charter school, the city or county, makes this finding, the
12 governing board or charter school shall adopt a statement of
13 overriding considerations pursuant to Section 15093 of Title 14
14 of the California Code of Regulations.

15 (b) For purposes of this section, the following definitions apply:

16 (1) "Administering agency" means an agency authorized
17 pursuant to Section 25502 of the Health and Safety Code to
18 implement and enforce Chapter 6.95 (commencing with Section
19 25500) of Division 20 of the Health and Safety Code.

20 (2) "Extremely hazardous substances" means an extremely
21 hazardous substance as defined pursuant to paragraph (2) of
22 subdivision (j) of Section 25532 of the Health and Safety Code.

23 (3) "Facilities" means a source with a potential to use, generate,
24 emit, or discharge hazardous air pollutants, including, but not
25 limited to, pollutants that meet the definition of a hazardous
26 substance, and whose process or operation is identified as an
27 emission source pursuant to the most recent list of source categories
28 published by the State Air Resources Board.

29 (4) "Freeway or other busy traffic corridor" means those
30 roadways that, on an average day, have traffic in excess of 50,000
31 vehicles in a rural area, as defined in Section 50101 of the Health
32 and Safety Code, and 100,000 vehicles in an urban area, as defined
33 in Section 50104.7 of the Health and Safety Code.

34 (5) "Handle" means handle as defined in Article 1 (commencing
35 with Section 25500) of Chapter 6.95 of Division 20 of the Health
36 and Safety Code.

37 (6) "Hazardous air emissions" means emissions into the ambient
38 air of air contaminants that have been identified as a toxic air
39 contaminant by the State Air Resources Board or by the air
40 pollution control officer for the jurisdiction in which the project

1 is located. As determined by the air pollution control officer,
2 hazardous air emissions also means emissions into the ambient air
3 from any substances identified in subdivisions (a) to (f), inclusive,
4 of Section 44321 of the Health and Safety Code.

5 (7) "Hazardous substance" means a substance defined in Section
6 25316 of the Health and Safety Code.

7 (8) "Hazardous waste" means a waste defined in Section 25117
8 of the Health and Safety Code.

9 (9) "Hazardous waste disposal site" means a site defined in
10 Section 25114 of the Health and Safety Code.

11 ~~SEC. 4. No reimbursement is required by this act pursuant to~~
12 ~~Section 6 of Article XIII B of the California Constitution for certain~~
13 ~~costs that may be incurred by a local agency or school district~~
14 ~~because, in that regard, this act creates a new crime or infraction,~~
15 ~~eliminates a crime or infraction, or changes the penalty for a crime~~
16 ~~or infraction, within the meaning of Section 17556 of the~~
17 ~~Government Code, or changes the definition of a crime within the~~
18 ~~meaning of Section 6 of Article XIII B of the California~~
19 ~~Constitution.~~

20 ~~However, if the Commission on State Mandates determines that~~
21 ~~this act contains other costs mandated by the state, reimbursement~~
22 ~~to local agencies and school districts for those costs shall be made~~
23 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
24 ~~4 of Title 2 of the Government Code.~~

25 *SEC. 4. No reimbursement is required by this act pursuant to*
26 *Section 6 of Article XIII B of the California Constitution because*
27 *a local agency or school district has the authority to levy service*
28 *charges, fees, or assessments sufficient to pay for the program or*
29 *level of service mandated by this act, within the meaning of Section*
30 *17556 of the Government Code.*

31 *However, if the Commission on State Mandates determines that*
32 *this act contains costs mandated by the state, reimbursement to*
33 *local agencies and school districts for those costs shall be made*
34 *pursuant to Part 7 (commencing with Section 17500) of Division*
35 *4 of Title 2 of the Government Code.*

South Coast Air Quality Management District
Legislative Analysis Summary – AB 3256 (E. Garcia)
Version: As Amended – 6/4/2020
Analyst: SD

AB 3256 (E. Garcia)

Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.

Summary: This bill proposes the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation and Flood Protection Bond Act of 2020 (Bond), subject to voter approval at the November 3, 2020, statewide general election. This bill proposes the issuance of a \$6.98 billion general obligation bond to implement its provisions. This bill declares that it is to take effect immediately as an urgency statute.

Background: According to the Fourth Climate Change Assessment, California is one of the most “climate-challenged” regions of North America and must actively plan and implement strategies to prepare for and adapt to extreme events and shifts in previously “normal” averages. Climate risks in California include sea level rise, changes in precipitation that increase the risk of both drought and flooding, and increases in temperatures that can affect air quality and habitat.

California is responding to these risks through various efforts, including the recently passed parks bond (Proposition 68) and water bond (Proposition 1), which allocated significant resources to adaptation, the SCC’s Climate Ready Program, and the Wildlife Conservation Board’s Climate Adaptation and Resiliency Program. These programs provide funding for planning, preservation, and the creation of natural infrastructure. The use of natural infrastructure such as wetland/estuary restoration, living shorelines, and dune restoration projects offer opportunities to make the coast more resilient, sequester more carbon, and provide important habitat and recreational benefits.

This bill represents what would be the largest investment the state has ever made in adapting to the impacts of climate change. While this bill makes investments in natural resources protection and restoration and in the state’s water supply system, it is substantially different from past resource and water bonds, such as Propositions 68 and 1, because all of the investments in this bill are focused on projects to make California more resilient to climate change. In addition, this bill avoids identifying specific projects and allows administering agencies to select large, transformative projects of statewide or regional significance. The author of this bill has had numerous meetings with experts, the Administration, and the Legislative Analyst’s Office (LAO) on this issue. In January, the Governor proposed a \$4.75 billion climate resiliency bond, which has now been withdrawn, and the Senate passed SB 45, a \$5.51 billion climate resiliency bond. The Assembly’s proposal was ready in early March, but it was delayed by the COVID-19 pandemic.

Status: 6/04/2020 - Read second time and amended.

Specific Provisions: Specifically, this bill:

- 1) Requires, when expending funds from the Bond, an administering state agency to prioritize projects that leverage private, federal, and local funding or create the greatest public benefit.
- 2) Specifies that not more than 5% of the funds allocated for a program funded by the Bond can be used to pay the administrative costs of the program.
- 3) Requires the Department of Finance to provide for an independent audit of expenditures of the Bond.
- 4) Specifies that any moneys allocated by the Bond that are not encumbered or expended by the recipient entity within the time period specified by the administering agency will revert to the administering agency for allocation consistent with purposes of that portion of the Bond.
- 5) Requires any agency receiving funding to administer a grant program from Bond funding to report to the Legislature annually in the budget on its expenditure of Bond funds and the associated public benefits.
- 6) Authorizes, for grants awarded for projects, the administering state agency to provide advanced payments in the amount of 25% of the grant award to the recipient.
- 7) Establishes the Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation and Flood Protection Fund (Fund) and requires proceeds of bonds issued and sold to be deposited into the Fund. Requires the Fund to be available, upon appropriation, for the purposes of the Bond.
- 8) Specifies that proceeds of the \$6.98 billion in bonds issued by this bill be allocated according to the following schedule:
 - a) \$1.625 billion for wildfire prevention and climate risk reduction, as follows;
 - i) \$500 million to the Office of Emergency Services for a pre-hazard mitigation grant program to prevent wildfires and reduce the risk of wildfires to communities by increasing community hardening.
 - ii) \$300 million to the NRA's Regional Fire and Forest Capacity Program to increase regional capacity to prioritize, develop, and implement projects that improve forest health and fire resilience.
 - iii) \$300 million to the Department of Forestry and Fire Protection (CAL FIRE) to support various long-term forest health projects.
 - iv) \$300 million to the NRA for watershed improvement projects that include the use of prescribed fire and improve water supply or water quality.
 - v) \$50 million to CAL FIRE to provide funding to fire safe councils, nongovernmental organizations with demonstrated expertise, and resource conservation districts for the purchase of large equipment necessary to conduct fuel reduction and forest health projects.
 - vi) \$75 million to the Sierra Nevada Conservancy for forest health and watershed improvement.
 - vii) \$50 million to the Air Resources Board to convert forest and other

- vegetation waste removed for wildfire mitigation to beneficial uses that maximize the reductions in GHG emission reductions.
- viii) \$50 million to the Department of Parks and Recreation (State Parks) to plan for and implement projects to reduce the risks of fire and for the fire hardening of infrastructure for units of the state park system.
- b) \$1.1 billion for the protection of coastal lands, bays, and oceans from climate risks, as follows:
- i) \$300 million to the State Coastal Conservancy (SCC) for projects to protect, restore, and increase the resilience of beaches, bays, coastal dunes, wetlands, coastal forests, and coastal watershed resources.
 - ii) \$150 million to the SCC for competitive grants for demonstration and pilot projects that use natural infrastructure to protect critical infrastructure that is vulnerable to sea level rise and flooding.
 - iii) \$100 million to the SCC for grants to remove outdated or obsolete dams and water infrastructure.
 - iv) \$50 million to the California Coastal Commission (CCC) and the San Francisco Bay Conservation and Development Commission for grants for local adaptation planning and updating local coastal programs.
 - v) \$200 million to the Ocean Protection Council (OPC) for the protection of coastal lands, bays, and oceans from climate risks.
 - vi) \$200 million to either the SCC, the Department of Fish and Wildlife (DFW), the State Water Resources Control Board (SWRCB), or the OPC for competitive grants to restore or enhance coastal and ocean ecosystems.
 - vii) \$50 million to State Parks to plan for and implement projects to reduce the risks of sea level rise for units of the state park system.
- c) \$1.355 billion for the protection of California's water supplies from multiyear droughts, reducing flood risk from extreme events and providing safe drinking water, as follows:
- i) \$395 million to the Department of Water Resources for competitive grants for projects that support sustainable groundwater implementation.
 - ii) \$360 million to the SWRCB for competitive grants or loans to help provide clean, safe, and reliable drinking water to all Californians.
 - iii) \$400 million for the protection and restoration of rivers, lakes, and streams to improve climate resilience, water supplies, water quality, and other benefits.
 - iv) \$150 million for flood management projects that are components of multiple benefit flood management system improvements that reduce risks to public safety and provide improvement to wildlife habitat.
 - v) \$50 million to the Central Valley Flood Protection Board for further development of the State Plan of Flood Control.
- d) \$1.3 billion for the protection of California's wildlife, biodiversity, fisheries, and

working and agricultural lands from climate risks, as follows:

- i) \$400 million to the Wildlife Conservation Board (WCB) for the protection of California's fish and wildlife resources in response to changing climate conditions.
 - ii) \$100 million to the WCB for groundwater sustainability projects that provide wildlife habitat.
 - iii) \$100 million to the DFW to improve the climate resilience of fish and wildlife habitat.
 - iv) \$500 million to the NRA for allocation to the state's 10 conservancies based on each conservancy's climate resiliency plan.
 - v) \$150 million to the Department of Food and Agriculture (DFA) for improvements in climate resilience of agricultural lands and ecosystem health.
 - vi) \$50 million to the Department of Conservation for projects for the protection, restoration, and enhancement of farmland and rangeland.
 - e) \$1.6 billion for climate resilience projects tailored to the state's unique regions.
- 10) Establishes the Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation and Flood Protection committee (Committee) consisting of the Director of Finance, the Treasurer, the Controller, and the Secretary of the NRA.
- 11) Requires the Committee to determine whether or not it is necessary or desirable to issue bonds authorized by this bill and, if so, the amount of bonds to be issued and sold.
- 12) Requires this bill be submitted by the Secretary of State (SOS) to the voters in the November 3, 2020, statewide general election. Suspends the deadline for adoption of this bill to be placed on the November 3, 2020 election.
- 13) Declares that this bill is to take effect immediately as an urgency statute.

Impacts on South Coast AQMD's Mission, Operations or Initiatives: This bill represents an opportunity to generate much needed air quality incentive funding that can help reduce criteria pollutant and toxic air contaminant emissions, protect public health, and facilitate attainment of federal air quality standards within the South Coast region.

Recommended Position: SUPPORT IF AMENDED

South Coast AQMD suggested Amendments:

Of the funds made available pursuant to Section_____, five hundred million dollars (\$500,000,000) shall be made available to the California Air Resources Board to fund local air district administered projects to mitigate the impacts of climate change on air quality by reducing greenhouse gases, toxics, and criteria pollutant emissions. The California Air Resources Board shall provide the funding to local air quality management districts and air pollution control districts (Air Districts). Air Districts shall use the funds to implement projects pursuant to any of the following programs, with priority for projects in disadvantaged communities: the Carl Moyer Memorial Air Quality Standards Attainment

Program (Ch. 9 (commencing with Sec. 44275). Pt. 5, Div. 26, H. & S.C.), incentivizing clean trucks in accordance with the California Air Resources Board's Proposition 1B Guidelines relative to funding amounts and truck evaluation, and other related incentive programs that reduce air pollution.

AMENDED IN ASSEMBLY JUNE 4, 2020

AMENDED IN ASSEMBLY MAY 18, 2020

AMENDED IN ASSEMBLY MAY 4, 2020

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 3256

**Introduced by Assembly Members Eduardo Garcia, Bloom, Bonta,
Friedman, Cristina Garcia, Mullin, Reyes, and Wood
(Coauthors: Assembly Members Eggman and Robert Rivas)**

February 21, 2020

An act to add Division 47 (commencing with Section 80200) to the Public Resources Code, relating to an economic recovery, wildfire prevention, safe drinking water, drought preparation, and flood protection program, by providing the funds necessary therefor through an election of the issuance and sale of bonds of the State of California and for the handling and disposition of those ~~funds~~, *funds, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 3256, as amended, Eduardo Garcia. Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide direct primary election, authorizes the issuance of bonds in the amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.

This bill would enact the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,980,000,000 pursuant to the State General Obligation Bond Law to finance projects for an economic recovery, wildfire prevention, safe drinking water, drought preparation, and flood protection program.

This bill would provide for the submission of these provisions to the voters at the November 3, 2020, statewide general election.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The people of California find and declare all of
- 2 the following:
- 3 (a) The climate crisis presents a significant threat to the health,
- 4 safety, and prosperity of the people of California. The changing
- 5 climate increases the risk of extreme weather events, biodiversity
- 6 loss, catastrophic wildfire, and sea level rise, resulting in harm to
- 7 California's agricultural industry, water supply, unique ecosystems,
- 8 and economy.
- 9 (b) According to the state's Fourth Climate Change Assessment,
- 10 "[e]merging findings for California show that costs associated with
- 11 direct climate impacts by 2050 are dominated by human mortality,
- 12 damages to coastal properties, and the potential for droughts and
- 13 mega-floods."
- 14 (c) Improving climate resiliency will require investments in
- 15 planning and both capital- and non-capital costs.
- 16 (d) Strategic restoration and stewardship of California's natural
- 17 infrastructure will increase the state's resilience to the changing
- 18 climate and can prevent or reduce many of the forecasted impacts
- 19 of climate change.
- 20 (e) State investments to improve climate resiliency must reflect
- 21 the varying type and severity of climate impacts across the state.
- 22 Already vulnerable communities often face greater risks from
- 23 climate change.

1 (f) Planning, investment, and action to address current and future
2 climate change impacts must be guided by the best available
3 science, including local and traditional knowledge.

4 (g) Investment in transformative, cost-effective, and
5 evidence-based projects that increase the state's resilience to
6 climate change will protect the lives of all Californians, conserve
7 our unique ecosystems, and save billions of dollars by preventing
8 or reducing damage that may otherwise occur.

9 (h) Climate risks and impacts vary by region and can overwhelm
10 the resources of local governments and communities that must
11 cope with changing conditions and severe climate change-related
12 events.

13 (i) An integrated statewide investment that prevents wildfires
14 and other natural disasters, reduces near-term climate change risks,
15 and increases long-term resilience to climate change will save local
16 and state agencies and California residents billions of dollars by
17 preventing or reducing the amount of damage that would otherwise
18 occur.

19 (j) The investment of public funds pursuant to Division 47
20 (commencing with Section 80200) of the Public Resources Code
21 will result in public benefits that will address the most critical
22 statewide needs and priorities for public funding while saving local
23 and state agencies billions of dollars.

24 SEC. 2. Division 47 (commencing with Section 80200) is added
25 to the Public Resources Code, to read:

26
27 DIVISION 47. ECONOMIC RECOVERY, WILDFIRE
28 PREVENTION, SAFE DRINKING WATER, DROUGHT
29 PREPARATION, AND FLOOD PROTECTION BOND ACT OF
30 2020

31
32 CHAPTER 1. GENERAL PROVISIONS

33
34 80200. This division shall be known, and may be cited, as the
35 Economic Recovery, Wildfire Prevention, Safe Drinking Water,
36 Drought Preparation, and Flood Protection Bond Act of 2020.

37 80201. (a) In expending funds pursuant to this division, an
38 administering state agency shall give priority to projects that
39 leverage private, federal, and local funding or produce the greatest
40 public benefit.

(b) A project funded pursuant to this division shall include signage informing the public that the project received funding from the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.

80202. For purposes of this division, the following definitions apply:

(a) “Air board” means the State Air Resources Board.

(b) “Committee” means the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Finance Committee created pursuant to Section 80282.

(c) “Fund” means the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Fund created pursuant to Section 80209.

(d) “Groundwater sustainability agency” has the same meaning as defined in Section 10721 of the Water Code.

(e) “Interpretation” includes, but is not limited to, a visitor-serving amenity that enhances the ability to understand and appreciate the significance and value of natural, historical, and cultural resources and that may use educational materials in multiple languages, digital information in multiple languages, and the expertise of a naturalist or other skilled specialist.

(f) “Natural infrastructure” means natural ecological systems or processes that reduce vulnerability to climate change-related hazards, or other related climate change effects, while increasing the long-term adaptive capacity of coastal and inland areas by perpetuating or restoring ecosystem services. “Natural infrastructure” includes, but is not limited to, the conservation, preservation, or sustainable management of any form of aquatic or terrestrial vegetated open space, such as beaches, dunes, tidal marshes, reefs, seagrass, parks, rain gardens, and urban tree canopies. “Natural infrastructure” also includes systems and practices that use or mimic natural processes, such as permeable pavements, bioswales, and other engineered systems, such as levees that are combined with restored natural systems, to provide clean water, conserve ecosystem values and functions, and provide a wide array of benefits to people and wildlife.

(g) “Nonprofit organization” means a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code.

1 (h) “Socially disadvantaged farmers and ranchers” has the same
2 meaning as defined in Section 512 of the Food and Agricultural
3 Code.

4 (i) “Tribe” means a California native American tribe that appears
5 on the California Tribal Consultation List maintained by the Native
6 American Heritage Commission.

7 (j) “Water board” means the State Water Resources Control
8 Board.

9 (k) “Water Resilience Portfolio” means a suite of recommended
10 actions by the Natural Resources Agency, the California
11 Environmental Protection Agency, and the Department of Food
12 and Agriculture to help the state cope with more extreme droughts
13 and floods, rising temperatures, declining fish populations, aging
14 infrastructure, and other challenges.

15 80203. An amount that equals not more than 5 percent of the
16 funds allocated for a program funded pursuant to this division may
17 be used to pay the administrative costs of that program.

18 80204. (a) The Department of Finance shall provide for an
19 independent audit of expenditures pursuant to this division. The
20 Secretary of the Natural Resources Agency shall publish a list of
21 all program and project expenditures pursuant to this division not
22 less than annually, in written form, and shall post an electronic
23 form of the list on the agency’s internet website in a downloadable
24 spreadsheet format. The spreadsheet shall include information
25 about the location and footprint of each funded project, the
26 project’s objectives, the status of the project, anticipated outcomes,
27 any matching moneys provided for the project by the grant
28 recipient, and the applicable chapter of this division pursuant to
29 which the grant recipient received moneys.

30 (b) If an audit, required by statute, of any entity that receives
31 funding authorized by this division is conducted pursuant to state
32 law and reveals any impropriety, the California State Auditor or
33 the Controller may conduct a full audit of any or all of the activities
34 of that entity.

35 (c) The state agency issuing any grant with funding authorized
36 by this division shall require adequate reporting of the expenditures
37 of the funding from the grant.

38 (d) The costs associated with the publications, audits, statewide
39 bond tracking, cash management, and related oversight activities
40 provided for in this section shall be funded from this division.

1 These costs shall be shared proportionally by each program through
2 this division. Actual costs incurred to administer nongrant programs
3 authorized by this division shall be paid from the funds authorized
4 in this division.

5 80205. If any moneys allocated pursuant to this division are
6 not encumbered or expended by the recipient entity within the time
7 period specified by the administering state agency, the unexpended
8 moneys shall revert to the administering state agency for allocation
9 consistent with the applicable chapter.

10 80206. A state agency that receives funding to administer a
11 grant program under this division shall report to the Legislature
12 annually in the budget on its expenditures pursuant to this division
13 and the public benefits received from those expenditures.

14 80207. Funds provided pursuant to this division, and any
15 appropriation or transfer of those funds, shall not be deemed to be
16 a transfer of funds for the purposes of Chapter 9 (commencing
17 with Section 2780) of Division 3 of the Fish and Game Code.

18 80208. For grants awarded for projects under this division, the
19 administering state agency may provide advanced payments in the
20 amount of 25 percent of the grant award to the recipient, including
21 state-related entities, to initiate the project in a timely manner. The
22 administering state agency shall adopt additional requirements for
23 the recipient of the grant regarding the use of the advanced
24 payments to ensure that the moneys are used properly.

25 80209. (a) The proceeds of bonds issued and sold pursuant to
26 this division, exclusive of refunding bonds issued and sold pursuant
27 to Section 80292, shall be deposited in the Economic Recovery,
28 Wildfire Prevention, Safe Drinking Water, Drought Preparation,
29 and Flood Protection Fund, which is hereby created in the State
30 Treasury. Moneys in the fund shall be available, upon appropriation
31 by the Legislature, for purposes of this division.

32 (b) Proceeds of bonds issued and sold pursuant to this division
33 shall be allocated according to the following schedule:

34 (1) One billion six hundred twenty-five million dollars
35 (\$1,625,000,000) for wildfire prevention and climate risk reduction,
36 in accordance with Chapter 2 (commencing with Section 80220).

37 (2) One billion one hundred million dollars (\$1,100,000,000)
38 for the protection of coastal lands, bays, and oceans from climate
39 risks, in accordance with Chapter 3 (commencing with Section
40 80230).

(3) One billion three hundred fifty-five million dollars (\$1,355,000,000) for the protection of California’s water supplies from multiyear droughts, reducing flood risk from extreme events, and providing safe drinking water, in accordance with Chapter 4 (commencing with Section 80240).

(4) One billion three hundred million dollars (\$1,300,000,000) for the protection of California’s wildlife, biodiversity, fisheries, and working and agricultural lands from climate risks, in accordance with Chapter 5 (commencing with Section 80260).

(5) One billion six hundred million dollars (\$1,600,000,000) for regional climate resilience projects that address multiple risks, in accordance with Chapter 6 (commencing with Section 80270).

80210. The Legislature may enact legislation necessary to implement programs funded by this division.

CHAPTER 2. WILDFIRE PREVENTION AND CLIMATE RISK REDUCTION

80220. For purposes of this chapter, the following definitions apply:

(a) “Risk reduction buffer” means community design measures that integrate greenspaces or open spaces that are managed to reduce the spread of wildfires, and are located either between the structures and the wildlands or are strategically interspersed among the structures in a community to reduce structure vulnerability to wildfire risks. Risk reduction buffers shall be designed to provide additional benefits that may include shelter from natural disasters, recreation, habitat, storm water capture, and active transportation.

(b) “Structure hardening” means the installation, replacement, or retrofitting of building materials, systems, or assemblies used in the exterior design and construction of existing nonconforming structures with features that are in compliance with Chapter 7A (commencing with Section 701A.1) of Title 24 of the California Code of Regulations, or any appropriate successor regulatory code with the primary purpose of reducing risk to structures from wildfire or conforming to the low-cost retrofit list, and updates to that list, developed pursuant to paragraph (1) of subdivision (c) of Section 51189 of the Government Code.

80220.5. The sum of one billion six hundred twenty-five million dollars (\$1,625,000,000) shall be available, upon

1 appropriation by the Legislature, for the prevention and reduction
2 in the risk of wildfires to lives, properties, and natural resources.

3 The goals of this chapter shall be the following:

4 (a) The creation of risk reduction buffer between communities
5 and the wildland.

6 (b) The creation of strong local fire safe planning and risk
7 reduction work to improve community fire resilience.

8 (c) The improvement of forest and other habitat health to reduce
9 the risk of fire, reduce fire intensity, and restore historic ecosystem
10 function while improving water supply and water quality.

11 (d) The creation of cost-effective efforts to complete community
12 and structure hardening projects that target entire neighborhoods
13 or communities.

14 80221. (a) Of the funds made available by Section 80220.5,
15 five hundred million dollars (\$500,000,000) shall be available to
16 the Office of Emergency Services, in coordination and conjunction
17 with the Department of Forestry and Fire Protection, for a
18 prehazard mitigation grant program. The grant program shall be
19 allocated to assist local and state agencies to leverage additional
20 funds, including matching grants from federal agencies. The grant
21 program shall fund efforts that include providing loans, rebates,
22 direct assistance, and matching funds that prevent wildfires and
23 reduce the risk of wildfires to communities, increasing community
24 hardening. Eligible projects include, but are not limited to, the
25 following:

26 (1) Grants to local agencies, state agencies, joint powers
27 authorities, and tribes for projects that reduce wildfire risks to
28 people and property consistent with an approved community
29 wildfire protection plan.

30 (2) Grants to local agencies, state agencies, joint power
31 authorities, tribes, resource conservation districts, fire safe councils,
32 and nonprofit organizations for hardening of critical community
33 infrastructure, evacuation centers, hardening projects that reduce
34 the risk of wildfire for entire neighborhoods and communities, risk
35 reduction buffers, and incentives to remove structures that
36 significantly increase hazard risk.

37 (b) The Office of Emergency Services and the Department of
38 Forestry and Fire Protection shall prioritize prehazard mitigation
39 grant funding applications from local agencies based on the “Fire

1 Risk Reduction Community” list, upon development of that list,
2 pursuant to Section 4290.1.

3 (c) The Office of Emergency Services and the Department of
4 Forestry and Fire Protection shall provide technical assistance to
5 disadvantaged communities, vulnerable populations, including
6 those with access and functional needs, at-risk infrastructure,
7 socially disadvantaged farmers or ranchers, and economically
8 distressed areas to ensure the grant program reduces the
9 vulnerability of those most in need.

10 80222. Of the funds made available by Section 80220.5, one
11 billion twenty-five million dollars (\$1,025,000,000) shall be made
12 available to the Natural Resources Agency and to its departments,
13 boards, and conservancies for projects and grants to improve local
14 fire prevention capacity, improve forest health and resiliency, and
15 reduce the risk of wildfire spreading into populated areas from
16 wildlands. Where appropriate, projects may include activities on
17 lands owned by the United States. The funding made available by
18 this section shall be allocated as follows:

19 (a) Three hundred million dollars (\$300,000,000) shall be made
20 available to the Regional Fire and Forest Capacity Program to
21 increase regional capacity to prioritize, develop, and implement
22 projects that improve forest health and fire resilience, facilitate
23 greenhouse gas emissions reductions, and increase carbon
24 sequestration in forests throughout California. The funding shall
25 be allocated based, to the extent feasible, on the findings of the
26 review of the regional capacity required by Section 4123.7.

27 (b) Three hundred million dollars (\$300,000,000) shall be made
28 available to the Department of Forestry and Fire Protection to
29 support various long-term forest health projects, including
30 reforestation; conservation easements; activities that promote
31 long-term carbon storage; and upper watershed, riparian, mountain
32 meadow, and inland wetland restoration. Projects shall reflect the
33 concurrence of the Department of Fish and Wildlife and the water
34 board, respectively, when a project may affect their statutory
35 jurisdiction and shall be consistent with Section 4799.05.

36 (c) Three hundred million dollars (\$300,000,000) shall be made
37 available to forests and other habitats, including, but not limited
38 to, redwoods, conifers, oak woodlands, chaparral, deserts, and
39 coastal forest watershed improvement projects that include the use
40 of prescribed fire and improve water supply or water quality.

1 Projects shall include the restoration of natural ecosystem functions
2 in high fire hazard areas and provide multiple benefits including,
3 but not be limited to, habitat protection, science-based fuel
4 reduction, watershed protection, carbon sequestration, protection
5 of older fire-resistant trees, and improved forest health. The Natural
6 Resources Agency shall require a contribution of matching funds
7 or in-kind work, as determined appropriate, from beneficiaries of
8 the watershed, which may include, but not limited to, water
9 districts, public utilities, local agencies, or private users. As a
10 condition of funds granted pursuant to this section, the Natural
11 Resources Agency shall ensure long-term benefits for projects
12 funded pursuant to this subdivision, including an ongoing
13 commitment to future maintenance and a commitment to long-term
14 increases in carbon sequestration.

15 (d) Fifty million dollars (\$50,000,000) shall be made available
16 to the Department of Forestry and Fire Protection to provide
17 funding to fire safe councils, nongovernmental organizations with
18 demonstrated expertise, and resource conservation districts for the
19 purchase of large equipment necessary to conduct fuel reduction
20 and forest health projects. The department shall develop funding
21 guidelines to ensure the equipment purchased receives necessary
22 maintenance by the owner, is used appropriately by trained
23 operators, provides public benefits, and is made available for fuel
24 reduction and forest health projects in a cost-effective manner.
25 Eligible equipment may include equipment for biomass utilization
26 and shall have a durability suitable for capital expenditure.

27 (e) Seventy-five million dollars (\$75,000,000) shall be made
28 available to the Sierra Nevada Conservancy for purposes of
29 watershed improvement, forest health, biomass utilization, and
30 forest restoration workforce development. Seventy percent of the
31 funds made available by this subdivision shall be made available
32 to the Sierra Nevada Watershed Improvement Program created by
33 Section 33345.1.

34 80223. Of the funds made available by Section 80220.5, not
35 less than fifty million dollars (\$50,000,000) shall be allocated to
36 the air board, in consultation with the Natural Resources Agency
37 and the Department of Forestry and Fire Protection, to incentivize
38 new projects in California that provide long-term capital
39 infrastructure to convert forest and other vegetation waste removed
40 for wildfire mitigation to beneficial uses that maximize reductions

1 in the emissions of greenhouse gases, provide local benefits for
2 air quality, and help to increase local community resilience against
3 climate change impacts.

4 80224. Of the funds made available by Section 80220.5, fifty
5 million dollars (\$50,000,000) shall be available to the Department
6 of Parks and Recreation to plan for and implement projects to
7 reduce the risks of fire and for the fire hardening of infrastructure
8 for units of the state park system.

9 80225. To the extent feasible, a project whose application
10 includes the use of services of the California Conservation Corps
11 or certified community conservation corps, as defined in Section
12 14507.5, shall be given preference for receipt of a grant under this
13 division.

14
15 CHAPTER 3. PROTECTING COASTAL LANDS, BAYS, AND OCEANS
16 FROM SEA LEVEL RISE AND OTHER CLIMATE RISKS
17

18 80230. The sum of one billion one hundred million dollars
19 (\$1,100,000,000) shall be available, upon appropriation by the
20 Legislature, for the protection and restoration of coastal and ocean
21 resources from sea level rise, ocean acidification, and other impacts
22 of climate change. The goal of this chapter is to provide funding
23 for projects that slow the impacts of sea level rise, especially in
24 combination with storm surges, with nature-based solutions;
25 increase the ability of the ocean and coastal systems to capture
26 and store carbon dioxide; and support sustainable fisheries.

27 80231. (a) Eligible projects under this chapter include, but are
28 not limited to, projects to protect, restore, and increase the
29 resilience of coastal and ocean ecosystems, such as beaches, bluffs,
30 grasslands, chaparral, shrublands, forests, waters, coastal
31 watersheds, wetlands, natural resources, fisheries, estuarine habitat,
32 kelp forests, seagrass and eelgrass habitat, and wildlife in coastal
33 areas. Projects may address the protection and resilience of public
34 recreation and public access facilities.

35 (b) The following criteria shall be used for projects under this
36 chapter:

37 (1) Projects shall leverage local, nonbond state, federal, or
38 private funding of at least 50 percent for infrastructure projects.

39 (2) Projects should prioritize natural infrastructure. For projects
40 with multiple benefits to water supply, water quality, wildlife, and

1 biodiversity, a match of at least 25 percent from local, state, federal,
2 or private funding is required.

3 (3) Projects leveraging ongoing state funding for carbon
4 sequestration, transportation, general funds shall be given priority.

5 (4) Up to 10 percent of project costs may be used for project
6 planning.

7 (5) Projects are required to demonstrate ongoing monitoring
8 and scientific review. Up to 5 percent of project funds may be used
9 for this purpose.

10 80232. (a) Of the funds made available by Section 80230, the
11 sum of six hundred million dollars (\$600,000,000) shall be
12 available to the State Coastal Conservancy, the California Coastal
13 Commission, and the San Francisco Bay Conservation and
14 Development Commission.

15 (b) Of the funds made available by subdivision (a), three
16 hundred million dollars (\$300,000,000) shall be available to the
17 State Coastal Conservancy for projects to protect, restore, and
18 increase the resilience of beaches, bays, coastal dunes, wetlands,
19 coastal forests, and coastal watershed resources pursuant to
20 Division 21 (commencing with Section 31000), including land
21 acquisition, or conservation easements on, land in or adjacent to
22 the California coastal zone with open space, recreational,
23 biological, cultural, scenic, or agricultural values, or lands adjacent
24 to marine protected areas, including marine conservation areas,
25 whose preservation will contribute to the ecological quality of
26 those marine protected areas.

27 (c) Of the funds made available by subdivision (a), one hundred
28 fifty million dollars (\$150,000,000) shall be available to the State
29 Coastal Conservancy for competitive grants for demonstration and
30 pilot projects that use natural infrastructure to protect critical
31 infrastructure that is vulnerable to sea level rise and flooding.

32 (d) Of the funds made available by subdivision (a), one hundred
33 million dollars (\$100,000,000) shall be available to the State
34 Coastal Conservancy for grants to remove outdated or obsolete
35 dams and water infrastructure. Up to 25 percent of the funds made
36 available in this subdivision may be awarded for the public benefits
37 associated with updating outdated dams and water infrastructure.

38 (e) Of the funds made available by subdivision (a), the sum of
39 thirty million dollars (\$30,000,000) shall be available to the
40 California Coastal Commission for grants for local adaptation

1 planning and updating local coastal programs and twenty million
2 dollars (\$20,000,000) shall be available to the San Francisco Bay
3 Conservation and Development Commission for coastal planning
4 and projects within its jurisdiction.

5 80233. (a) Of the funds made available by Section 80230, the
6 sum of two hundred million dollars (\$200,000,000) shall be
7 available to the Ocean Protection Council.

8 (b) Of the amount made available by subdivision (a), one
9 hundred million dollars (\$100,000,000) shall be available for
10 deposit into the California Ocean Protection Trust Fund for
11 competitive grants consistent with Section 35650. Priority shall
12 be given to projects that assist coastal communities, including
13 those reliant on commercial fisheries, with adaptation to climate
14 change, including projects that address ocean acidification,
15 increasing ocean temperatures, sea level rise, and habitat restoration
16 and protection.

17 (c) Of the funds made available by subdivision (a), fifty million
18 dollars (\$50,000,000) shall be available for projects that increase
19 the ability of the ocean and coastal ecosystems to capture,
20 sequester, and store carbon dioxide.

21 80234. Of the funds made available by Section 80230, two
22 hundred fifty million dollars (\$250,000,000) shall be available to
23 the Natural Resources Agency and its departments, boards, and
24 conservancies or the Ocean Protection Council for competitive
25 grants to restore or enhance coastal and ocean ecosystems. No less
26 than 50 percent of the funds allocated by this subdivision shall be
27 for competitive grants for projects that use nature-based solutions
28 to address climate change impacts to California's ocean and coastal
29 ecosystems, including, but not limited to, wetlands, estuarine
30 habitat, kelp forests, seagrass habitat, eelgrass beds, and the state's
31 system of marine protected areas. Grant programs may be
32 administered by the State Coastal Conservancy, the Department
33 of Fish and Wildlife, the water board, or the Ocean Protection
34 Council. The administering agency shall coordinate with all
35 relevant state agencies, and relevant local, regional, and state
36 conservancies.

37 80235. Of the funds made available by Section 80230, fifty
38 million dollars (\$50,000,000) shall be available to the Department
39 of Parks and Recreation to plan for and implement projects to
40 reduce the risks of sea level rise for units of the state park system.

1 80236. Projects funded pursuant to this chapter shall be
2 consistent with climate and sea level rise policies and guidelines
3 established by the California Coastal Commission, the Ocean
4 Protection Council, the San Francisco Bay Conservation and
5 Development Commission, and the State Coastal Conservancy, if
6 applicable.

7
8 CHAPTER 4. PROTECTING CALIFORNIA'S WATER SUPPLY
9 DURING DROUGHT, ENHANCING THE STATE'S FLOOD PROTECTION,
10 AND ENSURING SAFE DRINKING WATER
11

12 80240. The sum of one billion three hundred fifty-five million
13 dollars (\$1,355,000,000) shall be available, upon appropriation by
14 the Legislature, for climate resilience related to the delivery of
15 water.

16 80241. Projects funded under this chapter shall ensure access
17 to safe drinking water and water supply in multiyear droughts, and
18 provide for protection from flood risks, especially risks that are
19 magnified by sea level rise, storm surges, and increased intensity
20 atmospheric rivers.

21 80242. (a) Before disbursing grants under this chapter, each
22 state agency that receives funding to administer a competitive grant
23 program under this division shall develop and adopt project
24 solicitation and evaluation guidelines. The guidelines shall include
25 monitoring and reporting requirements and may include a limitation
26 on the dollar amount of grants to be awarded. If the state agency
27 has previously developed and adopted project solicitation and
28 evaluation guidelines that comply with the requirements of this
29 section, it may use those guidelines.

30 (b) Guidelines adopted pursuant to subdivision (a) shall
31 encourage, where feasible, the inclusion of the following project
32 components:

33 (1) Efficient use and conservation of water supplies.

34 (2) The capture of stormwater to reduce stormwater runoff,
35 reduce water pollution, or recharge groundwater supplies, or a
36 combination thereof.

37 (3) Provision of safe and reliable drinking water supplies to
38 park and open-space visitors, and state fairgrounds that serve as
39 emergency evacuation facilities.

1 (4) Support to groundwater sustainability agencies for regional
2 ground water sustainability.

3 (5) Increased climate resilience for wildlife and fish species.

4 80243. (a) Nothing in this chapter determines or alters water
5 rights or water right priorities.

6 (b) Funds provided by this chapter shall not be used to acquire
7 land via eminent domain.

8 80244. An eligible applicant under this chapter is a public
9 agency, joint powers authority, nonprofit organization, public
10 utility, tribe, or mutual water company. To be eligible for funding
11 under this chapter, a project proposed by a public utility that is
12 regulated by the Public Utilities Commission or a mutual water
13 company shall have a clear and definite public purpose and shall
14 benefit the customers of the water system and not the investors.

15 80245. Of the funds made available by Section 80240, three
16 hundred ninety-five million dollars (\$395,000,000) shall be
17 available to the Department of Water Resources in collaboration
18 with the water board, upon appropriation by the Legislature, for
19 competitive grants for projects that support sustainable groundwater
20 management implementation. These funds are dedicated to
21 supporting local groundwater sustainability agencies implementing
22 projects and programs related to the groundwater sustainability
23 plans for critically overdrafted basins. This includes projects with
24 multiple benefits that encourage redundancy in the regional water
25 system, groundwater recharge, including infrastructure projects,
26 and interties. Funding allocated pursuant to this section shall
27 support the regional approach identified in the Water Resilience
28 Portfolio and shall be used for comprehensive regional projects
29 that include water efficiency, water infrastructure, flood control,
30 and groundwater recharge. Projects shall demonstrate multiple
31 water resilience benefits.

32 80246. Of the funds made available by Section 80240, three
33 hundred sixty million dollars (\$360,000,000) shall be available to
34 the water board, upon appropriation by the Legislature, for
35 competitive grants or loans for the purposes described in Chapter
36 5 (commencing with Section 79720) of Division 26.7 of the Water
37 Code to help provide clean, safe, and reliable drinking water to all
38 Californians.

39 80247. Of the funds made available by Section 80240, four
40 hundred million dollars (\$400,000,000) shall be available to the

1 Natural Resources Agency and its departments, boards, and
2 conservancies for the protection and restoration of rivers, lakes,
3 and streams to improve climate resilience, water supplies, water
4 quality, and other benefits. To the extent feasible, preference shall
5 be given to natural infrastructure projects. Eligible projects include,
6 but are not limited to, any of the following:

7 (a) Multiple benefit river and urban stream parkway projects
8 that protect and restore riparian habitats, improve climate resilience,
9 enhance natural drainages, protect and restore watersheds, and
10 provide urban access, including for statewide obligations involving
11 multistate agreements.

12 (b) At least 60 percent of the funds shall be available to the
13 Natural Resources Agency for capital outlay projects that provide
14 air quality and habitat benefits and that implement state obligations
15 in arid, desert areas of the state.

16 80248. (a) Of the funds made available by Section 80240, one
17 hundred fifty million dollars (\$150,000,000) shall be available for
18 flood management projects that are components of multiple benefit
19 flood management system improvements that reduce risks to public
20 safety and provide improvement to wildlife habitat. Eligible project
21 types include, but are not limited to, levee setbacks, projects
22 connecting rivers with flood plains, enhancement of flood plains
23 and bypasses, offstream groundwater recharge, and land
24 acquisitions and easements necessary for these project types. To
25 the extent feasible, project selection shall be guided by approved
26 local hazard mitigation plans and preference shall be given to
27 natural infrastructure projects. Eligible projects include any of the
28 following:

29 (1) Multiple benefit flood management projects that reduce the
30 impacts of climate change on inland or coastal infrastructure,
31 communities, or ecosystems, and provide ecosystem, wildlife, or
32 groundwater recharge benefits.

33 (2) Natural infrastructure projects to reduce flood intensity and
34 slow watershed runoff.

35 (3) Projects that capture, clean, or otherwise productively use
36 stormwater.

37 (4) Projects that provide matching grants for, or otherwise
38 leverage funding from, the Federal Emergency Management
39 Agency, the United States Army Corps of Engineers, or other
40 federal mitigation and resilience funding.

(5) Projects that provide benefits to fish, waterfowl, wildlife, and anadromous and other native fish species along migratory corridors.

(6) Projects that restore streams to a more natural state by removing drainage obstructions, culverts, and paved channels to enable more stormwater to be absorbed and gradually released by soil and plants.

(b) Of the funds made available pursuant to this section, at least fifty million dollars (\$50,000,000) shall be allocated for multiple benefit flood management projects in urban coastal watersheds.

80249. Of the funds made available by Section 80240, fifty million dollars (\$50,000,000) shall be available to the Central Valley Flood Protection Board for further development of the State Plan of Flood Control, including the San Joaquin River and Sacramento Valley flood risk management plans. The Central Valley Flood Protection Board shall ensure equitable distribution of funds.

80250. To the extent feasible, a project that includes water efficiencies, stormwater capture for infiltration or reuse, or carbon sequestration features in the project design may be given priority for grant funding under this chapter.

80251. Moneys allocated by this chapter shall not be used to fulfill any environmental mitigation requirements imposed by law, including paying for the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, mitigation, or maintenance of those facilities.

80252. To the extent feasible, a project whose application includes the use of services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5, and resource conservation districts, shall be given preference for receipt of a grant under this chapter.

CHAPTER 5. PROTECTING FISH, WILDLIFE, NATURAL AREAS, WORKING LANDS, AND AGRICULTURE FROM CLIMATE RISKS

80260. The sum of one billion three hundred million dollars (\$1,300,000,000) shall be available, upon appropriation by the

Legislature, for the purposes of this chapter. Projects pursuant to this chapter shall have the goal to do any of the following:

(a) Restore natural lands to better maintain ecosystem benefits as climate conditions change.

(b) Enhance fish and wildlife corridors and habitat linkages to enhance the ability of wildlife to adapt to changing climate conditions.

(c) Protect our farms, ranches, and working lands from changing climate conditions.

80261. (a) Of the funds made available by Section 80260, four hundred million dollars (\$400,000,000) shall be available to the Wildlife Conservation Board for the protection of California's fish and wildlife resources in response to changing climate conditions, as well as for restoration and stewardship projects that restore or manage land or habitat to improve its resilience to climate impacts and natural disasters. Eligible projects include, but are not limited to, the following:

(1) Salmon and other fishery preservation, enhancement, and habitat restoration projects.

(2) Projects to protect and restore wetlands and other fish and wildlife habitat, including, but not limited to, habitat used by migratory birds.

(3) Projects for the protection and restoration of fish and wildlife corridors and habitat linkages, the construction or repair of corridors, and the removal or modification of barriers. Projects may include planning, monitoring, and data collection necessary to track movement of wildlife around and across transportation facilities and to establish the best locations to construct wildlife crossing features, including fish passage improvements.

(4) Land acquisition projects, including, but not limited to, those that protect land from development or prevent the conversion of rangeland, grazing land, or grassland to nonagricultural uses.

(5) Projects for conservation actions on private lands, including, but not limited to, incentives, matching grants, and technical assistance for private landowners to implement conservation actions.

(6) Projects for the protection of threatened and endangered species, including projects within natural community conservation plans adopted pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of

1 Division 3 of the Fish and Game Code) or habitat conservation
2 plans. Projects may include land acquisition through either
3 easement or fee title.

4 (7) Projects that include acquisition of water or water rights
5 from willing sellers, acquisition of land that includes water rights
6 or contractual rights to water, and other projects that provide water
7 for fish and wildlife or improve aquatic or riparian habitat
8 conditions.

9 (8) Projects for the development and implementation of regional
10 conservation investment strategies that include climate resilience
11 elements and are not otherwise funded by the state pursuant to
12 Section 800 of the Streets and Highways Code.

13 (9) Restoration activities to control or eradicate invasive plants
14 or insects that degrade wildlife corridors or habitat linkages, inhibit
15 the recovery of threatened or endangered species, or reduce the
16 climate resilience of a natural system and its species.

17 (10) Protection and restoration of redwood forests in order to
18 accelerate old growth characteristics, maximize carbon
19 sequestration, improve water quality, and build climate resilience.

20 (11) Protection and restoration of oak woodlands pursuant to
21 Section 1363 of the Fish and Game Code and grasslands pursuant
22 to Section 10330 of the Public Resources Code.

23 (b) Funding made available by subdivision (a) shall not be used
24 to offset mitigation obligations otherwise required, but may be
25 used as part of a funding partnership to enhance, expand, or
26 augment conservation efforts required by mitigation.

27 80262. Of the funds made available by Section 80260, one
28 hundred million dollars (\$100,000,000) shall be available to the
29 Wildlife Conservation Board for groundwater sustainability
30 projects that provide wildlife habitat. Projects may support
31 implementation of the Sustainable Groundwater Management Act
32 (Part 2.74 (commencing with Section 10720) of Division 6 of the
33 Water Code). Eligible projects include, but are not limited to, the
34 following:

35 (a) Projects that create, protect, or restore permanent wildlife
36 habitat.

37 (b) Projects that permanently create, protect, or restore seasonal
38 wetland habitat that provides aquifer replenishment.

(c) Projects that improve groundwater supply, including groundwater recharge, improved baseflows in rivers and streams, and groundwater supply improvement for fish and wildlife habitat.

(d) (1) Projects that convert land to lesser water use while maintaining natural and working lands.

(2) Any groundwater recharge achieved under this section shall remain in the basin to improve groundwater conditions. Payments shall be linked to achievement and delivery of defined conservation outcomes, the duration of those outcomes, and the commitment of matching funds.

80263. Of the funds made available by Section 80260, one hundred million dollars (\$100,000,000) shall be available to the Department of Fish and Wildlife to improve the climate resilience of fish and wildlife habitat. Eligible projects include, but are not limited to, the following:

(a) Projects on lands managed by the Department of Fish and Wildlife to reduce the risks of fire, flood, inundation, sea level rise, and other risks associated with climate change and for the protection and restoration of infrastructure and natural resources.

(b) Competitive grants for projects that enhance or restore inland or diadromous native fish species habitat. Projects include, but are not limited to, enhanced stream flows, improved fish passage, reconnection of riverine and floodplain habitat, and other actions to help fish adapt to climate change.

80264. To the extent feasible in implementing this chapter, a state agency receiving funding under this chapter shall seek to achieve wildlife conservation objectives through projects on public lands or voluntary projects on private lands. Projects on private lands shall be evaluated based on the durability of the benefits created by the investment. Funds may be used for payments for the protection or creation of measurable habitat improvements or other improvements to the condition of endangered or threatened species, including through the development and implementation of habitat credit exchanges.

80265. (a) Of the funds made available pursuant to Section 80260, the sum of five hundred million dollars (\$500,000,000) shall be available to the Natural Resources Agency for conservancies specified in subdivision (b). The Natural Resources Agency shall allocate funds according to each conservancy's governing statutes and funds shall be for climate resilience and

1 reducing the risks of climate change impacts upon communities,
2 fish and wildlife, and natural resources.

3 (b) The conservancy that are eligible for these funds include
4 Baldwin Hills Conservancy, State Coastal Conservancy, California
5 Tahoe Conservancy, Coachella Valley Mountains Conservancy,
6 Sacramento-San Joaquin Delta Conservancy, San Diego River
7 Conservancy, San Gabriel and Lower Los Angeles Rivers and
8 Mountains Conservancy, San Joaquin River Conservancy, Santa
9 Monica Mountains Conservancy, Sierra Nevada Conservancy, and
10 any subsequent conservancies approved by the Legislature,
11 including changes to those conservancies. The State Coastal
12 Conservancy's allocation shall include projects for its San
13 Francisco Bay Area Conservancy Program and the Santa Ana
14 River Conservancy programs.

15 (c) The Natural Resources Agency, in consultation with the
16 Wildlife Conservation Board, shall allocate funds based on a review
17 of the strength of the information outlined in each conservancy's
18 climate resiliency plan required pursuant to Section 80266. The
19 Natural Resources Agency shall allocate no less than ten million
20 dollars (\$10,000,000) of the funds made available pursuant to this
21 section to each conservancy.

22 (d) When allocating funds pursuant to this section, the Natural
23 Resources Agency shall give preference to all of the following:

- 24 (1) Projects that use natural infrastructure.
25 (2) Projects done jointly by more than one conservancy.
26 (3) Projects that maximize greenhouse gas reductions.
27 (4) Conservancies that provide technical assistance to
28 disadvantaged communities, vulnerable populations, including
29 those with access and functional needs, at-risk infrastructure,
30 socially disadvantaged farmers or ranchers, and economically
31 distressed areas.

32 (e) On or before March 1, 2021, the Natural Resources Agency
33 shall develop and provide guidelines for climate resiliency plans
34 to each conservancy.

35 (f) The Natural Resources Agency shall hold at least one public
36 workshop before allocating the funds made available pursuant to
37 this section and shall make information describing the final
38 allocation publicly available on its internet website.

39 80266. (a) On or before January 1, 2022, the Baldwin Hills
40 Conservancy, State Coastal Conservancy, California Tahoe

1 Conservancy, Coachella Valley Mountains Conservancy,
2 Sacramento-San Joaquin Delta Conservancy, San Diego River
3 Conservancy, San Gabriel and Lower Los Angeles Rivers and
4 Mountains Conservancy, San Joaquin River Conservancy, Santa
5 Monica Mountains Conservancy, and Sierra Nevada Conservancy
6 shall develop a climate resiliency plan that shall be adopted by
7 each conservancy's governing board. Each climate resiliency plan
8 shall do all of the following:

9 (1) Describe how the impacts of climate change relate to the
10 conservancy's mission and how they will affect the lands within
11 its jurisdiction.

12 (2) Describe the conservancy's past investment and work
13 addressing the impacts of climate change, reducing greenhouse
14 gas emissions, and improving climate resiliency.

15 (3) Outline a list of all projects or programs that the conservancy
16 would propose to fund with an allocation by the Natural Resources
17 Agency pursuant to Section 80265.

18 (4) Describe the potential benefits of each project or program
19 in increasing climate resilience and reducing the risks of climate
20 change impacts upon communities, fish and wildlife, and natural
21 resources.

22 (b) Each conservancy shall make the climate resiliency plan
23 available on its internet website and provide the climate resiliency
24 plan to the Natural Resources Agency.

25 80267. (a) For purposes of this section, "small- and
26 medium-sized farms" means farms and ranches of 500 acres or
27 less.

28 (b) Of the funds made available by Section 80260, two hundred
29 million dollars (\$200,000,000) shall be available, upon
30 appropriation by the Legislature, for purposes of protecting
31 California's agricultural resources, open spaces, and lands from
32 climate resilience. Projects pursuant to this chapter shall have
33 climate resiliency goals including:

34 (1) Improving soil health to allow for better water retention,
35 carbon sequestration, and reduced soil erosion to improve resiliency
36 from droughts and floods while improving water quality.

37 (2) Improve on-farm water efficiency to improve resiliency
38 from multiyear droughts.

39 (3) Improve the state's ability to respond to risks from invasive
40 species.

1 (c) Of the funds made available by subdivision (b), one hundred
2 fifty million dollars (\$150,000,000) shall be available to the
3 Department of Food and Agriculture for improvements in climate
4 resilience of agricultural lands and ecosystem health and allocated
5 to eligible projects as follows:

6 (1) (A) Fifty million dollars (\$50,000,000) for grants to promote
7 practices on farms and ranches that improve soil health, accelerate
8 atmospheric carbon removal or soil carbon sequestration, improve
9 water quality, enhance groundwater recharge and surface water
10 supplies, or improve fish or wildlife habitat.

11 (B) At least 35 percent of the funds allocated pursuant to this
12 paragraph shall be allocated to projects that provide direct and
13 meaningful benefits to farmers and ranchers in disadvantaged
14 communities.

15 (C) Priority shall be given to small- and medium-sized farms
16 and socially disadvantaged farmers and ranchers.

17 (2) (A) Forty million dollars (\$40,000,000) for grants to
18 promote on-farm water use efficiency with a focus on multiple
19 benefit projects that improve groundwater management, climate
20 resiliency, water quality, surface water use efficiency, drought and
21 flood tolerance, or water supply and water quality conditions for
22 fish and wildlife.

23 (B) At least 35 percent of the funds allocated pursuant to this
24 paragraph shall be allocated to projects that provide direct and
25 meaningful benefits to farmers and ranchers in disadvantaged
26 communities.

27 (C) Priority shall be given to small- and medium-sized farms
28 and socially disadvantaged farmers and ranchers.

29 (3) Forty million dollars (\$40,000,000) for projects that promote
30 the reduction of methane emissions from dairy and livestock
31 operations and improved water quality through alternative manure
32 management and handling, including, but not limited to, the
33 creation of composted manure products. Projects shall not include
34 the funding of anaerobic digesters.

35 (4) Twenty million dollars (\$20,000,000) to be deposited in the
36 Invasive Species Account established pursuant to Section 7706 of
37 the Food and Agricultural Code for purposes of funding invasive
38 species projects and activities recommended by the Invasive
39 Species Council of California. Priority shall be given to projects
40 that restore and protect ecosystem health.

(d) Of the funds made available by subdivision (b), fifty million dollars (\$50,000,000) shall be available to the Department of Conservation for projects for the protection, restoration, and enhancement of farmland and rangeland, including, but not limited to, the acquisition of fee titles or easements, that improve climate resilience, open-space soil health, atmospheric carbon removal, soil carbon sequestration, erosion control, watershed restoration, conservation projects, water quality, water retention, and provide multiple benefits. In awarding funds for farmland and rangeland projects pursuant to this section, the Department of Conservation shall give preference to projects for small- and medium-sized farms. At least 35 percent of the funds allocated pursuant to this section shall be allocated to projects that provide direct and meaningful benefits to farmers and ranchers in severely disadvantaged communities.

80268. Funds provided by this chapter shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.

CHAPTER 6. STRENGTHENING CALIFORNIA'S REGIONAL CLIMATE RESILIENCE

80270. The sum of one billion six hundred million dollars (\$1,600,000,000) shall be made available, upon appropriation by the Legislature, for the purposes of strengthening California's climate resilience based on projects tailored to its unique regions.

80271. (a) Of the funds made available by Section 80270, one billion three hundred million dollars (\$1,300,000,000) shall be available to the Strategic Growth Council for the reduction in the risk of climate impacts to communities, including, but not limited to, wildfire, sea level rise, and extreme heat events. The goal of these funds is to encourage the development and implementation of multiple-benefit, cross-sector projects that respond to the region's greatest climate vulnerabilities.

(b) Funds made available by this section shall be available to regional climate networks to implement the highest priority projects identified in approved regional climate adaptation action plans.

(c) Funds made available by this section shall be for public benefits associated with climate resiliency projects that reduce climate vulnerabilities.

(d) Funds made ~~available~~ *available* by this section shall be allocated to regional climate networks, as follows:

(1) At least 60 percent of funds shall be available to regional climate networks based on the percentage of the state's population included in the jurisdiction of the network's regional climate adaptation action plan, but not less than two million dollars (\$2,000,000) per network.

(2) The remaining funds may be provided to increase the size of the awards under paragraph (1) to the extent the approved regional climate adaptation action plan does any of the following:

(A) Protects vulnerable populations.

(B) Protects natural resources prioritized by the state.

(C) Enhances statewide climate adaptation strategies, as identified by the most recent update of the Safeguarding California Plan developed by the Natural Resources Agency.

(D) Reduces or sequesters carbon emissions.

(E) Scales to maximize effectiveness of response.

(F) Includes information regarding the regional climate network's ability to secure matching funds for projects identified within the plan.

80272. Of the funds made available by Section 80270, two hundred million dollars (\$200,000,000) shall be available to the Strategic Growth Council for a competitive grant program to reduce the urban heat island effect. Priority shall be given to projects that provide multiple benefits, including rainwater capture, reduction of stormwater pollution, and increased use of natural spaces for urban vegetation and forestry.

80273. Of the funds made available by Section 80270, one hundred million dollars (\$100,000,000) shall be available, upon appropriation by the Legislature, to the Department of Food and Agriculture for grants to fairgrounds operated by the network of California fairs for modifications or upgrades that do either or both of the following activities:

(a) Enhance the ability of those facilities to serve as multirole community, staging, and evacuation centers to provide community resilience benefits during a disaster, state of emergency, local emergency, or public safety power shutoff event.

1 (b) Deploy communications and broadband infrastructure at
2 those facilities to improve their capability to serve as a multirole
3 community, staging, and evacuation centers and enhance local
4 telecommunications service.

5
6 CHAPTER 7. FISCAL PROVISIONS
7

8 80280. (a) Bonds in the total amount of six billion nine
9 hundred eighty million dollars (\$6,980,000,000), not including the
10 amount of any refunding bonds issued in accordance with Section
11 80292, may be issued and sold to provide a fund to be used for
12 carrying out the purposes expressed in this division and to
13 reimburse the General Obligation Bond Expense Revolving Fund
14 pursuant to Section 16724.5 of the Government Code. The bonds,
15 when sold, issued, and delivered, shall be and constitute a valid
16 and binding obligation of the State of California, and the full faith
17 and credit of the State of California is hereby pledged for the
18 punctual payment of both the principal of, and interest on, the
19 bonds as the principal and interest become due and payable.

20 (b) The Treasurer shall cause the issuance and sell the bonds
21 authorized by the committee pursuant to this section. The bonds
22 shall be issued and sold upon the terms and conditions specified
23 in a resolution to be adopted by the committee pursuant to Section
24 16731 of the Government Code.

25 80281. The bonds authorized by this division shall be prepared,
26 executed, issued, sold, paid, and redeemed as provided in the State
27 General Obligation Bond Law (Chapter 4 (commencing with
28 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
29 Code), as amended from time to time, and all of the provisions of
30 that law, except subdivisions (a) and (b) of Section 16727 of the
31 Government Code, apply to the bonds and to this division and are
32 hereby incorporated in this division as though set forth in full in
33 this division.

34 80282. (a) Solely for the purpose of authorizing the issuance
35 and sale, pursuant to the State General Obligation Bond Law
36 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
37 4 of Title 2 of the Government Code), of the bonds authorized by
38 this division, the Economic Recovery, Wildfire Prevention, Safe
39 Drinking Water, Drought Preparation, and Flood Protection Bond
40 Finance Committee is hereby created. For purposes of this division,

1 the Economic Recovery, Wildfire Prevention, Safe Drinking
2 Water,, Drought Preparation, and Flood Protection Bond Finance
3 Committee is the “committee,” as that term is used in the State
4 General Obligation Bond Law.

5 (b) The committee consists of the Director of Finance, the
6 Treasurer, the Controller, and the Secretary of the Natural
7 Resources Agency. Notwithstanding any other law, any member
8 may designate a representative to act as that member in that
9 member’s place for all purposes, as though the member were
10 personally present.

11 (c) The Treasurer shall serve as the chairperson of the
12 committee.

13 (d) A majority of the committee may act for the committee.

14 80283. The committee shall determine whether or not it is
15 necessary or desirable to issue bonds authorized by this division
16 in order to carry out the actions specified in this division and, if
17 so, the amount of bonds to be issued and sold. Successive issues
18 of bonds may be authorized and sold to carry out those actions
19 progressively, and it is not necessary that all of the bonds
20 authorized to be issued be sold at any one time.

21 80284. For purposes of the State General Obligation Bond Law
22 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
23 4 of Title 2 of the Government Code), “board,” as defined in
24 Section 16722 of the Government Code, means the Secretary of
25 the Natural Resources Agency.

26 80285. There shall be collected each year and in the same
27 manner and at the same time as other state revenue is collected,
28 in addition to the ordinary revenues of the state, a sum in an amount
29 required to pay the principal of, and interest on, the bonds each
30 year. It is the duty of all officers charged by law with any duty
31 regarding the collection of the revenue to do and perform each and
32 every act that is necessary to collect that additional sum.

33 80286. Notwithstanding Section 13340 of the Government
34 Code, there is hereby continuously appropriated from the General
35 Fund in the State Treasury, for the purposes of this division, and
36 without regard to fiscal years, an amount that will equal the total
37 of the following:

38 (a) The sum annually necessary to pay the principal of, and
39 interest on, bonds issued and sold pursuant to this division, as the
40 principal and interest become due and payable.

1 (b) The sum that is necessary to carry out Section 80289.

2 80287. The board may request the Pooled Money Investment
3 Board to make a loan from the Pooled Money Investment Account,
4 including other authorized forms of interim financing that include,
5 but are not limited to, commercial paper, in accordance with
6 Section 16312 of the Government Code, for the purpose of carrying
7 out this division. The amount of the request shall not exceed the
8 amount of the unsold bonds that the committee has, by resolution,
9 authorized to be sold for the purpose of carrying out this division,
10 excluding any refunding bonds authorized pursuant to Section
11 80292, less any amount loaned and not yet repaid pursuant to this
12 section and withdrawn from the General Fund pursuant to Section
13 80289 and not yet returned to the General Fund. The board shall
14 execute those documents required by the Pooled Money Investment
15 Board to obtain and repay the loan. Any amounts loaned shall be
16 deposited in the fund to be allocated in accordance with this
17 division.

18 80288. Notwithstanding any other provision of this division,
19 or of the State General Obligation Bond Law (Chapter 4
20 (commencing with Section 16720) of Part 3 of Division 4 of Title
21 2 of the Government Code), if the Treasurer sells bonds pursuant
22 to this chapter that include a bond counsel opinion to the effect
23 that the interest on the bonds is excluded from gross income for
24 federal tax purposes under designated conditions or is otherwise
25 entitled to any federal tax advantage, the Treasurer may maintain
26 separate accounts for the bond proceeds invested and for the
27 investment earnings on those proceeds and may use or direct the
28 use of those proceeds or earnings to pay any rebate, penalty, or
29 other payment required under federal law or take any other action
30 with respect to the investment and use of those bond proceeds, as
31 may be required or desirable under federal law in order to maintain
32 the tax-exempt status of those bonds and to obtain any other
33 advantage under federal law on behalf of the funds of this state.

34 80289. For purposes of carrying out this division, the Director
35 of Finance may authorize the withdrawal from the General Fund
36 of an amount or amounts not to exceed the amount of the unsold
37 bonds that have been authorized by the committee to be sold for
38 the purpose of carrying out this division, excluding refunding
39 bonds authorized pursuant to Section 80292, less any amount
40 loaned pursuant to Section 80287 and not yet repaid and any

1 amount withdrawn from the General Fund pursuant to this section
2 and not yet returned to the General Fund. Any amounts withdrawn
3 shall be deposited in the fund to be allocated in accordance with
4 this division. Any moneys made available under this section shall
5 be returned to the General Fund, with interest at the rate earned
6 by the moneys in the Pooled Money Investment Account, from
7 proceeds received from the sale of bonds for the purpose of
8 carrying out this division.

9 80290. All moneys deposited in the fund that are derived from
10 premiums and accrued interest on bonds sold pursuant to this
11 division shall be reserved in the fund and shall be available for
12 transfer to the General Fund as a credit to expenditures for bond
13 interest, except that amounts derived from premiums may be
14 reserved and used to pay the cost of bond issuance before any
15 transfer to the General Fund.

16 80291. Pursuant to the State General Obligation Bond Law
17 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
18 4 of Title 2 of the Government Code), the cost of bond issuance
19 shall be paid or reimbursed out of the bond proceeds, including
20 premiums, if any. To the extent the cost of bond issuance is not
21 paid from premiums received from the sale of bonds, these costs
22 shall be allocated proportionally to each program funded through
23 this division by the applicable bond sale.

24 80292. The bonds issued and sold pursuant to this division
25 may be refunded in accordance with Article 6 (commencing with
26 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
27 the Government Code, which is a part of the State General
28 Obligation Bond Law. Approval by the voters of the state for the
29 issuance of the bonds under this division shall include approval
30 of the issuance of any bonds issued to refund any bonds originally
31 issued under this division or any previously issued refunding bonds.
32 Any bond refunded with the proceeds of a refunding bond as
33 authorized by this section may be legally defeased to the extent
34 permitted by law in the manner and to the extent set forth in the
35 resolution, as amended from time to time, authorizing that refunded
36 bond.

37 80293. Notwithstanding Section 16727 of the Government
38 Code, funds provided pursuant to this division may be used for
39 grants and loans to nonprofit organizations to repay financing
40 described in Section 22064 of the Financial Code related to projects

1 that are consistent with the purpose of the respective provisions
2 of this division.

3 80294. The proceeds from the sale of bonds authorized by this
4 division are not “proceeds of taxes” as that term is used in Article
5 XIII B of the California Constitution, and the disbursement of
6 these proceeds is not subject to the limitations imposed by that
7 article.

8 SEC. 3. Section 2 of this act shall take effect upon the approval
9 by the voters of the Economic Recovery, Wildfire Prevention, Safe
10 Drinking Water, Drought Preparation, and Flood Protection Bond
11 Act of 2020, as set forth in Section 2 of this act.

12 SEC. 4. (a) (1) Notwithstanding Sections 9040, 9043, 9044,
13 9061, and 9082 of the Elections Code, or any other law, Section
14 2 of this act shall be submitted by the Secretary of State to the
15 voters at the November 3, 2020, statewide general election.

16 (2) The requirement of Section 9040 of the Elections Code that
17 a measure submitted to the people by the Legislature appear on
18 the ballot of the November 3, 2020, statewide general election
19 occurring at least 131 days after the adoption of the proposal by
20 the Legislature shall not apply to Section 2 of this act.

21 (b) The Secretary of State shall include in the ballot pamphlets
22 mailed pursuant to Section 9094 of the Elections Code the
23 information specified in Section 9084 of the Elections Code
24 regarding Section 2 of this act. If that inclusion is not possible, the
25 Secretary of State shall publish a supplemental ballot pamphlet
26 regarding Section 2 of this act to be mailed with the ballot
27 pamphlet. If the supplemental ballot pamphlet cannot be mailed
28 with the ballot pamphlet, the supplemental ballot pamphlet shall
29 be mailed separately.

30 (c) Notwithstanding Section 9054 of the Elections Code or any
31 other law, the translations of the ballot title and the condensed
32 statement of the ballot title required pursuant to Section 9054 of
33 the Elections Code for Section 2 of this act may be made available
34 for public examination at a later date than the start of the public
35 examination period for the ballot pamphlet.

36 (d) Notwithstanding Sections 13115 and 13117 of the Elections
37 Code, Section 2 of this act and any other measure placed on the
38 ballot by the Legislature for the November 3, 2020, statewide
39 general election after the 131-day deadline set forth in Section
40 9040 of the Elections Code shall be placed on the ballot, following

1 all other ballot measures, in the order in which they qualified as
2 determined by chapter number.

3 SEC. 5. The provisions of this act are severable. If any
4 provision of this act or its application is held invalid, that invalidity
5 shall not affect other provisions or applications that can be given
6 effect without the invalid provision or application.

7 SEC. 6. *This act is an urgency statute necessary for the*
8 *immediate preservation of the public peace, health, or safety within*
9 *the meaning of Article IV of the California Constitution and shall*
10 *go into immediate effect. The facts constituting the necessity are:*

11 *In order to ensure that the Economic Recovery, Wildfire*
12 *Prevention, Safe Drinking Water, Drought Preparation, and Flood*
13 *Protection Bond Act of 2020 is placed on the ballot for the*
14 *November 3, 2020, statewide general election and that revenues*
15 *from the sale of bonds authorized under the Economic Recovery,*
16 *Wildfire Prevention, Safe Drinking Water, Drought Preparation,*
17 *and Flood Protection Bond Act of 2020, if approved by the voters,*
18 *are available as soon as possible to fund programs for the*
19 *economic recovery of the state, it is necessary for this act to take*
20 *effect immediately.*

O

SB 895 (Archuleta)

Energy: zero-emission fuel, infrastructure, and transportation technologies.

Summary: This bill would require the California Energy Commission (CEC), within the limits of available funds, to provide technical assistance and support for the development of zero-emission fuels, zero-emission fueling infrastructure, and zero-emission fuel transportation technologies.

Background: Existing law deposits a small portion of the fines levied under the Heavy-Duty Diesel Inspection and Periodic Smoke Inspection Program (commonly referred to as the ‘smoke opacity test’) into the Diesel Emission Reduction Fund at the CEC to fund “the development of petroleum diesel fuels which are as clean or cleaner than alternative clean fuels and clean diesel engines.”

Enacted by AB 1107 (Moore, 1989), the current language was intended to spur development of ‘clean diesel’ fuel which, at the time, was an innovative and clean alternative to conventional diesel. After 31 years of further innovation however, the State of California has realized that so-called clean diesel is not a sufficient fuel to achieve our emission reduction goals and is therefore not of value for the State to be investing in. In light of this, the CEC has ceased solicitation of moneys within the fund due to the inflexibility of investment options available under AB 1107 (1989), i.e. the allowance to fund only clean diesel projects and not zero-emission. As a result, the funds have gone unspent by the CEC. Further, with the smoke opacity test, along with the funding source which that program provides, sunseting upon implementation of the recently signed SB 210 (Leyva, 2019) relating to a heavy-duty vehicle smog check program, the author claims that existing funds – currently just under \$5 million – will ultimately be remitted to the General Fund if the current spending authorization is not changed.

Status: 6/02/2020 - Sen. Approps. Comm. hearing rescheduled due to Capitol closure. - 6/9/2020 Sen. Approps. Comm. hearing; 9:00 a.m. - John L. Burton Hearing Room (4203)

Specific Provisions: Specifically, this bill would require the CEC, within the limits of available funds, to provide technical assistance and support for the development of zero-emission fuels, zero-emission fueling infrastructure, and zero-emission fuel transportation technologies.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: SB 895 will allow the CEC to allocate moneys in the Diesel Emission Reduction Fund – currently just under \$5 million per the author – to zero-emission fuel projects rather than to the originally authorized clean diesel projects. Since the CEC no longer funds clean diesel development as a policy, the change would allow the CEC to utilize these funds for their intended purpose of spurring development of emission-reducing transportation fuel and technologies.

This bill is in line with South Coast AQMD’s mission to protect public health, reduce the impacts of air pollution within the South Coast region, and attain federal air quality standards. The bill is also consistent with the South Coast AQMD policy priority to reduce mobile sources of pollution by promoting clean vehicle technology.

Recommended Position: SUPPORT

Support:

Ballard Power Systems (Sponsor)
California Electric Transportation Coalition
Cruise
San Diego Gas and Electric
Southern California Gas Company

Opposition:

N/A

Introduced by Senator ArchuletaJanuary 28, 2020

An act to amend Section 25617 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 895, as introduced, Archuleta. Energy: zero-emission fuel, infrastructure, and transportation technologies.

Existing law requires the State Energy Resources Conservation and Development Commission, within the limits of available funds, to provide technical assistance and support for the development of petroleum diesel fuels that are as clean or cleaner than alternative clean fuels and clean diesel engines.

This bill would instead require the commission, within the limits of available funds, to provide technical assistance and support for the development of zero-emission fuels, zero-emission fueling infrastructure, and zero-emission fuel transportation technologies.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 25617 of the Public Resources Code is
- 2 amended to read:
- 3 25617. (a) It is the intent of the Legislature to preserve
- 4 diversity of *clean* energy resources, including diversity of resources
- 5 used in electric generation facilities, industrial and commercial
- 6 applications, and transportation.

1 (b) The commission shall, within the limits of available funds,
2 provide technical assistance and support for the development of
3 ~~petroleum diesel fuels which are as clean or cleaner than alternative~~
4 ~~clean fuels and clean diesel engines.~~ *zero-emission fuels,*
5 *zero-emission fueling infrastructure, and zero-emission fuel*
6 *transportation technologies.* That technical assistance and support
7 may include the creation of research, development, and
8 demonstration programs.

O