



South Coast Air Quality Management District

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

HYBRID LEGISLATIVE COMMITTEE MEETING

Committee Members

Councilmember Michael A. Cacciotti, Committee Chair
Mayor Patricia Lock Dawson
Supervisor Curt Hagman
Supervisor V. Manuel Perez
Councilmember Nithya Raman
Mayor José Luis Solache

August 9, 2024 ♦ 9:00 a.m.

TELECONFERENCE LOCATION

Los Angeles City Hall 200 N. Spring Street Room 415 Los Angeles, CA 90012	Riverside City Hall 3900 Main Street 7th Floor Conference Room Riverside, CA 92522
County of Riverside Assessor-County Clerk-Recorder 41002 County Center Drive Suite 230 Temecula, CA 92591	

A meeting of the South Coast Air Quality Management District Legislative Committee will be held at 9:00 a.m. on Friday, August 9, 2024, through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD’s website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop
<https://scaqmd.zoom.us/j/99574050701>

Zoom Webinar ID: 995 7405 0701 (applies to all)

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Audience will be able 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 54954.3(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 total for all items on the agenda.

CALL TO ORDER

ROLL CALL

ACTION/DISCUSSION ITEMS (Items 1 through 2):

**1. Update on 2024 South Coast AQMD-Sponsored State Bills
(No Motion Required)**

Staff will present an update to the Committee regarding 2024 South Coast AQMD-sponsored state bills.

*Derrick Alatorre
Deputy Executive Officer
Legislative, Public Affairs &
Media*

- 1. AB 2522 (W. Carrillo) - Air Districts: governing boards: compensation.*
- 2. AB 2958 (Calderon) - State Air Resources Board: board members: compensation.*
- 3. SB 1158 (Archuleta) - Carl Moyer Memorial Air Quality Standards Attainment Program.*

**2. Recommend Position on Federal Bills
(Motion Requested)**

This item is to seek approval from the Committee on staff's recommendation for a position on the following bills:

[Attachment 1a-1b]

*Matthew Ceja
Legislative Analyst
Legislative, Public Affairs
& Media*

Bill#

Author

Bill Title

H.R. 7525/ S. 4673 Fallon, Petterson (R - TX) The Special District
Grant Accessibility
Act

DISCUSSION ITEMS (Items 3 through 4):

**3. Update and Discussion on Federal Legislative Issues
(No Motion Required)**

Consultants will provide a brief oral report of Federal legislative activities in Washington D.C.

[Attachment 2a-2c - Written Reports]

*Gary Hoitsma
Carmen Group*

*Amelia Jenkins
Cassidy & Associates*

*Ben Miller
Kadesh & Associates, LLC*

**4. Update and Discussion on State Legislative Issues
(No Motion Required)**

Consultants will provide a brief oral report on State legislative activities in Sacramento.

[Attachment 3a-3c - Written Reports]

*David Quintana
Resolute*

*Ross Buckley
California Advisors, LLC*

*Paul Gonsalves
Joe A. Gonsalves & Son*

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 – September 13, 2024 at 9:00 a.m.

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 Maria Corralejo at (909) 396-2759 or send the request to mcorralejo@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 Maria Corralejo at (909) 396-2759 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to mcorralejo@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 Chair 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.

South Coast Air Quality Management District
Legislative Analysis Summary – H.R. 7525/S. 4673
Version: Introduced – 03/05/2024
Analyst: LTO/MC

H.R. 7525 / S. 4673

The Special District Grant Accessibility Act

Summary: This bill would require the Office of Management and Budget (OMB) to issue guidance to federal agencies requiring special districts to be recognized as local government for the purposes of federal financial assistance determinations.

Background: In March 2021, the American Rescue Plan Act (ARP) was enacted into public law (PL 117-2). ARP created the “Coronavirus State and Local Fiscal Recovery Fund” to provide relief to States, local government, Tribes, and the District of Columbia for certain expenses related to the pandemic. States, territories, Tribal, and local government were given the authority to transfer funds to non-profits, agencies responsible for the transport of passengers or cargo, or a special purpose unit of State or local government.

A special purpose unit of State or local government specifically referred to “special districts.” This reference was crafted broadly to account for the varying definitions of special districts among the States. The inconsistent State definitions of special districts made it more challenging for Congress to craft ARP in a manner that would direct funding to special purpose units of local government such as air agencies.

For example, in California, Government Code §56032.5 and §56044 includes definitions of dependent special districts and independent special districts, respectively. Although, South Coast AQMD largely meets the criteria of an independent special district, it is specifically excluded under Government Code §56036 as are several other special purpose units of government.

In part, due to the lack of a clear federal definition of special district in ARP for the purposes of receiving financial assistance, South Coast AQMD was excluded by the State from receiving COVID-relief funding.

The National Special Districts Coalition reports that special districts across the nation have difficulty accessing federal funding opportunities and are commonly omitted as eligible in the definitions of local government. These agencies are established and locally governed under an enabling act or special act of a state to provide a limited and specific set of public services.

Status: 5/6/2024 – Passed by the House of Representatives (352 – 24 vote) and referred to the Senate Committee on Homeland Security and Governmental Affairs.

7/31/24 – S. 4673, a companion bill to H.R. 7525, Passed by the Senate Committee on Homeland Security & Government Affairs (10-1 vote) and is eligible for Senate Floor vote.

Specific Provisions: H.R. 7525 and S. 4673, the “Special District Grant Accessibility Act of 2024” would create a uniform national definition of special districts for the purposes of receiving federal financial assistance in the form of a grant, loan, loan guarantee, property, or cooperative agreement. The bill definition is as follows:

“Special District” – a political subdivision of a State, with specified boundaries, created by the State or pursuant to the laws of the State, for the purpose of performing limited and specific governmental or proprietary functions, except that the term does not include a school district, college, county, city, town, township, village, parish, borough, or general unit of local government.

Further, the “Special District Grant Accessibility Act” would define federal financial assistance as,

- Assistance that a non-Federal entity receives or administers in the form of a grant, loan, loan guarantee, property, cooperative agreement, interest subsidy, insurance, food commodity, direct appropriation, or other assistance; and
- Does not include an amount received as reimbursement for services rendered to an individual in accordance with guidance issued by the Director of OMB.

Essentially, this bill would codify a national definition for special districts to clarify which agencies would be eligible for federal financial assistance, if provided by public law.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: As currently written, under the “Special District Grant Accessibility Act,” South Coast AQMD would be eligible for federal funding opportunities as a “special district”. However, this bill would not remedy California’s issue with conflicting definitions/interpretations of whether local air agencies are considered special districts and their classification as dependent or independent under State law.

Recommended Position: WATCH

Support:

National Special Districts Coalition (NSDC) – there are over 15,523 local districts in support representing diverse interests such as water, parks and recreation, mosquito abatement, fire protection, cemeteries, and others.

Opposition:

N/A

118TH CONGRESS
2D SESSION

H. R. 7525

IN THE SENATE OF THE UNITED STATES

MAY 7, 2024

Received; read twice and referred to the Committee on Homeland Security and
Governmental Affairs

AN ACT

To require the Director of the Office of Management and Budget to issue guidance to agencies requiring special districts to be recognized as local government for the purpose of Federal financial assistance determinations.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Special District Grant
3 Accessibility Act”.

4 **SEC. 2. AGENCY FINANCIAL ASSISTANCE GUIDANCE ON**
5 **SPECIAL DISTRICTS.**

6 (a) **REQUIREMENTS FOR AGENCY ACKNOWLEDG-**
7 **MENT OF SPECIAL DISTRICTS AS GRANT RECIPIENTS.—**

8 (1) **OMB GUIDANCE.—**Not later than 180 days
9 after the date of the enactment of this Act, the Di-
10 rector shall issue guidance that clarifies how an
11 agency recognizes a special district as a unit of local
12 government for the purpose of being eligible to re-
13 ceive Federal financial assistance.

14 (2) **AGENCY REQUIREMENTS.—**Not later than 1
15 year after the date on which the guidance is issued
16 pursuant to paragraph (1), the head of each agency
17 shall implement the requirements of such guidance
18 and conform any policy, principle, practice, proce-
19 dure, or guideline relating to the administration of
20 the Federal financial assistance programs of the
21 agency.

22 (3) **REPORTING REQUIREMENT.—**Not later than
23 2 years after the date of the enactment of this Act,
24 the Director shall submit to the Committee on Over-
25 sight and Accountability of the House of Represent-
26 atives and the Committee on Homeland Security and

1 Governmental Affairs of the Senate a report that
2 evaluates agency implementation of and conformity
3 to the guidance issued pursuant to paragraph (1).

4 (b) DEFINITIONS.—In this section:

5 (1) AGENCY.—The term “agency” has the
6 meaning given the term in section 552 of title 5,
7 United States Code.

8 (2) DIRECTOR.—The term “Director” means
9 the Director of the Office of Management and Budg-
10 et.

11 (3) FEDERAL FINANCIAL ASSISTANCE.—The
12 term “Federal financial assistance”—

13 (A) means assistance that a non-Federal
14 entity receives or administers in the form of a
15 grant, loan, loan guarantee, property, coopera-
16 tive agreement, interest subsidy, insurance, food
17 commodity, direct appropriation, or other as-
18 sistance; and

19 (B) does not include an amount received as
20 reimbursement for services rendered to an indi-
21 vidual in accordance with guidance issued by
22 the Director.

23 (4) SPECIAL DISTRICT.—The term “special dis-
24 trict” means a political subdivision of a State, with
25 specified boundaries and significant budgetary au-



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

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: July 25, 2024

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

Congress: In July, the Republican-controlled House Appropriations Committee approved its version of the FY 25 Interior, Environment appropriations bill covering the Environmental Protection Agency and related agencies. Highlights include: DERA--\$90M; TAG--\$67.8M; 103/105--\$235.9M (All equal to last year). Overall, EPA funding is cut by 20%. Council on Environmental Quality (CEQ) is cut by 78%. In addition, the bill prohibits all funding for Wildfire Smoke Preparedness grants, for the American Climate Corps executive order, and for the implementation of EPA's recent regulations on light, medium and heavy-duty vehicles, and on the power sector (Clean Power Plan 2.0). The bill also blocks EPA allowing a waiver for California to require small off-road engines to be zero emission and blocks NEPA rules that use social cost of carbon in permitting. Meanwhile in late July, the Senate Committee version the same bill was being approved with higher spending and without the noted House funding restrictions.

Supreme Court: In June, the Supreme Court overruled the Chevron Doctrine which had granted wide power and discretion to federal agencies to interpret and implement laws, and to issue regulations pursuant to those laws. The 6-3 ruling reverses the Court's 1984 decision in *Chevron v. Natural Resources Defense Council*. The new decision is expected to have wide impact especially with regard to environmental regulations issued by the EPA.

Environmental Protection Agency

South Coast AQMD Receives Nearly \$500 Million CPRG Grant: On July 22, the Environmental Protection Agency (EPA) announced that South Coast Air Quality Management District (SCAQMD) will receive a grant of \$499,997,415 under the Climate Pollution Reduction Grant (CPRG) program funded by the Inflation Reduction Act passed in 2022. The grant will fund a multitude of efforts to reduce air pollution from transportation and goods movement across Southern California, while also advancing long-sought decarbonization and environmental justice goals. The grant is one of just 25 CPRG grants across 30 states (totaling \$4.3 billion) selected under a highly competitive process that considered nearly 300 applications. This nearly half-billion-dollar grant to South Coast AQMD was the only CPRG grant made in California, and it was the largest of the 25 CPRG grants made nationwide. It is also the single largest federal grant ever received by South Coast AQMD.

Proven Process. Proven Results.™

EPA Reclassifies Three Ozone Nonattainment Areas from Moderate to Serious: In June, the EPA reclassified three major Texas metropolitan areas from moderate to serious nonattainment of the current ozone standard. This means the three areas (Dallas-Fort Worth, Houston-Galveston, and San Antonio) will have to implement more stringent emissions control strategies to attain the 2015 NAAQS standard for ozone.

EPA Cracks Down on GM to Resolve Excess Emissions from Light-Duty Vehicles: In July, the EPA announced that General Motors had agreed to retire 50 million metric tons of greenhouse gas credits to resolve excess CO2 emissions identified through the agency's light-duty vehicle in-use testing program. The agreement is the result of an EPA investigation that identified excess emissions from approximately 5.9 million 2012-2018 model year (MY) GM vehicles currently in use.

EPA Releases Two Updated Climate Reports: In June and July, the EPA released two updated Climate Reports: [EPA's 2024-2027 Climate Adaptation Plan](#) and [Climate Change Indicators in the United States](#).

Department of Transportation

DOT Announces RAISE Grant Awards: In July, The Department of Transportation (DOT) announced the distribution of \$1.8 billion for 148 projects nationwide under the RAISE grant program for rebuilding and repairing critical transportation infrastructure. California received four grants: One each in Sacramento and Santa Ana, and two in San Diego.

FTA Announces Bus Grants: In July, the Federal Transit Administration (FTA) announced the distribution of \$1.5 billion to support 117 projects that will improve bus transportation in 47 states, with a special emphasis and modernizing local bus fleets with low and no emission transit buses. The funds are made available under the FTA's Bus and Bus Facilities program and the Low and No Emission program.

DOT Announces Funds Available for Reconnecting Communities Grant Program: In July, the DOT announced the availability of more than \$600 million for the next round of grants under the combined Reconnecting Communities Pilot and Neighborhood Access and Equity grant programs. Applications are due on September 30, 2024.

FAA Announces Airport Grants: In June and July, the Federal Aviation Administration (FAA) announced the distributions of two rounds of airport grants under the Airport Infrastructure Grants (AIG) program, totaling \$476 million for 239 projects, and one round of grants under the Airport Improvement Program (AIP), totaling \$123 million for 235 projects.

NHTSA Finalizes New Fuel Economy Standards: In June, the National Highway Traffic Safety Administration (NHTSA) issued new fuel economy standards, boosting fuel efficiency by 2% per year in model years 2027-2031 for passenger cars, while light trucks will increase by 2% per year for model years 2029-2031. This will bring light duty fuel efficiency up to 54 miles per gallon by model year 2031. Heavy duty pickup truck and van fuel efficiency will increase 10% per year for model years 2030-2032 and

8% per year for model years 2033-2035. This will bring the fleet-wide average to 35 miles per gallon in model year 2035.

MARAD to Establish Innovation Center to Address Environmental Challenges: In June, the Maritime Administration’s (MARAD’s) Maritime Environmental and Technical Assistance Program (META) sought input on its plan to establish a United States Center for Maritime Innovation. The Center would support the study, research, development, assessment and deployment of emerging maritime technologies and practices related to emerging environmental challenges in the maritime transportation system.

Department of Energy

DOE Announces Funds to Convert Auto Manufacturing Facilities to EVs: In July, the Department of Energy announced \$1.7 billion to support the conversion of 11 shuttered or at-risk auto manufacturing and assembly facilities in eight states (MI, OH, PA, GA, IL, IN, MD and VA) to manufacture electric vehicles (EVs) and their supply chain. The funds are made possible under the Domestic Auto Manufacturing Conversion Grants program established under the Inflation Reduction Act and are covered by the Administration’s Justice40 initiative.

DOE/EPA Announce Funds Available to Reduce Methane Emissions: In June, the Department of Energy (DOE) and the EPA announced the availability of \$850 million from the Inflation Reduction Act for projects to help monitor, measure, and reduce methane emissions from the oil and gas sector. Applications are due on August 26, 2024.

DOE Announces Funds Available for Small Manufacturers to Reduce Emissions: In June, the EPA announced the next round of rolling applications for funds available to help small and medium manufacturers to reduce emissions and enhance energy efficiencies. The Industrial Assessments Centers (IAC) Implementation Grant program is administered by DOE’s Manufacturing and Energy Supply Chains Office (MESC) and provides grants up to \$300,000 per manufacturer per funding round. Applications for the current round are due October 1, 2024, and the following round will open on October 2, 2024.

DOE Releases National Definition of a Zero Emissions Building: In June, the DOE announced the release of a “National Definition of a Zero Emissions Building,” designed to serve as guidance to advance public and private sector efforts convert more commercial and residential buildings towards the overall goal of zero emissions.

[National Definition of a Zero Emissions Building](#)

Outreach: Carmen Group was in contact with EPA staff on the CPRG and Clean Ports grant programs and with DOT staff of the agency’s Transportation and Climate Symposium.

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To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: July 23, 2024
Re: June and July Report

HOUSE/SENATE

Congress

The focus in Washington will be on the 2024 presidential race following President Joe Biden's announcement on Sunday that he will no longer be seeking reelection and Vice President Kamala Harris's speedy announcement of her candidacy. Harris has received endorsements from numerous Democrats and filed the Federal Elections Commission (FEC) report for her campaign. Now questions are swirling around who Harris will pick to join her on the ballot as the candidate for Vice President.

Both chambers are back for two weeks before the start of the August recess. Several committees are holding hearings related to the assassination attempt on former President Trump earlier this month. In addition to oversight-related hearings, lawmakers will also move forward with Fiscal Year (FY) 2025 appropriations bills. The House completed subcommittee markups on all FY25 bills, and several bills will be considered by the full House throughout the next two weeks, including the Energy and Water and the Interior and Environment bills. The Senate Appropriations Committee will mark up spending bills for Commerce, Justice, and Science; State and Foreign Operations; Transportation, Housing, and Urban Development; and Interior and Environment.

Senators Manchin (I-WV) and Barrasso (R-WY), the Senate Energy and Natural Resources Chair and Ranking Member, released an energy and mining permitting reform bill that will be

considered in a committee markup at the end of the month. During the June session, the House passed the FY25 National Defense Authorization Act by a vote of 217 to 199. In the Senate, the bill passed the Senate Armed Services Committee and will be considered on the Senate Floor.

House Committee activity this week included an Energy and Commerce Committee hearing on the FY25 budget for the Nuclear Regulatory Commission and another hearing on the FY25 budget for the Federal Energy Regulatory Commission. In Senate Committee activity, the Commerce, Science, and Transportation Committee held a field hearing on the impact of the Bipartisan Infrastructure Law on transportation infrastructure.

EPA

On July 22, the Environmental Protection Agency (EPA) announced that South Coast Air Quality Management District (SCAQMD) was selected to receive a \$499,997,415 Climate Pollution Reduction Grant. The grant funding will be used to provide incentives for electric charging equipment, increase zero-emission freight vehicles, and replace or convert cargo handling equipment and diesel freight switch locomotives. Sen. Vanessa Delgado, Chair of the Governing Board, expressed her gratitude for the award, saying that it will reduce 12 million metric tons of carbon emissions over the next 25 years and avoid 1,600 tons of smog-forming emissions annually. Read more [here](#).

On July 15, the Environmental Protection Agency (EPA) announced new protections to protect people from exposure to pesticide spray drift. The EPA will assess the amount of pesticide that drifts away from where it is applied earlier in its review process for new active ingredient pesticide registrations and new use decisions. The analysis will occur during initial review, rather than the registration review, which occurs every 15 years after a pesticide is approved. The new process will allow EPA to identify spray drift risks for people living or working nearby and for non-target species. Read more [here](#).

On July 2, the Environmental Protection Agency (EPA) released an updated climate indicators report that shows new data on the impacts of climate change in the United States. This year's report included new indicators on marine heat waves and heat-related workplace deaths. The report indicated that 2023 was the warmest year on record worldwide, and 2014 – 2023 was the warmest decade on record. Heat waves occur more frequently and last longer, and wildfires have increased in acreage. Growing seasons have increased by more than two weeks, as snowpack seasons have decreased by an average of 15 days. Read more [here](#).

On June 21, the Environmental Protection Agency (EPA) announced the availability of \$850 million for projects to help monitor, measure, quantify, and reduce methane emissions from the oil and gas sectors. As the nation's largest industrial source of methane, oil and natural gas facilities play a key role in the Biden Administration's efforts to cut methane pollution through the Methane Emissions Reduction Program. The funding will help small oil and gas operators to reduce methane emissions by incorporating innovative technologies. Read more [here](#).

On June 20, EPA released its 2024-2027 Climate Adaptation Plan that establishes agency priorities to address climate change. The plan's goals include ensuring staff are climate-literate, building facility resilience, developing climate-resilient supply chains, and considering and integrating climate resilience into external funding opportunities, decision making, and rulemaking processes. The plan builds on the 2014 and 2021 Climate Adaptation Plans. Read more [here](#).

On June 5, EPA announced a proposed rule to limit exposure from n-methylpyrrolidone (NMP) under the Toxic Substances Control Act (TSCA). The proposed rule would limit the concentration of NMP in certain products, establish workplace safety restrictions, and ban certain uses of the chemical. The ban includes automotive care products, cleaning and degreasing products, metal products, and furniture care products. NMP is used in the production of electronics, polymers, agricultural chemicals, and petrochemical products and is known to cause serious health effects, including liver, kidney, and immune system damage, as well as miscarriages and reduced fertility. Read more [here](#).

On May 29, EPA announced over \$91 million in rebates for clean school buses in California as part of the 2023 Clean School Bus Program rebate competition. The rebates will support the purchase of 380 clean school buses to replace diesel-fueled buses in 47 school districts across the state. The program, created by the Infrastructure Investment and Jobs Act, will ultimately improve air quality and public health by reducing diesel emissions. Read more [here](#).

On May 28, EPA selected five recipients, including the University of California – Riverside, to receive nearly \$15 million to address hydrofluorocarbons (HFC), a highly potent greenhouse gas commonly used in refrigeration and air conditioning. The Biden-Harris Administration aims to achieve an 85% reduction in HFC levels by 2036. HFCs can have a climate impact of hundreds to thousands of times stronger than carbon dioxide. The University of California – Riverside will use the funding to develop scalable catalytic and assisting technologies for efficient HFC destruction. Read more [here](#).

Cassidy and Associates support in June and July:

- Worked with SCAQMD staff to strategize on future DC outreach.
- Continued to monitor and report on activities in Congress and the Administration that impact the District.
- Advised SCAQMD throughout appropriations cycle to identify and pursue funding opportunities.
- Participated in weekly strategy sessions with SCAQMD staff in support of nonattainment and funding issues.

IMPORTANT LEGISLATIVE DATES

September 30, 2024: Reauthorization deadline for the Farm Bill, an omnibus package of legislation that supports US agriculture and food industries; the bill is reauthorized on a five-year cycle. The Congressional Budget Office (CBO) projects a combined budget of \$648 billion for the 2023 Farm Bill.

September 30, 2024: The Biden administration released its budget request for Fiscal Year 2025 in late March; the topline number is \$7.3 trillion. Lawmakers have until September 30 to pass an appropriations bill to fund the government for FY25.

December 31, 2024: Expiration of the National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

KADESH & ASSOCIATES

South Coast AQMD Report for the August 2024
Legislative Meeting covering June & July 2024
Kadesh & Associates

The post-Memorial Day work period ended up being far more complicated and consequential than anyone in Washington would have guessed. In Congress, the appropriations process began in earnest in both chambers. In the House, the Republican majority has used its bills to impose significant cuts and restraints on agency activities, and it is clear that the depth and breadth of these cuts will make year-end negotiations with the Democratic Senate especially difficult. In the House's Interior-Environment bill, for example, the Environmental Protection Agency (EPA) would see its budget cut by 20% overall, and the bill carries a number of policy riders aimed at air quality and other EPA programs, including one on waiver approval for CARB's off-road vehicle rule, and another that would block EPA's vehicle emissions regulations published earlier this spring. By the time the bill crossed the House floor, it also carried a rider to block approval of CARB's locomotive rule. Notably, however, two of the key air quality accounts were spared from these cuts: the bill has \$90m for DERA and \$67.8m for TAG (both level-funded from last year).

The House's Energy & Water Appropriations Subcommittee funding bill had similar cuts: it would reduce the Department of Energy's Energy Efficiency and Renewable Energy (EERE) account by \$1.5 billion (43%), including \$115 million from the vehicle technologies program (26%), along with other EERE cuts. However, by the end of July, this approach had reached its limits: by the time the House adjourned (early) for the August recess, only five of twelve annual appropriations bills had passed, with the Energy-Water bill pulled from consideration to avoid a failed vote.

One of the major funding disagreements between the Chambers is that Senate Appropriations Chair Patty Murray intends to maintain parity between defense and nondefense accounts – including potential increases to both – while the House has cut nondefense and shifted significant funding to defense accounts. The Senate Appropriations Committee marked up its Interior-Environment bill on July 25, which featured robust funding for air quality programs: \$91m for DERA, \$68.8m for TAG, and an increase of the 103/105 programs to \$237.9m.

The most exciting news from Washington this month, at least from our perspective, was EPA's the Climate Pollution Reduction Grant awards, which included nearly \$500m for South Coast AQMD's INVEST CLEAN proposal to transition the transportation and goods movement sector to ZE technologies. This application has been of great interest to South Coast AQMD's Congressional delegation (both Senators and more than a dozen House members weighed in support) and was a welcome complement to this month's agreement between EPA, CARB, and the District to collaborate emission reductions.

Besides these EPA announcements, of course, the most nationally significant news from Washington was the decision by President Joe Biden not to run for reelection, after a faltering performance in the June debate and several weeks of intra-party angst. His decision to step

KADESH & ASSOCIATES

aside was followed by Vice President Kamala Harris' quick consolidation of support from grassroots and party officials, putting her on a glide path to the nomination in just a few short days. Whether this will significantly change the race's trajectory remains to be seen, but it is certainly relevant to Congress' calculations about how to structure a continuing resolution (CR) to avoid a government shutdown at the end of September. There are some in the GOP caucus who would want the CR to run into 2025 so that a new Trump administration could impact final decisions, but of course that won't be determined until November.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on whole-of-government efforts to address air quality through BIL and IRA funding programs.

Contacts:

Contacts included staff and Members throughout the CA delegation, Senate offices, and members of key committees. We have also been in touch with administration staff.

###

RESOLUTE^{*}

South Coast Air Quality Management District Legislative and Regulatory Update –June and July 2024

❖ Important Upcoming Dates

- August 5, 2024 – Legislature Reconvenes from Summer Recess
- August 15, 2024 – Appropriations Suspense Hearings in Senate and Assembly
- August 19-31, 2024 – Floor Session Only
- August 31, 2024 – Last Day for Each House to Pass Bills

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

- Provided ongoing updates as the Legislature sent bills originating in their house to the second house.
- Set and attended meetings with legislative offices regarding bills for the 2024 legislative session, including for SCAQMD sponsored legislation.

❖ AB 2522 (W. Carrillo): SCAQMD Sponsored Legislation

Summary: the bill states that each member of various air district boards shall receive compensation of up to \$200 for each day, or portion thereof, but not to exceed \$2,000 per month, while attending meetings of the board or any committee, or on official business of the district. The bill also authorizes future increases to the compensation amount pegged to the Consumer Price Index (CPI), with a ceiling of 10 percent per calendar year.

The bill passed the Senate Environmental Quality Committee on June 5th with 5 Ayes and 0 No votes and was referred to Senate Local Government Committee.

The bill passed the Senate Local Government Committee on June 26 with 4 Ayes and 3 No votes and was referred to the Senate Floor.

The bill was placed on the Third Reading File on July 2nd, which makes it eligible for a floor vote when the legislature reconvenes in August.

❖ AB 2958 (Calderon): SCAQMD Sponsored Legislation

Summary: this bill repeals the existing statute prohibiting compensation for CARB board members who represent Air Districts and provides that those board members shall receive the same compensation as other voting CARB board members. In doing so, the bill addresses the inequity in compensation among CARB board members.

The bill passed the Senate Environmental Quality Committee on July 3 with 5 Ayes and 0 No votes and was referred to the Senate Appropriations Committee. The bill has been set for hearing on August 5 in the Appropriations Committee.

- ❖ **AB 617 GGRF funding in Budget** The final negotiated outcome regarding the Greenhouse Gas Reduction Fund is detailed below. This reflects a multi-year commitment on AB 617 funding as well as all other commitments made.

Discretionary Cap and Trade Funding at 2024-25 Enactment

(Dollars in Millions)*

Department	Program	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<i>Air Resources Board</i>	AB 617 - Community Air Protection		\$195	\$195	\$195	\$195	\$195
	AB 617 - Local Air District Implementation		\$50	\$50	\$50	\$50	\$50
	AB 617 - Technical Assistance Grants		\$5	\$5	\$5	\$5	\$5
	ZEV Programs (preexisting agreement)			\$215	\$301	\$213	
<i>Secretary of Transportation</i>	Zero Emission Transit Capital Program	(-220)	(220)		\$230	\$460	
	Transit Inter-City Rail Capital Program and Other Transportation (Formula and Competitive (Fund Shift))	\$596	\$362	\$368	\$20		
<i>Department of Transportation</i>	Highways to Boulevards (Fund Shift)			\$25	\$50		
<i>Energy Resources Conservation and Development Commission</i>	ZEV Programs (preexisting agreement)			\$385	\$299	\$387	
	ZEV Fueling Infrastructure Grants (Fund Shift)	\$120				\$99	
	Drayage Trucks & Infrastructure (Fund Shift)	\$157					
	Transit Buses & Infrastructure (Fund Shift)	\$29					
	Clean Trucks, Buses, and Off-Road Equipment (Fund Shift)	\$71					
	Equitable Building Decarbonization (Fund Shift)		\$25			\$93	
	Carbon Removal Program (Fund Shift)	\$20					
	Distributed Electricity Backup Assets (Fund Shift)			\$200	\$180		
	Hydrogen Grants (Fund Shift)	\$5		\$34			

	Demand Side Grid Support (Fund Shift)		\$75	\$75			
	Food Production Investment Plan	-20					
	Industrial Decarbonization	-28					
	Long Duration Energy Storage (Fund Shift)	\$23		\$26			
	Clean Energy Reliable Investment Plan (Fund Shift)			\$50	\$150	\$50	\$650
<i>Public Utilities Commission</i>	Community Renewable Energy (Community Solar)			\$25			\$25
<i>Department of Forestry and Fire Protection</i>	Fire Prevention Grants (Fund Shift)		\$40			\$42	
	Unit Fire Prevention Projects (Fund Shift)					\$26	
	Prescribed Fire Liability Pilot (Fund Shift)		\$20				
	Tribal Wildfire and Forest Resilience (Fund Shift)			\$10			
	Monitoring and Research (Fund Shift)		\$6				
<i>Department of Food and Agriculture</i>	Livestock Methane Reduction (Fund Shift)		\$17	\$7			
	State Water Efficiency and Enhancement Program (Fund Shift)				\$21		
<i>California Natural Resources Agency</i>	Ocean Protection (Fund Shift)		\$28				
	Ocean Protection/SB 1 Implementation (Fund Shift)				\$37		
<i>Department of Conservation</i>	Regional Forest & Fire Capacity (Fund Shift)					\$20	
	Oil Well Plug and Abandonment (Fund Shift)				\$50		
<i>Department of Water Resources</i>	Urban Flood Risk Reduction/Systemwide Flood Programs-Little Egbert Project (Fund Shift)		\$126				
	Oroville Pump Storage (Fund Shift)			\$30	\$100	\$100	
	Habitat Restoration (Fund Shift)		\$103				
<i>Wildlife Conservation Board</i>	Streamflow Program (Fund Shift)		\$101				
	Nature Based Solution Programs (Fund Shift)		\$0				

Department of Fish and Wildlife	Protecting Fish and Wildlife from Changing Conditions (Fund Shift)		\$70				
	Watershed Climate Resilience (Fund Shift)			\$15			
	Wetland Restoration (Fund Shift)		\$17				
Cal EPA	Environmental Justice Action Grants (Fund Shift)				\$5		
Department of Toxic Substances Control	Vulnerable Community Toxic Clean-Up (Fund Shift)		\$65		\$43		
State Water Resources Control Board	Drinking Water/Wastewater (Fund Shift)		\$225	\$30			
	Water Recycling/Groundwater Clean Up (Fund Shift)			\$15			
Office of Planning and Research	California Climate Action Corps (Fund Shift)		\$9	\$9	\$9	\$9	
	Extreme Heat and Community Resilience (Fund Shift)		\$25				
Various	Salton Sea (Fund Shift)		\$72	\$3			
Various	Diablo Canyon Land Conservation and Economic Development (SB 846) (Fund Shift)		\$40	\$10	\$50	\$50	
CARB	ZEV Emerging Opportunities (Fund Shift)		\$53				
	Total	\$972.30	\$1,728.40	\$1,782.70	\$1,794.30	\$1,799.40	\$925.00



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
August 9, 2024, Legislative Committee Hearing

Legislative Update

The State Legislature began its month-long summer recess on July 4th after the second house policy committee deadline on July 3rd. Any bills that did not clear policy committees by this date can no longer be passed this session without a rules waiver. Even though there are no committee hearings during July, bills that cleared policy committees can still be worked on informally over the recess. Bill authors and stakeholders will often negotiate during this time to resolve any outstanding issues from policy committees and prepare to guide bills through second house appropriations committees. Additionally, this is typically when the Governor's office begins to engage in legislation before it is sent to his desk.

When the Legislature reconvenes on August 5th there will be one month of session remaining before final recess begins on August 31st. The first half of August will be occupied by the appropriations committees either passing bills or holding them on suspense. The suspense file process, which assesses legislation with major fiscal impacts, offers the Legislature an efficient way to eliminate controversial or costly bills without extensive debate. Considering the challenging fiscal environment the state is currently operating in, it is safe to assume that many bills with major fiscal impacts will face a tough path forward. August 15th will be the suspense hearing date. The second half of August will be occupied with voting on the respective floors of the Legislature as they work to close out the 2023-24 legislative session.

Budget Update

On July 2nd, Governor Newsom signed the remaining budget bills that the Legislature had sent him. The budget managed to resolve a \$46.8B deficit without sweeping cuts to social safety net programs. This was accomplished through \$16B in spending reductions, \$13.6B in internal borrowing from special funds, \$6B in withdrawals from the Budget Stabilization Account and \$11.2B in other fund shifts, pauses and deferrals. While the negotiated budget has been passed and signed, there can still be changes to the budget in August.

We do expect to see several trailer bills passed when they return to session. These are the policy changes that implement the budget. However, in recent years, they have been used to bypass the policy committee process and expedite other statutory changes.

Election Update

On July 3rd California’s Secretary of State assigned numbers to all qualified November ballot measures. In the days leading up to that, the Supreme Court and the Legislature had acted on several measures to affect what would appear on the ballot. Most notably, the California Supreme Court ruled on June 20 that the “Taxpayer Protection Act” is unconstitutional and removed it from the ballot. This proposed ballot measure would have raised the voter approval threshold for some local taxes to two-thirds and would have hamstrung many local jurisdictions. The Court ruled that the ballot measure was unconstitutional because it would have impermissibly changed the Legislature’s power over taxation as established in the State Constitution.

The Legislature also added a \$10B climate bond to the November ballot on July 3rd. If the bond is approved by voters, it would enable the Legislature to borrow \$1.5B for wildfire resilience programs and \$850M for clean energy programs, among other programs. The chances that voters will approve the climate bond are uncertain. Proposition 1, the statewide bond borrowing \$6.4B for mental health services, barely passed in the March primary election despite little organized opposition. Some political experts have interpreted this to mean that the California electorate has little desire for new statewide borrowing.

Below is a full list of all qualified ballot measures for the November general election.

Proposition 2	Education finance: school facilities: Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024. (AB 247, Chapter 81, Statutes of 2024)
Proposition 3	Marriage equality. (ACA 5, Resolution Chapter 125, Statutes of 2023)
Proposition 4	Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024. (SB 867, Chapter 83, Statutes of 2024)
Proposition 5	Local government financing: affordable housing and public infrastructure: voter approval. (ACA 1, Resolution Chapter 173, Statutes of 2023) Local government financing: affordable housing and public infrastructure: voter approval. (ACA 10, Resolution Chapter 134, Statutes of 2024)
Proposition 6	Slavery. (ACA 8, Resolution Chapter 133, Statutes of 2024)
Proposition 32	Raises Minimum Wage. Initiative Statute.
Proposition 33	Expands Local Governments’ Authority to Enact Rent Control on Residential Property. Initiative Statute.

- Proposition 34 Restricts Spending by Health Care Providers Meeting Specified
Criteria. Initiative Statute.
- Proposition 35 Provides Permanent Funding for Medi-Cal Health Care Services.
Initiative Statute.
- Proposition 36 Allows Felony Charges and Increases Sentences for Certain Drug
and Theft Crimes. Initiative Statute.



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FROM: Anthony, Jason & Paul Gonsalves
SUBJECT: Legislative Update – June & July 2024
DATE: Thursday, July 25, 2024

The month of June is focused on the budget and on June 13th, the Legislature sent Governor Newsom a placeholder budget to meet the June 15th Constitutional deadline. A little more than a week later, the Legislature and Governor announced they had a budget agreement and the Legislature sent the Governor the package of Budget Bills, which the Governor signed on June 29, 2024.

On July 3, 2024, the Legislature adjourned for summer recess and will return to Sacramento on August 5, 2024. Prior to leaving for summer recess, the Legislature also took action on finalizing the bond package for the November 2024 ballot.

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

BUDGET

On June 13, the Legislature passed its main budget bill, [Assembly Bill \(AB\) 107](#), a placeholder to meet the June 15th Constitutional deadline for passage. This bill bought the Governor and Legislature more time to work out an agreement and, more importantly, prevent the Legislature from forfeiting their per diem.

On June 22, 2024, Governor Newsom and Legislative leaders announced an official budget agreement. The Assembly and Senate approved the budget bills on June 26, 2024, and Governor Newsom signed them on June 29, 2024.

The \$297.9 billion spending plan reduces \$16 billion, taps \$6 billion in reserves, shifts \$6 billion from the GGRF account, delays \$3.1 billion, and defers another \$2.1 billion in programs. It also includes a blanket 7.95% reduction in funding for nearly all state departments and eliminates thousands of vacant positions, collectively expected to save almost \$3.7 billion.

Other significant reductions include \$1.1 billion from various affordable housing programs, \$746 million for healthcare workforce development, and \$500 million to build student housing. A scholarship program for middle-class college students will lose \$110 million annually, about a fifth of what the governor had initially sought to cut.

Legislation proposed within the budget deal would require the state to set aside a portion of future projected surpluses, preventing the expenditure of surplus funds until the money is collected. This legislation also proposes a constitutional amendment for voters in 2026 to grow California's main reserve account. The Legislature plans to take this up in August.

In the meantime, the state plans to dip into the rainy day fund, pulling out more than \$12 billion over the next two years to address the fiscal shortfall. It will also suspend the net operating loss for companies with more than \$1 million in taxable income and limit business tax credits to \$5 million annually.

BONDS ON THE NOVEMBER 2024 BALLOT

At the beginning of July, the Legislature placed two bond initiatives on the ballot: 1) Climate Bond and 2) Education Bond. These additions now total ten initiatives for California Voters to decide on this November.

The \$10 Billion Climate Bond will provide funding for the following:

- \$3.8 Billion for Safe Drinking Water, Drought, Flood, and Water Resilience
- \$1.5 Billion for Wildfire and Forest Resilience
- \$1.2 Billion for Sea Level Rise and Coastal Resilience
- \$450 Million for Extreme Heat Mitigation
- \$1.2 Billion for Protecting Biodiversity and Accelerating Nature-Based Climate Solutions
- \$300 Million for Climate Smart, Sustainable, and Resilient Farms, Ranches, and Working Lands
- \$700 Million for Park Creation and Outdoor Access
- \$850 Million for Clean Air

The \$10 Billion Education Bond will pay for repairs and upgrades at K-12 Schools and Community Colleges. \$8.5 billion will go to K-12 schools, and \$1.5 billion will go to Community Colleges.

STATE OF THE STATE

On June 24, 2024, after postponing the original March date due to the uncertainty around Proposition 1, Governor Newsom delivered the State of the State address, portraying 2024 as a year that's "another extraordinary moment in history."

The Governor's speech, which was pre-recorded and released on his social media channels and website, touched on his priorities and highlighted his successes on climate action, combating homelessness, gun safety, reproductive rights, and immigration. The Governor spoke about California approving their balanced budget for the next two years and highlighted his efforts on retail theft.

During his comments on climate action, the Governor said California has no peer: "We know that protecting the environment improves our economy." "Look no further for proof of California's economic dominance than the current revolution with clean cars. We are home to 60 zero-emission vehicle companies. The global EV market would not exist without California's leadership."

CLEANER & LESS POLLUTING FORKLIFTS

On June 27, 2024, [CARB adopted a new regulation](#) that will phase out the operation of large spark-ignited (LSI) forklifts in California, a source of criteria pollutants and greenhouse gases. Under the rule, which takes effect in 2026, manufacturers cannot produce or sell forklifts that largely operate on propane, gasoline, and natural gas.

This rule affects more than 89,000 forklifts currently operating in the state. CARB estimates that more than 2 tons of nitrogen oxide emissions will be avoided daily by 2031, the equivalent of removing 1.2 million miles traveled by a gasoline-powered car.

Under the rule, California will phase out large fleets starting in 2028, while smaller fleets will phase out starting in 2029. The phase-out schedule is by model year and designed so that no forklift must be phased out before it is ten years old.

CALIFORNIA VS. BIG OIL

On June 27, 2024, the State of California had another victory over Big Oil, as the industry announced it was pulling its referendum to repeal California's law protecting neighborhoods from the dangerous impacts of drilling.

The measure, which was slated for the November 2024 ballot, proposed allowing the oil industry to drill new wells within 3,200 feet of homes and schools and operate existing wells without pollution controls. Now that the industry has pulled its referendum from the November ballot, implementation of California's law requiring setbacks [[Senate Bill \(SB\) 1137](#)] can begin.

TRANSIT FUNDING

On July 8, 2024, Governor Newsom announced the approval of [\\$1.9 billion in funding](#) to support public transportation throughout the state. The California State Transportation Agency (CalSTA) approved this funding, which is from the transit recovery package adopted as part of the 2023-24 state budget.

\$5.1 billion is scheduled to be distributed to the regional transportation planning agencies over the next few years. This funding will go to 22 agencies and can be used to pay for transit operations or capital improvements. CalSTA will allocate additional funding to the remaining planning agencies throughout the summer, totaling nearly \$500 million. The remaining funds will be approved on an annual basis through FY 2027-28.

In addition to this transit funding, CalSTA released their Notice of Funding for \$900 million in April from the Transit and Intercity Rail Capital Program (TIRCP). Applications are due July 23, with project selection in October 2024.

LEGISLATION

South Coast Air Quality Management District (SCAQMD)'s sponsored legislation, SB 1158 (Archuleta), proposes to extend the time air districts have to use Carl Moyer Program funds from 4 years to 6 years.

Current Status:

In Assembly Appropriations Committee, awaiting approval when the Legislature reconvenes in August
Committee Updates:

June 25th: passed Assembly Natural Resources Committee on the consent calendar.

June 18th: passed Assembly Transportation Committee on the consent calendar.

2024 LEGISLATIVE DEADLINES

August 5th:

Legislature reconvenes.

August 16th:

Last day for fiscal committees to meet and report bills.

August 19th-30th:

Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.

August 23rd:

Last day to amend bills on the floor.

August 31st:

Last day for each house to pass bills. Final recess upon adjournment.