

BOARD MEETING DATE: April 5, 2024

AGENDA NO. 22

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, March 8, 2024. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
AB 1894 (Ta) – Nonvehicular air pollution: civil penalties	Oppose
State Proposition 1935	Oppose

RECOMMENDED ACTION:

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

Michael A. Cacciotti, Committee Chair
Legislative Committee

DJA:LTO:PFC:DPG:ar

Committee Members

Present: Councilmember Michael A. Cacciotti, Committee Chair
Supervisor Curt Hagman
Supervisor V. Manuel Perez
Councilmember Nithya Raman
Councilmember José Luis Solache

Absent: Mayor Patricia Lock Dawson

Call to Order

Chair Michael Cacciotti called the meeting to order at 9:02 a.m.

ACTION/DISCUSSION ITEMS:

1. Update on 2024 South Coast AQMD-Sponsored State Bills

Derrick Alatorre, Deputy Executive Officer, Legislative, Public Affairs & Media, informed the Committee that authors were secured for the following three 2024 South Coast AQMD sponsored state bills:

- AB 2522 (W. Carrillo) would increase compensation for local air district board members by doubling the current limit and adjusting compensation based on the annual consumer price index going forward.
- AB 2958 (Calderon) would provide CARB Board Members representing local air districts with the same level of compensation as other voting CARB Board Members.
- SB 1158 (Archuleta) would update the Carl Moyer program by expanding the liquidation time for Moyer funding from 4 to 6 years and increasing Moyer administrative fees for program implementation for larger air districts from 6.25 to 12.5 percent. For additional information, please refer to the [Webcast](#) beginning at 5:02.

There was no public comment.

2. Recommend Position on State Bill

Philip Crabbe, Senior Public Affairs Manager, Legislative, Public Affairs & Media presented on AB 1894 (Ta) – Nonvehicular air pollution: civil penalties. The bill would require a local air district to provide a person or business with a minimum of 30 days and a maximum of 60 days to rectify an air pollution violation before being subject to civil penalties. The author is proposing to amend the bill to apply only to small businesses.

AB 1894 (Ta) conflicts with the Clean Air Act that requires every state implementation plan to include enforceable emission limitations and other control measures. Additionally, the Health & Safety code requires air districts to consider factors, including but not limited to, the extent of harm caused, the nature and persistence of the violation, the length of time of the violation, and financial burden to the business prior to the issuance of a fine.

Supervisor Hagman commented on the importance of providing assistance to small businesses. Councilmember Solache agreed that it is important to work with small businesses. For additional information, please refer to the [Webcast](#) beginning at 11:19.

Staff recommended an OPPOSE position on this bill.

Moved by: Hagman; Seconded by: Solache
Ayes: Hagman, Perez, Raman, Solache, Cacciotti
Noes: None
Absent: Lock Dawson

There was no public comment.

3. Recommend Position on State Proposition 1935

Mr. Crabbe presented on State Proposition 1935, which would amend the California Constitution to limit the ability of voters and local governments to raise state and local revenue.

Specifically, the measure would:

- For new or increased state taxes currently enacted by two-thirds vote of the Legislature, also require a statewide election and majority voter approval;
- Limit public's ability to pass voter-proposed local special taxes by raising vote requirement to two-thirds;
- Eliminate voters' ability to advise how to spend revenues from a proposed general tax;
- Expand the definition of "taxes" to include certain regulatory fees; and,
- Retroactively void all state and local taxes or fees adopted after January 1, 2022, if they do not align with the provisions of Proposition 1935.

Staff recommended an OPPOSE position on this measure.

Moved by: Hagman; Seconded by: Raman
Ayes: Hagman, Perez, Raman, Solache, Cacciotti
Noes: None
Absent: Lock Dawson

For additional information, please refer to the [Webcast](#) beginning at 17:02.

There was no public comment.

DISCUSSION ITEMS:

4. Update and Discussion on Federal Legislative Issues

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

Mark Kadesh, Kadesh & Associates, reported that Senators Dianne Feinstein and Alex Padilla included a \$500,000 Community Directed Funding request in fiscal year (FY) 2024-25 appropriations for a South Coast AQMD plug-in hybrid tugboat

project. Senator Padilla and Representative Aguilar (D-33) contacted senior leadership at U.S. EPA regarding the proposed disapproval of South Coast AQMD's plan to meet the 1997 8-hour ozone standard.

Gary Hoitsma, Carmen Group, reported on FY 2024 appropriations including,

- Diesel Emissions Reduction Act (DERA): \$90 million
- Targeted Airshed Grant: \$67 million
- Section 103/105: \$235.9 million
- Port Infrastructure Development Grant Program: \$120 million

Amelia Jenkin Morales, Cassidy & Associates, provided an overview of the Congressional Primary election results.

Supervisor Hagman inquired about the potential for legislative action for U.S. EPA's proposed disapproval of South Coast AQMD's plan to meet the 1997 8-hour ozone standard. Executive Officer Wayne Nastri responded that South Coast AQMD is working with our Congressional Delegation as well as relevant agencies. For additional information, please refer to the [Webcast](#) beginning at 20:06.

There was no public comment.

5. Update and Discussion on State Legislative Issues

South Coast AQMD's state legislative consultants (Joe A. Gonsalves & Son, Resolute, and California Advisors, LLC) provided written reports on key issues in Sacramento.

Paul Gonsalves, Joe A. Gonsalves & Son, reported on the state budget. February personal income tax and corporate tax receipts were \$1.16 billion above state projections.

David Quintana, Resolute, reported that the February cap-and-trade auction raised \$1.3 billion for the Greenhouse Gas Reduction Fund. The last auction for this fiscal year will take place in May.

Ross Buckley, California Advisors, LLC, provided an overview of preliminary primary election results. Special elections will likely to be held in 2025 due to 15 legislators running for other local and federal offices. This could have a notable impact on the state Senate in particular. For additional information, please refer to the [Webcast](#) beginning at 37:34.

There was no public comment.

OTHER MATTERS:

6. Other Business

There was no other business to report.

7. Public Comment Period

Thomas Jelenic representing the Pacific Merchant Shipping Association (PMSA) commented on the need for federal action in controlling mobile sources of emissions.

8. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, April 12, 2024, at 9:00 a.m.

Adjournment

The meeting was adjourned at 9:44 a.m.

Attachments

1. Attendance Record
2. Recommend Position on State Bill
3. Recommend Position on State Proposition 1935
4. Update on Federal Legislative Issues – Written Reports
5. Update on State Legislative Issues – Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – March 8, 2024

Councilmember Michael Cacciotti	South Coast AQMD Board Member
Supervisor Curt Hagman	South Coast AQMD Board Member
Supervisor V. Manuel Perez	South Coast AQMD Board Member
Councilmember Nithya Raman	South Coast AQMD Board Member
Councilmember José Luis Solache	South Coast AQMD Board Member
Uduak-Joe Ntuk	Board Consultant (Solache)
Mark Taylor	Board Consultant (Rodriguez)
Fred Minassian	Board Consultant (Padilla-Campos)
Ross Buckley	California Advisors, LLC
Paul Gonsalves	Joe A. Gonsalves & Son
Gary Hoitsma	Carmen Group, Inc.
Amelia Jenkins	Cassidy & Associates
Mark Kadesh	Kadesh & Associates
David Quintana	Resolute
Mark Abramowitz	Public Member
John Adame	Public Member
Sam Emmersen	Public Member
Thomas Jelenic	Public Member
Bill La Marr	Public Member
Dulce Mejicanos	Public Member
Kristy Monji	Public Member
Bill Quinn	Public Member
Patty Senecal	Public Member
Derrick Alatorre	South Coast AQMD Staff
Debra Ashby	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Lara Brown	South Coast AQMD Staff
Maria Corralejo	South Coast AQMD Staff
Philip Crabbe	South Coast AQMD Staff
Denise Gailey	South Coast AQMD Staff
Bayron Gilchrist	South Coast AQMD Staff
De Groeneveld	South Coast AQMD Staff
Alex Han	South Coast AQMD Staff
Sheri Hanizavareh	South Coast AQMD Staff
Sujata Jain	South Coast AQMD Staff
Anissa Cessa Heard-Johnson	South Coast AQMD Staff
Angela Kim	South Coast AQMD Staff
Howard Lee	South Coast AQMD Staff
Alicia Lizarraga	South Coast AQMD Staff
Jason Low	South Coast AQMD Staff
Ian MacMillan	South Coast AQMD Staff
Karin Manwaring	South Coast AQMD Staff
Ron Moskowitz	South Coast AQMD Staff

Susan NakamuraSouth Coast AQMD Staff
Wayne NastriSouth Coast AQMD Staff
Robert PaudSouth Coast AQMD Staff
Dan PenoyerSouth Coast AQMD Staff
Sarah ReesSouth Coast AQMD Staff
Mary ReichertSouth Coast AQMD Staff
Aisha ReyesSouth Coast AQMD Staff
Lisa Tanaka O'MalleySouth Coast AQMD Staff
Mei WangSouth Coast AQMD Staff
Paul WrightSouth Coast AQMD Staff
Victor YipSouth Coast AQMD Staff
BreTania YoungSouth Coast AQMD Staff

ATTACHMENT 2A

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 1894

Introduced by Assembly Member Ta

January 23, 2024

An act to add Section 42407.5 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1894, as introduced, Ta. Nonvehicular air pollution: civil penalties.

Existing law establishes the State Air Resources Board as the state agency with primary jurisdiction over the regulation of air pollution. Existing law generally designates air pollution control districts and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law subjects violators of specified air pollution laws or any rule, regulation, permit, or order of a district or of the state board to specified civil penalties.

This bill would require a district to provide a person with a period of not less than 30 days to rectify a violation before the person may be subject to those civil penalties. By increasing the duties of air pollution control districts and air quality management districts, 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, if the Commission on State Mandates determines that the bill contains costs 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 42407.5 is added to the Health and Safety
- 2 Code, to read:
- 3 42407.5. Before a person may be subject to civil penalties for
- 4 a violation described in this article, the district shall provide the
- 5 person an opportunity to rectify the violation. The period for
- 6 rectifying a violation shall be not less than 30 days and not more
- 7 than 60 days, except that a district, in its discretion, may provide
- 8 more than 60 days.
- 9 SEC. 2. If the Commission on State Mandates determines that
- 10 this act contains costs mandated by the state, reimbursement to
- 11 local agencies and school districts for those costs shall be made
- 12 pursuant to Part 7 (commencing with Section 17500) of Division
- 13 4 of Title 2 of the Government Code.

ATTACHMENT 2B

South Coast Air Quality Management District
Legislative Analysis Summary – AB 1894 (Ta)
Version: Introduced - 1/23/24
Analyst: DPG/PC

AB 1894 (Ta)

Nonvehicular air pollution: civil penalties

Summary: This bill would require a local air district to provide a person or business a minimum of thirty days and a maximum of sixty days to rectify an air pollution violation before being subject to civil penalties.

Background: Existing law establishes CARB as the state agency with primary jurisdiction over the regulation of air pollution. Existing law generally designates air pollution control districts and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law subjects violators of air pollution laws or any rule, regulation, permit, or order of a district or CARB to civil penalties.

Current law governing non-vehicular air pollution provides for civil penalties for violations of air pollution standards. Assessment of the penalties are based on the number of days of violation and the intent of the violator, negligence, knowledge and failure to correct, or willful and intentional behavior.

Existing law requires the court, or the district in reaching a settlement agreement, to consider all relevant circumstances in determining the amount of the civil penalty assessed. These circumstances include, but are not limited to: the extent of harm caused by the violation; the nature and persistence of the violation; the length of time over which the violation occurs; the frequency of past violations; the record of maintenance; the unproven or innovative nature of the control equipment; action, if any, taken by the defendant, including the nature, extent, and time of response of the cleanup and construction undertaken, to mitigate the violation; and the financial burden to the defendant. (Health & Safety Code 42403).

Status: 2/12/24 - Referred to the Assembly Natural Resources Committee and Assembly Judiciary Committee

Specific Provisions: Specifically, this bill would provide that:

Before a person may be subject to civil penalties for a violation, an air district shall provide the person an opportunity to rectify the violation. The period for rectifying a violation shall be not less than 30 days and not more than 60 days, except that a district, in its discretion, may provide more than 60 days.

Impacts on South Coast AQMD's Mission, Operations or Initiatives: Penalties for violating air quality regulations and permits are intended to act as a deterrent to prevent unregulated releases of air pollutants and protect public health. For minor violations, and as otherwise appropriate, air districts will often work with a business to resolve a noncompliant

situation and potentially issue a notice to comply, prior to issuing any penalties for violations.

However, this bill's approach would lessen local air districts' authority and discretion in working with and/or punishing violators of air quality regulations, and hurt districts' ability to reduce emissions and air toxics and protect public health. This bill would negate the ability to penalize short term emission situations, such as nuisance and flaring events, and diminish the ability for penalties to act as a deterrent. Further, by limiting districts' ability to enforce air quality laws and regulations, it would hurt districts' ability to implement requirements of air quality management plans/state implementation plans focused on reducing emissions, as required by state and federal law.

Overall, this bill conflicts with South Coast AQMD's core mission of improving air quality and protecting the health of all communities in the South Coast region.

Recommended Position: OPPOSE

Support:

California Metals Coalition

NFIB: Small Business Association

Opposition:

N/A

ATTACHMENT 3

State Proposition 1935

[Proposition 1935](#) is eligible for the November 2024 statewide ballot and would amend the California Constitution to limit the ability of voters and local governments to raise state and local revenues for government services. Under existing laws, local governments may place “advisory measures” on the ballot along with a general tax measure. Proposition (Prop) 1935 would prohibit advisory measures likely making it harder for local governments to raise revenue.

Specifically, the measure would:

- For new or increased state taxes currently enacted by two-thirds vote of Legislature, also require statewide election and majority voter approval.
- Limit voters’ ability to pass voter-proposed local special taxes by raising vote requirement to two-thirds.
- Eliminate voters’ ability to advise how to spend revenues from proposed general tax on same ballot as the proposed tax.
- Expand definition of “taxes” to include certain regulatory fees, broadening application of tax approval requirements.
- Retroactively void all state and local taxes or fees adopted after January 1, 2022 if they do not align with the provisions of this initiative.

ANTICIPATED FISCAL IMPACT

Lower annual state and local revenues, potentially substantially lower, depending on future actions of the Legislature, local governing bodies, voters, and courts (Legislative Analyst Office & Department of Finance).

IMPORTANT NOTE: In response to Prop. 1935, the California Legislature passed ACA 13, the [Protect and Retain the Majority Vote Act](#) to also appear on the November 2024 statewide ballot. If passed by voters, ACA 13 would require an initiative constitutional amendment that increases voter approval requirements for state or local measures to itself be approved by the same super-majority vote that it proposes. Thus, if the voters approve ACA 13, its provisions would apply to Prop. 1935 and would thus require a two-thirds majority for Prop. 1935 to pass. Additionally, ACA 13 guarantees in the state constitution the ability of local governments to submit advisory questions to voters.

SUPPORT

California Business Roundtable - Sponsor
Aera Energy
Albertsons Safeway
AMR Holdco Inc. (Provider of emergency medical transport services.)
Blackstone Real Estate Partners
California Business PAC, Sponsored by CalChamber
CJ Segerstrom & Sons
Cypress Management Company
Dart Container
Douglas Emmett Properties, LP and affiliated entities

Enterprise Rental Car
Five Point Operating Company
Grimmway Enterprises
Howard Jarvis Taxpayers Association
Hudson Pacific Services
Kilroy Realty LP. (U.S. landlord and developer)
Majestic Realty
Pacific Ethanol
PEPSICO
Pharmaceutical Research and Manufacturers of America
Sempra Energy
State Farm Insurance
Sutter Health
7-Eleven

OPPOSITION

Alliance for a Better California
AFSCME California
CalCities (League of California Cities)
California Alliance for Jobs
California Contract Cities Association
California Professional Firefighters
California Special Districts Association
California State Association of Counties
California State Council of Laborers
Rebuild SoCal Partnership
SEIU California
Individual Cities and Local Governments:
Agoura Hills
Albany
Angels Camp
Artesia
Azusa
Beaumont
Bell Gardens
Blue Lake
Brisbane
Buena Park
Burbank
Carson
Chowchilla
Colton
Corte Madera
Cypress
Desert Recreation and Park District
Dinuba

Downey
Dunsmuir
El Cerrito
Fairfield
Fowler
Glendora
Gustine
Highland
Hughson
Indio
Kerman
King City
La Palma
Lafayette
Lakeport
Lakewood
Larkspur
Lathrop
Lomita
Madera
Manteca
Marina
Mill Valley
Montebello
Monterey Park
Monterey
Moorpark
Needles
Newman
Norco
North County Fire Protection District

Novato
Oakdale
Palm Desert
Paramount
Pismo Beach
Placentia
Placerville
Rancho Cucamonga
Redlands
Riverbank
Rolling Hills Estates
Rosamond Community Services District
Salinas
San Jose
San Juan Bautista
San Leandro
San Pablo
San Rafael

Sebastopol
Selma
Signal Hill
South Gate
Sunnyvale
Torrance
Tracy
Tulelake
Ukiah
Vallejo
Ventura
Victorville
West Hollywood
Williams
Woodlake
Yountville
Yuba City

ATTACHMENT 4A

KADESH & ASSOCIATES

South Coast AQMD Report for the March 2024
Legislative Meeting covering February 2024
Kadesh & Associates

Congress continues to struggle to complete the FY24 appropriations bills. While an overall topline number and individual subcommittee allocations have been agreed to between the House and Senate leadership, the bills have not yet come together as quickly as some had hoped, and the difficult politics in the House – very narrow margins, an inexperienced Speaker, and an emboldened Freedom Caucus – mean that the path forward remains very unclear. The House and Senate have just a few days remaining before the funding deadlines set by the last continuing resolution (CR).

Given this tight timing, another CR is likely, but there has been no work on that so far. Republican leadership in the House have begun to acknowledge that the House will not hold individual votes on all twelve appropriations bills, as originally promised, which at least removes one complication from the process. However, the House Freedom Caucus has continued its demands for spending cuts, and recently reissued a demand for “significant policy changes” through appropriations riders on numerous topics, including climate and DEI policies. In addition to the ongoing FY24 appropriations logjam, Congress still has to grapple with stalled – and competing – Ukraine aid bills.

Congress returns from recess the week of February 26 (the Senate returns on February 26 and the House on February 28) and funding for the first four appropriations bills expires on March 1, with the rest expiring on March 8. To take action in time to avoid a partial government shutdown, Congressional leadership will need to reach agreement on policy riders and other key questions soon, so that they can release legislative text the week they return.

Even though the FY24 process remains unresolved, the early steps of the FY25 funding process are scheduled to begin in early March, with the State of the Union on March 7 and the President’s budget release on March 11.

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.
- Scheduled meetings with 12 Members of Congress, worked on messaging and meeting strategy, and staffed meetings for DC fly-in.

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.

###

ATTACHMENT 4B



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

To: South Coast AQMD Legislative Committee
From: Carmen Group
Date: February 22, 2024
Re: Federal Update -- Executive Branch

Environmental Protection Agency

EPA Finalizes Stricter PM2.5 Air Quality Standards: In February, the EPA finalized a significantly stronger air quality standard for fine particulate matter known as PM2.5 from a level of 12 micrograms per cubic meter to 9 micrograms per cubic meter. The action, which has been in development over the past three years, is said to set the conditions to yield \$46 billion in net health benefits in 2032. In addition, the EPA says it is advancing environmental justice by modifying the PM2.5 monitoring network design criteria to include a factor that accounts for the proximity of populations at increased risk to the health effects of air pollution.

EPA Announces Funds Available to Expand Air Quality Monitoring: In February, the EPA announced the availability of \$83 million for air agencies to expand and upgrade the nation's air quality monitoring networks, especially in and near potentially affected communities. Applications due April 8, 2024.

EPA and DOE Announce Intent to Fund New Methane Reduction Projects: In February, the EPA and the Department of Energy announced a Notice of Intent to make funds available to help measure and reduce methane emissions from the oil and gas industry, giving applicants time to prepare proposals and seek partnerships if necessary. Meanwhile, in February, the EPA held three public training webinars on the agency's final rule to sharply reduce methane emissions.

EPA Hosts "Roadshow" In San Bernardino: On February 16, EPA hosted one its new national "Roadshow" events designed as in-person initiative to help communities learn about and navigate the EPA's funding opportunities made possible by the Inflation Reduction Act and the Bipartisan Infrastructure Law that have provided unprecedented resources to address key environmental issues.

EPA Launches "Be EPA" Workforce Recruitment Effort: [Video](#)

EPA Releases 2023 Power Plant Data: [Latest Power Plant Emissions Comparisons](#)

EPA Releases Annual Equity Action Plan: [EPA Equity Action Plan -- 2023 Update](#)

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Department of Transportation

FTA Announces Funds Available for Clean Transit Buses: In February, the Federal Transit Administration (FTA) announced the availability of \$1.5 billion for clean transit buses – including zero-emission buses – under the Administration’s two major bus grant programs. In FY 24, \$1.1 billion is being made available for the Low-or-No Emission Grant Program and \$390 million is being made available for the Bus and Bus Facilities Program. Applications due April 25, 2024. (Personnel Note: As of Feb. 24, 2024, Veronica Vanterpool, FTA Deputy Administrator, will serve as Acting FTA Administrator upon the retirement of Nuria Fernandez.)

DOT Announces Mega and INFRA Project Grants: In February, the Department of Transportation announced the distribution of \$4.9 billion in funding to 37 projects through two major discretionary grant programs. Under the Mega program, 11 grants were made nationwide, including a \$283.3 million grant to the City of Long Beach, CA for the Pier B Rail Program Buildout to significantly enhance container-on-rail service to and from the Ports of Long Beach and Los Angeles. Under the INFRA program, 28 grants were made nationwide, including a \$426.7 million grant for the Humboldt Bay Offshore Wind port project in Humboldt County, CA and a \$53.8 million grant for the San Dieguito River Railway Bridge Replacement project in San Diego.

FAA Announces Airport Grants: In January and February, the Federal Aviation Administration (FAA) announced over \$1.2 billion in airport grants under two major grant programs. Nearly \$1 billion in grants under the Airport Terminal Program will improve 114 airports across the country and more than \$240 million in grants under the Airport Infrastructure Grant (AIG) program will modernize airport infrastructure and runways in 37 states.

DOT Releases Annual Equity Action Plan: [DOT Equity Action Plan -- 2023 Update](#)

Department of Energy

DOE Announces Funds Available for Targeted Industrial Emissions Controls: In February, the Department of Energy announced the availability of \$83 million for applied RD&D to help decarbonize the highest GHG-emitting industrial subsectors, specifically chemicals and fuels, iron and steel, food and beverage, forest products, and building and infrastructure materials, representing 65 percent of U.S. industrial manufacturing emissions. Concept papers due March 19, 2024. Full applications due June 11, 2024.

DOE Releases Annual Equity Action Plan: [DOE Equity Action Plan -- 2023 Update](#)

Outreach: In February, Carmen Group coordinated and participated with officials in Washington DC in meetings at the DOT’s Maritime Administration, the DOE’s Office of Energy Efficiency and Renewable Energy, and the U.S. Chamber of Commerce on federal grant and other issues of importance to South Coast AQMD.

###

ATTACHMENT 4C



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: February 22, 2024
Re: February Report

HOUSE/SENATE

Congress

The House and Senate are in recess this week. Upon their return, both chambers will need to address the approaching deadlines to pass Fiscal Year 2024 spending. Four appropriations bills will expire on March 1, and the remaining will expire on March 8. Congressional leadership will also have to negotiate a path forward on national security supplemental funding. The Senate passed their version of a supplemental last week, with \$95 billion in aid for Ukraine, Israel, and others. However, Speaker Mike Johnson (R-LA-4) has stated that he will not bring this legislation up for a vote. The Senate will additionally have to address the impeachment of Secretary of Homeland Security Alejandro Mayorkas, which the House voted on last week.

Rep. Cathy McMorris Rodgers (R-WA-5), Chair of the House Energy and Commerce Committee, and Rep. Mike Gallagher (R-WI-8), Chair of the Select Committee on Strategic Competition between the United States and the Chinese Communist Party, announced their retirement last week, leaving powerful committee positions up for grabs in the next Congress.

EPA

On January 23, the Environmental Protection Agency (EPA) awarded \$10.67 million in funding to nine projects through the Wildlife Smoke Preparedness in Community Buildings grant program. The projects will enhance wildlife smoke preparedness and protection in community buildings

through prevention, control, and abatement of wildlife smoke hazards. The Esperanza Community Housing Corporation in Los Angeles was selected to strengthen wildlife smoke preparedness infrastructure in the Mercado La Paloma building. The site will also be used as a launch pad for a grassroots education and outreach campaign. Read more [here](#).

On February 7, EPA finalized a stronger air quality standard for fine particle pollution, also known as soot, changing the level from 12 micrograms per cubic meter to 9 micrograms per cubic meter. The updated standard is estimated to prevent 4,500 premature deaths and yield up to \$46 million in net health benefits in 2032. Particle pollution is particularly harmful to vulnerable communities, including children, older adults, and people with health conditions such as asthma or lung disease. Read more [here](#).

On February 16, EPA announced the availability of \$81 million in funding for eligible air agencies to expand and upgrade air quality monitoring networks. Eligible state, local, Tribal, and territorial air agencies will be able to use funding for monitoring near fenceline communities and developing and refining air toxics monitoring methods. An additional \$2 million will be available to support state, local, territorial, and Tribal agencies in the deployment and operation of air quality sensors in low-income and disadvantaged communities. Applications are due by April 8, 2024. Read more [here](#).

Cassidy and Associates support in February:

- Planned for and executed SCAQMD February fly in. Confirmed meetings with White House Office of Climate, U.S. Department of Transportation Office of Secretary/Policy, House Committee on Energy & Commerce, and Senate Committee on Environment and Public Works. Staffed U.S. EPA meeting. Organized, held and provide briefing daily for all fly-in participants and organized evening debrief.
- 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.
- Participated in weekly strategy sessions with SCAQMD staff.

IMPORTANT LEGISLATIVE DATES

March 1, 2024: FY2023 funding expires for Agriculture-FDA, Energy and Water, Military Construction-VA, and Transportation-HUD spending bills.

March 8, 2024:

- FY2023 funding expires for Commerce-Justice-Science, Defense, Financial Services, Homeland Security, Interior-Environment, Labor-HHS-Education, Legislative Branch, and State-Foreign Operations bills.
- National Flood Insurance Program reauthorization deadline.
- Deadline for the Federal Aviation Administration reauthorization.

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.

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.

ATTACHMENT 5A



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 916 441-5081

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District
FROM: Anthony, Jason & Paul Gonsalves
SUBJECT: Legislative Update – February, 2024
DATE: Thursday, February 22, 2024

February was a busy month around the Capitol. Legislators had until February 16 to introduce new bills in the second year of the 2-year Legislative Session. This year, the Legislature introduced 2,126 new bills, which includes 1,505 in the Assembly and 621 in the Senate. All bills must be in print for 30 days before they can be heard in committee, which pushes most of the new bills to the middle of March before they can be heard in policy committee.

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

\$15.5+ BILLION IN CLIMATE INVESTMENTS FROM BIDEN ADMINISTRATION

On February 2, Governor Newsom highlighted the historic \$15.5 billion climate investments that the Biden-Harris Administration has announced for California. The funding comes through President Biden's signature pieces of legislation, the Bipartisan Infrastructure Law and the Inflation Reduction Act – the largest investment in clean energy and climate action ever. The amount is anticipated to increase as the Biden-Harris Administration announces additional awards in the coming years.

The funding breakdown is as follows:

- \$439.6 million for environmental protection & nature-based solutions.
- \$7.5 billion for transportation & ZEV's.
- \$4.4 billion for water.
- \$2.2 billion for energy.
- \$253.1 million for wildfires.
- \$719.9 million for coastal & climate resilience.

SENATE LEADER MCGUIRE ANNOUNCES LEADERSHIP TEAM & COMMITTEE MEMBERSHIP FOR THE 2024 LEGISLATIVE YEAR

On February 8, Senate President pro Tempore Mike McGuire announced the Senate Democratic Leadership Team and committee membership assignments for the 2024 Legislative year. The Senate Rules Committee ratified the committee memberships on February 14.

The following will provide you with the Senate Democratic Leadership:

- Senator Lena Gonzalez (D-Long Beach), Majority Leader
- Senator Angelique Ashby (D-Sacramento), Assistant Majority Leader
- Senator Aisha Wahab (D-Hayward), Assistant Majority Leader
- Senator Monique Limón (D-Santa Barbara), Democratic Caucus Chair
- Senator Dave Cortese (D- San Jose), Majority Whip
- Senator María Elena Durazo (D-Los Angeles), Assistant Majority Whip
- Senator Steve Padilla (D-San Diego), Assistant Majority Whip

The following will provide you with the Chair and Membership of the committees of interest to the District:

Appropriations

- Senator Anna Caballero, Chair (Senator Caballero will assume the post on March 11, 2024)
- Senator Brian Jones, Vice-Chair
- Senator Angelique Ashby
- Senator Josh Becker
- Senator Steven Bradford
- Senator Kelly Seyarto
- Senator Aisha Wahab

Budget and Fiscal Review

- Senator Scott Wiener, Chair
- Senator Roger Niello, Vice-Chair
- Senator Nancy Skinner, Chair Emeritus
- Senator Benjamin Allen
- Senator Josh Becker
- Senator Catherine Blakespear
- Senator Brian Dahle
- Senator María Elena Durazo
- Senator Susan Talamantes Eggman
- Senator Shannon Grove
- Senator John Laird
- Senator Caroline Menjivar
- Senator Dave Min
- Senator Josh Newman
- Senator Steve Padilla
- Senator Richard Roth
- Senator Kelly Seyarto
- Senator Lola Smallwood-Cuevas
- Senator Aisha Wahab
- Senator Scott Wilk

Energy, Utilities and Communications

- Senator Steven Bradford, Chair
- Senator Brian Dahle, Vice-Chair
- Senator Angelique V. Ashby
- Senator Josh Becker
- Senator Anna Caballero
- Senator Bill Dodd
- Senator María Elena Durazo
- Senator Susan Talamantes Eggman
- Senator Lena Gonzalez
- Senator Shannon Grove
- Senator Monique Limón
- Senator Dave Min
- Senator Josh Newman
- Senator Susan Rubio
- Senator Kelly Seyarto
- Senator Nancy Skinner
- Senator Henry Stern
- Senator Scott Wilk

Environmental Quality

- Senator Benjamin Allen, Chair
- Senator Brian Dahle, Vice-Chair
- Senator Lena Gonzalez
- Senator Melissa Hurtado
- Senator Caroline Menjivar
- Senator Janet Nguyen
- Senator Nancy Skinner

Natural Resources and Water

- Senator Dave Min, Chair
- Senator Kelly Seyarto, Vice-Chair
- Senator Benjamin Allen
- Senator Brian Dahle
- Senator Susan Talamantes Eggman
- Senator Shannon Grove
- Senator Melissa Hurtado
- Senator John Laird
- Senator Monique Limón
- Senator Steve Padilla
- Senator Henry Stern

Transportation

- Senator Dave Cortese, Chair
- Senator Roger Niello, Vice-Chair
- Senator Benjamin Allen
- Senator Bob Archuleta
- Senator Josh Becker
- Senator Catherine Blakespear
- Senator Brian Dahle
- Senator Bill Dodd
- Senator Lena Gonzalez
- Senator Monique Limón
- Senator Josh Newman
- Senator Janet Nguyen
- Senator Anthony Portantino
- Senator Kelly Seyarto
- Senator Thomas Umberg

Budget Subcommittee #2 on Resources, Environmental Protection and Energy

- Senator Josh Becker, Chair
- Senator Benjamin Allen
- Senator Catherine Blakespear
- Senator Brian Dahle

Joint Legislative Committee on Climate Change Policies

- Senator Henry Stern, Chair
- Senator Catherine Blakespear
- Senator Melissa Hurtado
- Senator Steve Padilla

RIVERSIDE ENERGY PROJECT

On February 9, Governor Gavin Newsom announced that he took action to accelerate a clean energy project in Riverside County that, if ultimately approved, is expected to deliver clean power to hundreds of thousands of homes in the region while also creating good paying jobs. The project invests nearly \$300 million in California's economy and is the first clean energy project streamlined by Governor Newsom.

The Governor certified the Easley Renewable Energy Project utilizing tools to build more faster that were extended in the historic infrastructure package passed last year with the support of the Legislature. The certification means a streamlined process for legal challenges that can otherwise cause long delays. In November, Governor Newsom streamlined the Sites Reservoir Project – the first project certified by the Governor under the new law.

The Easley Renewable Energy Project is expected to deliver clean power for up to 650,000 homes. It would add 400 megawatts (MW) of solar generation powering up to 400,000 homes, as

well as up to 650 MW of battery storage critical for supporting California's power grid and powering 650,000 homes.

The project would help California achieve its climate and clean energy goals, including powering the state with 90% clean electricity by 2035 and 100% by 2045. Easley's battery storage is essential to maximizing renewable energy while maintaining a safe and reliable electric grid in the face of climate-driven extreme weather as the state transitions away from fossil fuels.

\$1.9 BILLION PLAN TO EXPAND ZERO-EMISSION TRANSPORTATION INFRASTRUCTURE

On February 14, the California Energy Commission (CEC) approved a \$1.9 billion investment plan that accelerates the state's electric vehicle (EV) charging and hydrogen refueling goals. These investments will help deploy infrastructure for light, medium, and heavy-duty zero-emission vehicles (ZEV) across California, creating the most extensive charging and hydrogen refueling network in the country.

The plan details how the CEC's Clean Transportation Program will spend \$1.9 billion in state funding over the next four years, with at least 50 percent targeted to benefit priority populations. The funding is part of the \$48 billion dollar California Climate Commitment, which includes more than \$10 billion for ZEVs and ZEV infrastructure. The state has also received billions from the Biden-Harris Administration for clean transportation.

The funds approved will result in 40,000 new chargers statewide. Nearly 94,000 public and shared private chargers are installed today. Combined with previous investment plans, funding from the federal government, utilities and other programs, the state expects to reach 250,000 chargers in the next few years. This is in addition to private installations and home chargers. The funds will become available over the next four years and distributed to projects through competitive grants. Projects include direct incentive and rebate programs for businesses, non-profit organizations, tribes and public agencies.

CLIMATE PARTNERSHIP WITH SWEDEN

On February 20, Governor Newsom signed a Letter of Cooperation (LOC) with Sweden, renewing a climate partnership between the two economies established in 2017.

California and Sweden are both taking aggressive climate action to achieve carbon neutrality by 2045. The LOC outlines five years of cooperation between California and Sweden on zero-emissions transportation and infrastructure, local climate action, clean energy and climate-smart agriculture.

GOVERNOR'S APPOINTMENTS

Christine Casey, of Sacramento, has been appointed Deputy Secretary of Freight Policy at the California State Transportation Agency. Casey has been a Senior Consultant at the California State Assembly since 2019. She was Director of Partner Engagement at the California Council on Science and Technology from 2017 to 2019. Casey was a Budget Analyst for the Department of Finance from 2015 to 2017. She was a Consultant for the California State Assembly in 2015. Casey was a Fellow at the California Council on Science and Technology from 2014 to 2015.

She was a Postdoctoral Fellow at the University of California, San Diego from 2011 to 2014 and an Adjunct Professor at the University of San Diego in 2014. Casey earned a Bachelor of Science degree and a Master of Science degree in Biological Science from the State University of New York, Brockport and a Doctor of Philosophy degree in Biology from the University of Rochester. This position does not require Senate confirmation.

Ana Jovel Melendez, of Sacramento, has been appointed Deputy Secretary of Legislative Affairs at the California Environmental Protection Agency. Jovel Melendez has been Director of Legislative Affairs at the State Water Resources Control Board since 2021. She served as a Legislative Staffer in the California State Assembly from 2016 to 2021. Jovel Melendez was Deputy Director of the Kenneth L. Maddy Institute from 2014 to 2016. She served several roles in the Office of U.S. Senator Barbara Boxer from 2005 to 2014, including State Projects Director. Jovel Melendez is a member of Hispanas Organized for Political Equality and the HOPE Leadership Institute. She earned a Bachelor of Science degree in Political Science from California State University, Fresno. This position does not require Senate confirmation.

2024 LEGISLATIVE DEADLINES

February 16	Last day for bills to be introduced
April 26	Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
May 3	Last day for policy committees to hear and report to the Floor nonfiscal bills introduced in their house.
May 10	Last day for policy committees to meet prior to May 28.
May 17	Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to May 28.
May 20-24	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.
May 24	Last day for each house to pass bills introduced in that house.
May 28	Committee meetings may resume
June 15	Budget Bill must be passed by midnight.
June 27	Last day for a legislative measure to qualify for the Nov. 5 General Election ballot
July 3	Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment, provided Budget Bill has been passed.
August 5	Legislature reconvenes from Summer Recess.
August 16	Last day for fiscal committees to meet and report bills.
August 19-31	Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
August 23	Last day to amend bills on the Floor.
August 31	Last day for each house to pass bills. Final Recess begins upon adjournment

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

❖ Important Upcoming Dates

March 21, 2024 – Spring Recess Begins upon Adjournment of Session
March 29, 2024 – Cesar Chavez Day Observed

❖ 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 the Executive branch. Selected highlights of our recent advocacy include:

- Provided ongoing updates as the Legislature reached the bill introduction deadline on February 16th
- Set and attended meetings with legislative offices regarding bill proposals for the 2024 legislative session and secured authors for South Coast AQMD sponsored legislation.

❖ AB 2522 (W. Carrillo): On February 13, Assemblymember Wendy Carrillo introduced South Coast AQMD sponsored legislation relative to South Coast AQMD board member compensation.

Specifically, the bill states that each member of the board shall receive compensation of \$200 for each day, 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 provides for possible increases to the compensation amount pegged to the Consumer Price Index (CPI) with a ceiling of 10 percent per calendar year.

This bill is not keyed ‘fiscal’ by Legislative Counsel and is therefore expected to avoid referral to the Appropriations Committee.

❖ AB 2958 (Calderon): On February 16, Assemblymember Lisa Calderon introduced South Coast AQMD sponsored legislation relative to CARB board member compensation.

Specifically, this bill repeals the existing statute prohibiting compensation for CARB board members representing Air Districts. In doing so, the bill addresses the inequity in compensation among CARB board members.

This bill is keyed ‘fiscal’ by Legislative Counsel and is therefore expected to be referred to the Appropriations Committee.

❖ LAO Deficit Update is Bad News for Budget. On February 20, the Legislative Analyst’s Office released a revenue update, stating that the State’s budget problem has grown by an additional \$15 billion. Specifically, the LAO states:

“The state already faces a significant deficit this year—[we estimate it totaled \\$58 billion](#) under the administration’s revenue forecast at the time the Governor’s budget was proposed in January. However, [recent revenue collections data](#) reflect even further weakness relative to those estimates. Specifically, our forecast is about \$24 billion below the Governor’s budget across 2022-23 to 2024-25. All else equal, this means the budget problem is likely to be higher at the time of the May Revision.”

The LAO also provides recommendations to the legislature of additional ‘budget solutions’ that can be made to address the increased shortfall, including a reduction of \$50 million from AB 617 Funding in the 2023-2024 fiscal year.

- ❖ **February Cap and Trade Auction Proceeds Set Record.** On February 22, CARB released the results from the February Auction which included the highest settlement price for carbon allowances at a price of \$41.76 per allowance/metric ton of CO₂e.

This auction represents the quarterly auction of the 2023-2024 fiscal year. A total of **\$1.3 billion** was raised in this auction, bringing the total thus far in the 2023-2024 fiscal year to **\$3.966 billion**. The final auction of the fiscal year will take place in May.

For context, the three auctions thus far have practically raised the equivalent of the \$4 billion that was raised in the entire 2022-2023 fiscal year. If this auction trend continues, the 2023-2024 fiscal year proceeds could break the \$5 billion amount for the first time in the history of the Cap-And-Trade Program.

Overall, this is good news for the (Greenhouse Gas Reduction Fund) GGRF which will see increased cost pressures as the Governor and Legislature look to shift funds from the General Fund to other fund sources, where available, like the GGRF. As a reminder, the Governor’s January Budget Proposal included a reduced \$250 million appropriation for AB 617 purposes from the GGRF (down from 300 million in the 2023-2024 Budget Act).

ATTACHMENT 5C



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report

California Advisors, LLC

March 8, 2024, Legislative Committee Hearing

Legislative Update

On February 5th, Senator Mike McGuire (North Coast) was sworn in as the next President pro Tempore of the Senate. Later that week he announced his leadership team and committee memberships for the year. Notably, Senator Lena Gonzalez (Long Beach) was announced as the next Majority Leader. Senator Maria Elena Durazo (Los Angeles) will Chair the newly formed Senate Local Government Committee which was separated from the Governance and Finance Committee. Two of the biggest changes were that Senator Scott Wiener (San Francisco) will take over as the next budget chair and Senator Anna Caballero (Merced) will take over as the Appropriations chair on March 11th. However, there were also several of the committee Chairs who stayed the same including Senator Benjamin Allen (Santa Monica) as Chair of the Environmental Quality Committee and Senator Dave Min (Irvine) as Chair of the Natural Resources and Water Committee.

February 16th was the deadline to introduce new bills for the 2024 legislative session. The Assembly ended up introducing 1,505 new bills and the Senate introduced 621 bills for this year. This is an important step in the legislative process and we now have a better picture of how many bills can move this year. It is important to note that hundreds of these bills are considered “spot bills” which will essentially serve as placeholders that can be amended at a later date.

Budget Update

On February 20th, the Department of Finance released their finance bulletin which reflected the revenues the state collected for the month of January. Cash receipts were \$5 billion, or 19.7 percent, below the 2024-25 Governor’s budget forecast for January. The primary driver of the

cumulative shortfall was personal income tax cash receipts were \$4.7 billion below forecasts. Interestingly, Corporation Tax and Sales and Use Tax receipts were only \$56 million combined below the January estimates.

The Legislative Analyst's Office provided an update shortly after the Department of Finance released its latest bulletin. They increased their \$58 billion deficit projection to \$73 billion based on the most recent data. They see further weakness relative to the January tax collections and believe the budget problem could be even larger at the May Revision. The LAO also identified nearly \$16 billion in recent one-time spending that could be pulled back by the State or reduced from previous budgets. This includes over \$10 billion in the current fiscal year and the 2024-25 budget window.