



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

Proposed 2025 Legislative Platform

**Policy, Grants, and Technology Committee Meeting
December 18, 2024**

**Alan Abbs
Legislative Officer
aabbs@baaqmd.gov**



Action Requested

Recommend to the Board of Directors that the Board adopt the proposed 2025 Legislative Platform.

Presentation Outline

- **Overview of Air District Legislative Platform**
- **Consideration of the Draft 2025 Legislative Platform:**
 - State Budget
 - State Legislation
 - Federal Legislation and Regulatory Activity

Abbreviations: Assembly Bill (AB) | Board of Directors (Board)

Overview of Air District Legislative Platform

- The Legislative Platform is an attempt to provide overall advocacy principles to the Committee and the Board, as well as provide guidance to Air District staff for the upcoming year
- The Legislative Platform is divided into three sections – state budget, state legislation, and federal legislation and regulatory activity. The platform does not commit the Air District to positions on every legislative proposal in the listed categories, but it does provide a metric for use in bringing proposals to the Committee for discussion

State Budget

- 1. State Funding for Clean Air Projects**
- 2. Greenhouse Gas Reduction Fund**
- 3. AB 617 Community Air Protection Program Implementation and Incentive Funding**
- 4. Wildfire Mitigation and Public Health Response**
- 5. Clean Tech Financing**
- 6. Low-Carbon Transportation Incentives**

State Legislation

- 1. Cap and Trade Reauthorization**
- 2. Address Legal Barriers to Environmental Justice**
- 3. AB 617 Community Air Protection Program**
- 4. Vehicle Emissions and Reducing Vehicle Miles Traveled**
- 5. Climate Change**
- 6. Green and Healthy Buildings**
- 7. Wildfire Smoke Public Health Response**
- 8. Emergency Backup Generation**
- 9. Toxic Air Emissions**
- 10. Wildfire Smoke Mitigation/Prescribed Fire**
- 11. Stationary Source Greenhouse Gas Authority**
- 12. Land Use**

Federal Legislation and Regulatory Activity

- 1. Federal Funding for Air District Clean Air Programs**
- 2. Wildfire Smoke Public Health Response**
- 3. Clean Transportation Programs**
- 4. Clean Energy Programs**
- 5. Particulate Matter Standards**
- 6. Vehicle Emission Standards**
- 7. Climate Change**
- 8. Green and Healthy Buildings**
- 9. Leaded Aviation Gas**

Recap: Action Requested

Recommend to the Board of Directors that the Board adopt the proposed 2025 Legislative Platform.

Questions / Discussion



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AGENDA: 5

Proposed Legislative Activities for 2025

**Policy, Grants, and Technology Committee Meeting
December 18, 2024**

Alan Abbs

Legislative Officer

aabbs@baaqmd.gov

Action Requested

Recommend to the Board of Directors that the Board approve the proposed Legislative Activities for 2025.

Presentation Summary

- **Upcoming Key Dates and Deadlines for the Legislature**
- **Discussion of Proposed Legislative Activities for 2025**
- **Questions/Discussion**

Abbreviations: Air Quality Management District (AQMD) |
Assembly Bill (AB) | California Air Resources Board (CARB) |
Electric Vehicle (EV) | Homeowners Association (HOA) |
Oxides of Nitrogen (NOx) | Particulate Matter (PM) |
Vessel Speed Reduction (VSR)

Key Dates and Deadlines

The start of the two-year 2025-26 Legislative Session began on December 2, 2024.

Date/Deadline	Description
January 6, 2025	Legislature reconvenes
January 24, 2025	Last day to submit bill requests to the Office of Legislative Counsel
February 21, 2025	Last day for bills to be introduced
June 6, 2025	Last day for each house to pass bills introduced in that house
September 12, 2025	Last day for each house to pass bills
October 12, 2025	Last day for the Governor to sign or veto bills passed by the Legislature before September 12 and in the Governor's possession on or after September 12
January 1, 2026	Statutes take effect

Proposed Legislative Activities

VSR – Ocean-Going Vessels

Expansion of the existing *Protecting Blue Whales and Blue Skies* VSR program to include ocean territories that are not covered by any VSR program – the San Diego region and the North Coast. The expansion of the *Protecting Blue Whales and Blue Skies* program to other areas of the California coast yields additional public health and ecosystem benefits.

Staff Recommendation: Propose Co-Sponsor

Proposed Legislative Activities (cont.)

HOA Limitations

The proposal would limit the ability of HOAs to deny a homeowner the ability to replace an older appliance with a new appliance if the new appliance may result in an alteration to the exterior of the property.

Staff Recommendation: Continue discussions with legislative offices and propose sponsor, co-sponsor, and/or support any legislative efforts to address these concerns.

Proposed Legislative Activities (cont.)

CARB Air District Board Member Compensation

The proposal would provide that CARB board members representing air districts receive the same level of compensation as other Governor-appointed voting CARB board members.

- Per current statute, Health and Safety Code Section 39512.5, air district CARB Board members only receive \$100 per meeting plus actual and necessary expenses

Staff Recommendation: Propose Support or Co-Sponsor

Recap: Action Requested

Recommend to the Board of Directors that the Board approve the proposed Legislative Activities for 2025.

Questions / Discussion

Transportation Fund for Clean Air Program Audit #25 Results



December 18, 2024



Simpson & Simpson, LLP

Background: Transportation Fund for Clean Air



- ❑ Authorized by CA Health and Safety Code § 44241 and 44242
- ❑ Funding provided by \$4 surcharge on motor vehicles
- ❑ 60% go to the Air District for Air District-Sponsored Programs and Regional Fund Projects
- ❑ 40% Goes to the County Administering Agencies through the Transportation Fund for Clean Air (TFCA) 40% Fund (also called the County Program Manager or Program Manager Fund)
- ❑ Requires fiscal audit of all TFCA-funded projects & programs at least once every two years
- ❑ Board approved contract with Simpson & Simpson, LLP for independent audit services on July 6, 2022



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AGENDA



- ❖ Auditor's Required Communication (SAS 114)
- ❖ Audit Results and Highlights of the Schedule of Expenditures (Schedule)
- ❖ Other Program Compliance Review (Agreed-Upon Procedures)
- ❖ Questions



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Auditor's Required Communications

SAS 114



1. *Our Responsibility under Generally Accepted Auditing Standards (GAAS)*

- Consider internal control to the extent necessary to design an effective and efficient audit approach, not for the purpose of providing assurance on internal control
- Design and implement audit procedures based on our understanding of the Project Sponsor / Program Manager to gain reasonable, not absolute, assurance as to the absence of material misstatements in the Schedule
- Perform tests of compliance with Section 44241 of the California Health and Safety Code (HSC), noncompliance with which could have a direct and material effect on the determination of the Schedule amounts



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Auditor's Required Communications

SAS 114 (continued)



1. *Our Responsibility under Generally Accepted Auditing Standards (GAAS) (continued)*

- Opine on the Schedule based on our audit

2. *Significant Accounting Policies*

- The Project Sponsor / Program Manager's significant accounting policies are described in Note 2 to the Schedule and are in accordance with generally accepted accounting principles and consistent with industry practices and standards
- The application of existing policies was not changed during the year
- All significant transactions have been recognized in the Schedule



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Auditor's Required Communications

SAS 114 (continued)



3. Corrected Misstatements

None.

4. Uncorrected Misstatements

None.

5. No Disagreements or Difficulties with Management

- There were no disagreements with management on the Schedule and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the Project Sponsor/Program Manager's Schedule, nor were there significant difficulties in dealing with management in performing our audit.



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Auditor's Required Communications SAS 114 (continued)



6. *No Consultations with Other Accountants*

- To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that was subject to the requirements of AU 625, *Reports on the Application of Accounting Principles*

7. *Management Representations*

- We have requested certain representations from management that are included in the management representation letter dated on the date of the audit reports



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Audit Results and Highlights of the Schedule of Expenditures



1. *Unmodified Opinion*

- Unmodified opinion with respect to the Schedule of Expenditures for Regional Funds and County Program Manager Funds

2. *Financial Highlights*

- Regional Funds
- County Program Manager Funds



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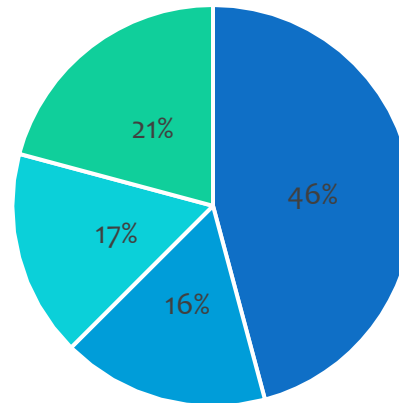
Audit Results and Highlights of the Schedule of Expenditures (continued)



2. Financial Highlights (continued)

A. Regional Funds

- 20 Individual Project Sponsors
- 24 Projects Audited
- Total Expenditures: \$6.4M



- Electric Vehicle (11)
- School Bus Replacement (4)
- BAAQMD Sponsored Projects (4)
- Other - Bikeway, Shuttles, Transit (5)



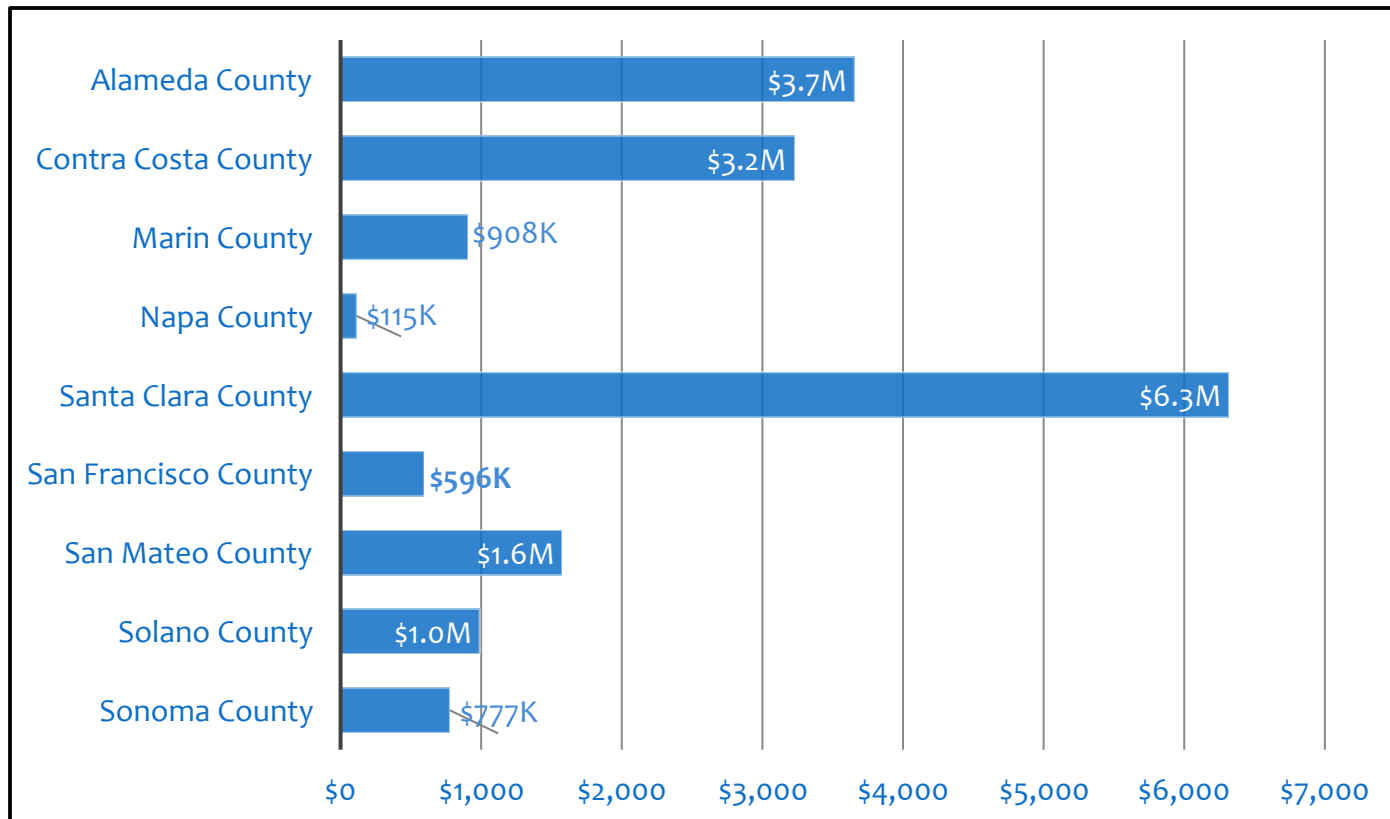
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Audit Results and Highlights of the Schedule of Expenditures (continued)



2. Financial Highlights (continued)

B. County Program Manager Funds



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Audit Results and Highlights of the Schedule of Expenditures (continued)



3. **Government Auditing Standards Opinion**

- Compliance with HSC Section 44241
 - No instances of noncompliance noted

- Internal Control over Compliance
 - No material weaknesses
 - One (1) observation
 - Regional Fund – Identified at the project sponsor level (One Rincon Hill Association)



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Other Program Compliance Review (Agreed-Upon Procedures)



1. *Agreed-Upon Procedures*

- An Agreed Upon Procedures (AUP) engagement was performed to test the project sponsor/program manager's compliance with other aspects of the TFCA Funding Agreement

- These procedures were determined and prepared by the Air District for the auditors to perform



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Questions & Answers



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Thank You