



# Proposed 2026 Legislative Activities

Policy, Grants, and Technology Committee

December 17, 2025

Alan Abbs

Legislative Officer

Legislative and Government Affairs

# Recommended Action

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Recommend to the Board of Directors that the Board approve the proposed legislative activities for the 2026 Legislative Session.

# Abbreviations

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- Assembly Bill (AB)
- Senate Bill (SB)
- South Coast Air Quality Management District (South Coast AQMD)
- California Air Resources Board (CARB)
- California Environmental Quality Act (CEQA)
- San Francisco Bay Area Planning and Urban Research Association (SPUR)
- Building Decarbonization Coalition (BDC)
- Heating, Ventilation, and Air Conditioning (HVAC)

# Key Dates and Deadlines

# 2026 Legislative Session

Date/Deadline	Description
January 5, 2026	Legislature reconvenes
January 23, 2026	Last day to submit bill requests to the Office of Legislative Counsel
January 31, 2026	Last day for each house to pass bills introduced in that house in the odd-numbered year
February 20, 2026	Last day for bills to be introduced
May 29, 2026	Last day for each house to pass bills introduced in that house
August 31, 2026	Last day for each house to pass bills
September 30, 2026	Last day for the Governor to sign or veto bills passed by the Legislature before September 1 and in the Governor's possession on or after September 1
November 3, 2026	General Election
November 30, 2026	Adjournment <i>sine die</i> at midnight (Article IV, Section 3(a))
December 7, 2026	12 Noon convening of the 2027-28 Regular Session
January 1, 2027	Statutes take effect

# Proposed Legislative Activities for 2026

# CARB Air District Board Members Compensation

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## **CARB Air District Board Member Compensation**

AB 907 (Chen) would provide that CARB Board Members representing air districts receive the same level of compensation as other Governor-appointed voting CARB Board Members.

AB 907 was introduced in the 2025 Legislative Session, sponsored by South Coast AQMD, and supported by the Air District. AB 907 is a 2-Year bill and is awaiting a hearing in the Senate Environmental Quality Committee.

# CEQA Streamlining

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## **CEQA Streamlining for Clean Air Plans and Rulemaking**

Look for opportunities to streamline CEQA requirements for clean air plans and rulemaking, either as a standalone sponsored bill, or as an amendment to an introduced bill in the same topic area.



# Air District Advisory Council

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## **Air District Advisory Council**

Various changes that could include a reduction in the number of required meetings, allow for a Board Chair designee as ex officio member, expand council by one (1), add other background areas for members, etc. Some of these changes might be eligible for the annual Senate Local Government Omnibus Bill, while others might require a standalone bill.

# Air District Board Representation

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## **Clarification of Existing Statute Regarding Representation on Board**

This would clarify use of the final annual demographic report from the Department of Finance in determining changes in Board representation. This may be eligible for the Senate Local Government Omnibus Bill.

# Heat Pump Permit Streamlining

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## **Reintroduction of SB 282 (Wiener) Heat Pump Permit Streamlining**

Senator Wiener is planning to move forward on a new version of this bill, and staff is working with SPUR and BDC on language.

The intent is to make cost-saving, energy efficient heat pump water heater and HVAC installations faster, simpler and more affordable by streamlining the permitting process.

# Air District Permit Streamlining

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## **Air District Permit Streamlining**

Explore changes that could be made to existing statute related to permitting or toxics reporting that would streamline air district permit activities.

# Heat Pump Mitigation Fee

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## Heat Pump Mitigation Fee

Explore ways to create a funding source for heat pump changeouts.

# Housing/CEQA

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## Housing/CEQA

Explore changes to CEQA related to zero lot line district permit issues with regards to particulate.

# Indirect Source Regulation

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## **Indirect Source Regulation**

Monitor AB 914 (Garcia) and participate/support, as necessary.

AB 914 is a 2-year bill that is currently awaiting action on the Assembly Floor.

# Recommended Action

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Recommend to the Board of Directors that the Board approve the proposed legislative activities for the 2026 Legislative Session.



# Questions & Discussion

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**For more information:**

Alan Abbs | Legislative Officer | [aabbs@baaqmd.gov](mailto:aabbs@baaqmd.gov)

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
PRESENTATION OF THE  
TRANSPORTATION FUND FOR CLEAN AIR  
PROGRAM AUDIT #26 RESULTS  
TO THE POLICY, GRANTS, AND TECHNOLOGY  
COMMITTEE**



Bay Area Air District

December 17, 2025



*Joseph Moussa, Partner  
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 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***

- City of San Leandro (17R21): \$26,997
- City of San Rafael (18R15): \$685
- City of Gilroy (18R20): \$3,753

## **4. *Uncorrected Misstatements***

There were no material uncorrected misstatements.

## **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



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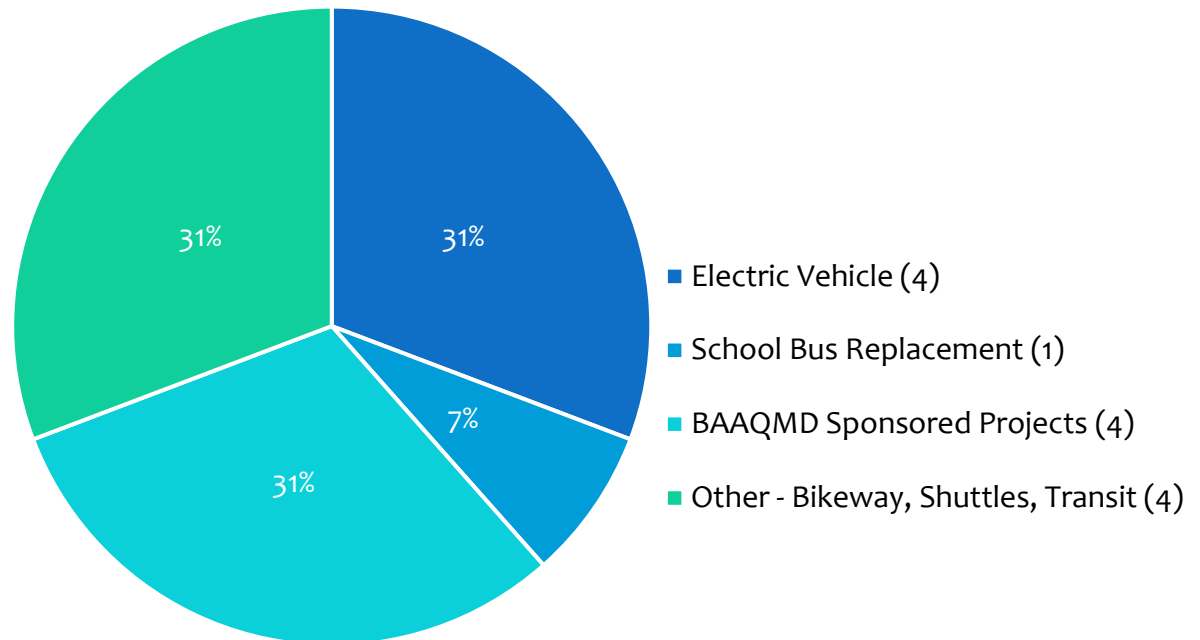
# Audit Results and Highlights of the Schedule of Expenditures (continued)



## 2. Financial Highlights (continued)

### A. Regional Funds

- 10 Individual Project Sponsors
- 13 Projects Audited
- Total Expenditures: \$4.2M



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



## **3. Government Auditing Standards Opinion**

- ☐ Compliance with HSC Section 44241
  - Three (3) instances of noncompliance:
    1. City of San Leandro (17R21): \$26,997
    2. City of San Rafael (18R15): \$685
    3. City of Gilroy (18R20): \$3,753
- ☐ Internal Control over Compliance
  - Three (3) instances of a material weakness in internal control:
    1. City of San Leandro (17R21)
    2. City of San Rafael (18R15)
    3. City of Gilroy (18R20)



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



## **3. Government Auditing Standards Opinion (continued)**

- ☐ Internal Control over Compliance *(continued)*
  - Three (3) instances of a significant deficiency in internal control:
    1. 45th Street Artists' Cooperative, Inc. (2202-27777)
    2. EVmatch, Inc. (2302-33950)
    3. JKL Corporation (19EV064)



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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