

February 7, 2020

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

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

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

Re: 2020-2021 State Budget Request for Community Air Protection - Sac Metro Air District

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

On behalf of the Sacramento Metropolitan Air Quality Management District (Sac Metro Air District), I am writing to respectfully share our significant concerns with the introduced state budget in regard to air quality, public health, and community air protection.

The Sac Metro Air District ensures the state's air quality goals are met in the greater capital region. These goals include attaining the health-based national and state ambient air quality standards, reducing air toxics, working closely with the California Air Resources Board (ARB) and other state and regional agencies to implement the state's climate change programs, and ensuring community health is protected from the effects of air pollution.

AB 617 (C. Garcia, 2017) Community Air Protection Program Local Implementation Funding Cut in Half

The proposed budget cuts critical local implementation funding for the AB 617 Community Air Protection Program in half. The enacted 2019 — 2020 budget included \$50 million statewide (\$20 million from the Greenhouse Gas Reduction Fund (GGRF) and \$30 million from the Air Pollution Control Fund (APCF)) for air district implementation activities. The 2020 — 2021 budget only proposes \$25 million from GGRF and no funding from APCF. At the same time, air districts are facing increasing demands and the need to expand, not reduce, community-focused efforts while ARB is adding to air district workloads and is planning more community additions in the future.

AB 617 is a promise the state made to its most burdened communities that they, too, could share in the pollution relief and health benefits that Cap-and-Trade revenues can provide. This massive budget cut breaks that promise and will result in negative public health consequences

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for those living in our most marginalized communities in the Sacramento region and across the state.

The Sac Metro Air District has played a central role in implementing this ambitious new program and has been working aggressively to make AB 617 a success starting in South Sacramento-Florin. We have also begun to lay the groundwork to expand AB 617 activities to other communities in great need of pollution relief in our district such as Del Paso Heights/Norwood/Old North Sacramento. But we cannot continue without adequate state funding. With the program requiring additional work in the existing communities and in new communities added by the state, we firmly believe a statewide appropriation of \$100 million per year is necessary to ensure the program's success. Thus, we respectfully request that you fulfill the promise made to our communities by increasing ongoing local implementation funding for AB 617. We cannot turn our backs now on these communities and discontinue the important air pollution reduction work already underway.

AB 617 Community Air Protection Program Clean Air Project Funding Reduced

Adding to our concerns, the proposed state budget reduces Cap-and-Trade funding for Community Air Protection Program clean air projects from \$245 million in the 2019-2020 enacted state budget to \$200 million. These emissions reductions projects are how the promise of AB 617 becomes real for our communities. These projects deliver immediate reductions in pollution or actions critical for future improved public health outcomes. Based on our extensive experience since these programs started in Sacramento, we believe incentive funding is the proven, most cost-effective, and expeditious approach to bring emission reductions and public health benefits to our most impacted communities. Because transportation and goods movement air pollutant emissions continue to be the largest contributor to poor air quality and adverse human health effects, it is important to continue programs that accelerate the turnover and elimination of older combustion vehicles and equipment. In addition to immediate reductions in exposures to exhaust pollution, other benefits include reductions of ozone precursor gases, PM 2.5, and greenhouse gases. Therefore, we respectfully request that funding be increased to \$350 million for AB 617 clean air incentives.

Other Low Carbon Transportation Programs Reduced

Greenhouse gas, criteria pollutant and toxic air contaminant emissions from the mobile source sector make up approximately two-thirds of air emissions in the state, but we note that the several programs have also been significantly reduced from funding levels in the 2019-2020 enacted budget. These programs include the Clean Vehicle Rebate Program, the Clean Trucks, Buses, and Off-Road Freight Equipment Program. These programs reduce greenhouse gas, criteria pollutant, and toxic air contaminant emissions and locally contribute to our efforts to expand electric vehicle deployment, clean transit fleets, and a cleaner freight sector. We request that funding for these programs be restored to previous funding levels.

The Sac Metro Air District appreciates the opportunity to offer our perspective for the upcoming fiscal year and the future of AB 617 and other critical clean air programs. The promise of community air protection under AB 617 has no end date. Therefore, we are committed to reducing air pollution in the greater Sacramento region and ensuring that

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every one of our residents, irrespective of zip code, can breathe clean air all the time and is inspired by a shared vision for a low-carbon future. If you should have any questions, please do not hesitate to contact me at (916) 874-4800, AAyala@airquality.org, or our Legislative Advocate, Ms. Amy Brown of Arc Strategies, at (916) 601-7400, abrown@lawpolicy.com.

Sincerely,



Alberto Ayala, Ph.D., M.S.E.
Executive Director / Air Pollution Control Officer

cc: The Honorable Holly Mitchell, Chair, Senate Committee on Budget & Fiscal Review
The Honorable Phil Ting, Chair, Assembly Committee on the Budget
The Honorable Bob Wieckowski, Chair, Senate Budget Subcommittee 2 on Resources, Environmental Protection, Energy and Transportation
The Honorable Richard Bloom, Chair, Assembly Budget Subcommittee 3 on Resources and Transportation
The Honorable Cristina Garcia, Member, Assembly Budget Subcommittee 3 on Resources and Transportation and Author, AB 617 Community Air Protection
The Honorable Dr. Richard Pan, Sixth Senate District and Member, Senate Committee on Budget & Fiscal Review
The Honorable Jim Cooper, Ninth Assembly District and Member, Assembly Committee on the Budget
The Honorable Kevin McCarty, Seventh Assembly District and Member, Assembly Committee on the Budget
The Honorable Ken Cooley, Eighth Assembly District
Other Members of Senate Budget Subcommittee 2
Other Members of Assembly Budget Subcommittee 3
Jared Blumenfeld, Secretary for Environmental Protection
Christine Hironaka, Deputy Cabinet Secretary, Office of Governor Newsom
Rachel Machi Wagoner, Deputy Legislative Secretary, Office of Governor Newsom
Keely Bosler, Director, Department of Finance
Kate Gordon, Director, Office of Planning and Research and Climate Advisor to Governor Newsom
Mary Nichols, Chair, California Air Resources Board
Phil Serna, Supervisor, County of Sacramento; Member, Board of Directors, Sacramento Metropolitan Air Quality Management District; and Member, California Air Resources Board
Eric Guerra, Council Member, City of Sacramento and Chair, Board of Directors, Sacramento Metropolitan Air Quality Management District