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**MEMORANDUM**

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**To: Orange County Sanitation District**

**From: Townsend Public Affairs**

**Date: February 18, 2025**

**Subject: Legislative Monthly Report**

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**STATE UPDATES**

The Legislature reconvened in January for the 2025-2026 Legislative Session, commencing with the release of Governor Newsom’s proposed FY 2025-26 State Budget. Legislators also began introducing new bills and resumed the Special Session declared by Governor Newsom in November 2024, aimed at allocating funding for potential federal litigation against the Trump Administration. In response to the devastating wildfires impacting Southern California communities, the Special Session was expanded to include measures related to a Los Angeles County wildfire recovery package.

Below is an overview of pertinent state actions in the last month.

**Senate Budget and Fiscal Review Committee Informational Hearing**

In the last week of January, the Senate Budget and Fiscal Review Committee held an informational hearing containing an overview of Governor Newsom’s proposed 2025–26 State Budget.

The Legislative Analyst's Office (LAO) presented an overview of the Governor's budget, highlighting key proposals and fiscal projections for the upcoming fiscal year. Overall, the LAO stated that while the Governor’s proposed FY2025–26 budget appears balanced, ongoing structural deficits pose significant long-term challenges, and the LAO reiterated the importance of prudent fiscal management to mitigate projected structural deficits in the coming years.

The LAO recommended that policymakers take a cautious approach to new spending initiatives and consider additional strategies to strengthen the State’s fiscal position. Some recommendations include identifying further opportunities for cost containment, reassessing revenue policies, or implementing structural reforms to reduce long-term expenditure growth. The report suggests that careful fiscal management in the coming years will be essential to maintaining budget stability and avoiding deeper cuts in the future.

Overall, the questions and comments from Committee Members focused on ensuring fiscal responsibility while balancing the need for continued investments in education, housing, climate action, and social services. Numerous legislators expressed concerns over proposed funding shifts, the sustainability of certain programs, and the potential long-term consequences of the budgetary decisions.

Looking forward, Budget Subcommittees in both chambers will begin detailed reviews of specific budget areas, and will begin to hold hearings where legislators, experts, and the public can provide testimony on funding priorities and potential revisions.

Primarily due to the Los Angeles Wildfires and the subsequent income tax delays from Los Angeles County, the State Budget is not expected to have significant surpluses, which may have an impact on priority pots of funding for OC San.

### **Ralph M. Brown Act Modernization Legislation Update**

In March 2020, Governor Gavin Newsom issued an Executive Order to provide flexibility under public meeting requirements to local governments in response to the COVID-19 pandemic. The Executive Order temporarily suspended specific provisions of the Ralph M. Brown Act (Brown Act), enabling public agencies to hold meetings via teleconference without the traditional in-person attendance requirements. Public agencies were still required to provide a method for public participation, ensuring the continuity of governmental operations while prioritizing public health and safety during the crisis. The temporary suspension under the Governor’s Executive Order expired on September 30, 2021. Since then, legislators have introduced various measures to modernize and expand provisions in the Brown Act.

In late-January, two Brown Act modernization measures were introduced in the Assembly and Senate. [AB 259](#) introduced by Assembly Member Blanca Rubio makes permanent certain provisions added to the Ralph M. Brown Act by Assembly Bill 2449 (Rubio, 2022). AB 2449 (Rubio, 2022) provides local agencies the option to invoke alternative Brown Act meeting procedures in the event of a board member’s absence in connection with a “just cause” or “emergency circumstance.”

[SB 239](#) introduced by Senator Jesse Arreguín expands existing teleconferencing provisions under the Ralph M. Brown Act by allowing certain subsidiary bodies of local agencies to use alternative teleconferencing procedures while maintaining public access and transparency. This measure imposes specific requirements for agenda posting, public participation, and on-camera visibility during meetings. Subsidiary bodies overseeing police oversight, elections, or budgets are exempt from teleconferencing provisions. SB 239 (Arreguín) is a reintroduction of AB 817 (Pacheco, 2023), which failed passage in the 2023-24 Legislative Session. SB 239 (Arreguín) currently contains amendments which were recommended by the Senate Local Government Committee for AB 817 (Pacheco, 2023), which were not incorporated into AB 817.

*Currently, AB 259 (Rubio) and SB 239 (Arreguín) are pending committee assignment.*

Both of these bills would impact OC San and its member agencies and could potentially provide additional flexibility for remote participation.

### **CARB’s 2025 Priorities: Advanced Clean Fleets (ACF) Regulations and Local Government Compliance**

As local agencies across California continue working toward a cleaner transportation future, the California Air Resources Board (CARB) has reaffirmed its commitment to enforcing Advanced Clean Fleets (ACF) regulations on state and local fleets. Despite recent shifts at the federal level—including CARB’s withdrawal of several Clean Air Act waiver requests—the requirements for public sector fleets remain in place. Local governments, including OC San, therefore must continue their compliance efforts as CARB moves forward with its broader climate agenda.

### *ACF Regulations: What Public Agencies Need to Know*

The ACF regulations are a key component of California's strategy to transition medium- and heavy-duty vehicle fleets to zero-emission alternatives. These regulations mandate a phased transition, requiring local governments to begin replacing aging fleet vehicles with zero-emission alternatives. The timeline for compliance is already underway:

- January 1, 2024 – State and local agencies must begin replacing fleet vehicles with zero-emission alternatives.
- In the years 2025-2035 – Compliance benchmarks will increase incrementally, leading up to a full transition by 2045.

Although CARB withdrew three pending United States Environmental Protection Agency (EPA) waivers—affecting ACF requirements for private and federal fleets, in-use locomotive standards, and commercial harbor craft regulations—the agency has been clear that the ACF rules still apply to public sector fleets. *Local agencies like OC San should not assume exemptions or delays in enforcement.*

### *Potential State Mandate Reimbursement*

One major development stemming from CARB's waiver withdrawal is the potential reclassification of ACF regulations as reimbursable state mandates. Previously, CARB maintained that ACF was not a state mandate because it applied to both public and private fleets. However, with private sector enforcement now uncertain, local governments may be able to file a test claim with the Commission on State Mandates to seek reimbursement for the costs incurred in complying with the regulations. This process is complex and often takes years to yield funding, but it could provide a pathway to partial financial relief for local agencies burdened by the transition.

### *Next Steps for Local Agencies*

Local governments should remain proactive in ensuring compliance with the ACF regulations while also exploring potential cost recovery options. Key actions include:

- Continuing Compliance Efforts: The regulations remain in effect—public agencies should stay on track with their fleet transition plans and compliance.
- Staying Engaged with CARB's Broader Priorities: In addition to ACF, CARB's 2025 agenda includes updating SB 375 vehicle miles traveled targets, landfill methane regulations, carbon capture rules, and corporate climate risk reporting. Local agencies should track these developments to ensure they remain informed about new regulatory requirements that could impact their operations.

### *Resources*

- CARB's Jan. 23rd meeting recording (Steve Cliff's presentation at 1:32:00): [CAL-SPAN](#)
- State-Mandated Cost Programs: [State Controller's Office](#)
- Mandate Reimbursement Guidance: [Commission on State Mandates](#)