

**From:** [Daniel Wong](#)  
**Cc:** [AB 617](#)  
**Subject:** Cap and Trade Expenditure Plan: Background Facts (5-17-19)  
**Date:** Friday, May 17, 2019 7:37 PM

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Good Evening CSC Members,

Provided below are some background facts related to the AB 617 program:

**--Your AB 617 Team**



**Cap and Trade Expenditure Plan  
Background Facts  
5-17-19**

**Background**

The Governor's Cap and Trade Expenditure Plan proposes \$200 million in incentive funding for AB 617 communities, which is down from the \$245 million provided last year. The Senate adopted their Cap and Trade Expenditure Plan on Wednesday, May 15th and it appears to reduce AB 617 incentive funding to \$40 million. The Assembly has not adopted a Cap and Trade Expenditure Plan yet, but is likely to do so by Wednesday of next week. The local air districts estimate that \$400 million in funding is needed statewide. Ultimately, the Governor, Senate and Assembly will negotiate a final plan.

**Facts**

- The Governor's Cap and Trade Expenditure plan provides \$200 million in incentive funding for AB 617 communities. This is down from \$245 million from last year. Air districts are asking the Legislature to provide \$400 million to fund needed programs.

- Incentive funding is a key tool in reducing emissions and exposure and is the quickest way to improve air quality in communities suffering health impacts from air pollution. Removing this funding will have a disproportionate impact on vulnerable communities.
- On Wednesday (May 15th) the Senate adopted their Cap and Trade Expenditure Plan. The plan appears to cut AB 617 incentive funding down to \$40 million. This will hinder efforts to reduce air pollution in overburdened communities.
- Last year's allocation of \$245 million assists AB 617 communities in addressing local pollution sources through accelerated investment in clean technology. While the Assembly's \$200 million dollar proposal would reduce these efforts, the Senate's \$40 million dollar proposal would nearly eliminate these programs. There have been historic inequalities in the most burdened communities. AB 617 funding supports strategies that have been developed by the communities to make a meaningful impact within an acceptable time frame. These reductions in funding will nearly eliminate the incentive funding that is needed to accelerate emissions reductions across the state.