

May 22, 2026

AFSCME Council 36

AFSCME Council 57

AFSCME Local 1902
Metropolitan Water
District

AFSCME Local 1001
Metropolitan Water
District

AFSCME Local 206
Union of American
Physicians and Dentists

AFSCME Local 3299
University of California

AFSCME/UNAC-UHCP
United Nurses
Associations of
California - Union of
Health Care
Professionals

AFSCME Local 4911
United EMS Workers

**TO: Lauren Sanchez, Chair
California Air Resources Board**

**RE: Proposed Amendments to the Regulation for the California Cap on
Greenhouse Gas Emissions and Market-Based Compliance
Mechanisms – Significant Concerns**

Dear Chair Sanchez:

The American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME) represents approximately 400,000 public service workers and retirees across California. We are writing to voice our concerns with the Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Proposed Amendments), released by the California Air Resources Board (CARB) on April 14, 2026. The Proposed Amendments are expected to be considered by CARB at its May 28-29, 2026, monthly meeting.

We are gravely concerned with CARB's proposed direction in these amendments. Specifically, we strongly object to handing over nearly \$2 billion a year in allowances to utility companies to fund an enhanced Climate Credit. While that credit might sound good on paper, it will gut the Greenhouse Gas Reduction Fund (GGRF) by that same amount. In the coming fiscal years, this move will completely wipe out the hard-fought funding our communities and public services rely on—including Affordable Housing and Sustainable Communities (AHSC), Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP), and Assembly Bill 617 (Chapter 136, Statutes of 2017).

Since 2015, this funding has been the absolute backbone of California's climate strategy. It does far more than just cut emissions; it builds affordable housing near transit, keeps major transit projects moving forward, deploys zero-emission fleets, funds free and discounted transit passes, and cleans up the air in our most vulnerable neighborhoods. These are the projects that support working families and create good union jobs. Starving these programs threatens the very public services our members provide every day. Over the last decade, CARB's own data shows exactly what these programs have delivered:

- AHSC:
 - 6,632,693 MTCO₂e GHG emissions reduced
 - \$4.85 billion invested, with \$4.0 billion benefitting priority populations
 - 22,877 units of affordable housing funded

- TIRCP:
 - 23,369,888 MTCO₂e GHG emissions reduced
 - \$2.74 billion invested, with \$1.58 billion benefitting priority populations
 - 263 transit projects implemented

- LCTOP:
 - 7,446,600 MTCO₂e GHG emissions reduced
 - \$1.23 billion invested, with \$1.14 billion benefitting priority populations
 - 1,123 projects and services implemented

- AB 617:
 - 282,500 MTCO₂e
 - \$527 million invested, with \$442.68 million benefitting priority populations
 - 9,004 projects implemented

We understand CARB brought this proposal forward to answer calls from some legislators and stakeholders to address the crushing affordability crisis Californians are facing. Let us be very clear: we absolutely agree that these amendments must tackle affordability. But for the working-class families and public service workers we represent, affordability means a lot more than just a slight break on a monthly utility bill.

True affordability means having a good-paying, life-sustaining union job. It means having access to affordable housing near transit, and public transportation that gets you where you need to go without eating up hours of your day. It means breathing clean air so your family isn't burdened with costly health issues.

Furthermore, our local transit agencies cannot plan for the future in a vacuum. To build out reliable routes and transition to green fleets, these agencies need to know exactly what their stable, long-term funding looks like. Injecting this massive level of uncertainty into the GGRF completely disrupts their ability to plan capital projects and schedule operations.

When funding is unpredictable, it is the frontline transit workers who bear the brunt. Budget uncertainty triggers immediate anxieties about potential service cuts, scheduling instabilities, and threats to job security. It hurts worker morale, worsens retention crises, and makes it difficult for agencies to recruit the skilled workforce needed to run these expanded systems safely.

Unfortunately, this proposal fails on all of these fronts. It trades away real, lasting affordability—like housing units, reliable public transit, and healthier communities—by gutting key climate programs just to shave a few dollars off a utility bill. We urge the state to reconsider and protect robust GGRF funding for AHSC, TIRCP, LCTOP, and AB 617.

We know CARB is trying to balance a lot of competing priorities, and we respect the work being done to meet our climate goals while helping everyday Californians. But as you move forward with these amendments, we ask you to recognize that the programs funded by the GGRF are essential to true community affordability and workforce stability. We look forward to working with you to ensure the final regulation reflects this reality and protects the public services our members provide.

Sincerely,

Jessica Hay
Legislative Advocate, AFSCME California