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DATE: September 10, 2026

TO: SJVUAPCD Governing Board



FROM: Samir Sheikh, Executive Director/APCO
Project Coordinator: Mark Montelongo

RE: **ITEM NUMBER 8: REPORT ON 2026-27 STATE BUDGET**

RECOMMENDATION:

Receive an update on 2026-27 State Budget and related clean air funding outcomes.

BACKGROUND:

As an important component of your Board's adopted Legislative Platform, the District implements a multifaceted strategic approach to advocate for critically needed clean air funding that has been successful in bringing hundreds of millions of dollars in incentive funding to the Valley. The District's advocacy efforts rely on close engagement with legislators and key Valley stakeholders. The District utilizes these funds to achieve real, measurable clean air progress through a robust portfolio of incentive grant programs that help Valley residents, farmers, businesses, schools, and public agencies adopt cleaner technologies and sustainable practices.

As a key source of clean air funding in the Valley, the District works closely with stakeholders to advocate for strong clean air funding the State's Budget. The 2026-27 State Budget was signed by the Governor on June 29, 2026, providing continued support for several clean air programs. Additional funding decisions, including appropriations from the Greenhouse Gas Reduction Fund (GGRF), were addressed through subsequent budget bill juniors and related budget legislation approved at the conclusion of the legislative session, August 31, 2026.

Despite a challenging State Budget environment, strong advocacy by the District and a broad coalition of Valley stakeholders helped secure funding for several key clean air programs. The following summarizes some of the key funding appropriations of interest to the District included in the 2026-27 State Budget:

Community Air Protection (AB 617) Funding

- \$229 million (increased from \$131 million in Governor's May proposal)

Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

- \$10 million (increased from \$0 million in Governor's May proposal)

Clean Cars 4 All

- \$19.8 million included in the 2026-27 State Budget; \$17M in new annual funding committed for five years (increased from \$0 million in Governor's May proposal)

While the need for additional funding for critical clean air incentive programs remains, these State Budget investments represent important progress in maintaining resources for programs that support emission reductions and public health benefits in the San Joaquin Valley. Although the 2026-27 State Budget did not provide dedicated funding for the District's Alternatives to Open Burning program, which remains an important priority for supporting the Valley's ongoing agricultural open burning phase-out. The District will continue working with state and federal partners to pursue all available resources for these efforts, including opportunities associated with Proposition 4 funding provided for the Healthy Soils Program and Multibenefit Land Repurposing Program, the USDA-NRCS Regional Conservation Partnership Program, and other potential state and federal funding sources.