



June 5, 2026

The Honorable John Laird  
 Chair, Senate Committee on Budget  
 1021 O Street, Suite 8720  
 Sacramento, CA 95814

The Honorable Eloise Gómez Reyes  
 Chair, Senate Budget Subcommittee #2  
 1021 O Street, Suite 7210  
 Sacramento, CA 95814

The Honorable Jesse Gabriel  
 Chair, Assembly Committee on Budget  
 1021 O Street, Suite 8230  
 Sacramento, CA 95814

The Honorable Steve Bennett  
 Chair, Assembly Budget Subcommittee #4  
 1021 O Street, Suite 4710  
 Sacramento, CA 95814

**Re: Urgent Request: Reprioritize the GGRF Allocation Plan and Reject Additional \$4 Billion Subsidy for Oil and Industrial Polluters**

Dear Chair Laird, Chair Gabriel, Chair Gómez Reyes and Chair Bennett:

We write as a broad coalition to urge you to protect the commitment made to “Tier 3” programs in the established spending plan for the Greenhouse Gas Reduction Fund revenue.

On May 29, 2026, the California Air Resources Board took action to allocate billions of dollars of incentives to oil companies and other industrial polluters - not only gutting the climate ambition of the Cap-and-Invest program, but also significantly reducing revenue for the Greenhouse Gas Reduction Fund. GGRF programs represent necessary and comprehensive investments that will ensure our communities can continue to reduce emissions and meet the future impacts of climate change as equitably as possible.

In 2025, the Legislature and the Administration agreed to a new funding plan for GGRF revenue through SB 840 that created three “tiers” of priority for programs. Given the significant decline in GGRF revenue anticipated from these recent Administrative actions, we strongly recommend that the Legislature reprioritize the proposed tiers to protect full funding for all Tier 3 funding before other Administrative priorities are funded.

That means moving the following programs to the front of the line, aka “Tier 1,” at these funding levels:

- Affordable Housing and Sustainable Communities Program: \$800m
- Transit and Intercity Rail Capital Program: \$400m
- AB 617 Implementation: \$250m
- Low Carbon Transit Operations Program: \$200m
- Forest Health and Fuel Reduction Projects at CalFire: \$200m
- Safe and Affordable Drinking Water Fund: \$130m

We further urge the Legislature to intervene to stop implementation of CARB’s Manufacturing Decarbonization Incentive, an additional \$4 billion subsidy for oil companies and other big polluters that will deepen cuts to GGRF and erode critical funding for programs that bring down transportation, housing and healthcare costs for working families across the state. CARB still has the ability to pull back on their adoption of this harmful new incentive program before opening applications in summer 2027 - we urge the Legislature to do what you can to prevent those new compliance instruments from being issued to the state’s largest polluters.

Sincerely,

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Communities for a Better Environment

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Asian Pacific Environmental Network  
(APEN)

Torri Estrada  
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