October 21, 2025

Lauren Sanchez, Chair
California Air Resources Board
1001 I Street, Sacramento, CA 95812
Submitted Via Online Portal

RE: AICCU's Support of Staff's Recommendation to Exempt Non-Profits from SB 253, 261, and 219 Covered Entities

Dear Chair Sanchez,

On behalf of the Association of Independent California Colleges and Universities (AICCU), which represents more than 80 *non-profit* colleges and universities, I am submitting comments in support of the staff recommendation to exempt non-profit entities, as proposed during the August 21, 2025, SB 253/261/219 workshop.

In our prior submitted comments, we sought an exemption for California's *independent, non-profit* colleges and universities. Among other items, we underscored that application of the new reporting requirements to independent, non-profit colleges and universities would (i) be inconsistent with the intent of the bills and their legislative histories, which showed they were designed to focus on large, for-profit corporations, (ii) create unique challenges to universities, resulting in substantial new costs that would divert critical funds from academic and student programs and institutional financial aid, and (iii), given the statutory exemption already in place for University of California entities, bring about an inequitable inconsistency in treatment of higher education institutions within the State. Staff's recommendation for exemption remediates these issues and remains consistent with the state and federal tax exempt status of non-profit institutions of higher education.

This request remains consistent with the state and federal tax-exempt statuses of non-profit institutions of higher education[1] and the legislative intent to apply the new disclosure laws to large corporations that profit from the sale of goods.

[1] Exempt as non-profit educational institutions under section 501(c)(3) of the Internal Revenue Code and from state income tax as nonprofit educational institutions under Article 13, Section 26 of the California Constitution and Revenue and Taxation Code Section 23701d.

We appreciate your staff's thoughtful proposal on slide 18 of the August 21, 2025, workshop, which recommends exempting non-profit organizations. As stated, we support this recommendation given that California's *independent, non-profit* colleges and universities are not "business entities" as intended in SB 253/261.

In the current environment, California's institutions of higher education can ill afford costly mandates that would further hinder the ability to serve students, faculty, and the surrounding communities. Furthermore, the application of the new laws would disrupt the robust measures our institutions have taken to voluntarily advance sustainability initiatives, emissions reduction, and reporting.

Staff's recommendation to exempt non-profit organizations would effectively satisfy our request in recognition of our educational mission. To effectuate this exemption, we offer the following language:

> SB 253: "Reporting entity" – Non-profit Exemption
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> For the purposes of Section 38532 (b)(2) of the Health and Safety Code, a reporting entity does not mean an organization that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.
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> For purposes of this section, "non-profit" means an that organization qualifies for tax-exempt status under Section 501(c) of the Internal Revenue Code.
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> SB 261: "Covered entity" – Non-profit Exemption
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> For the purposes of Section 38533 (a)(4) of the Health and Safety Code, a covered entity does not mean an organization that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.
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> For purposes of this section, "non-profit" means an that organization qualifies for tax-exempt status under Section 501(c) of the Internal Revenue Code.

Please extend our appreciation to your staff for engaging our universities on this matter and for the opportunity to provide feedback in support of their recommendation. We stand ready to share research and expertise in this important endeavor.

Sincerely,



Alex Graves
Vice President for Government Relations