

Prop 1B/Goods Movement Update (email to listserve on February 4, 2009)

This email provides an update on implementation of the Prop. 1B Goods Movement Emission Reduction Program, including the tentative schedule for upcoming Air Resources Board (ARB) meetings. This information and new resource documents are available on our website at: <http://www.arb.ca.gov/gmbond>.

State funding for bond programs remains suspended pending effective resolution of the current fiscal year budget crisis and a restoration of the State's ability to access the bond market. This affects the 1st round of \$250 million in Fiscal Year 2007-08 funds awarded to local agencies under the Goods Movement Program. Although funds are appropriated to ARB as part of the State budget process, ARB must obtain the cash through the Pooled Money Investment Board. This Investment Board makes the decisions about how to raise funds for the State's bond programs.

In December 2008, ARB staff instructed local agencies implementing Prop 1B grants that these agencies must suspend entering into new contracts with equipment owners that would be funded from Prop 1B grant monies or expending funds for signed contracts because ARB is not authorized to approve payments until we have access to funds to cover the Prop 1B Program. This direction remains in effect.

However, we are proceeding with the steps necessary to update the Program Guidelines and award the 2nd \$250 million in Fiscal Year 2008-09 funds to local agencies so the Program can continue once bond funds are available. The Governor's proposed budget for Fiscal Year 2009-10 includes the 3rd installment of \$250 million for this Program as well.

ARB staff is developing the proposed updates to the Program Guidelines, based on the November concept paper and public comments, plus additional changes in response to approval of the Statewide Truck and Bus Rule. We are planning to release the formal proposal in late February or early March, followed by Board consideration at a public hearing on March 26 at our Sacramento headquarters. At that hearing, staff will also seek Board approval to amend the existing grant agreements with local agencies for Fiscal Year 2007-08 funds. We need to modify the grant deadlines because of the funding delay and implement other changes requested by local agencies.

Based on this schedule, we expect to request local agency applications in April for the 2nd round of Fiscal Year 2008-09 funds. We will then follow the same process as last year with a preliminary staff proposal for funding awards, public workshops, and Board consideration on June 25. The timing for equipment owners to access these funds through local agencies will depend on the availability of bond funding.

If you have questions, please contact us at (916) 44-GOODS or gmbond@arb.ca.gov.