

## **SOLICITATION FOR APPLICATIONS TO RECEIVE FUNDING FROM THE \$19 MILLION UNDER THE CARL MOYER AIR QUALITY STANDARDS ATTAINMENT PROGRAM**

### Background

Heavy-duty engines are a significant source of smog-forming emissions, especially oxides of nitrogen (NO<sub>x</sub>). In addition, the fine particulate matter exhaust from heavy-duty diesel engines has been identified as a toxic air contaminant (TAC). The 1994 State Implementation Plan for Ozone (SIP) contains many emission reduction measures, including a number of measures to reduce emissions from heavy-duty diesel engines. These measures include mandatory emission standards, and voluntary incentive measures such as the Carl Moyer Program.

In 1998, through the 1998/1999 FY budget process, \$25 million was allocated to fund an incentive program to reduce emissions from heavy-duty diesel engines. Shortly thereafter, the Carl Moyer Memorial Air Quality Standards Attainment Program (the Carl Moyer Program) was established to reduce NO<sub>x</sub> emissions by providing grants that cover the differential cost of cleaner on-road, off-road, marine, locomotive, stationary agricultural pump, forklift and airport ground support equipment engines. As part of this program, the Board approved the Carl Moyer Program guidelines and evaluation criteria for each project category, and districts must follow the guidelines when administering their programs. The districts also have the authority to administer a more stringent program.

Currently, sixteen air districts (9 non-attainment districts and 7 attainment districts) are participating in the Carl Moyer Program. To date, over 50 percent of the initial \$25 million granted through the 1998/1999 FY budget process is spent. Furthermore, many of the participating districts are over subscribed for the amount of funding that the district received. The Carl Moyer Program is just in its first year, and the demand for funding definitely exceeds the amount of money available to fund all the qualifying projects in most of the participating non-attainment districts. In most non-attainment districts, the demand for funding ranges from two to five times the amount of funding the district received in the first year. Since there is a definite need for continued funding, the Air Resources Board (ARB or the Board) is soliciting applications to distribute additional funds to the districts that have already spent their 1998/1999 FY funds. However, each district must have all its 1998/99 FY funds spent in order to receive funding from the 1999/2000 FY Carl Moyer Program funds.

Although the Carl Moyer program is new, most non-attainment districts have had mobile source grant programs in place. Since many attainment districts did not have previous experience with mobile source grant programs, they took more

time to fully develop their program than the non-attainment districts. Hence, some attainment districts are barely starting their program or have not received project applications. In addition, there is one non-attainment district and several attainment districts that did not participate in the 1998/1999 FY funding and have stated they intend to participate in the Carl Moyer Program for the first time. Hence, some of the districts participating for the first time have expressed a desire to receive funding quickly. In order to facilitate participation in the 1999/2000 FY, ARB has modified the attainment district's application schedule.

### Tentative Funding Allocation

Governor Davis and the Legislature authorized, through the 1999/2000 FY budget process, an additional \$19 million for project funding under the Carl Moyer Program. In order to expedite the funding allocation process, the \$19 million has been allocated similarly to the 1998/1999 FY funds under the Carl Moyer Program. The allocation amounts are as follows: 94 percent of the funding (\$17,860,000) has been allocated to the non-attainment districts, four percent (\$760,000) has been allocated for the attainment districts, and the remaining two percent (\$380,000) has been allocated for ARB administration. The table below lists the tentative funding allocations for the non-attainment districts. The amount of funding allocated for each attainment district will be determined after applications are received from all attainment districts wishing to participate in the 1999/2000 FY Carl Moyer Program. The funding amounts will depend upon the number of attainment districts applying for Carl Moyer Program funds. In both cases, money from the 1999/2000 FY funds will be disbursed to districts already participating in the program only if the district has spent its 1998/1999 FY funds.

Air districts already participating in the Carl Moyer Program must prepare a progress report on their progress toward obligating project funds from the 1998/1999 FY funds. This report must be submitted to ARB no later than 5:00 p.m. on June 30, 2000. Any money that is not obligated from the 1998/1999 FY funds may be reallocated to other districts. Since many districts have shown the demand for project funding greatly exceeds the amount of new funding that they will be receiving from the 1999/2000 FY funds, ARB will not distribute funds to any district that does not obligate all of its 1998/1999 FY funds. Furthermore, ARB may consider reallocating both the remaining 1998/1999 FY funds and new 1999/2000 FY funds for districts that do not obligate 1998/1999 FY funds to projects by June 30, 2000.

<b>1999/2000 Funding Allocation</b>	
<b>District</b>	<b>Tentative Funding Allocation**</b>
Antelope Valley	\$ 225,000
Bay Area AQMD	\$ 1,883,871
Kern County APCD*	\$ 225,000
Mojave Desert AQMD	\$ 635,678
Sacramento Metropolitan AQMD	\$ 1,673,172
San Diego County APCD	\$ 809,498
San Joaquin Valley Unified APCD	\$ 3,187,452
Santa Barbara County APCD	\$ 225,000
South Coast AQMD	\$ 8,349,769
Ventura County APCD	\$ 645,561
Attainment districts	\$ 760,000
ARB Administration	\$ 380,000
<b>TOTAL</b>	<b>\$19,000,000</b>

\* Kern County APCD represents the eastern portion of Kern that is located outside the boundary of the San Joaquin Valley APCD.

\*\* The minimum funding allocation is \$225,000. All other funding allocations are based on the district's population and commitments listed under SIP measure M4.

### Non-Attainment District Application Requirements

In order to participate in the second year of funding under the Carl Moyer Program, non-attainment air districts must follow the Carl Moyer Program guidelines approved in February 1999. In general, non-attainment districts must meet the following three major requirements: 1) commit \$1 in match funding for every \$2 of Carl Moyer Program funding that you are applying for; 2) all projects approved for funding (even projects used to meet match funding requirements) must follow the approved Carl Moyer Program Guidelines dated February 1, 1999, along with any updates; and 3) all projects funded (even projects used to meet match funding requirements) must meet the cost effectiveness criterion.

Non-attainment districts could apply for funding now, and receive initial disbursements once ARB approves the district's program application, and the district has spent all of its 1998/1999 FY funds. The non-attainment district must provide ARB with a completed application form signed by an individual designated with the district's signature authority. The program application is attached for districts to fill out. Instructions to fill out the application are listed in the Carl Moyer Program Guidelines.

Since many of the non-attainment districts have a program already in place, their 1998/1999 FY funds are already obligated, and they need funds to be distributed

sooner, ARB has developed an accelerated funding schedule for the non-attainment districts. In order for a non-attainment district to receive 1999/2000 FY Carl Moyer Program funds, the ARB must receive the district's application by 5:00 p.m. on the applicable date below. Again, initial funding disbursements will occur once a district has obligated all of its 1998/1999 FY Carl Moyer Program funds. Furthermore, if a district does not obligate its 1998/1999 FY funds by June 30, 1999, the 1999/2000 funds may be reallocated to other districts.

**Non-Attainment Districts  
1999/2000 Program Schedule**

Milestone	Date
Non-attainment district application and funding commitment	Now through April 3, 2000
Non-attainment district grant authorization and funding award	Upon application approval (only if 1998/1999 funding is obligated)
District progress report to ARB on 1999/2000 FY funds	September 30, 2000
District report on obligated 1999/2000 funds. Funds not obligated under contract may be reallocated to other districts.	June 30, 2001
Deadline for districts to have spent 1999/2000 fiscal year funds (at least having issued a purchase order).	June 15, 2002
District report on completed program due (1999/2000 funds)	July 31, 2002

Attainment District Application Requirements

In order to participate in the 1999/2000 FY funding under the Carl Moyer Program, attainment air districts must also follow the Carl Moyer Program guidelines approved in February 1999. In general, attainment districts must meet the following three major requirements: 1) commit \$1 in match funding for every \$2 of Carl Moyer Program funding that you are applying for; 2) all projects approved for funding (even projects used to meet match funding requirements) must follow the approved Carl Moyer Program Guidelines dated February 1, 1999, and all its updates; and 3) all projects funded (even projects used to meet match funding requirements) must meet the cost effectiveness criterion.

Attainment districts could also apply for funding now. Attainment districts must submit an application by 5:00 p.m. on February 4, 2000, or they will not be eligible for 1999/2000 Carl Moyer Program funds. The attainment district must provide ARB with a completed application form signed by an individual designated with the district's signature authority. The program application is

attached for districts to fill out. Instructions to fill out the application are listed in the Carl Moyer Program Guidelines.

Since allocation of funds to the attainment districts depends on how many attainment districts apply for funding, and there are many first-time districts applying to participate in the program, the deadline for applications is different from that of the non-attainment districts. In order for an attainment district to receive 1999/2000 FY Carl Moyer Program funds, the ARB must receive the district's application by 5:00 p.m. on the applicable date below. For first-time districts participating in the program, funding disbursements will begin in March 2000. For districts that are currently participating in the 1998/1999 FY Carl Moyer Program, initial funding disbursements from the 1999/2000 FY funds will begin once a district has obligated all of its 1998/1999 FY Carl Moyer Program funds. Furthermore, if a participating district does not obligate its 1998/1999 FY funds by June 30, 1999, both the remaining 1998/1999 FY and the new 1999/2000 FY funds may be reallocated to other districts.

**Attainment Districts  
1999/2000 Program Schedule**

<b>Milestone</b>	<b>Date</b>
Attainment district application and funding commitment	Now through February 4, 2000 <b>deadline</b>
Attainment district tentative funding allocation	March 6, 2000
Grant authorization and funding award to first-time districts	Early March 2000
Grant authorization and funding awards to attainment districts participating in 1998/1999 fiscal year funds	Beginning March 6, 2000 (only if 1998/1999 funding is obligated or for first time participants)
District progress report to ARB on 1999/2000 fiscal year funds	September 30, 2000
District report on obligated 1999/2000 funds. Funds not obligated under contract may be reallocated to other districts	June 30, 2001
Deadline for districts to have spent 1999/2000 fiscal year funds (at least having issued a purchase order)	June 15, 2002
District report on completed program due (1999/2000 funds)	July 31, 2002

## Summary

Any district may participate in the 1999/2000 Carl Moyer Program funds. In order to participate in the program the district must follow the Carl Moyer Program guidelines. First-time participants will receive funding as scheduled above, upon ARB's approval of the district's application and funding commitment. Districts currently participating in the program will receive funding as scheduled above, upon ARB's approval of the district's application and funding commitment, AND when all 1998/1999 fiscal year funds are obligated. If 1998/1999 fiscal year funds are not obligated before June 30, 2000, both 1998/1999 and 1999/2000 funds may be reallocated to other districts.