

Agenda Date:	May 15, 2008
Agenda Placement:	Regular
Estimated Time:	10 Min.
Continued Item:	No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Ron Tan (961-8812)

SUBJECT: Proposition 1B Lower Emission School Bus Funding and Administration

RECOMMENDATION:

Approve the attached Resolution to this Board letter which will result in the following actions:

1. Accept Proposition 1B Lower Emission School Bus Program funding from the California Air Resources Board in the amount of \$1,600,000.
2. Relinquish this funding to the California Air Resources Board and delegate to the California Air Resources Board the duty to administer the Proposition 1B Lower Emission School Bus Program in Santa Barbara County.

DISCUSSION:

The California Air Resources Board's ("ARB") Lower-Emission School Bus Program (Program) has provided grant funding to local air districts since 2001. The goal of the program is to protect schoolchildren from the harmful effects of air pollution by purchasing new cleaner buses to replace older, higher-emitting buses and to equip in-use diesel school buses with retrofit devices that significantly reduce toxic particulate matter emissions. To date this Program has replaced or retrofitted 29 school buses in Santa Barbara County.

In 2006, California voters approved Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act which provided additional Program funding. Funding distribution to local air districts as well as other requirements for expending these Proposition 1B funds are specified by Senate Bill 88 (SB 88; Chapter 181, statutes of 2007) and Executive Order S-02-07 (Santa Barbara County was allocated \$1,600,000). To meet these requirements and the mandate that the funds be expended by 2011, ARB amended its existing Lower-Emission School

Bus Program Guidelines (Guidelines) in March 2008. These Guidelines require detailed policies and procedures from each air district which specifies, among others, extensive record keeping and reporting provisions and subjects air districts to audits by ARB and the state Department of Finance. The Guidelines allow an air district to use up to 2% of its Program revenues for these specified administrative purposes as well as other associated program implementation costs. Finally, the Guidelines provide three avenues of program implementation: self- implementation by an air district, implementation by another air district, or implementation by ARB with assistance from the California Air Pollution Control Officer's Association (CAPCOA).

Staff have concluded that it would be extremely difficult to operate a successful Program due to the extensive and burdensome Guideline requirements and the limited administrative funds available (\$32,000 for Santa Barbara) over the four year Program life (until 2011). In contrast ARB's Carl Moyer program allows the APCD to use up to 10% of the annual district allocation for administration. For FY 08-09 alone, the Carl Moyer Program allows over \$68,000 to implement that program.

Consequently, staff recommends that your Board elect to relinquish the funds and implementation of this program to ARB. To date, sixteen air districts have indicated that they would take this approach. APCD staff, along with CAPCOA, will assist with outreach to school districts to ensure a fair and equitable distribution of program funds and will assist school districts with the application process. ARB is required to expend the entire \$1,600,000 allocated to Santa Barbara County on school bus emission reductions in Santa Barbara County. The longer term recordkeeping and audit burdens will be borne by ARB at no cost to the district.