

## **Assembly Bill 617 Community Air Protection Program Frequently Asked Questions about Funding**

The following questions and answers address common issues related to Assembly Bill (AB) 617 funding raised to date. This document is not intended to address all potential questions or impose any binding requirements or interpretations of appropriation statutes. It may be updated over time as appropriate.

### **General Questions**

Where does the money to run AB 617 come from?

What are the categories of funds?

How are Community Air Grants administered?

### **Implementation Funding Questions**

How are implementation funds given to Air Districts and what can they spend the funds on?

How is the use of implementation funds by Air Districts tracked by CARB?

How does CARB use the implementation funds it receives?

How does CARB report on its progress to implement the Community Air Protection program?

### **Incentive Funding Questions**

How are Community Air Protection Incentives funds distributed to Air Districts?

How are Community Air Protection Incentives funds distributed by Air Districts to implement projects?

What is CAPCOA's role in determining funding allocations for AB617 incentives funds?

How does CARB track the use of CAP Incentive Funds?

How much funding (incentive and implementation) is provided to each CSC community?

How much funding has the Legislature provided the Program?

## **General Questions**

### **Where does the money to run AB 617 come from?**

The Legislature provides funding to California Air Resources Board (CARB) and Air Districts to implement AB 617 (Garcia, Stats. of 2017, ch. 136) through the State's annual budget process. The Legislature passes budget legislation, which is signed by the Governor, and then the funding described in the legislation is allocated to CARB to distribute for three categories of uses described in the next section.

To date, as directed through the Budget, funding comes from the Greenhouse Gas Reduction Fund (GGRF) and the Air Pollution Control Fund (APCF). Each funding source has reporting requirements to ensure that the use of the funds meets legal requirements.

- GGRF  
This fund represents the State's portion of Cap-and-Trade auction proceeds. It funds California Climate Investments, programs throughout the State that facilitate reductions of greenhouse gases and also deliver economic, environmental, and public health benefits for Californians, including meaningful benefits to the most disadvantaged communities.
- APCF  
This fund is generated from penalties and fees collected from various sources of air pollution and is made available to CARB to carry out its duties and primary functions.

Some Air Districts use other funds to implement AB 617 to augment what they are provided through the Budget. For example, the Bay Area Air Quality Management District has raised fees on stationary sources to cover additional costs of the program.

## What are the categories of funds?

The Budget currently directs funds to implement AB 617 in three categories:

- Implementation Funds (also called Administrative Funds)

This funding is provided by the Budget to CARB and Air Districts to meet staffing, equipment, and program-wide needs. The major source is the APCF with some funding from the GGRF. The Legislature provides funding for CARB's implementation as well as funding for Air Districts' implementation, which CARB administers by distributing funds to the Air Districts through grant agreements.

AB 617 total implementation funding amounts for both CARB and Air Districts have stayed about the same over time, despite the increasing number of communities in the Program. The funding amounts allocated to individual Air Districts vary year to year, based largely on the number of community steering committee (CSC) communities in the district. CSC communities are those selected by the Board for development of a Community Air Monitoring Plan (CAMP) and or Community Emissions Reduction Program (CERP). The final amount for each Air District is negotiated by CARB and the Air Districts, with coordination support from the California Air Pollution Control Officer's Association (CAPCOA).

- Community Air Protection Incentives (also called CAP Incentive Funds)

This is funding specifically identified in statute for the AB 617 Program to put advanced technologies to work for cleaner air in the California communities that are most heavily impacted by disproportionate levels of air pollution. The source is the GGRF.

In accordance with the Community Air Protection (CAP) Incentives Guidelines, approved by the CARB Board, CARB's Mobile Source Control Division administers CAP and other incentive funding to Air Districts through grants and is responsible for ensuring the funding uses meet the requirements of the law. The Air Districts distribute the funds to eligible projects that are consistent with the CAP Incentives Guidelines and grant agreements between CARB and the Air Districts.

CAP incentives support air quality improvements through projects such as replacement of heavy-duty diesel trucks with zero emission trucks, zero emission equipment and infrastructure at warehouses, cleaner technology ship and harbor craft, zero emission vehicle (ZEV), ZEV charging infrastructure, school air filtration systems, urban greening, and stationary source incentives for hexavalent chromium plating facility projects.

To find information on all CARB incentive programs please visit the following webpage <https://ww2.arb.ca.gov/our-work/topics/incentives>.

- Community Air Grants

AB 617 requires CARB to provide grants to community-based organizations for technical assistance and to support community participation in the program. Eligible entities include California community-based organizations and California tribes. Grants help awardees to participate in the AB 617 process, and to build capacity to become active partners in identifying, evaluating, and ultimately supporting reduction of air pollution and exposures to harmful emissions in their communities. The funding source is the GGRF.

The total funding amount available for Community Air Grants is established in the annual Budget. To date, a total of \$35 million has been appropriated for Community Air Grants since the program began.

Example activities eligible for funding include:

- Community engagement and outreach related to AB 617.
- Hiring consultants and/or technical experts.
- Travel and logistical support for hosting and/or attending meetings related to AB 617 (i.e., room rental, meeting facilitation, transportation).
- Support for community operated air monitoring.
- Data collection and analysis, including community based participatory research projects.

[Project descriptions](#) are posted on CARB's webpage.

Community Air Grants first year awardees and a summary of their projects are available at: <https://ww2.arb.ca.gov/our-work/programs/community-air-protection->

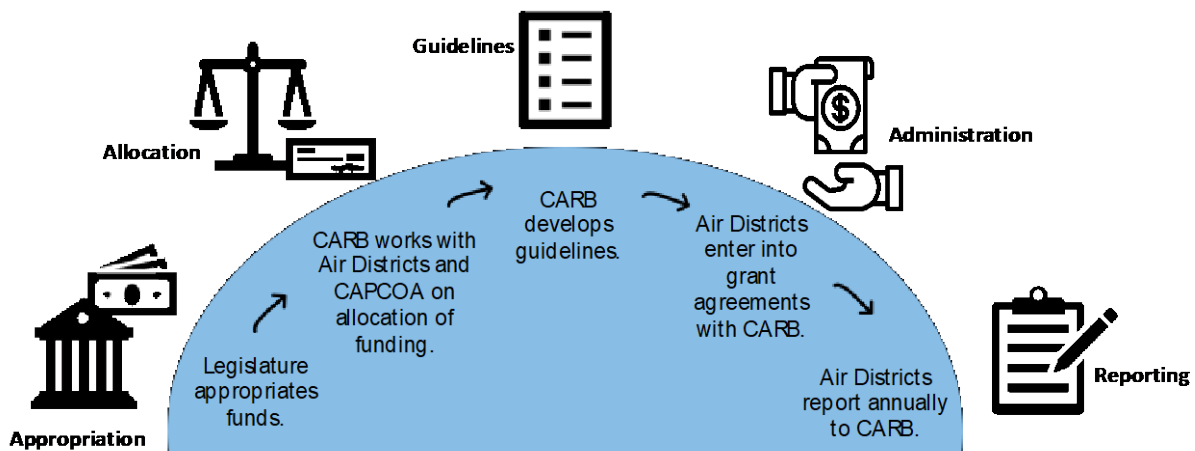
[program/community-air-grants/proposed-awardees](#). Second year awardees and a summary of their projects are available at [https://ww2.arb.ca.gov/AB617\\_2019CommunityAirGrantsAwardees](https://ww2.arb.ca.gov/AB617_2019CommunityAirGrantsAwardees). Finally, third year awardees and a summary of their projects are available at <https://ww2.arb.ca.gov/sites/default/files/2022-02/2021%20Community%20Air%20Grant%20Awardee%20List.pdf>.

## How are Community Air Grants administered?

The typical Community Air Grant process begins with release of a draft Request for Applications (RFA). The draft RFA is finalized after a two-month period of engagement; this time is used to collect public comments that are considered in the drafting of the final RFA. Once the final RFA is released, applicants have 90 days to submit an application. CARB staff reviews all applications based on legal requirements and the criteria described in the RFA. The review period takes approximately three months. Final grant agreements are executed less than 6 months later. The grantee reporting requirements for Year 3 grants include biannual, annual and final reports, whereas the reporting requirements for Year 1 and 2 grants include quarter, annual and final reports.

## Implementation Funding Questions

**Figure 1, Flow of Community Air Protection Funds Budget to Air District through CARB**



How are implementation funds given to Air Districts and what can they spend the funds on?

CARB’s Office of Community Air Protection administers implementation funds to Air

Districts through grant agreements and is responsible for ensuring the funding uses meet legal requirements. This category of funding is used to meet staff resources, equipment, and program wide needs to support CSCs. The grant agreements do not specify how an Air District spends the funds so long as the uses are consistent with law. For example, the grant agreements do not require an Air District to spend certain amounts on a per-community basis. The funds are also used to meet other requirements of AB 617 such as expanded emissions reporting and Expedited Best Available Retrofit Control Technology (BARCT).

Example activities that an Air District may spend implementation funds on include:

- Establish and support CSC with stipends, facilitation, and translation/interpretation.
- Staffing and outreach and engagement to develop and implement CERPs.
- Deliver enhanced enforcement per CERP commitments (over and above what would normally occur).
- Deploy, maintain, and communicate results of CAMP commitments.
- Emissions reporting required by AB 617.
- Expedited BARCT implementation.

To find information on Air District descriptions of how implementation funds are used, please visit the following webpage:

<https://ww2.arb.ca.gov/our-work/programs/resource-center/ab-617-implementation/ab-617-implementation-funds>.

## How is the use of implementation funds by Air Districts tracked by CARB?

The Air Districts' reporting requirements are detailed in the grant agreements. These reports can be found on the CARB website at <http://ww2.arb.ca.gov/our-work/programs/resource-center/ab-617-implementation/ab-617-implementation-funds>. Additionally, each Air District provides updates to their governing boards.

## How does CARB use the implementation funds it receives?

CARB's implementation funding supports staff throughout CARB, including those in the Office of Community Air Protection, to carry out the following responsibilities to implement AB 617:

- Identify communities with high cumulative exposure burdens and select communities for deployment of community air monitoring and/or development and implementation of CAMPs and or CERPs, annually, as deemed appropriate and as funding allows.
- Develop a statewide strategy, including measures to reduce emissions and exposure, methods for identifying contributing sources, and criteria to serve as the benchmark that Air Districts must meet when developing and implementing

community emissions reduction programs, and updating the statewide strategy at least once every five years.

- Prepare a statewide air monitoring plan to assess current monitoring technologies and existing community monitoring programs and provide criteria and guidance for developing future community air monitoring.
- Publish air quality data generated by the community air monitoring systems deployed under AB 617 and provided by districts onto CARB's internet website.
- Establish and maintain an emissions control technology clearinghouse.
- Establish a statewide uniform system of annual emissions reporting for certain categories of sources.
- Implement and enforce CARB regulatory programs with the identified CSC priorities in mind to target community concerns. CARB also provides enforcement updates to CSCs.
- Administer grants to community-based organizations for technical assistance and to support community participation in implementation of AB 617.
- Provide Program review and oversight.

For more information on CARB implementation funding please visit the following webpage.

[https://ww2.arb.ca.gov/sites/default/files/2021-04/Consultation%20Group%20Draft CARB%20AB%20617%20Budget%202019-20%20Preface%20EO%20Briefing\\_acc.pdf](https://ww2.arb.ca.gov/sites/default/files/2021-04/Consultation%20Group%20Draft%20CARB%20AB%20617%20Budget%202019-20%20Preface%20EO%20Briefing_acc.pdf).

## How does CARB report on its progress to implement the Community Air Protection program?

CARB staff provides program updates several times per year to the CARB Governing Board. These updates can be stand-alone board meeting presentations, part of a theme specific Program item, as well as an annual memo to the Board.

For information regarding CARB staff annual memo to the Board please visit the following webpage:

<https://ww2.arb.ca.gov/resources/fact-sheets/community-air-protection-program-2020-carb-board-update>.

<https://ww2.arb.ca.gov/sites/default/files/2022-04/2022-4-28%20AB%20617%20AnnualUpdateBoard.pdf>.

## Incentive Funding Questions

### How are Community Air Protection Incentives funds distributed to Air Districts?

Once the Legislature provides funding as part of the budget process, the incentives funding is allocated to CARB. CARB allocates and disburses the funds to Air Districts through grant agreements consistent with budget language and state law concerning public funds. See Figure 1. In the first year of the Program, the Legislature directed that 95% of the incentive dollars go to three Air Districts and specified the percentage that each was to receive. In the following years, the Legislature did not specify amounts for each Air District. CARB works together with Air Districts and CAPCOA to determine Air District allocations consistent with the principles included in CARB's CAP Incentives Guidelines. CAP Incentives Guidelines available at <https://ww2.arb.ca.gov/resources/documents/community-air-protection-incentives-guidelines>.

These principles include the following:

(A) Consider precedent set by the Legislature with the specified allocation of funds in the first year. The three largest Air Districts have over 90 percent of disadvantaged community populations in California.

(B) Provide a significant portion of funds to communities selected by CARB's Governing Board under AB 617 requirements. Selection by the Board indicates the Board believes these areas deserve particular and immediate attention to relieve air pollution burdens.

(C) Consider the needs of other communities that CARB "is considering for selection in future years" per SB 856 (Committee on Budget and Fiscal Review, Stats of 2018, ch 30). Under the Community Air Protection Blueprint, this includes all disadvantaged communities as well as specific areas nominated by Air Districts.

(D) Provide opportunity for smaller Air Districts to participate and receive CAP incentives for projects in their disadvantaged communities and low-income areas.

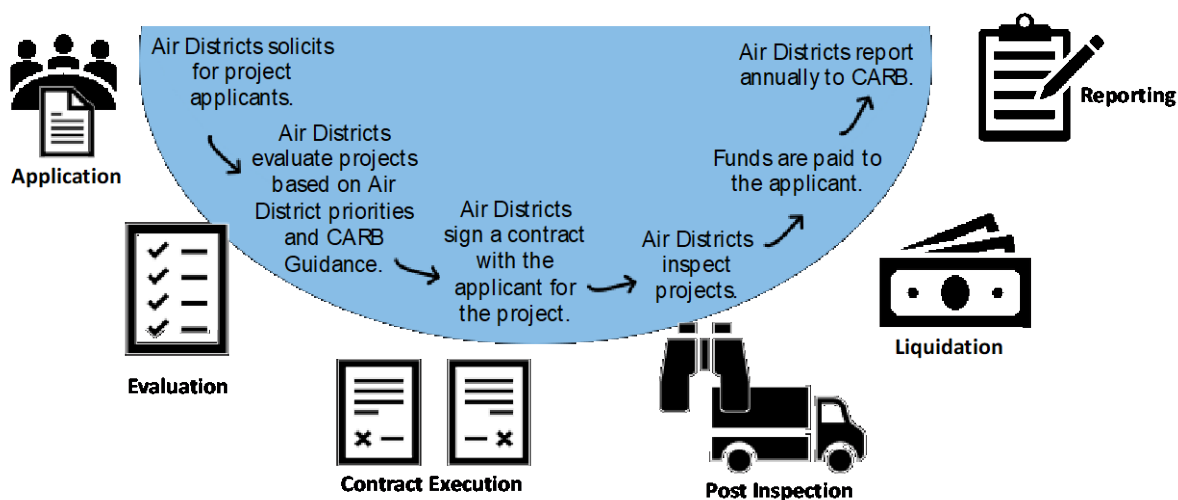
In approving the CAP Incentives Guidelines, the Board directed the Executive Officer to ensure that at least 70 percent of the incentive funds be spent in disadvantaged communities and at least 80 percent be spent in a combination of disadvantaged or low-income communities. As a result, the primary consideration for the allocation of funds is the population of disadvantaged communities in each Air District.

- Community Air Protection Incentives allocation principles. (Chapter 3, Section B.1, Page 3-1)  
[https://ww2.arb.ca.gov/sites/default/files/2020-10/cap\\_incentives\\_2019\\_guidelines\\_final\\_rev\\_10\\_14\\_2020\\_0.pdf](https://ww2.arb.ca.gov/sites/default/files/2020-10/cap_incentives_2019_guidelines_final_rev_10_14_2020_0.pdf).
- CARB Board Resolution for Community Air Protection Incentives Guidelines  
[https://www.arb.ca.gov/board/res/2019/res19-12.pdf?\\_ga=2.185181729.924256398.1629938112-866666437.1625871669](https://www.arb.ca.gov/board/res/2019/res19-12.pdf?_ga=2.185181729.924256398.1629938112-866666437.1625871669).

## How are Community Air Protection Incentives funds distributed by Air Districts to implement projects?

The graphic below illustrates the steps that Air Districts follow to fund a project.

**Figure 2. Flow of Community Air Protection Incentive Funds  
Air District to Project**



## What is CAPCOA's role in determining funding allocations for AB617 incentives funds?

CAPCOA facilitates and coordinates discussions between Air Districts to suggest a joint proposed funding allocation based on CARB's guiding principles, CARB makes the final allocation determinations.

As background, the CAPCOA is an association of the air pollution control officers from all 35 local air quality regulatory agencies throughout California. CAPCOA was formed in 1975 to promote clean air and to provide a forum for sharing of knowledge, experience, and information among the air quality regulatory agencies around the State. CAPCOA works with all levels of government, industry, environmental advocacy groups and the public to advance policies and programs that protect public health from the adverse effects of air pollution. CAPCOA advocates for clean air programs through the legislative process, and coordinates closely with local, state, and federal air agencies to develop and implement those programs.



## How does CARB track the use of CAP Incentive Funds?

CARB's role includes tracking overall progress towards implementation of all strategies included in the CERPs, including those requiring incentive funds such as replacing heavy duty diesel trucks or implementation-funded strategies such as enhanced enforcement commitments. The Board requires regular updates on the progress of CAP incentives implementation, and staff published the first update in April 2020 and a second update in December 2021. For information regarding CAP incentives status reports please visit the following webpage:

<https://ww2.arb.ca.gov/our-work/programs/community-air-protection-incentives/ab-617-community-air-protection-incentives>.

Notably, the data from the progress report shows that Air Districts have collectively exceeded their Board-directed obligation to spend most of the funds in disadvantaged and low-income communities. CARB staff will continue to update the Board and the public regularly and is planning to publish the next update in Fall 2022.

In addition to regular reports to the Board, stakeholders and CARB Board Members have requested that such progress be reported in a way that allows for comparison across communities. To facilitate this reporting, CARB staff developed templates using strategies contained in each CERP and relies on Air Districts to populate the templates using information contained in the annual reports. For information regarding this online resource hub please visit the following webpage: <https://ww2.arb.ca.gov/capp-communities>).

## How much funding (incentive and implementation) is provided to each CSC community?

Amounts of incentive funding for each AB 617 CSC are determined by each Air District. Funding per CSC community is not available at this time, air districts provide updates to CSCs in how the air district are using the funds. Several districts provide budget summaries to AB 617 CSCs. The summaries may include overview of funding, implementation budget, and expenditures by community. An example of this discussion from South Coast AQMD can be found here.

<http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/san-bernardino/presentation-aug19-2021.pdf?sfvrsn=6>

Both CARB and Air Districts spend implementation funding in ways that support all AB 617 CSCs. Implementation funding covers the cost of facilitation and interpretation contracts and stipends, or contract mechanisms for monitoring that may be for specific CSCs. Staffing costs also cover Program-wide requirements that are not limited to supporting individual AB 617 CSCs. In addition, this funding is used for other AB 617

statutory requirements such as the development of the Criteria Pollutant and Toxics Emission Reporting system and expedited BARCT efforts.

Amounts of incentive funding for each CSC are determined by each Air District. Incentive funding projects awards depend on the applications that the Air District receives. The Air Districts have been working with CSC communities to better target their incentive funding solicitation in their communities.

## How much funding has the Legislature provided the Program?

The summary table of funding (Table 1) to date reflects the annual incentive and implementation funding amounts to CARB and the Air Districts from Program inception, Fiscal Year (FY) 17/18 to Year 5, FY 21/22.

**Table 1: Summary of AB 617 Funding (millions)**

Funding Year	Year 1 FY 17-18	Year 2 FY 18-19	Year 3 FY 19-20	Year 4 FY 20-21	Year 5 FY 21-22	Statutes Authorize Funding for the Following Activities (Not Exhaustive)
Budget Bills	<a href="#">SB93/AB134</a>	<a href="#">SB856</a>	<a href="#">AB74</a>	<a href="#">SB74</a>	<a href="#">SB170</a>	
<b>CARB Implementation</b>	\$12 -GGRF	\$15 -GGRF	\$16 -GGRF	\$16-GGRF	\$16 -GGRF	<ul style="list-style-type: none"> <li>Identify communities</li> <li>Staffing across CARB; Outreach and engagement; Community policy/technical support, incl. monitoring, emissions, strategy, incentives, enforcement, etc.</li> <li>Develop and implement the AB 617 Blueprint; State agency and Consultation Group coordination</li> <li>Establish and maintain a statewide technology clearinghouse, air quality data portal, emissions reporting requirements/system</li> <li>Manage Community Air Grants</li> </ul>
CARB Liquidation Date	6/30/20	6/30/21	6/30/22	6/30/23	6/30/26	
<b>District Implementation</b>	\$27 -APCF	\$30 -APCF \$20 -GGRF	\$30 -APCF \$20 -GGRF	\$50 - APCF	\$50-GGRF	<ul style="list-style-type: none"> <li>Establish and support CSC committees (interpretation, facilitation)</li> <li>Develop/implement Emissions Reduction Programs: Staffing; Outreach and engagement; Strategies; Enforcement, etc.</li> <li>Procure and deploy air monitoring</li> <li>Emissions Reporting</li> <li>BARCT Implementation</li> </ul>
<i>South Coast</i>	\$10.8	\$20.0	\$21.9	\$21.9	\$21.9	
<i>San Joaquin</i>	\$8.4	\$12.0	\$12.7	\$12.7	\$12.7	
<i>Bay Area</i>	\$4.8	\$10.0	\$9.0	\$9.0	\$9.0	
<i>San Diego</i>	\$0.87	\$2.5	\$2.3	\$2.3	\$2.3	
<i>Sacramento</i>	\$0.86	\$1.5	\$1.25	\$1.25	\$1.25	
<i>Imperial</i>	\$0.03	\$2.0	\$1.85	\$1.85	\$1.85	
<i>All Others<sup>1</sup></i>	\$1.24	\$2.0	\$1.03	\$1.03	\$1.03	
District Liquidation Date	6/30/21	6/30/21 6/30/22	6/30/22 6/30/25	6/30/23	6/30/26	
<b>Community Air Protection (CAP) Incentives<sup>2</sup></b>	\$250 -GGRF (C adm \$0; D adm \$15.6) <sup>3</sup>	\$245 -GGRF (C adm \$1.2; D adm \$16.6) <sup>3</sup>	\$209-GGRF (C adm \$2.4; D adm \$14.0) <sup>3</sup>	\$0	\$260 -GGR (C adm tbd; D adm tbd) <sup>3, 4</sup>	
<i>South Coast</i>	\$107.5	\$85.6	\$79.4		\$98.8	
<i>San Joaquin</i>	\$80.0	\$63.7	\$57.4		\$71.46	
<i>Bay Area</i>	\$50.0	\$39.8	\$30.3		\$37.8	
<i>San Diego</i>	\$3.0	\$18.9	\$16.0		\$19.96	
<i>Sacramento</i>	\$3.7	\$14.0	\$6.6		\$7.24	
<i>Imperial</i>	\$0.5	\$7.9	\$6.0		\$7.52	
<i>All Others</i>	\$5.3	\$13.8	\$5.8		\$14.6	
CAP Liquidation Date	6/30/23 <sup>5</sup>	6/30/24 <sup>5</sup>	6/30/25	N/A	6/30/26	
<b>Air Grants</b>	\$5 -GGRF	\$10 -GGRF	\$10 -GGRF <sup>6</sup>	N/A	\$10-GGRF	Technical assistance / capacity building grants to community-based organizations to support and participate in the AB 617 process, including for involvement and support of the development of community emission reduction plans.
<i>South Coast</i>	\$3.0	\$2.1	\$3.0		TBD	
<i>San Joaquin</i>	\$2.3	\$1.0	\$2.0		TBD	
<i>Bay Area</i>	\$2.1	\$1.5	\$2.4		TBD	
<i>All Others</i>	\$2.3	\$0.6	\$2.6		TBD	
Air Grants Liquidation Date	6/30/22 <sup>5</sup>	6/30/23 <sup>5</sup>	6/30/25		6/30/26	

<sup>1</sup> Budget bills does not provide air district breakdown of funds.

<sup>2</sup> Distributed per CARB CAP Incentive Guidelines: <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-incentives>

<sup>3</sup> C is the CARB administration amount and D is the air district administration amount

<sup>4</sup> Appropriation of 260M was split between FY 20/21 (\$120M) and FY 21/22 (\$140M)

<sup>5</sup> Includes an extension from the original date: 2 years for CAP incentive funds and 1 year for Air Grants.

<sup>6</sup> For projects in multiple air districts, project funds split evenly between air districts.