



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

Report on Transportation Fund for Clean Air Projects Expenditures and Effectiveness for Fiscal Year Ending 2024

**Policy, Grants, and Technology
Special Committee Meeting
February 26, 2025**

**Linda Hui, Supervising Staff Specialist
Strategic Incentives Division**

lhui@baaqmd.gov

Action Item

Action item for the Committee to consider recommending to the Board of Directors:

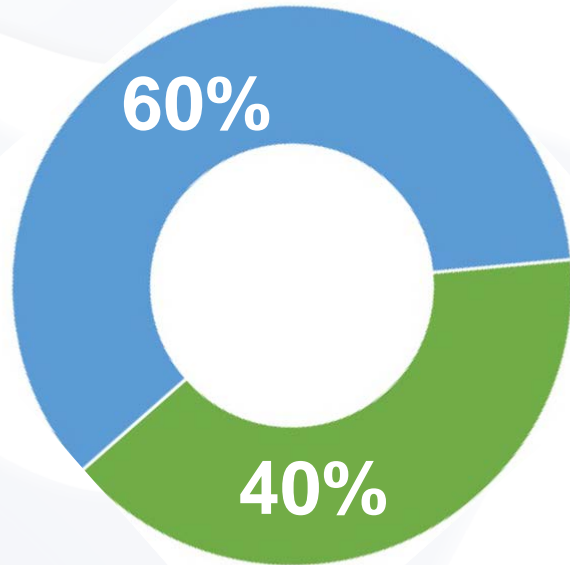
1. Adopt a determination that the Fiscal Year Ending (FYE) 2024 Transportation Fund for Clean Air (TFCA) 60% Fund expenditures were effective in improving air quality, based on Staff's report and presentation; and
2. Authorize the proposed cost-effectiveness limit for the Air District-sponsored programs commencing FYE 2026 listed in Table 1.

Outline

- Background
- Summary of Project & Program Results
 - Fund Expenditures
 - Emission Reductions
- Cost-Effectiveness for Air-District-sponsored programs
- Next Steps

Transportation Fund for Clean Air

Bay Area Air District Regional Fund



**Pass-through
to Counties**

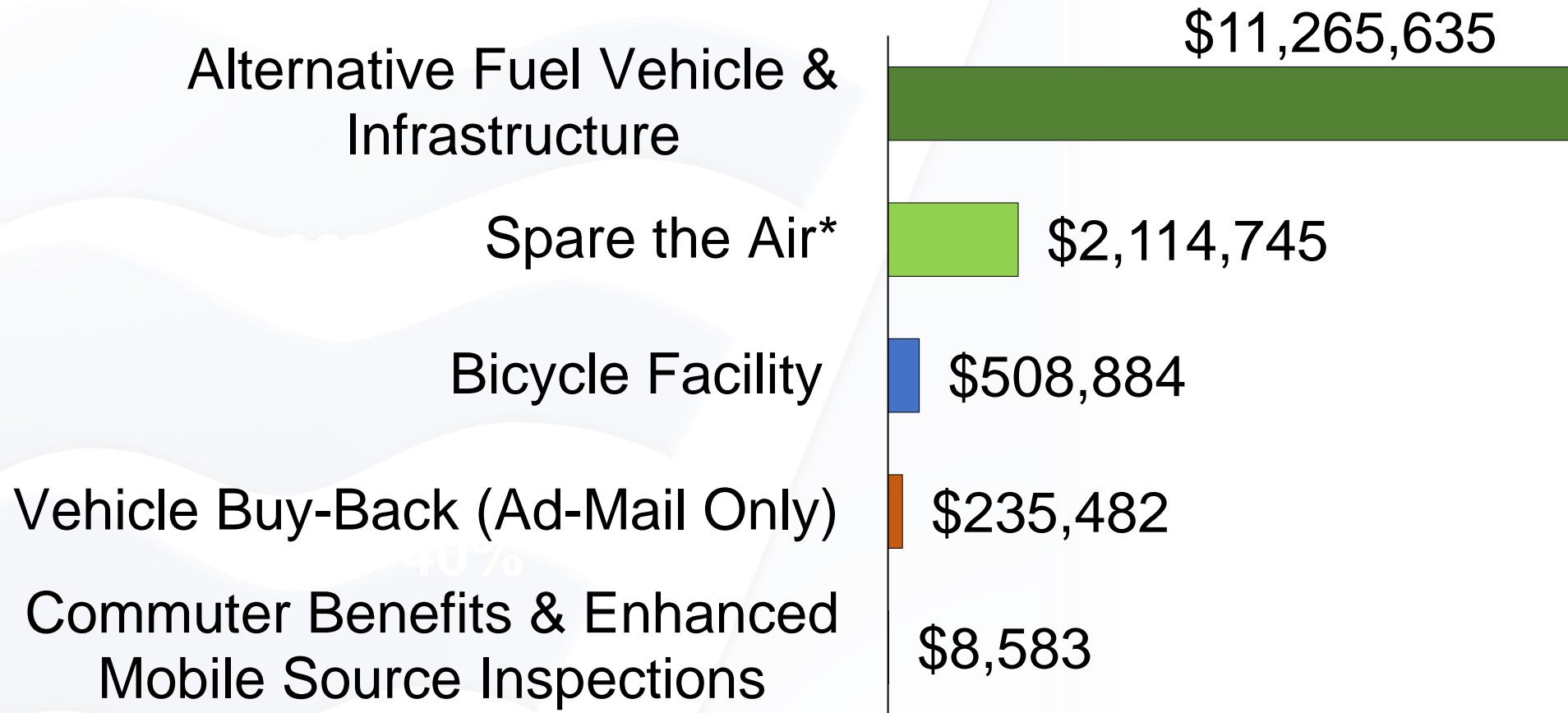
- Funding provided by \$4 surcharge on motor vehicles
- Air District's Board to annually review expenditures to determine their effectiveness in improving air quality
- The Regional Fund is one of many funding programs the Air District oversees.
- Completed by FYE 2024:
 - ✓ 21 TFCA Regional Fund projects
 - ✓ 4 Air District-sponsored programs

Summary of Project & Program Results FYE 2024 TFCA Expenditures

Regional Fund Total expenditures: \$15.07 million

- \$11.93 million through Regional Fund for 21 projects
- \$2.2 million for four Air District-sponsored programs
- \$0.94 million for FYE 2024 administrative costs, including audit fees

TFCA Regional Fund Expenditures by Project Category



*A last-mile commuter connection project, with grant award \$160,000, was included in the Spare the Air.

Effectiveness & Emissions Reductions

- Lifetime criteria pollutants reduced: **118.76 tons**
 - PM₁₀: 50.09 tons**
 - NO_x: 48.38 tons**
 - ROG: 20.29 tons**
- Equivalent to **over 797 million Vehicle Miles Traveled, or removing 59,000 passenger cars** for one year
- **81%** of funds were awarded to projects that will provide air quality benefits to Priority Communities

Key Report Findings for Board Effectiveness Determination

- TFCFA funds were allocated to eligible projects and programs
- Overall average cost-effectiveness: \$131,609/ton criteria pollutant emissions reduced
- 1 project exceeded the cost-effective threshold
- Funded projects also achieved public health benefits



Cost Effectiveness for Air District-sponsored programs

- TFCFA authorizing legislation requires cost-effectiveness criteria for funded projects and programs
- Cost-effectiveness for other project-types such as bikeways were previously approved as part of the TFCFA policies commencing FYE 2025
- Cost effectiveness is calculated by dividing the amount of TFCFA funds assigned to the project by the sum of criteria pollutant emissions (ROG, NO_x, and weighted PM₁₀) reduced by the project during its operational period

Cost Effectiveness for Air District-sponsored programs

Table 1. Proposed Cost-Effectiveness and Project Operational Period for Air District-Sponsored Programs

Program Categories	Maximum Cost-Effectiveness	Project Operational Period
	(per ton of emissions reduced)	(in Years)
Spare the Air & Commuter Benefits	\$500,000	1
Enhanced Mobile Source Inspections	\$500,000	1
Vehicle Buy Back	\$50,000	3
Clean Cars for All	\$522,000	3
Charge!	N/A*	N/A

* Evaluated based on project characteristics including cost, usage, and emissions benefits to Air District's Priority Areas.

Next Steps

Continue work to align TFCA to meet goals and objectives of the Board-approved Strategic Plan to focus funding on projects and programs that:

- Maximize emissions reductions and cost-effectiveness
- Maximize benefits for priority communities
- Have additional public health benefits

Recommendation

Action item for the Committee to consider recommending to the Board of Directors:

1. Adopt a determination that the Fiscal Year Ending (FYE) 2024 Transportation Fund for Clean Air (TFCA) 60% Fund expenditures were effective in improving air quality, based on Staff's report and presentation; and
2. Authorize the proposed cost-effectiveness limit for the Air District-sponsored programs commencing FYE 2026 listed in Table 1.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 5

Federal and State Legislative Updates

**Policy, Grants, and Technology
Special Committee Meeting
February 26, 2025**

**Alan Abbs
Legislative Officer
aabbs@baaqmd.gov**

Action Requested

Recommend to the Board of Directors that the Board adopt the following positions on current legislation:

- Federal Legislation introduced in the United States House of Representatives (H.R.) or United States Senate (S.):
 1. Support H.R.566 (Peters, Scott H. [D-CA-50]) – Cleaner Air Spaces Act
 2. Support S.147 (Bennet, Michael F. [D-CO]) – Cleaner Air Spaces Act
- State Legislation introduced in the California State Senate (SB) or California State Assembly (AB):
 1. Support AB 546 (Caloza) – Health care coverage: portable HEPA purifiers and filters.

Presentation Outline

- Part I. Federal Updates and Pending Legislation
- Part II. State Legislation
- Part III. State Budget

Abbreviations: Assembly Bill (AB) | Senate Bill (SB) |
California Air Resources Board (CARB) | Vessel Speed Reduction
(VSR) | California Public Utilities Commission (PUC)

Part I.

Federal Updates and Pending Legislation

Recent Federal Updates

- Continuing Resolution expires March 14, 2025
- New Administration
- Executive Orders and Directives
- Federal Funding

Pending Legislation - Cleaner Air Spaces Act

Senator Michael Bennet (D-CO) and Representative Scott Peters (D-CA-50) recently introduced companion bills (S.147 and H.R.566, respectively), reintroducing the Cleaner Air Spaces Act.

The proposed legislation would provide grants to expand local clean air programs that provide free air filtration units to households and establish clean air centers in communities with a high risk of wildfire smoke exposure.

Staff Recommendation: Support

Part II. State Legislation

State Legislation Overview

Dates and Deadlines:

- February 21, 2025 – Bill Introduction Deadline
- June 6, 2025 – House of Origin Deadline
- September 12, 2025 – Last day for each house to pass bills
- October 12, 2025 – Last day for the Governor to sign or veto bills
- January 1, 2026 – Statutes take effect

Definitions:

Spot Bill: A bill that amends a code section in a non-substantive way. May be introduced to assure that a germane vehicle will be available at a later date.

Intent Bill: Essentially a placeholder for a bill that will be amended in the subject area of the bill's stated intent language.

AB 14 (Hart)

Coastal resources: Protecting Blue Whales and Blue Skies Program

This bill will expand the existing *Protecting Blue Whales and Blue Skies* VSR program to include ocean territories that are not covered by any VSR program – the San Diego region and the North Coast. The expansion of the *Protecting Blue Whales and Blue Skies* program to other areas of the California coast yields additional public health and ecosystem benefits.

Status: Introduced on December 2, 2024, and has been double-referred to the Assembly Water, Parks, and Wildlife Committee and the Assembly Natural Resources Committee – hearing dates pending.

Position: Co-Sponsor (approved by the Board on February 5, 2025)

SB 282 (Wiener)

The Heat Pump Access Act

This bill will make cost-saving, energy efficient heat pump water heater and heating, ventilation, and air conditioning (HVAC) installations faster, simpler and more affordable by streamlining the permitting process.

Status: Introduced on February 5, 2025, and has been double-referred to the Senate Energy, Utilities, and Communications Committee and the Senate Local Government Committee – hearing dates pending.

Position: Co-Sponsor (approved by the Board on February 5, 2025)

AB 907 (Chen)

State Air Resources Board: board members: compensation

The bill proposal would provide that CARB board members representing air districts receive the same level of compensation as other Governor-appointed voting CARB board members.

- Per current statute, Health and Safety Code Section 39512.5, air district CARB Board members only receive \$100 per meeting plus actual and necessary expenses

Status: Introduced on February 19, 2025. Committee referral pending.

Position: Support (approved by the Board on February 5, 2025)

AB 222 (Bauer-Kahan)

Data centers: energy usage reporting and modeling

Per the bill's press release, this bill is “designed to address the growing energy demands of artificial intelligence (AI) development while protecting California ratepayers from bearing unnecessary costs. AB 222 ensures that developers, data centers, and utility providers work collectively to reduce energy costs for Californians who do not directly benefit from these energy-intensive technologies.”

Status: Introduced on January 8, 2025, and has been double-referred to the Assembly Utilities and Energy Committee and the Assembly Privacy and Consumer Protection Committee – hearing dates pending.

Staff Recommendation: None

AB 339 (Ortega)

Local public employee organizations: notice requirements

This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill would require the notice to include specified information, including the anticipated duration of the contract.

Status: Introduced on January 28, 2025, and has been referred to the Assembly Public Employment and Retirement Committee – hearing date pending.

Staff Recommendation: None

AB 546 (Caloza)

Health care coverage: portable HEPA purifiers and filters

This bill would require a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to include coverage for portable high-efficiency particulate air (HEPA) purifiers and filters for enrollees or insureds who are pregnant or diagnosed with asthma or chronic obstructive pulmonary disease. The bill would prohibit a portable HEPA purifier and filter covered pursuant to these provisions from being subject to a deductible, coinsurance, or copayment requirement.

Status: Introduced on February 11, 2025. Committee referral pending.

Staff Recommendation: Support

SB 30 (Cortese)

Diesel-powered on-track equipment: decommissioning: resale and transfer restrictions

This bill would prohibit a public entity that owns diesel-powered on-track equipment from selling, donating, or otherwise transferring that equipment for continued use after the public entity decommissions the equipment.

Status: Introduced on December 2, 2024, as an intent bill and amended February 11, 2025. The bill has been double-referred to the Senate Transportation Committee and the Senate Environmental Quality Committee – hearing date pending.

Staff Recommendation: None

SB 34 (Richardson)

Ports: emissions: intermodal goods movement stakeholder group

This bill would require the state board to establish an intermodal goods movement stakeholders group consisting of, among others, a member from each specified port district. The bill would require the group to develop a plan that specifies short-term thresholds of yellow, orange, and red for port emissions and specifies actions to be taken to reduce port emissions and port-related emissions when the thresholds are reached, as specified.

Status: Introduced on December 2, 2024, and has been double-referred to the Senate Environmental Quality Committee and the Senate Transportation Committee – hearing dates pending.

Staff Recommendation: None

Part II.

State Budget

State Budget Update

On January 10, 2025, Governor Newsom released his initial proposal for the fiscal year (FY) 2025-26 Budget.

- AB 227 (Gabriel) and SB 65 (Wiener)

Per the Assembly's "Highlights of Governor's Proposed 2025-26 Budget" released that same day:

- "The Assembly will scrutinize the Governor's budget proposal in the coming months, but for now, attention remains focused on the wildfires. Issues related to the fires likely will be one reason the May Revision differs significantly from the January 10 budget proposal."

State Budget Update (cont.)

- The Senate and Assembly have started budget hearings that will continue for several months.
- In May, the Governor will release a budget revision (the “May Revise”)
- The remainder of May and most of June will be spent reconciling priorities and funding of the Administration, Senate, and Assembly.
- The budget must be signed by the Governor by July 1.

Recap: Action Requested

Recommend to the Board of Directors that the Board adopt the following positions on current legislation:

- Federal Legislation introduced in the United States House of Representatives (H.R.) or United States Senate (S.):
 1. Support H.R.566 (Peters, Scott H. [D-CA-50]) – Cleaner Air Spaces Act
 2. Support S.147 (Bennet, Michael F. [D-CO]) – Cleaner Air Spaces Act
- State Legislation introduced in the California State Senate (SB) or California State Assembly (AB):
 1. Support AB 546 (Caloza) – Health care coverage: portable HEPA purifiers and filters.

Questions / Discussion