



San Diego County  
Air Pollution  
Control District

FISCAL YEAR 2026-2027

**ADOPTED BUDGET &  
SCHEDULE OF FEES**





# **FY 2026-27 ADOPTED BUDGET**

## **GOVERNING BOARD MEMBERS & AIR POLLUTION CONTROL OFFICER**

### **Anne Marie Birkbeck-Garcia, Chair**

Physician/Public Health Representative  
Public Board Member

### **Paloma Aguirre, Vice Chair**

County of San Diego Board of Supervisors  
Representative

### **John Duncan**

District 3 Representative  
Mayor, City of Coronado

### **Terra Lawson-Remer**

County of San Diego Board of Supervisors  
Representative

### **Jennifer Campbell**

District 4 Representative  
Councilmember, City of San Diego

### **Todd Gloria**

City of San Diego At Large Member  
Mayor, City of San Diego

### **Judy Fitzgerald**

District 5 Representative  
Councilmember, City of Escondido

### **Marcus Bush**

District 1 Representative  
Councilmember, City of National City

### **Georgette Gomez**

Environmental Justice Representative  
Public Board Member

### **Laura Koval**

District 2 Representative  
Councilmember, City of Santee

### **Paula Stigler Granados**

Scientific/Technical Representative  
Public Board Member

### **Paula Forbis**

Air Pollution Control Officer (APCO)

### **Prepared By:**

#### **Jude Gronenthal**

Deputy Director

#### **Spencer Harteis**

Principal Accountant

#### **Tamer Korman**

Administrative Analyst

#### **Zina Iskander**

Administrative Analyst

---

# FY 2026-27 ADOPTED BUDGET

## TABLE OF CONTENTS

<b>SECTION 1 – APCO ADOPTED BUDGET TRANSMITTAL</b>	<b>5</b>
APCO Adopted Budget Transmittal_____	5
District Description_____	6
FY 2025-26 Accomplishments_____	7
FY 2026-27 Goals and Objectives_____	10
<b>SECTION 2 – BUDGET FINANCIAL STATEMENTS</b>	<b>13</b>
Revenue by Classification_____	13
Expenditure by Classification_____	14
Budget Variance Explanations_____	15
Revenues and Uses Variance Explanations_____	15
Expenditures and Sources Variance Explanations_____	15
Fund Balance Summary_____	16
Staffing Summary_____	17
Budget Summary by Program_____	18
Special Revenue Fund Summary & Budget_____	18
Program Descriptions & Budgets_____	21
<b>SECTION 3 – APPENDICES</b>	<b>26</b>
Appendix A: Basis of Budgeting_____	26
Appendix B: Glossary of Budget Terms_____	26
Appendix C: Budget Detail_____	28
Appendix D: Schedule of Fees_____	28

---

## **SECTION 1 – APCO RECOMMENDED BUDGET TRANSMITTAL**

April 14, 2026

Dear San Diego County Air Pollution Control District Governing Board, County residents, and stakeholders:

This document represents the San Diego County Air Pollution Control District's (District or SDAPCD) Recommended Budget for Fiscal Year (FY) 2026-27, covering the period July 1, 2026, through June 30, 2027. The budget adoption process is specified in California Health and Safety Code Section 40131 and includes requirements for posting this Budget Summary and Fee Schedule 30 days in advance of two public hearings to receive and consider adopting the recommended budget; the two public hearings are scheduled for May 14, 2026, and June 11, 2026. The Recommended Budget is balanced and reflects a proposed total of \$135.1 million (M) in revenues and expenditures for FY 2026-27 to advance the District's Vision of Clean Air for All, and Mission to improve air quality to protect public health and the environment. This includes 178 staff positions, \$73.5M in pass-through funds for projects that accelerate improvements to air quality and public health, and pursuant to Governing Board direction, an Operating Fund Balance Reserve equal to an estimated two (2) months of District operating expenditures (\$5.8M). Program accomplishments, highlights and summaries for the Recommended Budget are included in this document.

The District has continued to expand upon its programs to promote its goals of **Air Quality, Public Health, Environmental Justice and Equity, Public Engagement and Transparency, and Operational Excellence**. During FY2025-26 District staff continued to work diligently as part of a coordinated regional response to the ongoing environmental crisis resulting from the continued transboundary flow of untreated wastewater impacting communities in the Tijuana River Valley. Thanks to the tireless efforts of our dedicated staff, this critical response effort complemented our continuing work of monitoring air quality; regulating smog-forming and toxic air contaminant emissions from stationary sources; inspecting a wide variety of air pollution sources; responding to public complaints; developing plans to achieve air quality standards; adopting rules to implement those plans; and providing financial incentives to small businesses and individuals to encourage a faster transition to low or zero-emission equipment.

Looking ahead to FY 2026-27, this Recommended Budget will provide the District with the resources needed to maintain its clean air programs and embrace new challenges and opportunities. We stand ready to diligently continue our work in unwavering pursuit of our vision, mission and goals.

Respectfully,



Paula Forbis, Air Pollution Control Officer

## **DISTRICT DESCRIPTION**

SDAPCD protects the public from the harmful effects of air pollution, which include heart and lung disease, by seeking to attain and maintain the California and National Ambient Air Quality Standards throughout the San Diego region. These standards define the maximum amount of an air pollutant that can be present in the outdoor air without threatening the public's health. To meet these health-protective standards SDAPCD measures, reports, and forecasts air quality throughout the region, and enforces air quality rules within its jurisdiction, ensuring the public has clean, healthful air to breathe.

SDAPCD is mandated by Federal and State law to regulate stationary (i.e., fixed) sources of air pollution such as factories, power plants, gasoline stations and other facilities in the region. SDAPCD issues permits to approximately 4,000 local businesses and public agencies, with permit conditions that limit or require specific actions to reduce air pollutant emissions and associated health risks. SDAPCD also conducts over 16,000 inspections each year to verify permitted facilities and other regulated sources are in compliance, and to respond to public complaints about air pollution and reduce associated health risks. Additionally, SDAPCD provides millions of dollars in incentive grants to businesses and public agencies for projects that reduce air pollutant emissions and associated health risks from high-polluting on-road and off-road equipment.

## **SDAPCD'S VISION AND MISSION**



## FY 2025-26 ACCOMPLISHMENTS

### Air Quality

Improve air quality in the region to attain all State and Federal air quality standards.

- *Funded or in the process of paying out in excess of \$11 million on 46 incentive projects that reduce emissions from non-stationary sources and advance the infrastructure needed to support the transition to zero emission equipment. The projected lifetime emission reductions from these projects are the equivalent of taking almost 4 million miles of heavy-duty truck traffic off the road each year. **(Strategic Plan Objective AQ1, AQ2)***
- *Acquired a vehicle and equipment to have mobile monitoring capabilities for hydrogen sulfide **(Strategic Plan Objective AQ5)**.*
- *Published the Strategies to Reduce Indirect Source Emissions at Warehouses and Distribution Centers White Paper presenting the District's evaluation of a potential warehouse indirect source rule (ISR) and other alternative strategies for San Diego County. **(Strategic Plan Objective AQ1, AQ2)***
- *Adopted a Memorandum of Understanding with the San Diego Unified Port District to support implementation of the Maritime Clean Air Strategy (MCAS) and Portside Community Emissions Reduction Plan (CERP). **(Strategic Plan Objective AQ1, AQ2)***
- *Adoption of New Rule 67.26 (Commercial Charbroiling Operations) which upon full implementation is anticipated to result in annual reduction of 14 tons of PM2.5 and 4.5 tons of VOC from commercial charbroilers used commonly at fast-food restaurants, avoiding as many as 125 cases of negative health endpoints and 240 lost work or minor restricted activity days each year. **(Strategic Plan Objective AQ2)***
- *Maintained readiness to investigate air quality complaints 24/7, adapted enforcement strategies to evolving conditions, and addressed transboundary pollution impacts as needed.*
- *Conducted approximately 16,000 field inspections to verify compliance with air quality requirements. About 1,000 enforcement actions were issued to address documented violations, representing a 94% compliance rate and demonstrating strong overall compliance among regulated facilities in San Diego County.*
- *Through a Supplemental Environmental Project (SEP), required funds for a zero-emission micro transit shuttle serving the Mt. Hope community. This all-electric, on-demand service improves access to public transit and essential destinations while reducing vehicle emissions in Southeastern San Diego. **(Strategic Plan Objective AQ1)***

### Public Health

Promote healthy communities by reducing risks from air toxics emissions that can create adverse health effects.

- *Processed health risk assessments for facilities subject to [California's Air Toxic "Hot Spots" Program](#) and implemented all applicable public notifications, public meetings; Required and implemented risk reduction requirements to reduce the health risk and protect communities from elevated health risks.*
- *Oversaw the implementation of community-focused projects, such as the zero-emission micro transit service and urban forestry programs, to enhance localized air quality benefits.*
- *Enhanced the SDAPCD Incident Response Plan to support a rapid, coordinated, and effective response to air quality emergencies, safeguarding public health and environmental quality in*

addition to signing a Memorandum of Understanding with the County of San Diego's Office of Emergency Services **(Strategic Plan Objective PH7)**

- Distributed over 8,000 air purifiers with replacement filters during Fiscal Year 2025-26 to households affected by emissions from cross-border wastewater and sewage flows near the Tijuana River Valley through the [Air Improvement Relief Effort \(AIRE\) Program](#). Since its inception in December 2024, the AIRE Program has provided free air purifiers to help improve indoor air quality for over 13,000 households in the Tijuana River Valley communities of Otay Mesa West, San Ysidro, Egger Highlands, Nestor, and the City of Imperial Beach. **(Strategic Plan Objectives PH4, PH6)**
- Provided over 850 air purifiers and replacement filters to public schools and daycares within Tijuana River Valley communities to help improve indoor air quality for children and staff affected by emissions from cross-border wastewater and sewage flows. **(Strategic Plan Objectives PH4, PH6)**
- Expanded eligibility for the Clean Cars 4 All program to offer incentive funds to any San Diego County resident who meets income and trade-in vehicle requirements to retire their old vehicles and replace them with zero or near-zero emission vehicles or transit alternatives. **(Strategic Plan Objective PH6)**

## Environmental Justice and Equity

Lift and address the needs of communities most impacted by air pollution by integrating environmental justice and equity across all services we provide.

- Continued expanding the Community Air Protection Program monitoring network by advancing the establishment of two new monitoring sites in National City and in the San Ysidro/Otay Mesa area. Expanding the network will allow SDAPCD and community stakeholders to have a better understanding of air pollution impacts and monitor the success of emission reduction strategies in these communities. **(Strategic Plan Objective EJ5)**
- Continued implementation of the [International Border Community Emissions Reduction Program \(CERP\)](#) and the [Portside CERP](#) by engaging and supporting partner agencies to carry out strategies prioritized by the Community Steering Committees. **(Strategic Plan Objective EJ5)**
- Produced the 5-year Portside Report outlining progress made in CERP implementation, emission reductions, air quality improvement, and community engagement in the Portside Community. **(Strategic Plan Objective EJ5)**
- Continued working with SDAPCD Divisions to integrate environmental justice principles and practices in guidelines and operations. **(Strategic Plan Objective EJ2)**

## Public Engagement and Transparency

Support informed decision-making and stakeholder confidence by promoting meaningful public engagement and transparency.

- Continued expanding tools available to the public to provide meaningful data, such as information regarding enforcement actions, air quality data including H<sub>2</sub>S, and communities that might be exposed to elevated health risks to enhance accountability, empower communities, and facilitate informed decision-making processes. **(Strategic Plan Objective PE1, PE4)**
- Expanded CEQA program enhancements to provide clearer guidance on environmental review processes and improve public access to air quality and risk assessment data. **(Strategic Plan Objective PE1, PE2)**

- Continued conducting outreach in environmental justice communities to ensure that SDAPCD is consistently engaging with communities that have been historically overburdened by air pollution. **(Strategic Plan Objective PE1)**
- Incorporated the estimated public health benefits from EPA’s Co-Benefits Risk Assessment Health Impacts Screening and Mapping Tool (“COBRA”) into staff reports for rules with emission reduction benefits, such as new Rule 67.26 (Commercial Charbroiling Operations), to better inform the public about the benefits associated with actions that reduce emissions of harmful air pollutants. **(Strategic Plan Objective PE6)**

## Operational Excellence

Ensure superior service delivery by providing innovative technology and appropriate resources, supported by resilient processes and controls, to accomplish our mission.

- Worked with partners at the County Department of General Services and SDG&E to complete the installation of additional electric vehicle (EV) charging stations at the SDAPCD office for fleet, employee, and public use. **(Strategic Plan Objective OE7)**
- Continued progress towards maximum cost recovery for permitting, source testing, emission inventory, and asbestos programs by updating our fees and decreasing reliance on other revenue sources to cover the costs of providing these services. Cost recovery efforts create potential opportunities to maximize the use of limited revenue sources to support clean air programs and advance the District’s Vision of Clean Air for All. **(Strategic Plan Objective OE4)**
- Continued refining the [Emission Inventory System](#) (EIS) for improved data accuracy and alignment with state and federal reporting requirements. Requested operating data and worked on development of emissions inventory for over 2,000 facilities, representing a ten-fold increase in the number of facilities being inventoried for their emissions. **(Strategic Plan Objective OE3)**
- Actively implemented process improvements to business practices related to applications, invoicing, and permitting to help streamline processes for customers and staff. **(Strategic Plan Objective OE3)**
- Improved the time it takes to process applications and had greater number of applications processed in shorter amount of time. Developed an enhanced screening tool to evaluate health risk from new sources and modifications to existing sources to expedite permitting and reduce the cost to permit applicants. **(Strategic Plan Objective OE3)**



## FY 2026-27 GOALS AND OBJECTIVES

### Air Quality

Improve air quality in the region to attain all State and Federal air quality standards.

#### Objectives

- *Invest in projects to incentivize transition to cleaner mobile equipment and advance the infrastructure needed to support transition to zero emission equipment. These investments are projected to reduce emissions of harmful air pollutants such as nitrogen oxide, reactive organic gases, and particulate matter by 85 tons over the lifetime of these projects. (Strategic Plan Objectives AQ1, AQ2)*
- *Evaluate opportunities to reduce harmful volatile organic compound (VOC) emissions from sources such as Bulk Terminals or other emission sources that could improve air quality regionwide and within under resourced communities. Reducing VOCs are important for controlling ground-level ozone (i.e. smog), which at unhealthy levels can cause adverse health effects such as lung and airway inflammation, significant decreases in lung function and capacity, and other respiratory symptoms. (Strategic Plan Objective AQ1)*
- *Support continued advancement of clean technologies at the Port of San Diego by developing and submitting a community identified project plan for zero emission cargo handling equipment replacement program to the California Air Resources Board for approval. This project will support ongoing implementation of the Memorandum of Understanding with the Port of San Diego to achieve emission reductions in the Portside Community consistent with the Maritime Clean Air Strategy (MCAS) and Portside Community Emissions Reduction Plan (CERP). (Strategic Plan Objectives AQ1, AQ2)*
- *Complete two rule development projects (e.g. amendments to Rule 69.7 and New Rule 46) to ensure the region satisfies Reasonably Available Control Technology (RACT) and State Implementation Plan (SIP) requirements. (Strategic Plan Objective AQ1)*
- *Identify a suitable location and begin the process to re-establish a regional monitoring station in Escondido to ensure continued air quality monitoring is covered in this area of the county (Strategic Plan Objective AQ3)*

### Public Health

Promote healthy communities by reducing risks from air toxics emissions that can create adverse health effects.

#### Objectives

- *Continue to provide free air purifiers for households affected by emissions from cross-border wastewater and sewage flows near the Tijuana River Valley through ongoing implementation of the AIRE Program. This program is designed to provide immediate and short-term relief for residents living in the area until long term sewage plant and transboundary infrastructure upgrades and repairs are complete. (Strategic Plan Objectives PH4, PH6)*
- *Build on ongoing efforts to evaluate air quality complaint trends and implement solutions that address identified gaps, improving air quality and public health outcomes. (Strategic Plan Objectives PH1)*
- *Continue advancing strategies that reduce toxic air emissions and associated health risks from stationary sources regulated by SDAPCD. (Strategic Plan Objectives PH2)*

- *Continue identifying opportunities to reduce cumulative air quality impacts in Environmental Justice communities. (Strategic Plan Objectives PH3)*

## Environmental Justice and Equity

Lift and address the needs of communities most impacted by air pollution by integrating environmental justice and equity across all services we provide.

### Objectives

- *Continue expanding the Community Air Protection Program monitoring network by completing the establishment of two new monitoring sites in National City and establishing additional sites in the San Ysidro/Otay Mesa area. Expanding the network will allow SDAPCD and community stakeholders to have a better understanding of air pollution impacts and monitor the success of emission reduction strategies in these communities (Strategic Plan Objective AQ4)*
- *Continue to integrate environmental justice principles and practices into all SDAPCD operations, policies, procedures (Strategic Plan Objective EJ2)*
- *Enhance transparency and accessibility of the implementation of strategies under the Community Emission Reduction Plans by presenting progress updates to the Community Steering Committees and developing annual implementation reports. (Strategic Plan Objective EJ5)*

## Public Engagement and Transparency

Support informed decision-making and stakeholder confidence by promoting meaningful public engagement and transparency.

### Objectives

- *Expand SDAPCD's visibility across San Diego County, increasing transparency and fostering stronger relationships with the community and public partners. (Strategic Plan Objectives PE1)*
- *Increase communication and partnerships with local government agencies and legislators. (Strategic Plan Objectives PE2)*
- *Extend the reach of the SDAPCD's Clean Air for All Achievement Award Program to enhance its visibility and impact. (Strategic Plan Objectives PE3)*
- *Continue to explore opportunities to incorporate information on health outcomes into various District programs and projects, including incentive projects, to better inform the public about the benefits associated with actions that reduce emissions of harmful air pollutants. (Strategic Plan Objective PE6)*
- *Develop a youth-based air quality education program (Strategic Plan Objective PE7)*
- *Ensure community members are meaningfully engaged in shaping SDAPCD decisions that impact air quality, including budget, monitoring, planning, rulemaking, and permitting (Strategic Plan Objective PE9)*

## Operational Excellence

Ensure superior service delivery by providing innovative technology and appropriate resources, supported by resilient processes and controls, to accomplish our mission.

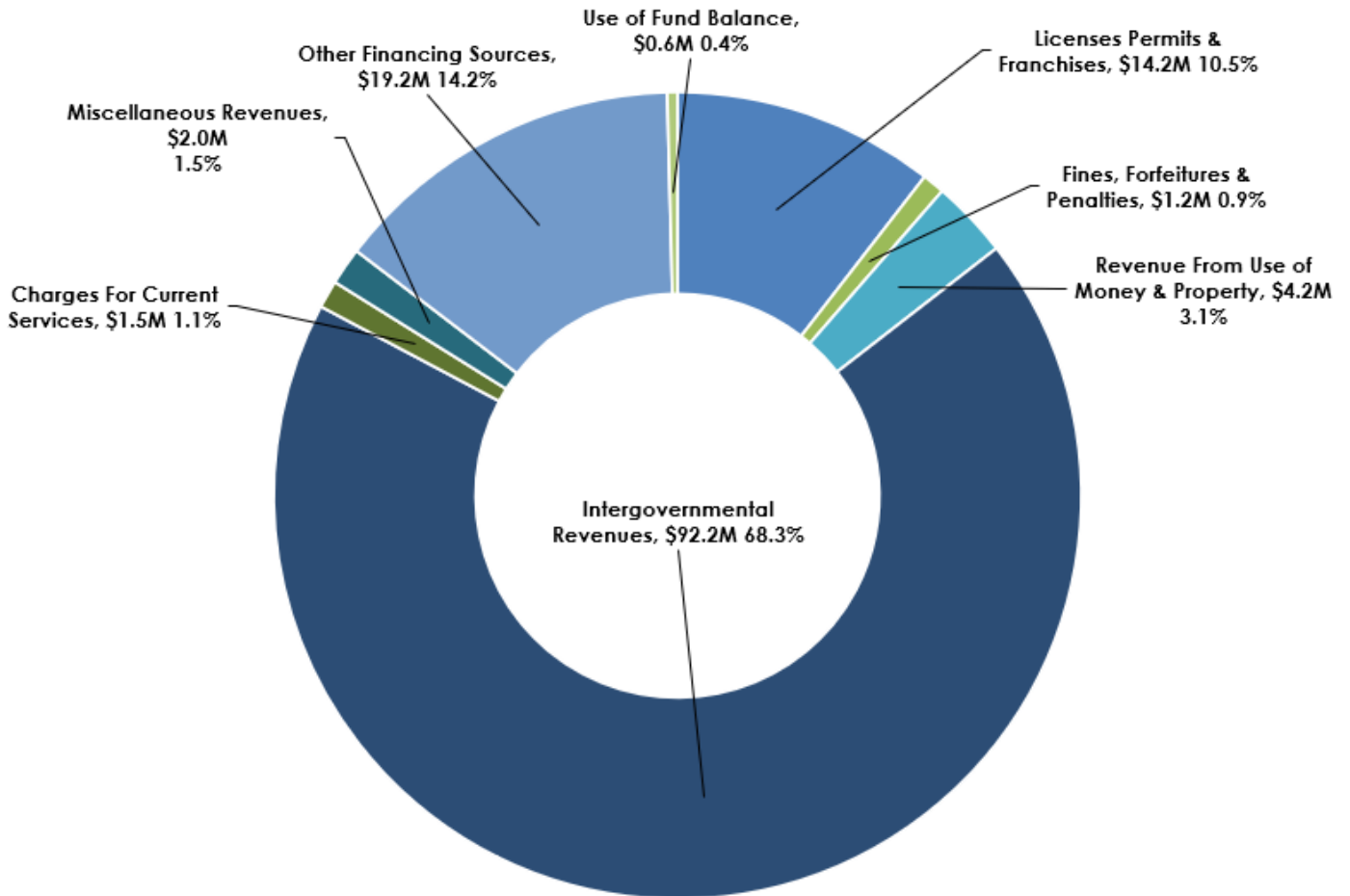
### Objectives

- *Enhance employee engagement by continuing to foster a collaborative environment where employees feel involved, informed about operational goals, participate in decision-making, and are aware of upcoming initiatives. (Strategic Plan Objectives OE1)*

- *Evaluate opportunities to enhance website functionality and user experience. (Strategic Plan Objectives OE5)*
- *Streamline the health risk assessment process required under permitting actions to improve efficiency in evaluating potential health impacts associated with air emissions. (Strategic Plan Objectives OE10)*
- *Reduce the organization's dependence on fund balance by bringing forward a transparent cost recovery package aimed at closing the revenue gap and increasing fee-related cost recovery compared to the previous year. (Strategic Plan Objective OE4)*
- *Implement hosting all air quality data on SDAPCD website in easy to understand and accessible format. (Strategic Plan Objective OE5)*

## SECTION 2 – BUDGET FINANCIAL STATEMENTS

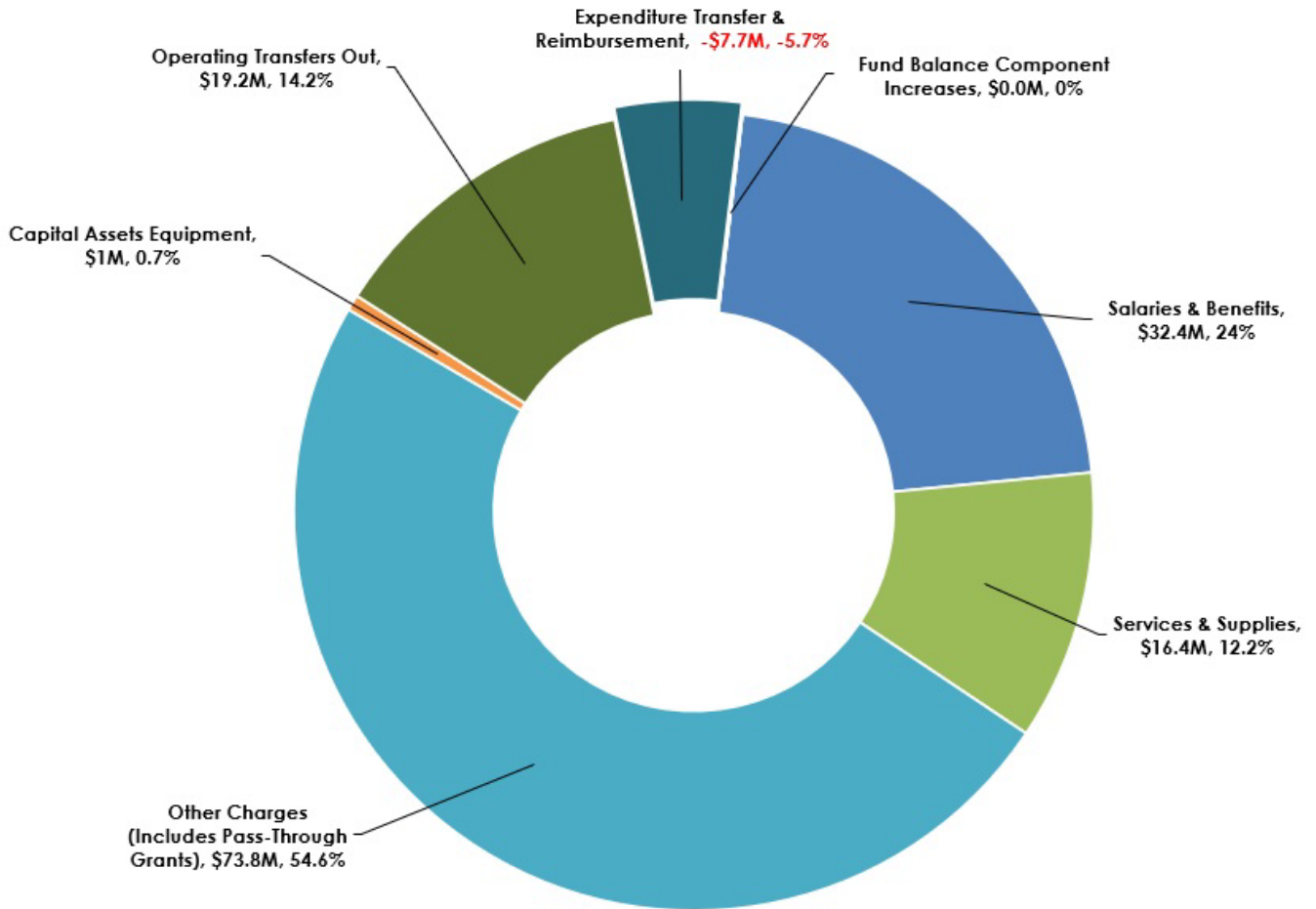
### REVENUES BY CLASSIFICATIONS (\$135.1 MILLION)



### Budget by Revenue Category

Budget Object Rollup Name	FY24-25 Unaudited Actuals	FY25-26 Adopted Budget	FY26-27 Adopted Budget
Licenses Permits & Franchises	12,521,558	13,130,000	14,165,000
Fines, Forfeitures & Penalties	1,244,940	1,125,000	1,205,000
Revenue From Use of Money & Property	3,735,181	4,060,000	4,210,000
Intergovernmental Revenues	49,622,515	111,893,300	92,212,450
Charges For Current Services	1,417,634	1,560,800	1,500,300
Miscellaneous Revenues	509,864	154,600	2,022,000
Other Financing Sources	17,868,609	18,895,700	19,207,250
Use of Fund Balance	0	4,550,000	550,000
<b>Total</b>	<b>86,920,301</b>	<b>155,369,400</b>	<b>135,072,000</b>

## EXPENDITURES BY CLASSIFICATIONS (\$135.1 MILLION)



### Budget by Expenditure Category

Budget Object Rollup Name	FY24-25 Unaudited Actuals	FY25-26 Adopted Budget	FY26-27 Adopted Budget
Salaries & Benefits	29,640,793	31,970,800	32,372,100
Services & Supplies	12,311,305	14,787,233	16,452,600
Other Charges	27,070,052	93,720,600	73,789,500
Capital Assets Equipment	741,513	2,095,000	961,000
Expenditure Transfer & Reimbursements	-4,407,100	-6,699,933	-7,710,450
Operating Transfers Out	17,868,609	18,895,700	19,207,250
Fund Balance Component Decreases	0	600,000	0
<b>Total</b>	<b>83,225,172</b>	<b>155,369,400</b>	<b>135,072,000</b>

## **BUDGET VARIANCE EXPLANATIONS**

### **EXPENDITURES & USES VARIANCE EXPLANATIONS**

#### **Salaries & Benefits**

Increase of \$0.4M, due to employee labor negotiations and an update in retirement contribution rates.

#### **Services & Supplies (e.g., Professional Services, Utilities, Equipment, and Overhead)**

Increase of \$1.6M, due to an increase in overhead costs allocated between programs due to a reduction in grant revenue funding that was used to offset these costs (\$1.0M) and is offset in Expenditure Transfer & Reimbursement below and the increased costs related to the District's Services Agreement with the County of San Diego (\$0.6M).

#### **Other Charges (Grant Funded Pass-through Projects)**

Net decrease of \$19.9M, due to the projected timing of completion of several State pass-through incentive grant projects which is dependent on applicants' eligible project(s), anticipated completion date(s) and milestone achievements that varies year-to-year in Contributions to Other Agencies (-\$23.6M) primarily offset by an increase in Contribution to Others for air filter and purifiers provided by a County of San Diego grant for the AIRE program (\$3.7M).

#### **Capital Assets**

Decrease of \$1.1M, due to the postponement of equipment and fleet purchases due to a reduction in grant funding.

#### **Expenditure Transfer Reimbursement (Administrative Overhead Costs Applied to District Programs)**

Increase of \$1.0M, due to an increase in overhead costs allocated between programs which is offset in Services & Supplies Cost Applied to External Entity.

#### **Operating Transfers Out (Operating Transfers from Special Revenue Funds to District Funds)**

Increase of \$0.3M, due to an increase in operating transfers from State Incentive Grants primarily for District costs to administer projects funded under the Community Air Protection Program (AB 617).

#### **Fund Balance Component Increases (Funding for One-Time Expenditures)**

Decrease of \$0.6M due to reducing the transfer of Fund Balance from the General Fund Uncommitted Fund Balance to the "Committed Fund Balance for Operating Reserve" as APCD has met its reserve for two-months of operating expenses.

### **REVENUES & SOURCES VARIANCE EXPLANATIONS**

#### **Licenses, Permits, & Franchises (Applications & Permit Renewals)**

Increase of \$1.0M, based on latest Fiscal Year 2025-26 fee for service revenue projections compared to adopted budget and projected revenue increases, consistent with the Fiscal Year 2026-27 Cost Recovery plan.

#### **Fines, Forfeitures & Penalties**

Increase of \$0.1M, based on a three-year average of revenues received.

#### **Revenue from Use of Money & Property (Interest)**

Increase of \$0.1M, due to projected interest earned on Special Revenue fund balances primarily used for State pass-through incentive grant projects.

#### **Intergovernmental Revenues (Federal & State Pass-through Grants)**

Net decrease of \$19.7M, due to the projected timing of completion of several State pass-through incentive grant projects related to AB617 (-\$21.0M), Clean Cars 4 All (-\$3.2M), Advanced Technology Demonstration and Pilot Project: Zero Emission Sustainable Transportation "ZEST" grant (-\$0.6M), and Carl Moyer (\$2.2M) which is dependent on applicants' eligible project(s), anticipated completion date(s) and milestone achievements and varies

year-to-year. A decrease in Department of Homeland Security grant funding due to the cancellation of the Biowatch grant program (-\$1.2M) and the cancellation of an EPA grant for Environmental Justice (-\$0.7M). These are offset by an increase in Aid from Other Government Agencies for a County of San Diego grant for the AIRE program (\$4.0M) and a new State CARB grant for the CHIRP program (\$0.8M).

**Charges for Current Services**

Decrease of \$60k, based on projected permit revenues for the Portable Equipment Registration Program fees collected by the State.

**Miscellaneous Revenues**

Increase of \$1.9M, due to funding anticipated projects that achieve emissions reductions in communities impacted by docked vessel emissions from the Vessels at Berth program.

**Other Financing Sources (Operating Transfers in from District Special Revenue Funds)**

Increase of \$0.3M, due to an increase in operating transfers from State Incentive Grants for administrative work.

**Use of Fund Balance**

Net decrease of \$1.0M for the following:

- \$0.3M - Decrease in “Committed Fund Balance for Operating Reserve” as APCD has met its reserve for two-months of operating expenses.
- \$0.1M - Decrease in “Committed Fund Balance for Financial and Data Management Systems Replacement and Upgrade” for the air quality monitoring network.
- \$0.1M - Increase in “Committed Fund Balance for Facilities/Fleet Maintenance and Replacement” to pay for increased costs associated with the facility boiler replacement.

**FUND BALANCE SUMMARY**

**Fund Balance Changes**

Fund Name	6/30/2026 Projected Fund Balance	FY26-27 Recommended Budget	6/30/2027 Projected Fund Balance
<b>Operations - Unassigned Fund Balance</b>	5,500,000	-	5,500,000
<i>Committed Fund Balance for Operating Reserve</i>	<i>5,800,000</i>	<i>-</i>	<i>5,800,000</i>
<i>Committed Fund Balance for Financial and Data Management Systems Replacement and Upgrade</i>	<i>2,500,000</i>	<i>(100,000)</i>	<i>2,400,000</i>
<i>Committed Fund Balance for Facilities/Fleet Maintenance and Repair</i>	<i>650,000</i>	<i>(450,000)</i>	<i>200,000</i>
<b>Total Operations Fund Balance</b>	<b>14,450,000</b>	<b>(550,000)</b>	<b>13,900,000</b>
<b>AB2766 Motor Vehicle Fee (MVF) - Unassigned Fund Balance</b>	<b>4,600,000</b>	<b>-</b>	<b>4,600,000</b>
<b>Subtotal Operations &amp; MVF Fund Balance</b>	<b>19,050,000</b>	<b>(550,000)</b>	<b>18,500,000</b>

There is no proposed use of fund balance to fund ongoing District operations included in the Fiscal Year 2026-27 Recommended Budget. SDAPCD is requesting to move \$100,000 from the Committed Fund Balance for Financial and Data Management Systems Replacement and Upgrade to migrate the Ambient Air Quality Monitoring system from on-site to a modern and supported cloud hosted model. In addition, SDAPCD is requesting to move \$450,000 from the Committed Fund Balance for Facilities/Fleet Maintenance and Repair to cover the building’s boiler replacement remaining cost of \$350,000, for an estimated total cost of \$650,000, where \$300,000 for this project was approved in the FY25-26 Adopted Budget, and to

upgrade the District’s gas cylinder room with an estimated cost of up to \$100,000 depending on City inspection and recommendation due to safety concerns.

**STAFFING SUMMARY (FULL-TIME EQUIVALENT OR FTE)**

<b>STAFFING SUMMARY</b>			
<b>Org Name</b>	<b>FY24-25 Unaudited Actuals</b>	<b>FY25-26 Adopted Budget</b>	<b>FY26-27 Adopted Budget</b>
Administration	10	11	12
Compliance	44	44	44
Engineering	27	27	26
Governing Board	2	2	4
Mobile Incentives	12	12	12
Monitoring	37	37	43
Office Of Environmental Justice	9	9	3
Rule Development	5	5	5
Source Testing	6	6	6
Support Services	26	25	23
<b>Total</b>	<b>178</b>	<b>178</b>	<b>178</b>

**Staffing Changes from FY 2025-26 (Adopted) to FY 2026-27 (Recommended)**

The Fiscal Year 2026-27 Recommended Budget includes 178 total staff years (full-time equivalent or FTE) and no new proposed staffing increases.



## BUDGET SUMMARY BY PROGRAM

Budget by Program			
Fund	FY24-25 Unaudited Actuals	FY25-26 Adopted Budget	FY26-27 Adopted Budget
<b>Program</b>	<b>38,121,194</b>	<b>56,821,500</b>	<b>59,197,050</b>
Administration	2,893,624	2,986,000	3,244,100
Compliance	7,411,658	7,960,600	8,192,400
Engineering	4,886,153	5,016,300	5,584,200
Governing Board	403,631	531,100	771,200
Hearing Board	13,533	3,900	6,150
Mobile Incentives	3,750,803	17,936,100	20,604,800
Monitoring	7,367,466	8,680,400	9,334,900
Office Of Environmental Justice	1,888,298	1,867,900	784,100
Rule Development	1,006,055	1,073,200	1,278,000
Source Testing	1,327,893	1,377,900	1,405,900
Support Services	7,172,080	9,388,100	7,991,300
<b>Special Revenue Fund</b>	<b>45,103,978</b>	<b>98,547,900</b>	<b>75,874,950</b>
AB617 Implementation	3,875,614	4,715,900	5,290,200
AB617 Incentives	18,182,214	43,800,000	18,581,250
Apc Air Qual Improv Trust	11,570,661	11,700,000	11,900,000
Clean Cars 4 All	2,564,206	13,765,000	10,600,000
Climate Heat Impact Response			828,000
Farmer Program	1,138,531	132,000	260,000
Moyer Program	5,723,852	20,800,000	23,062,500
Proposition 1B Gmerp	2,048,900	3,400,000	3,203,000
Supplemental Environmental Project	0	135,000	150,000
Vessels at Berth Remediation	0	100,000	2,000,000
<b>Total</b>	<b>83,225,172</b>	<b>155,369,400</b>	<b>135,072,000</b>

Note: The Budget Summary by Program removes the overhead costs allocated via Expenditure Transfer & Reimbursement to show a program specific representation of each program's revenues and costs.

### SPECIAL REVENUE FUND SUMMARY AND BUDGET

#### **AB 617 Community Air Protection (MCAP) Incentives Fund - \$18.6M**

This fund is legally restricted for District administration of the Community Air Protection Incentives Program to support annual program staffing and provide incentive funding to reduce the emissions of air pollutants within identified under-resourced communities. Revenue is received annually from the California Air Resources Board (CARB) through the State budget process and is derived from the carbon auction proceeds

pursuant to the Statewide Cap and Trade program.

### **AB 617 Community Air Protection Program (CAPP) Implementation Fund - \$5.3M**

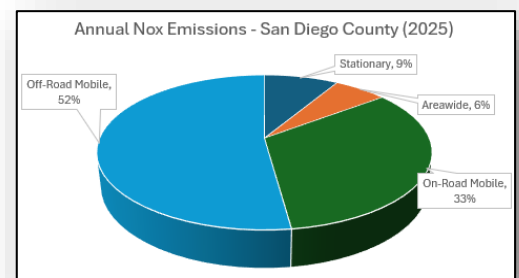
This fund is legally restricted for District administration of the Community Air Protection Implementation Program, to identify potential areas to participate in the program, and monitor and improve air quality in communities that are disproportionately impacted by air pollution due to environmental, health, and socioeconomic factors. Revenue is received annually from the California Air Resources Board (CARB) through the State budget process and is derived from the carbon auction proceeds pursuant to the Statewide Cap and Trade program. This fund supports annual program staffing, capital expenditures for air monitoring equipment, services and supplies as necessary to measure air pollutants within the identified disadvantaged communities, ongoing community engagement, and the implementation of community developed emission reduction plans.

### **Carl Moyer Program Fund - \$23.1M**

This fund is legally restricted for projects that reduce emissions and associated health risks from portable and mobile sources and equipment in advance of regulatory requirements, and for program administration under the Carl Moyer Program. Revenue is received annually from CARB through an application process that considers the County's total population and air quality attainment status. Revenue is derived from annual smog abatement fees paid by owners of vehicles that are up to 8 model-years old and thus exempt from smog check requirements. The Fund is used to provide one-time grants for District approved projects to incentivize the accelerated retirement and replacement of older, highly polluting diesel engines ahead of deadlines set by State law. Qualifying projects are solicited annually through a competitive proposal process, evaluated, and selected pursuant to State guidelines. Disbursements to an individual project are completed after the awardee has entered into a contract with the District and submitted proof of payment for the replacement equipment, which can take one to four years. Any funding not disbursed in the current year is rolled forward to the next annual grant cycle.

### **AB2766 Motor Vehicle Fee (Air Quality Improvement Trust) Fund - \$11.9M**

This fund is used to support District programs for the reduction of motor vehicle emissions and for related planning, monitoring, enforcement, and technical studies necessary to implement the California Clean Air Act or for the attainment or maintenance of state or federal ambient air quality standards. Revenue is received quarterly from the Department of Motor Vehicles (DMV) and is derived from a \$4 vehicle registration levy paid annually to the District (via the DMV) by San Diego County motorists. The fund is also used to fulfill the required local match requirements for other programs and grants. The fund also supports the District's Mobile Source Compliance Program, which is the only one of its kind in California that enforces mobile source regulations pursuant to a Memorandum of Understanding with CARB. Finally, to a lessening extent, these funds have also been used to offset administrative costs of the District's regulatory program for stationary sources; use for these purposes has diminished considerably with the District's pursuit of full cost recovery for its stationary source programs.



**Clean Cars 4 All (CC4A) Fund - \$10.6M**

This fund is legally restricted for projects that provide lower-emission vehicles or transportation alternatives such as transit passes or electric bicycles for lower income residents throughout San Diego County who trade in their higher polluting vehicles. The program operates on a first come first served basis and the District contracts with a local community-based organization for project outreach and administration. Any funding not disbursed in the current year is rolled forward to the next fiscal year to support the program.

**Ocean-Going Vessels at Berth Remediation Fund Program - \$2.0M**

This fund is legally restricted for incentive activities that directly benefit communities impacted by excess emissions from the port or independent marine terminals. The revenue is derived from payments received from the Port or vessel operators to remediate uncontrolled emissions during a vessel visit to a regulated berth pursuant to CARB's Control Measure for Ocean-Going Vessels.

**Goods Movement Emission Reduction Program (GMERP) Fund - \$3.2M**

This fund is legally restricted for projects that reduce emissions and associated health risk from freight movement, and for program administration by the District. The revenue was received from CARB and was derived from \$1 billion in Statewide bond funding as approved by California voters in 2006 (Proposition 1B). All bond funding has been allocated by the State. Accordingly, this fund is to be closed upon disbursement of all project funds.

## **PROGRAM DESCRIPTIONS AND BUDGET**

### **Monitoring - \$9.3M**

- Operates a regional network of outdoor air monitoring stations pursuant to State and Federal requirements to measure air quality and track the region's progress toward attaining and maintaining clean air standards.
- Implements Community Air Monitoring Plans in the International Border and Portside Communities as part of the Community Air Protection Program.
- Issues daily air quality forecasts and reports and, if necessary, air pollution health advisories and alerts.
- Performs air pollutant modeling for permit applications to determine air quality compliance.

### **Business Support Services - \$8.0M**

- Provides financial support and IT services to internal and external customers and stakeholders, including fee payers, internal divisions, and employees.
- These services are provided through five distinct units: Accounting, Budget/Fiscal, Information Technology (IT), and Permit Processing:
  - Accounting is responsible for accounts receivable, accounts payable, revenue posting, asset management, and financial reporting.
  - Budget/Fiscal is responsible for budget preparation, implementation, reporting and monitoring, grants management, audits, and management of facilities and fleet including acquisition.
  - Information Technology is responsible for overall planning, administration, and coordination of all IT activities.
  - Permit Processing is responsible for intake and processing of new applications and permits to operate and permit renewals.

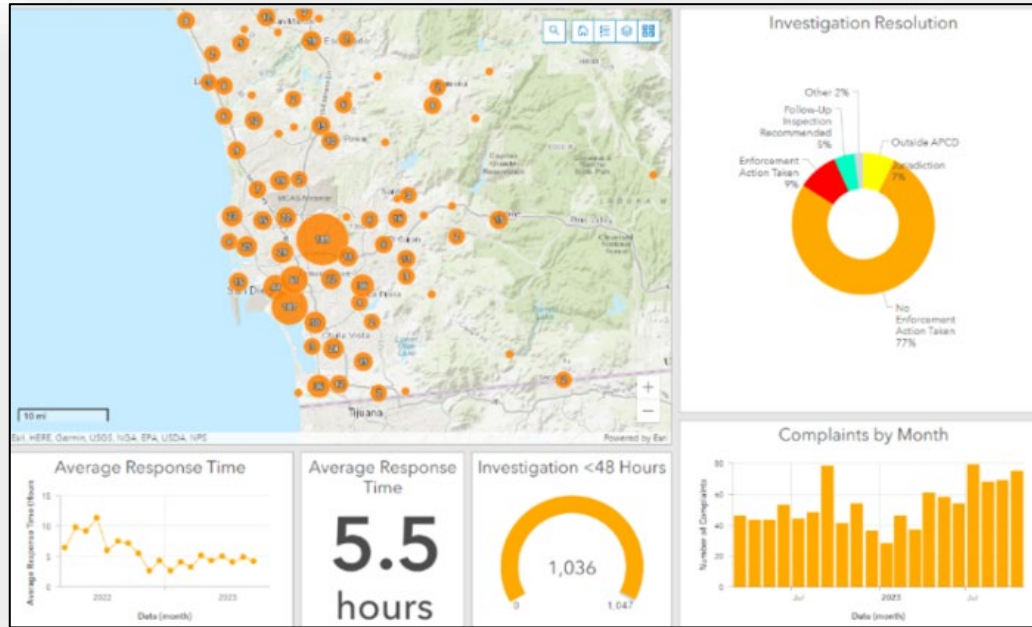
### **Compliance - \$8.2M**

The Compliance team is responsible for verifying compliance with air quality regulations through field inspections, investigating air quality complaints reported by the public, and taking appropriate enforcement actions when necessary.

District inspectors conduct approximately  
**16,000**  
inspections per year

- Verifies compliance with Federal, State, and local air pollution control requirements via unannounced inspections of regulated stationary facilities as well as some mobile source operations under a Memorandum of Understanding with the California Air Resources Board.
- Conducts inspections of building renovation and demolition operations where asbestos may be present.
- Issues enforcement documents when violations are documented.
- Administers a Violation Settle Program to resolve air quality violations.
- Provides education and outreach to ensure regulated entities fully understand how to comply with air quality regulations.
- Responds to air quality complaints.

## Compliance Inspections



*Air Quality Complaints Interactive Mapping Tool*

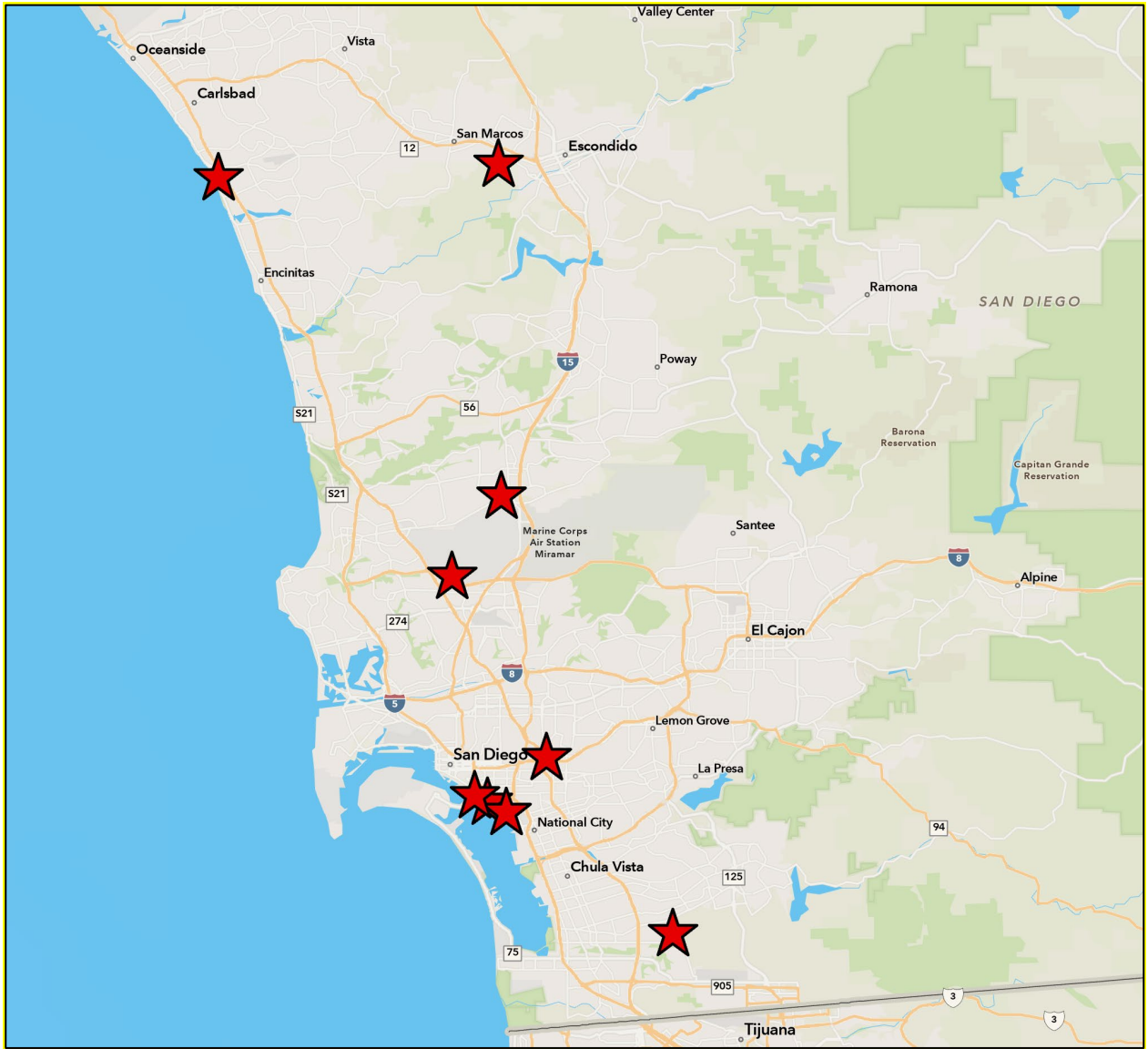
[www.sdapcd.org/complaints](http://www.sdapcd.org/complaints)



### Engineering - \$5.6M

The Engineering team is composed of engineers, air quality specialists, and support staff who collaborate to assess and regulate air pollution, ensuring the protection of public health and the environment.

- Evaluates permit applications from businesses and facilities that emit air pollutants, issuing facility-specific permits that establish emission limits and compliance requirements.
- Quantifies air pollutant emissions from various sources to comply with state and federal emissions inventory reporting requirements and to support the SDAPCD's efforts in prioritizing control measures and emission reduction strategies.
- Implements the State-mandated Air Toxics Hot Spots Program and SDAPCD Rule 1210 to identify, engage with the public by notifying impacted communities and holding public meetings and reduce toxic emissions from facilities, minimizing associated health risks in impacted communities.



*Hot Spots Program Interactive Mapping Tool-Facilities Subject to Risk Reduction Requirements*



<https://bit.ly/SDHotSpotsMap>

### **Mobile Incentives & Planning - \$20.6M**

- Allocates grant funding to assist businesses, public agencies, and residents to voluntarily replace their higher polluting vehicles and equipment with new low or zero-polluting versions in advance of regulatory requirements. Projects are solicited, evaluated, and funded by SDAPCD pursuant to State guidelines.
- Prepares plans to attain and maintain Federal and State clean air standards throughout the region.
- Prepares and/or reviews of the California Environmental Quality Act (CEQA) documents for projects that may impact air quality.

### **Administrative Services & Governing Board - \$4M**

- Provides executive leadership and strategic management support to all divisions and programs within the district.
- Responsible for key organizational functions including Human Resources (HR), employee safety and wellness, employee development, labor and regulatory compliance.
- Develops and implements policies and procedures to ensure compliance with federal, state and local regulations, promoting employee engagement and workforce development.
- Clerk of the Board provides operational support to both the SDAPCD Governing Board and Hearing Board including serving as meeting parliamentarian, coordinating the preparation and management of meeting agendas and minutes, and maintaining official records for both the SDAPCD Governing Board and Hearing Board.
- Oversees the District's Public Records Act requests and records management functions. This includes coordinating responses to public records requests, ensuring compliance with applicable laws, maintaining record retention practices, and supporting transparency and public access to District information.

### **Source Testing - \$1.4M**

- Measures air pollutant emissions from permitted facilities, known as source testing, to verify compliance with emission limits.
- Witnesses' independent contractors performing source testing to ensure compliance with methods, rules, and emission limits stated in the facilities' permit to operate. This also includes reviewing the independent contractor's source testing report to ensure its accuracy and completeness.
- Performs or witnesses required source testing for permit applications to determine initial compliance and to facility specific emission factors.
- Reviews test data related to facility health risk reduction plans.

### **Rule Development - \$1.3M**

- Develops and amends rules to implement state and federal air quality attainment plans, New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), and reduce emissions from stationary sources.
- Assists with development of air quality attainment plans by researching air pollution control technologies and regulations of other air agencies to evaluate potential feasibility for implementation via local rules.
- Conducts outreach and workshops to solicit information and feedback from regulated industries, residents, and other stakeholders on potential new or revised rules.

**Office of Environmental Justice - \$0.8M**

- The Office of Environmental Justice (OEJ) develops strategies to engage environmental justice stakeholders and disadvantaged communities in SDAPCD policy, budget development and priority-setting, and supports development and implementation of the Community Air Protection Program to monitor and improve air quality in communities that experience disproportionate burdens from exposure to air pollution. The OEJ also implements a robust outreach program in environmental justice communities.

Additional monitoring sites are planned in National City, and Otay Mesa in Fiscal Year 26/27



## **SECTION 3 – APPENDICES**

### **APPENDIX A: BASIS OF BUDGETING**

The District's basis of budgeting is modified accrual, which is recognized as the generally accepted method of accounting for State and Local Governments. Using this method of accounting, revenues are recognized when they are measurable and available, and expenditures are recorded when they are incurred.

Modified accrual accounting can also divide available funds into separate programs within the District to ensure the money is spent where it was expected.

### **APPENDIX B: GLOSSARY**

**Adopted Budget:** The annual budget as formally adopted by the Governing Board for a specific fiscal year.

**Balanced Budget:** A budget in which the planned expenditures and the means of financing them are equal.

**Budget:** A financial plan for a single fiscal year that includes expenditures and the means of financing them. The SDAPCD budget is voted upon by the Governing Board.

**Capital Assets Equipment:** Includes physical assets or property (e.g., vehicles, lab equipment, furniture, software, etc.) that are used in operations and that have initial useful lives extending beyond a single reporting period.

**Carry Forward:** The budget that captures encumbrances and appropriations related to the encumbrances, at the end of one fiscal year, that is carried over into the next fiscal year.

**Charges for Current Services:** Includes revenues received because of fees charged for certain services provided to residents and other public agencies. This group of revenue accounts includes revenues resulting from asbestos notification and Portable Equipment Registration Program (PERP) fees. These fees can only be used to cover the costs of the services provided.

**Committed for Facilities and Fleet Fund Balance Account:** This committed account within the General Fund, could be used for facilities and fleet improvements and replacement as necessary, as determined by District Management with Governing Board approval. The limitations of use are imposed by the highest level of decision-making (i.e., the Governing Board) and requires formal action at the same level to remove.

**Committed for Financial and Data Management Systems Fund Balance Account:** This committed account within the General Fund, could be used for financial or data management systems upgrade or replacement as necessary, as determined by District Management with Governing Board approval. The limitations of use are imposed by the highest level of decision-making (i.e., the Governing Board) and requires formal action at the same level to remove.

**Committed for Operating Reserve Fund Balance Account:** This committed account within the General Fund, includes approximately two months of operating expenditure reserves that could be used, if necessary, to maintain core programs and services in cases of unforeseen economic revenue shortfalls and/or unanticipated expenditures, as determined by District Management with Governing Board approval. The limitations of use are imposed by the highest level of decision-making (i.e., the Governing Board) and requires formal action at the same level to remove.

**Employee Benefits:** The portion of an employee compensation package that is in addition to wages. Included are the employer's share of costs for Social Security and various pension, medical and life insurance plans.

**Encumbrance:** A commitment within SDAPCD to use funds for a specific purpose.

**Expenditure:** A decrease in net financial resources. Expenditures include current operating expenses that require the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements, and shared revenues.

**Expenditure Transfer & Reimbursement:** Transfer of costs for services provided between programs/budget units within the same governmental type of fund. The cost of the services is transferred to the revenue earning programs with an equal reduction in cost to the programs providing the services.

**Fines, Forfeitures, & Penalties:** A group of revenue accounts that includes revenue derived from fines paid by violators of air quality regulations.

**Fiscal Year (FY):** A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. SDAPCD's fiscal year is July 1 through June 30.

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and equities or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

**Fund Balance:** The difference between fund assets and fund liabilities of governmental funds. Fund Balance may be used in the budget for the upcoming fiscal year as a funding source for one-time projects/services.

**Fund Balance Component Increases/Decreases:** An expenditure or revenue account group that indicates that a fund balance component is to be augmented (increased) or used as a funding source (decreased). These two categories are used only for adjustments to Committed Fund Balance.

**Intergovernmental Revenues:** Revenue received from other governmental entities such as State and Federal grant monies, most of which is pass-through funding for projects to improve air quality and public health in communities throughout the region. Intergovernmental Revenues make up most of the District's revenue and is primarily used for incentives to encourage emission reductions in the region, air quality monitoring, and environmental justice efforts.

**Licenses, Permits & Franchises:** Revenue accounts that include revenue derived from permit application fees, permit renewal fees, and other fees paid by customers for District services in accordance with Rule 40 (Permit and Other Fees). These fees can only be used to cover the costs of the services provided.

**Miscellaneous Revenues:** A group of revenue accounts that includes other sales, settlements and other monetary donations from private agencies, persons, or other sources.

**Objects (line items):** A summary classification (or "roll-up" account) of expenditures and revenues based on type of goods or services (Salaries & Benefits, Services & Supplies, Capital Assets, etc.) or by type of revenue (Fines, Forfeitures & Penalties, Licenses, Permits & Franchises, etc.).

**Operating Budget:** A plan of current expenditures and the recommended means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

**Operating Transfers:** Operating transfers result when one fund provides a service on behalf of another fund. The providing fund budgets the amount required by the other fund in the "Operating Transfer Out" expenditure account. The receiving fund budgets the amount in one of the "Operating Transfer In" revenue accounts. An example is the transfer of funds between District accounts such as a transfer of funds out of the Air Quality Improvement Trust Fund and into the Operations Fund to recover SDAPCD's costs for motor-vehicle related operations and other programs necessary for the attainment or maintenance of state or federal ambient air quality standards.

**Operations General Fund:** This fund is legally restricted for operations of the Air Pollution Control District. Revenue is derived primarily from permits, applications and other fees paid by local industrial sources, Federal grant funding from the Environmental Protection Agency (EPA), State subvention funding from the California Air Resources Board (CARB), the Department of Motor Vehicles (DMV) Registration Fees, and fines paid by violators of air quality regulations. This fund is primarily used to finance District operations and for one time uses each year.

**Other Charges:** A group of expenditure accounts that includes pass-through contributions to governmental and non-governmental entities primarily to account for grant awards to businesses and other entities to incentivize voluntary emission reductions from mobile sources and other equipment.

**Other Financing Sources:** An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. Examples include transfers of funds between District accounts to cover District costs to support programs and administer projects.

**Program:** A set of activities directed to attaining specific purposes or objectives.

**Program Revenue:** Revenue generated by programs and/or dedicated to offset a program's costs.

**Recommended Budget:** The budget document developed SDAPCD and formally approved by the Governing Board to serve as a basis for public hearing and deliberations prior to the determination of the adopted budget.

**Revenue from Use of Money & Property:** Interest revenue earned on fund balances.

**Salaries & Benefits:** A group of expenditure accounts that includes payroll costs associated with full and part-time employees which includes wages, supplemental pay, retirement / pension, Social Security, Medicare, and Flex Credit used to offset medical and/or dependent care.

**Services & Supplies:** A group of expenditure accounts that includes, but is not limited to, professional contracted services (e.g., audit, legal and consulting services), utilities, lab equipment and supplies, and information technology costs.

**Special District:** An independent unit of local government set up to perform a specific function or a restricted number of related functions. A special district might be composed of cities, townships, or counties, or any part of combination of these.

**Special Revenue Fund:** A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Trust Fund:** A fund used to account for assets held by a government unit in a trustee capacity or as an agent for the others and which, therefore, cannot be used to support the government's own programs.

**Use of Fund Balance:** The amount of fund balance used as a funding source for one-time projects/services, primarily to fund specific one-time expenditures in general support of District programs, such as air monitoring and lab equipment purchases and fleet vehicle replacements.

## **APPENDIX C: BUDGET DETAIL**

[See Budget Page](#)

## **APPENDIX D: SCHEDULE OF FEES**

[See Rule 40 & Rule 42](#)