

SAN DIEGO COUNTY
AIR POLLUTION CONTROL DISTRICT
FISCAL YEAR 2024 – 2025
ADOPTED BUDGET SUMMARY &
SCHEDULE OF FEES



(858) 586 -2600 • 10124 Old Grove Road • San Diego • CA • 92131

www.sdapcd.org

FY 2024-25 ADOPTED BUDGET

GOVERNING BOARD MEMBERS

&

AIR POLLUTION CONTROL OFFICER

Jack Shu, Chair

District 2 Representative
Councilmember, City of La Mesa

Esther Sanchez, Vice Chair

District 5 Representative
Mayor, City of Oceanside

Consuelo Martinez

District 3 Representative
Councilmember, City of Escondido

Nora Vargas, Military Liaison

County of San Diego Board of Supervisors
Representative

Sean Elo-Rivera

District 4 Representative
Councilmember, City of San Diego

Terra Lawson-Remer

County of San Diego Board of Supervisors
Representative

Anne Marie Birkbeck-Garcia

Physician/Public Health Representative
Public Board Member

Todd Gloria

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

Georgette Gomez

Environmental Justice Representative
Public Board Member

Marcus Bush

District 1 Representative
Councilmember, City of National City

Enrique Medina

Scientific/Technical Representative
Public Board Member

Paula Forbis

Air Pollution Control Officer (APCO)

Prepared By:

Spencer Harteis

Principal Accountant

Tamer Korman

Administrative Analyst

Zina Iskander

Administrative Analyst

Stephanie Nicholas

Chief, Administrative Services

Mike Watt

Deputy Director

FY 2024-25 ADOPTED BUDGET TABLE

OF CONTENTS

SECTION 1 – APCO ADOPTED BUDGET TRANSMITTAL	5
APCO Recommended Budget Transmittal	5
District Description	6
FY 2023-24 Accomplishments	7
FY 2024-25 Goals and Objectives	9
SECTION 2 – BUDGET FINANCIAL STATEMENTS	11
Revenue by Classification	11
Expenditure by Classification	12
Budget Variance Explanations	13
Revenues and Uses Variance Explanations	13
Expenditures and Sources Variance Explanations	14
Fund Balance Summary	15
Staffing Summary	16
Budget Summary by Program	17
Special Revenue Fund Summary & Budget	17
Program Descriptions & Budgets	20
SECTION 3 – APPENDICES	25
Appendix A: Basis of Budgeting	25
Appendix B: Glossary of Budget Terms	25
Appendix C: Budget Detail	27
Appendix D: Schedule of Fees	27

SECTION 1 – APCO ADOPTED BUDGET TRANSMITTAL

April 9, 2024


Dear San Diego County Air Pollution Control District 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) 2024-25, covering the period July 1, 2024, through June 30, 2025. 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 9, 2024, and June 13, 2024. The Recommended Budget is balanced and reflects a proposed total of \$120.2 million (M) in revenues and expenditures for FY 2024-25 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 177 FY 2023-24 Adopted Positions and 1 recommended position (Air Pollution Control Aide), \$60M in pass-through grant 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 (\$5.2M). Program accomplishments, highlights and summaries for the Recommended Budget are included in this document.

Over the last several years, 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**. We have obtained additional resources to build and improve upon our existing programs. One notable example is our Environmental Justice Government-to-Government grant from the U.S. Environmental Protection Agency, which will allow us to extend our public engagement to under-resourced communities throughout San Diego County, and to expand our program to provide air monitors and air purifiers to residents in these communities. At the same time, we will also grow our monitoring network to ensure we can better track the results of our efforts and provide more data from more communities to the public. These efforts build upon our continuing work of monitoring air quality; regulating smog-forming and toxic air contaminant emissions from stationary sources; inspecting stationary as well as other sources of air pollution, including responding to public complaints; developing plans to achieve air quality standards; adopting rules to implement those plans; and providing financial incentives to encourage a faster transition to low or zero-emission equipment, while assisting small businesses and individuals to obtain electric equipment and vehicles.

The District continues to build its programs to embrace its new direction along with the challenges and opportunities that come with change. We strive for excellence in all that we do, and to that end we continue to close resource gaps while adding to our reserves and reducing vacancies to ensure we can provide quality services to our industry stakeholders and the public. In the coming year, the District will also complete its Long-Term Strategic Plan, which has been informed by extensive community and public outreach completed since we embarked on this process in the Spring of 2023. The Long-Term Plan will guide our efforts in the coming years in pursuit of our Vision of Clean Air for All. This Recommended Budget supports the existing programs and planned progress the District will make in the FY2024-25 timeframe on its path to achieving that vision.

Respectfully,



Paula Forbis, Air Pollution Control Officer

DISTRICT DESCRIPTION

The SDAPCD protects the public from the harmful effects of air pollution, which include heart and lung disease, by attaining and maintaining 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 the 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.



The 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. The 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. The SDAPCD also conducts over 10,000 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, the 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 2023-24 ACCOMPLISHMENTS

Air Quality

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

- *Enhanced air quality complaint services by being available around the clock to promptly address any air quality concerns brought forth by the public. On an annual basis, we handle an average of 700 complaints, boasting an impressive average response time of just 4 hours.*
- *Initiated the [Electric Landscape Equipment Assistance Funding \(E-LEAF\) Program](#) that provides financial incentives for small businesses to replace their polluting gas-powered lawn and garden equipment with cordless, zero-emission alternatives.*
- *Established a monitoring site in San Ysidro near the 5 freeway to measure particulate matter, carbon monoxide and nitrogen dioxide, along with toxic air contaminants.*
- *Funded or in the process of paying out in excess of \$9 million on over 60 incentive projects that reduce emissions from non-stationary sources. The projected lifetime emission reductions from these projects are the equivalent of taking almost 7.5 million miles of heavy-duty truck traffic off the road. Additionally, there are 60 more emission reduction projects nearing completion that we expect to fund by the end of this fiscal year.*

Public Health

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

- *Continued requiring risk reduction measures pursuant to SDAPCD Rule 1210. In Fiscal Year 2023-24 we approved risk reduction plans from 7 stationary sources. Additionally, since 2021 when the SDAPCD Board amended Rule 1210 to reduce potential health risks from cancer by a staggering tenfold, 1,629 residences, 1 park, and 59 businesses are now protected from elevated health risks, including the hidden danger of cancer and other adverse health effects.*
- *Completed the successful implementation of the [Portside Air Quality Improvement and Relief \(PAIR\) Program](#) which provided over 550 air monitors and air purifiers to residents within the Portside Community who are disproportionately impacted by poor air quality to help them breathe easier and enhance their quality of life.*
- *Mitigated odors from a facility located in the Portside Environmental Justice Community by requiring air emission controls and operational enhancements, thereby reducing the negative impact on the surrounding community.*

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.

- *In response to community concerns over sewage odors emanating from the Tijuana River Valley (TJRV), secured a grant to fund a network of sensors that will measure levels of hydrogen sulfide, the gas that produces the foul sewage odors, and other pollutants, to better understand community exposure and share information with health experts and research institutions that can help assess potential health effects in the community.*
- *Partnered with the San Diego International Border Community, which includes San Ysidro and Otay Mesa, to identify air quality priorities and address air quality challenges. Community residents, academia, partner agencies, health experts, and industry members came together to form a Community Steering Committee (CSC) and met monthly to develop a Community Emissions Reduction Plan that includes a suite of strategies to reduce air pollution from multiple sources in the International Border Community.*



TJRV Monitoring Equipment

- Formed an Environmental Justice Partnership with community-based organizations (CBOs) and other public agency partners in under-resourced communities and secured a one-million-dollar grant from the U.S. Environmental Protection Agency that will help expand our environmental justice work in those communities. This program will include popular education regarding air quality, participatory planning to have community members identify air quality issues and engagement of additional agencies and jurisdictions to co-develop solutions to address air pollution.

Public Engagement and Transparency

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

- Launched interactive mapping resources on our website. These tools increase transparency and public engagement by providing vital data regarding air quality concerns reported by the public and information about facilities that are required to reduce health risks. Now with just a few clicks the public can find out the [status of air quality complaint investigation](#) and [identify facilities subject to health risk reduction requirements](#).
- Facilitated 10 in person and virtual workshops in environmental justice communities throughout the County and one regional online workshop to engage communities in the development of SDAPCD's first Strategic Plan. SDAPCD staff met CBOs and community members to learn about their air quality priorities and how they would like to relate to SDAPCD in the future. Their input will be incorporated into SDAPCD's Strategic Plan, which will be adopted and put into operation in fiscal year 2024-2025 and will assist in continuing our effort to integrate environmental justice and equity in our operations, policies, and regulations.

Operational Excellence

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

- Continued to make progress towards maximum cost recovery for permitting, source testing, 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.
- Implemented various process improvement efforts, such as online fee estimates, to help streamline processes for customers and staff.
- The District's vacancy rate decreased from approximately 10% to less than 6%. This has enhanced productivity and allowed us to increase our skilled workforce and better serve our stakeholders.



FY 2024-25 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 the transition to cleaner mobile equipment such as heavy-duty trucks, agricultural tractors, school buses, off-road equipment, and marine vessels. These investments are projected to reduce emissions of harmful air pollutants such as nitrogen oxide, reactive organic gases, and particulate matter by 200 tons over the lifetime of these projects.
- Re-establish a regional monitoring station in Escondido to ensure continued air quality monitoring is covered in this area of the county.
- Complete preliminary evaluation to determine if the region will attain the new health-protective National Ambient Air Quality Standard for particulate matter and evaluate potential actions that may be required to meet that standard in the future.
- Continue collaborating with stakeholders to explore strategies to reduce indirect source emissions. Indirect emission sources are places that attract mobile sources of pollution like trucks, which may impact air quality in the community.

Public Health

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

Objectives

- Process health risk assessments for facilities subject to [California's Air Toxic "Hot Spots" Program](#) and implement all applicable public notifications, public meetings, and risk reduction requirements to protect communities from elevated health risks.
- Commence development of an expanded residential air filtration and air monitoring program to support enhanced quality of life for residents in communities disproportionately impacted by air pollution beyond the Portside Community.
- Identify opportunities to incorporate information on health outcomes into various District programs and projects to better inform the public about the benefits associated with actions that reduce emissions of harmful air pollutants.



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 establishing two new monitoring sites in National City, one in Otay Mesa, and pursuing establishment of 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.
- Initiate implementation of the [International Border Community Emissions Reduction Program \(CERP\)](#) and continue implementing the [Portside CERP](#) by engaging and supporting partner agencies to carry out strategies prioritized by the Community Steering Committees.
- Commence implementation of the Environmental Justice Partnership with Community-Based Organizations throughout the region by entering into Partnership Agreements and kick-start the co-development of popular education materials and workshops.

- *Continue working with SDAPCD Divisions to integrate environmental justice principles and practices in guidelines and operations.*

Public Engagement and Transparency

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

Objectives

- *Continue expanding tools available to the public to provide meaningful data, such as information regarding enforcement actions, air quality data, and communities that might be exposed to elevated health risks to enhance accountability, empower communities, and facilitate informed decision-making processes.*
- *Introduce an enhanced outreach program in environmental justice communities to ensure that SDAPCD is continuously engaging with communities that have been historically overburdened by air pollution.*

Operational Excellence

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

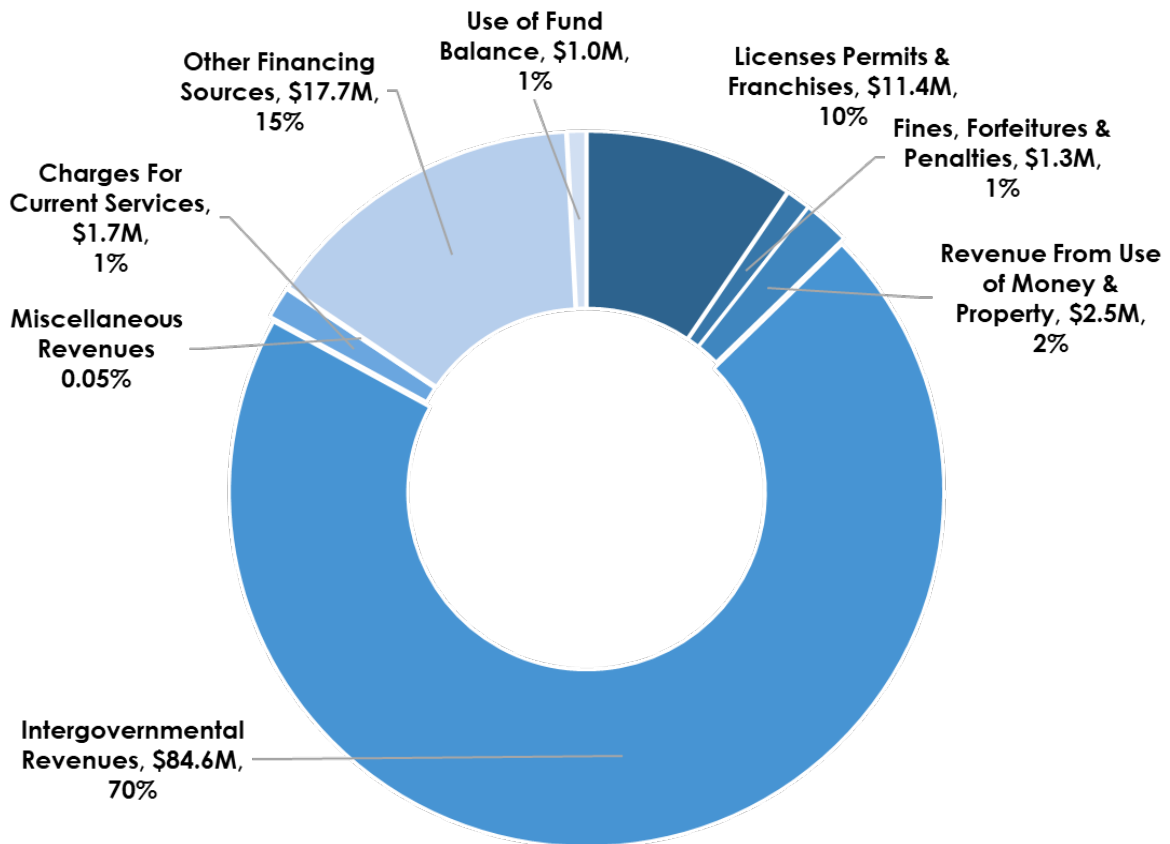
Objectives

- *Work with partners at the County Department of General Services and SDG&E to install additional electric vehicle (EV) charging stations at the SDAPCD office for fleet, employee, and public use.*
- *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.*
- *Provide internal education and explore opportunities to increase neurodivergence awareness in the hiring and onboarding processes.*



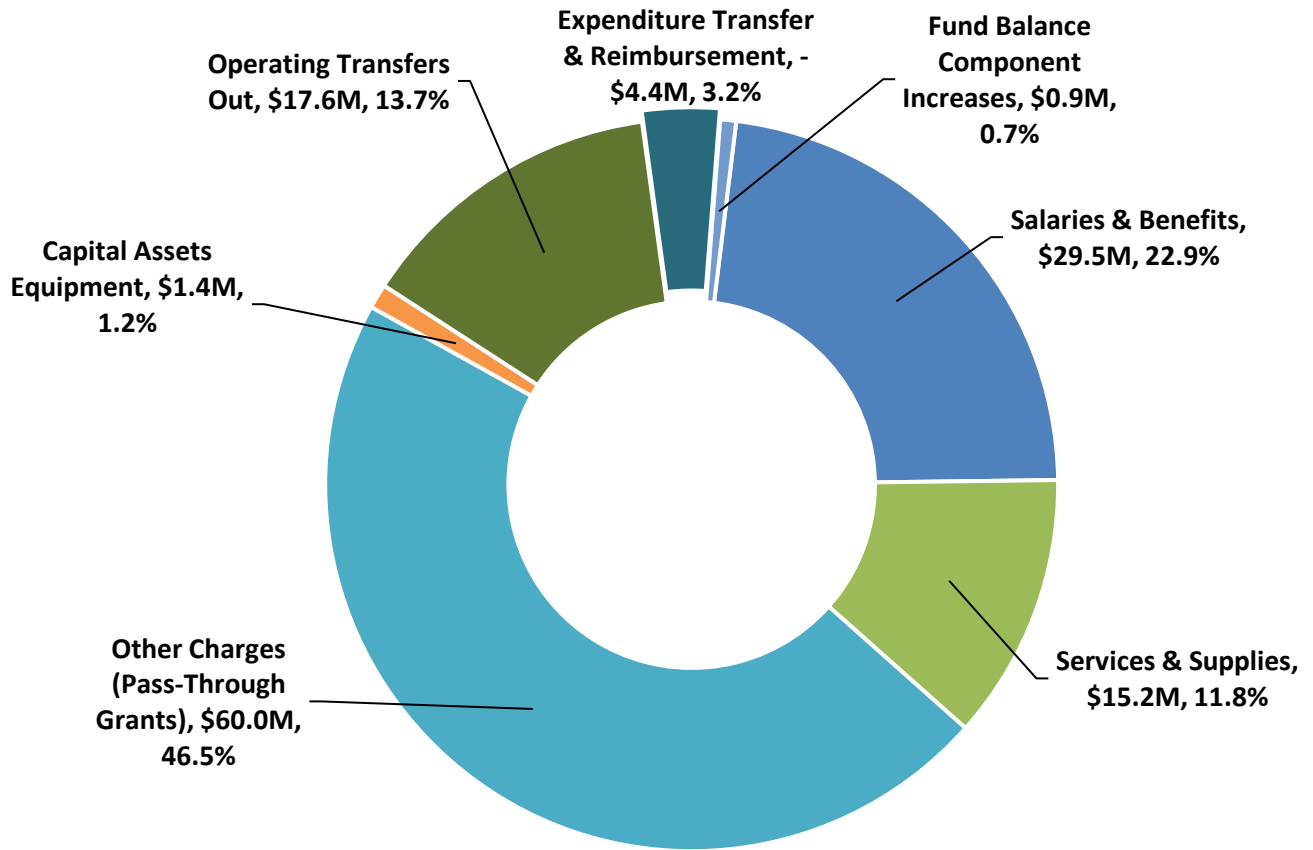
SECTION 2 – BUDGET FINANCIAL STATEMENTS

REVENUES BY CLASSIFICATIONS (\$120.2 MILLION)



Revenue Detail	FY22-23 Adopted Budget	FY23-24 Adopted Budget	FY24-25 Recommended Budget	% Difference
Licenses Permits & Franchises	10,446,100	10,441,300	11,375,000	8.9%
Fines, Forfeitures & Penalties	1,341,600	1,314,600	1,319,600	0.4%
Revenue From Use of Money & Property	370,000	220,200	2,530,000	1049.0%
Intergovernmental Revenues	64,209,600	81,823,100	84,672,500	3.5%
Charges For Current Services	1,377,900	1,373,000	1,720,800	25.3%
Miscellaneous Revenues	42,000	46,600	54,600	17.2%
Other Financing Sources	14,723,800	16,592,200	17,665,000	6.5%
Use of Fund Balance	7,470,600	4,303,500	900,000	(79.1)%
Total	99,981,600	116,114,500	120,237,500	3.6%

EXPENDITURES BY CLASSIFICATIONS (\$120.2 MILLION)



Budget Detail	FY22-23 Adopted Budget	FY23-24 Adopted Budget	FY24-25 Recommended Budget	% Difference
Salaries & Benefits	26,129,300	27,853,300	29,492,300	5.9%
Services & Supplies	14,337,300	15,761,800	15,185,800	(3.7)%
Other Charges	45,863,800	59,456,600	60,001,500	0.9%
Capital Assets Equipment	2,035,000	2,017,000	1,400,000	(30.6)%
Expenditure Transfer & Reimbursements	-6,007,600	-6,466,400	-4,407,100	(31.8)%
Operating Transfers Out	14,723,800	16,592,200	17,665,000	6.5%
Fund Balance Component Increases	2,900,000	900,000	900,000	0.0%
Total	99,981,600	116,114,500	120,237,500	3.6%

BUDGET VARIANCE EXPLANATIONS

REVENUES & SOURCES VARIANCE EXPLANATIONS

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

Increase of \$0.9M, or 8.9%, based on latest Fiscal Year 2023-24 fee for service revenue projections compared to adopted budget and projected revenue increases, consistent with the Fiscal Year 2024-25 Cost Recovery plan.

Revenue from Use of Money & Property (Interest)

Increase of \$2.3M, or 1,049%, due to projected interest revenue on incentive grant fund balances based on an increase of expected State incentive grant funding and fund balance reserve usage for pass-through incentive grant projects.

Intergovernmental Revenues (Federal & State Pass-through Grants)

Net increase of \$2.9M, or 3.5%, due to increases in State and federal grant funding for the Community Air Protection Program (AB 617) (\$10.8M), EPA Clean Air Act (CAA) and EJG2G grants (\$2.0M), EPA National Clean Diesel Program (DERA) (\$0.8M), and Department of Homeland Security BioWatch (\$0.2M), offset by an expected decrease for the Carl Moyer Grant Program (-\$7.3M), Funding Agriculture Replacement Measures for Emission Reductions Program (FARMER) (-\$2.0M), Goods Movement Emission Reduction Program (GMERP) (-\$1.1M), and Vehicle License Registration Fees (-\$0.5M).

Charges for Current Services

Increase of \$0.3M, or 25.3%, due to projected increases in workload.

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

Net increase of \$1.1M, or 6.5%, due to an increase in operating transfers from various State Incentive Grants to administer pass-through incentive grant projects (\$2.1M), offset by a decrease in operating transfers from the Vehicle License Registration Fees Fund needed due to an increase in other revenue sources (-\$1.0M).

Use of Fund Balance

Decrease of \$4.1M, or 82%, for the following one-time FY 2024-25 projects:

- \$0.35M – Increase in the “*Committed for Operating Reserve Fund Balance*” account, for a total balance of \$5.2M which is an estimated two months of operating expenditure reserve.
- \$0.3M – Increase in the “*Committed for Facilities*” account, for a total balance of \$1.0M.
- \$0.25M – Increase in the “*Committed for Financial System Replacement Fund Balance*” account, for a total balance of \$3.0M which the District recommends be updated to “*Committed for Financial and Data Management Systems Replacement and Upgrade Fund Balance*”.

EXPENDITURES & USES VARIANCE EXPLANATIONS

Salaries & Benefits

Net increase of \$1.6M, or 5.9%, due to negotiated labor agreements and the addition of one new staff year.

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

Net decrease of \$0.6M, or 3.7%, due to a decrease in administrative overhead charges allocated within the District to the air quality programs (-\$2.1M), a reduction in lab supplies and equipment needed due to delays in monitoring station construction (-\$0.5M), offset by an increase in EPA Diesel Emissions Reduction Act (DERA) grant pass-through project funding (\$0.7M), outsourced lab services for AB 617 projects (\$0.7M), an increase in overall IT costs contracted through the County (\$0.3M), and an increase to minor equipment to update office furniture, equipment and facilities (\$0.3M).

Other Charges (Grant Funded Pass-through Projects)

Net increase of \$0.5M, or 0.9%, due to changes in State and Federal grant award funding.

Capital Assets

Net decrease of \$0.6M, or 30.6%, due to delays in monitoring station construction and related monitoring equipment (-\$0.9M), offset by the electric vehicle charging station construction plan at the District offices and replacement of several gas-powered fleet vehicles with electric or reduced emission vehicles (\$0.3M).

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

Decrease of \$2.1M, or 31.8%, due to a decrease in administrative overhead costs allocated between programs which is offset in Services & Supplies due to an increase in expected EPA grant funding and administration costs to be claimed for administering State mobile incentive grants.

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

Increase of \$1.1M, or 6.5%, 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)

No variance from FY 2023-24 for an estimated total of \$0.9M. The following one-time FY 2024-25 increases are proposed:

- \$0.35M – For the “*Committed for Operating Reserve Fund Balance*” account, for a total balance of \$5.2M which is an estimated two months of operating expenditure reserve.
- \$0.3M – For the “*Committed for Facilities Fund Balance*” account, for a total balance of \$1.0M
- \$0.25M – For the “*Committed for Financial and Data Management Systems Replacement and Upgrade Fund Balance*” account, for a total balance of \$3.0M

FUND BALANCE SUMMARY

Fund Name	6/30/2024 Projected Fund Balance	FY 24-25 Adopted Budget	6/30/2025 Projected Fund Balance	% Difference
Operations General Fund - 49050	7,275,904	900,000	6,375,904	-12.4%
<i>Committed Fund for Operating Reserve</i>	<i>4,850,000</i>	<i>350,000</i>	<i>5,200,000</i>	7.2%
<i>Committed Fund for Facilities</i>	<i>700,000</i>	<i>300,000</i>	<i>1,000,000</i>	42.9%
<i>Committed Fund for Financial and Data Management Systems Replacement and Upgrade</i>	<i>2,750,000</i>	<i>250,000</i>	<i>3,000,000</i>	9.1%
Subtotal APCD Operations Fund Balance	15,575,904	-	15,575,904	0.0%
DMV - 49000	3,090,312	-	3,090,312	0.0%
Subtotal APCD Operations & DMV Fund Balance	18,666,216	-	18,666,216	0.0%

Fund Balance Changes

In Fiscal Year 2023-24 the Governing Board approved the usage of \$3.4M in Operations General Fund to cover some District operations and one-time projects. Throughout the fiscal year adjustments are made based on actual revenues and expenditures and it is anticipated the District will only draw down \$1.7M in Fiscal Year 2023-24, resulting in a projected year-end fund balance of \$7.3M. As part of the Fiscal Year 2024-25 Recommended Budget, SDAPCD is requesting to move \$900,000 from the Operations General Fund to three committed funds; \$350,000 to Committed for Operating Reserves, \$300,000 to Committed for Facilities, and \$250,000 to Committed for Financial and Data Management Systems for a projected Operations General Fund balance of \$6.4M at the end of Fiscal Year 2024-25 and a net effect of no change to overall Fund Balances. Due to increases in other revenue sources there is no proposed use of fund balance to fund District operations or one-time projects included in the Fiscal Year 2024-25 Recommended Budget.

STAFFING SUMMARY (FULL-TIME EQUIVALENT OR FTE)

STAFFING SUMMARY				
Program	FY22-23 Adopted Budget	FY23-24 Adopted Budget	FY24-25 Recommended Budget	Recommended - Adopted
Administration	12	13	10	-3
Compliance	44	44	44	0
Engineering	26	27	27	0
Governing Board	2	2	2	0
Mobile Incentives	12	12	12	0
Monitoring	42	42	37	-5
Office Of Environmental Justice			9	9
Rule Development	5	5	5	0
Source Testing	6	6	6	0
Support Services	26	26	26	0
Total	175	177	178	1

Staffing Changes from FY 2023-24 (Adopted) to FY 2024-25 (Adopted)

The increased work of SDAPCD in local Environmental Justice Communities has enhanced the work of the Office of Environmental Justice which was previously incorporated into the program budgets for both Administration and Monitoring. To create a more transparent and open view of the funding being allocated to Environmental Justice efforts, SDAPCD is requesting to create a new budgetary unit, Office of Environmental Justice, and transfer in budget for three existing staff positions from Administration, and six existing staff positions from Monitoring to the newly created Office of Environmental Justice budgetary unit. Additionally, to ensure critical services are provided and to meet District goals and objectives, there is one (1) additional staff position requested and 178 total number of staff years (full-time equivalent or FTE) included in the FY 2024-25 Adopted Budget. This includes 177 FY 2023-24 Adopted Positions and the following recommended position requested for FY 2024-25:

- One (1) Air Pollution Control Aide in the Monitoring Division to support the expansion of the BioWatch program to include Camp Pendleton. This position will be 100% funded by the federal Department of Homeland Security BioWatch grant.

BUDGET SUMMARY BY PROGRAM

Budget by Program				
	FY22-23 Adopted Budget	FY23-24 Adopted Budget	FY24-25 Recommended Budget	% Difference
<input type="checkbox"/> Special Revenue Fund	61,493,500	77,163,400	78,339,000	1.5%
Community AB617	21,450,000	28,632,300	40,269,000	40.6%
Moyer	21,542,500	25,648,300	19,030,000	(25.8)%
Vehicle Registration Fee Fund	12,393,400	12,797,300	11,670,000	(8.8)%
Clean Cars 4 All	5,000,000	5,024,500	5,140,000	2.3%
Farmer	1,107,600	2,961,000	980,000	(66.9)%
GMERP		2,100,000	1,250,000	(40.5)%
<input type="checkbox"/> Program	38,488,100	38,951,200	41,898,500	7.6%
Monitoring	10,688,500	8,765,800	7,442,900	(15.1)%
Support Services	6,048,300	7,821,000	8,185,500	4.7%
Compliance	8,872,500	7,192,600	7,723,800	7.4%
Engineering	6,051,300	4,963,000	5,318,500	7.2%
Mobile Incentives	2,784,600	4,140,800	5,163,400	24.7%
Administration	1,656,100	3,292,900	2,736,800	(16.9)%
Source Testing	1,629,100	1,281,500	1,367,200	6.7%
Rule Development	565,000	960,300	1,068,600	11.3%
Governing Board	142,100	495,400	505,500	2.0%
Hearing Board	50,600	37,900	10,700	(71.8)%
Office Of Environmental Justice			2,375,600	
Total	99,981,600	116,114,600	120,237,500	3.6%

SPECIAL REVENUE FUND SUMMARY AND BUDGET

Community Air Protection Program (AB 617) Fund - \$40.3M

This fund is legally restricted for District administration of the Community Air Protection 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 (\$4.5M). It also provides incentive funding to reduce the emissions of air pollutants within identified under-resourced communities and improve community capacity to participate in the process (\$34M).

Carl Moyer Program Fund - \$19.0M

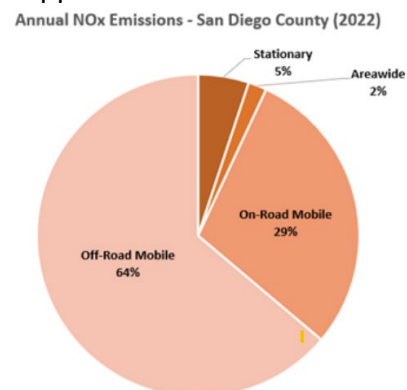


This fund is legally restricted for projects that reduce emissions and associated health risks from portable and mobile sources and equipment in advance of regulatory requirements, and for program administration under the Carl Moyer Program. Revenue is received annually from CARB through an application 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.

Vehicle Registration Fees (Air Quality Improvement Trust) Fund - \$11.7M

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. This fund is used to finance the District’s motor vehicle-related operations each year and District approved projects that reduce air pollution from motor vehicles and mobile equipment. 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, due to the fact that the region’s air quality non-attainment status is largely driven by motor vehicle emissions.



Clean Cars 4 All (CC4A) Fund - \$5.1M

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 in disadvantaged communities who trade in their higher polluting vehicles. The program is first come, first served 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.

CC4A provides up to
\$12,000
for lower income residents in disadvantaged communities towards the purchase of low and zero emission vehicles or transportation alternatives

Funding Agricultural Replacement Measures for Emission Reductions Program (FARMER) Fund – \$1.0M

This fund is legally restricted for projects that reduce air pollution and greenhouse gas emissions in the agricultural sector. This fund is used to provide one-time grants to District approved projects to incentivize the accelerated retirement and replacement or upgrade of older, higher-polluting on-road and off-road agricultural equipment including tractors, harvesting equipment, irrigation pump engines, utility terrain



vehicles, heavy-duty trucks, and other equipment used in agricultural operations. Qualifying projects are solicited 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 vehicle, which can take one to four years. Any funding not disbursed in the current year is rolled forward to the next annual grant cycle.

Goods Movement Emission Reduction Program (GMERP) Fund - \$1.25M

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 - \$7.4M

- 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.
- Operates neighborhood-scale (local or street level) air monitoring instruments in disadvantaged communities selected by the State for additional targeted action to improve air quality.



Additional monitoring sites are planned in Escondido, National City, Imperial Beach, San Ysidro, and Otay Mesa in Fiscal Year 24/25

- 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.

Support Services - \$8.2M

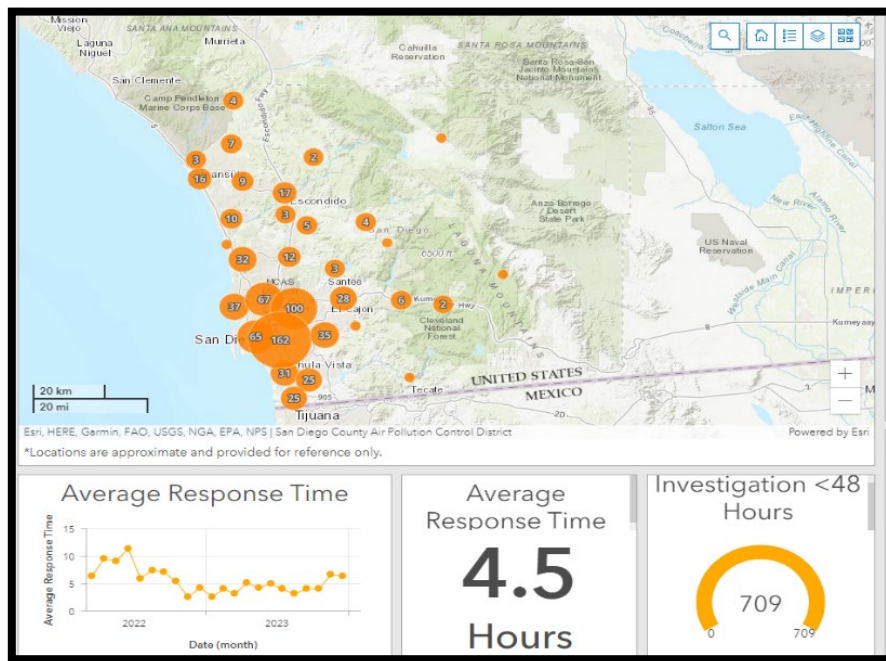
- Provides administrative support and services to internal and external customers and stakeholders, including fee payers, internal divisions, and employees.
- These services are provided through five distinct units: Accounting, Administrative Services, Budget/Fiscal, Information Technology (IT), and Permit Processing:
 - Accounting is responsible for accounts receivable, accounts payable, revenue posting, asset management, and financial reporting.
 - Administrative Services is responsible for Public Records Act requests, subpoenas, and records retention.
 - 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 - \$7.7M

The Compliance team is responsible for ensuring compliance with air quality regulations, investigating potential violations, and taking appropriate enforcement actions when necessary.

- Verifies compliance with Federal, State, and local air pollution control requirements via unannounced inspections of regulated stationary facilities as well as mobile source operations such as diesel-powered heavy-duty trucks, harbor craft, and off-road equipment.
- Conducts inspections of building renovation and demolition operations where asbestos may be present.
- Issues enforcement documents and penalties when violations are documented.
- Provides education and outreach to ensure regulated entities fully understand how to comply with air quality regulations.
- Responds to air quality complaints.

District inspectors conduct approximately **14,000** inspections per year



Air Quality Complaints Interactive Mapping Tool



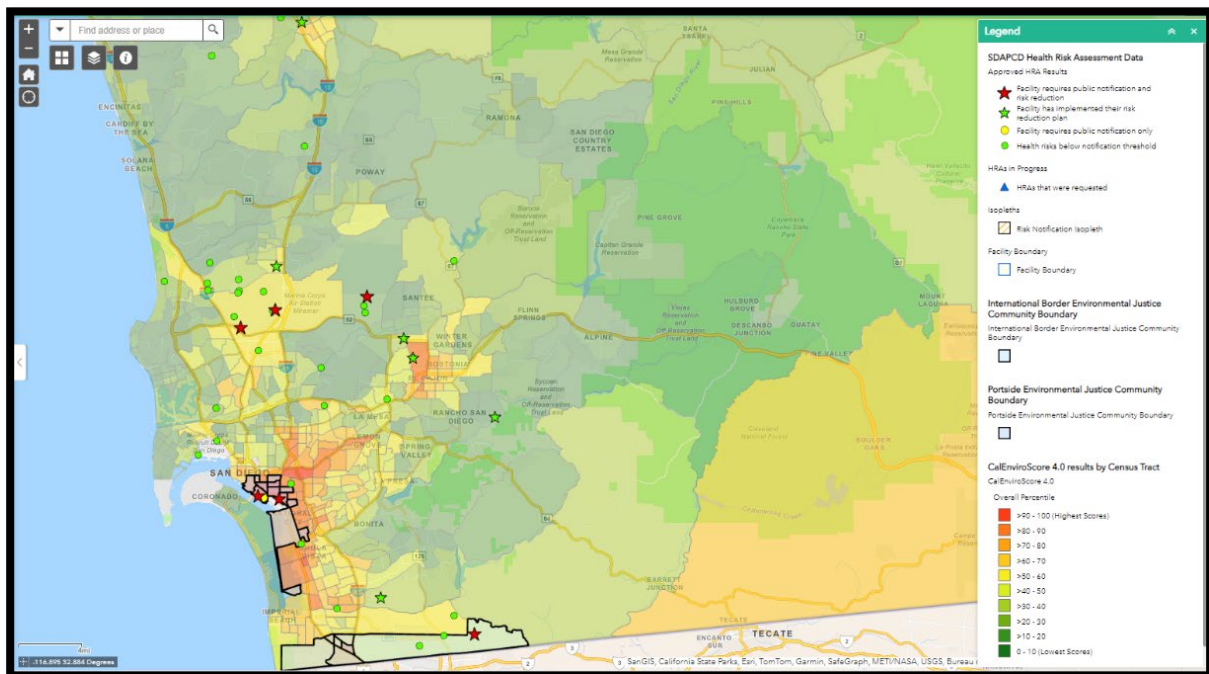
www.sdapcd.org/complaints

Engineering - \$5.3M

The Engineering team includes engineers, air quality specialists, and support staff who work together to address various aspects of air pollution and its impacts on public health and the environment.

The District anticipates processing 10 new Title V permits for facilities considered new major sources of VOCs and/or NOx due to EPA's re-designation of San Diego County to Serious Ozone non-attainment.

- Evaluates permit applications from businesses and facilities that emit air pollutants. Permits are facility-specific and establish emission limits and other requirements to ensure ongoing compliance.
- Quantifies the amount of pollutants released into the air from various sources, helping the District prioritize control measures and emission reduction strategies.
- Implements a State-mandated "Air Toxics Hot Spots" Program to reduce toxic emissions from facilities and associated public health risks in communities.



Hot Spots Program Interactive Mapping Tool



<https://bit.ly/SDHotSpotsMap>

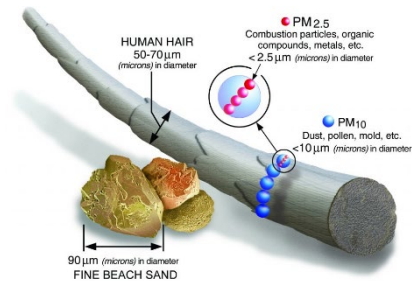
Mobile Incentives & Planning - \$5.2M

- 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.



The District will work with CARB to develop new plans to attain the recently revised national standard for particulate matter less than 2.5 micron in diameter (PM 2.5) if it is determined that San Diego County no longer meets the new standard of 9 micrograms per cubic

- Prepares plans to attain and maintain Federal and State clean air standards throughout the region.



US EPA

Administration - \$2.7M

- Provides executive / management services to all divisions and programs within the District.
- Services include Government and Public Relations, Human Resources (HR), legal services, workplace safety, legal compliance, and general oversight related to the District's employees.

Employee Wellness programs are now offered on site to help work/life balance.

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 - \$1.1M

- Develops rules to implement state and federal air quality attainment plans 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.

Rule activities scheduled for potential consideration include the following:

- Indirect Sources
- Low-Emission Central Furnaces
- Commercial Charbroiling

Governing Board & Hearing Board - \$0.5M

- Clerk of the Board provides operational support to both the SDAPCD Governing Board and Hearing Board including serving as meeting parliamentarian, managing meeting agendas and minutes, and maintaining official records for both the SDAPCD Governing Board and Hearing Board.

Office of Environmental Justice - \$2.4M

- The Office of Environmental Justice 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.

\$1 Million

in EPA grant funding secured to expand engagement with multiple communities throughout the region in air quality awareness, monitoring, planning, and advocacy.



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 to 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 San Diego County Air Pollution Control District Budget Website](#)

APPENDIX D: SCHEDULE OF FEES

[See Rule 40 & Rule 42](#)