



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

AGENDA: 8

# Authorization of Fiscal Year Ending (FYE) 2025 Mid-Year Budget and Staffing Adjustments

Finance and Administration Committee  
November 6, 2024

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# Requested Motion

This is an action item for the Finance and Administration Committee to consider recommending that the Board of Directors approve the following FYE 2025 mid-year budget and staffing adjustments:

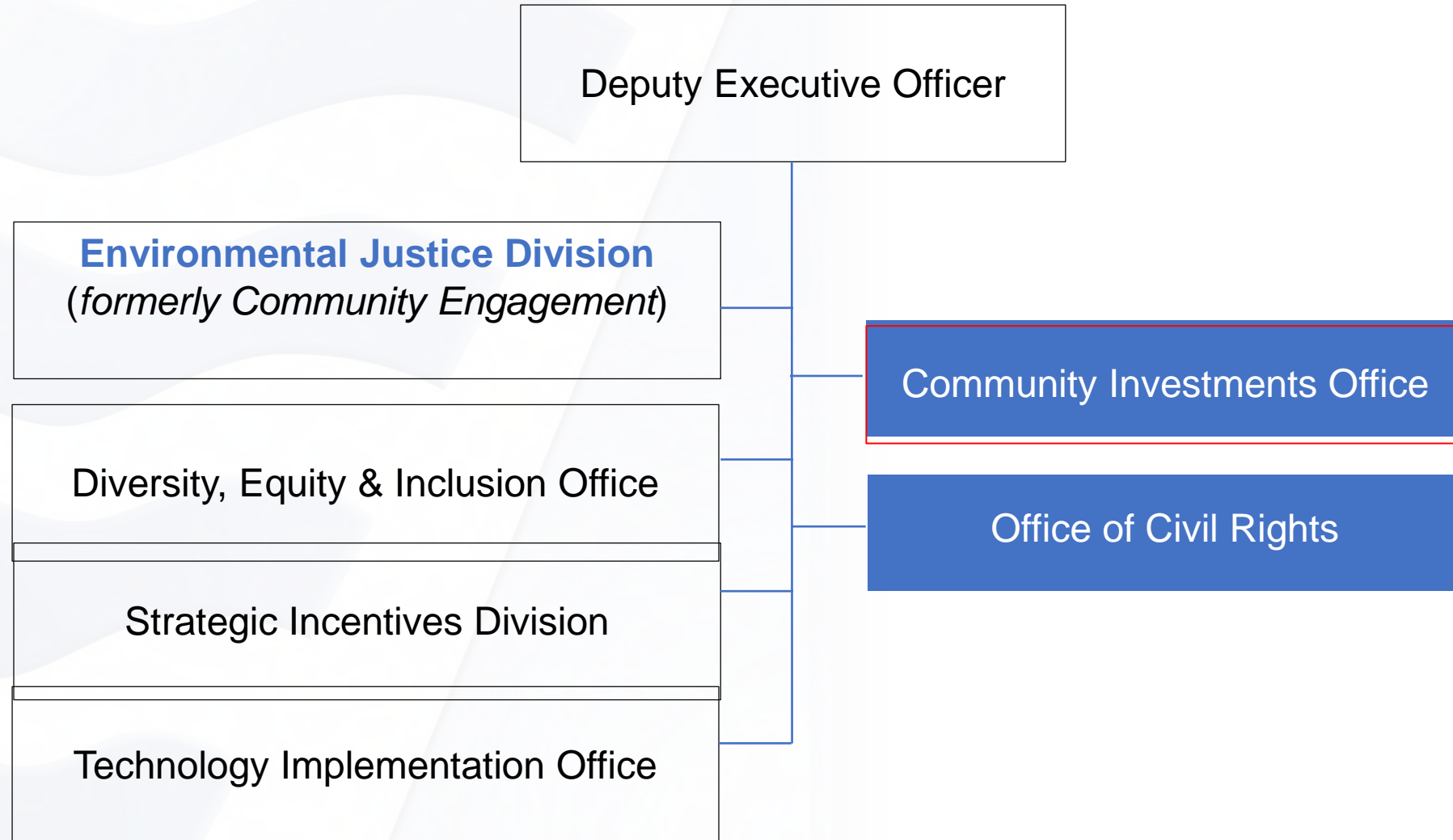
- Authorize the use of up to 9% of the Community Benefit penalty assessment funds for administrative costs to support the creation of the new Community Investment Office to implement the penalty policy and direct funds to impacted communities
- Authorize the use of Schedule X designated reserves to accelerate and improve the Community Air Monitoring Program in refinery communities
- Authorize the addition of three new FTEs and three new Limited-Term Contract Employees (LTCEs) for the Community Investments Office; three new FTEs for Meteorology & Measurement; and three new FTE for Strategic Incentives, all funded by new revenue sources
- Authorize reclassify vacant positions and transfers to support organizational operations

# Background

Mid-year staffing adjustments are necessary to ensure the Air District can implement the strategies in the Strategic Plan and effectively manage key programs:

- **Community Investments Office:** Three new FTEs and Three Limited-Term Contract Employees (LTCEs) are requested to administer community reinvestment initiatives from penalty funds. These funds are sourced from penalties imposed on air quality violators and directed towards projects in impacted communities
- **Meteorology & Measurement Division:** Three new FTEs are requested to accelerate installation of regulatory-grade monitors in refinery communities and to improve the quality and usability of data from refinery-owned fenceline monitors. Funding will come from designated reserves that have been set aside for such monitoring programs, and then on an ongoing basis by permit fees (including fees collected under Schedule X)
- **Strategic Incentives Division:** Three new FTEs are requested to manage the increasing workload related to grant programs, which have grown to exceed \$80 million annually. These positions will be funded by the allowable increase in administrative costs (from 6.25% to 12.5%) made available by a change to CARB's program guidelines, starting in FYE 2025

# Equity and Community Programs: Organizational Restructure





# Community Investments Office – Staffing Request

## Why the Positions Are Needed:

The **Community Investments Office** is needed to manage over \$21 million in penalty funds, which per Board policy, must be invested in projects in impacted communities. These positions are critical to:

- Engage with local leaders, businesses, and community-based organizations to prioritize fund allocation
- Design programs that ensure that penalty funds are distributed effectively and align with community needs
- Manage the resulting programs and associated grants/contracts across multiple Bay Area communities

## Funding Source

- The requested positions will be funded by allocating up to 9% of the Community Benefit penalty assessment funds to cover administrative costs under the new Community Benefits Penalty Funds Policy

# Community Investment Office – Fund Amounts

- Current admin funds sufficient to fund 3 FTEs and 3 LTCEs (2-years) through at least 2028
- Does not include interest earned or expected additional penalty revenue
- Implements Strategies
  - 1.4 Reimagine Funding
  - 2.8 Community-Directed Funds

Penalty Policy	As of Oct. 31, 2024
Regional Community Benefit Fund	4,345,865
Local Benefit Funds	20,617,832
Other funds: Richmond Community Air Quality Fund*	20,000,000
Funds from recent settlement**	79,150,000
<b>Total</b>	<b>\$124,113,697</b>
<b>9% Admin Funds (Estimated)</b>	<b>\$11,170,232</b>

**Assumptions:**

\*Timing of funds is subject to initiation of projects expected to occur between 2025-2027

\*\* Recent settlement announcement on October 31, 2024 (estimated allocation)

# Strategic Incentives Division – Staffing Request

## Why the Positions Are Needed:

The **Strategic Incentives Division** is experiencing significant growth in workload due to increased funding for grant programs, which now generate over \$80 million annually. The additional staff will:

- Manage the growing number of grants aimed at improving air quality through incentives for cleaner technologies
- Ensure compliance with increasing grant requirements and maximize the impact of the programs

## Funding Source:

The new positions will be funded by an increase in allowable administrative costs due to a change to the California Air Resources Board's program guidelines, starting in FYE 2025. Maximum allowable administrative costs will increase **from 6.25% to 12.5%**, allowing for increased staffing to support the expanding portfolio



# Strategic Incentives Division

Works to achieve early emissions reductions and accelerate adoption of cleanest-available technology through the administration of voluntary incentive programs that replace older highly polluting vehicles and equipment with cleaner and zero-emissions technology.

Aligning programs to reduce emissions and exposure in communities most affected by air pollution

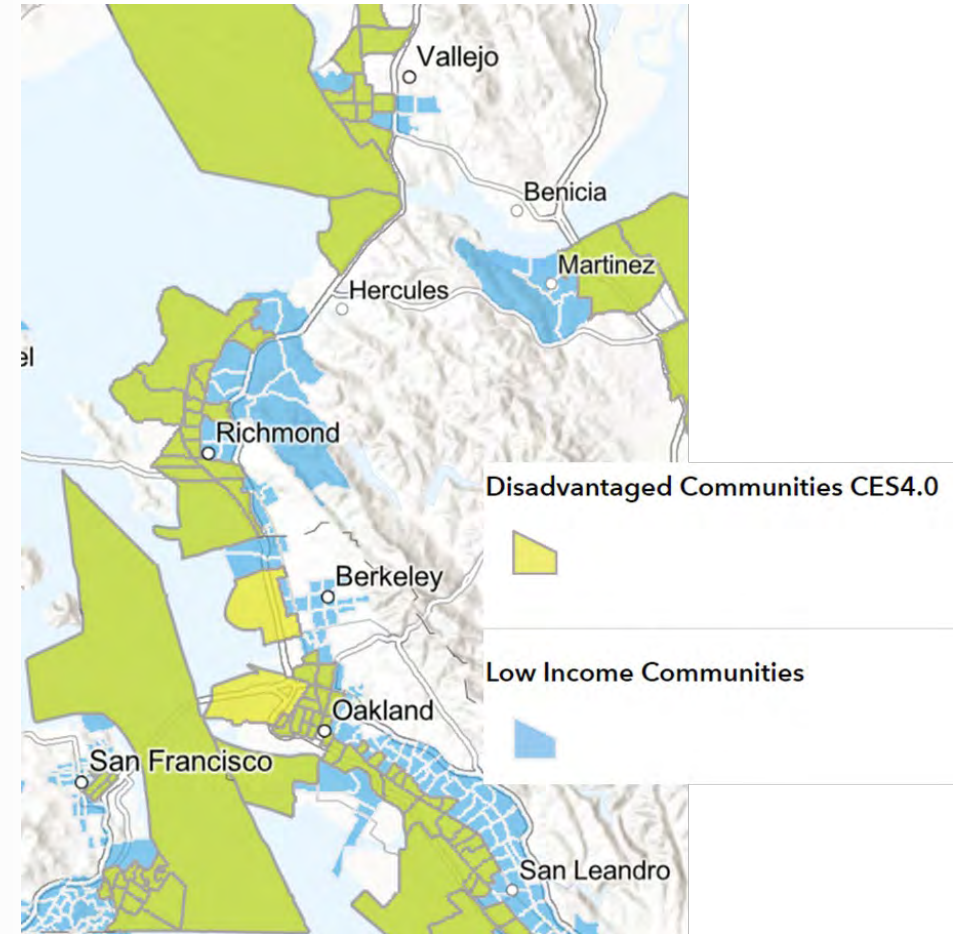




# Strategic Incentives Division (cont.)

Additional staff needed to:

- Oversee administration, reporting, and quality control for state grant programs
- Create and implement grant programs that align with community needs and Strategic Plan goals
- Develop and maintain a new data management system to ensure greater transparency in grant programs and results



# Meteorology & Measurement Division – Staffing Request

## Why the Positions Are Needed:

The **Meteorology & Measurement Division** is responsible for measuring ambient air quality, source testing of industrial sources to directly measure pollution, forecasting air quality and calling Spare the Air Days, and assessing and evaluating air quality data

Additional staffing is needed to meet commitments and community expectations for expanding the community air monitoring program in refinery communities, including improvement and oversight of fenceline monitoring systems operated by the refineries under Rule 12-15

## Funding Source:

These positions will be funded from designated reserves that have been set aside for the community air monitoring program, and then on an ongoing basis by permit fees (including fees collected under Schedule X) which are specifically allocated for such monitoring

# Refinery Community Monitoring

Proposed staff will accelerate the community air monitoring program, including refinery community monitoring and refinery fenceline monitoring including the following:

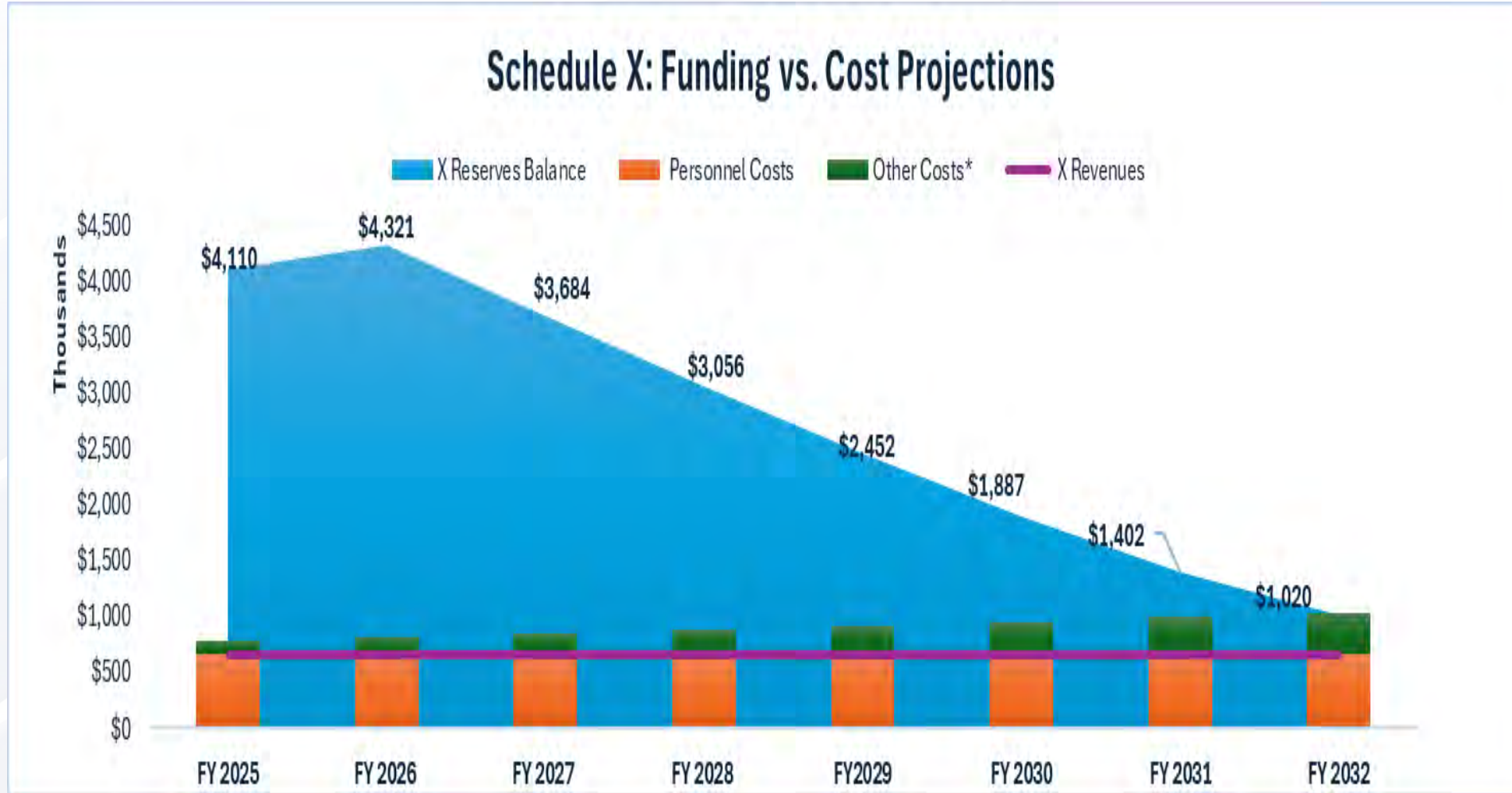
- Site development and construction of refinery community monitoring sites, including instrument testing
- Station operation, data review, quality assurance
- Evaluate new monitoring methods
- Review of fenceline plans and quality assurance project plans, track submitted reports and data, enforcement, rule development, external communications about fenceline air monitoring

Mid-year FYE25 budget request and staffing adjustment for three new permanent full time equivalent positions in the Meteorology and Measurement Division



# Community Air Monitoring Program

## Cost Impact using Schedule X to Accelerate and Enhance Monitoring Program



- Schedule X Reserve balance assumes the use of \$4.1 M from Schedule X Reserves (\$2M remains in reserves for Capital Expenses)
- Personnel Cost Assumes funding new 3 FTES in the Meteorology & Measurements Division



# New Funding & Staffing Cost Considerations

Division	New FTE	Annual Cost	Funding Source
Community Investments	3	\$695,141	Admin Portion – Community Benefit Funds
Meteorology & Measurement	3	\$648,401	Designated Reserves - Schedule X Fees
Strategic Incentives	3	\$576,321	New CARB Guidelines – Admin Cost

**Total \$1,919,863**

Division	New LTCE	Annual Cost	Funding Source
Community Investments	3	\$555,584	Admin Portion – Community Benefit Funds

**Total \$555,584**

# Add & Delete Positions

Division	Old Position Title	New Position Title	Annual Cost
Administrative Resources	Senior Staff Specialist	Supervising Staff Specialist	\$20,737
Assessment Inventory & Modeling	Advanced Projects Advisor	Senior Air Quality Engineer	(\$21,774)
Compliance & Enforcement	Senior Air Quality Engineer	Principal Air Quality Engineer	\$21,774
Meteorology & Measurement	Assistant Air Quality Specialist	Air Quality Specialist	\$15,474
Human Resources	Senior Human Resources Analyst	Human Resources Analyst	(\$18,809)
Civil Rights Office	Manager	Officer	\$55,180
Planning & Climate Protection	Assistant Manager	Manager	\$6,409
Position	Division Transfer from	Division Transfer to	Annual Cost
Manager	Information Services Operations	Enterprise Technology Solutions	\$0
Assistant Staff Specialist	Information Services Operations	Enterprise Technology Solutions	\$0
Senior Policy Advisor	Planning & Climate Protection	Executive	\$0

**Total \$78,991**



# Recommendation for Motion

Authorize FYE 2025 mid-year budget and staffing adjustments as follows:

- Authorize the use of up to 9% of the Community Benefit penalty assessment funds for administrative costs to support the creation of the new Community Investment Office to implement the penalty policy and direct funds to impacted communities
- Authorize the use of Schedule X designated reserves to accelerate and improve the Community Air Monitoring Program in refinery communities
- Authorize the addition of three new FTEs and three new Limited-Term Contract Employees (LTCEs) for the Community Investments Office; three new FTEs for Meteorology & Measurement; and three new FTE for Strategic Incentives, all funded by new revenue sources
- Authorize reclassify vacant positions and transfers to support organizational operations