

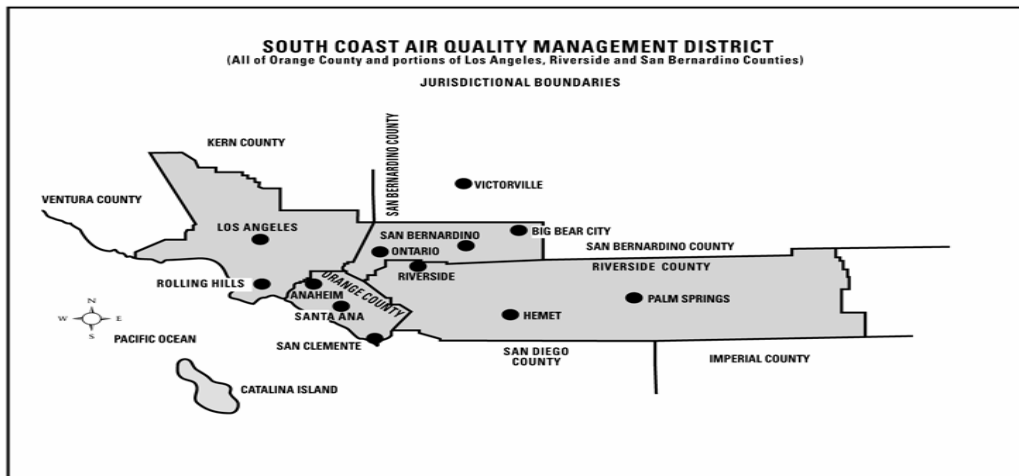
FY 2024-25 BUDGET ABSTRACT

Preface

This document represents the proposed FY 2024-25 Budget and Work Program of the South Coast Air Quality Management District (South Coast AQMD). The proposed budget was available for public review and comment during the month of April. A public consultation meeting was held to discuss the proposed budget and proposed fees changes on April 9, 2024. In addition, a workshop for the Governing Board was held on April 12, 2024. A final Proposed Budget and Work Program, which may include changes based on input from the public and Board, was presented for adoption at a public hearing on May 3, 2024.

Introduction

The South Coast Air Quality Management District (South Coast AQMD) began operation on February 1, 1977 as a regional governmental agency established by the California Legislature pursuant to the Lewis Air Quality Management Act. The South Coast AQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino, and Riverside Counties. It succeeded the Southern California Air Pollution Control District (APCD) and its predecessor four county APCDs, of which the Los Angeles County APCD was the oldest in the nation, having been formed in 1947. The South Coast AQMD Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in South Coast AQMD's jurisdiction, six members appointed by cities in the South Coast AQMD's jurisdiction, and three members appointed by the Governor, the Speaker of the State Assembly, and the Rules Committee of the State Senate, respectively. The members appointed by the Boards of Supervisors and cities consist of one member of the Board of Supervisors of Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively, and a mayor or member of the city council of a city within Orange, Riverside, and San Bernardino Counties. Los Angeles County cities have three representatives, one each from the western and eastern portions and one member representing the City of Los Angeles.



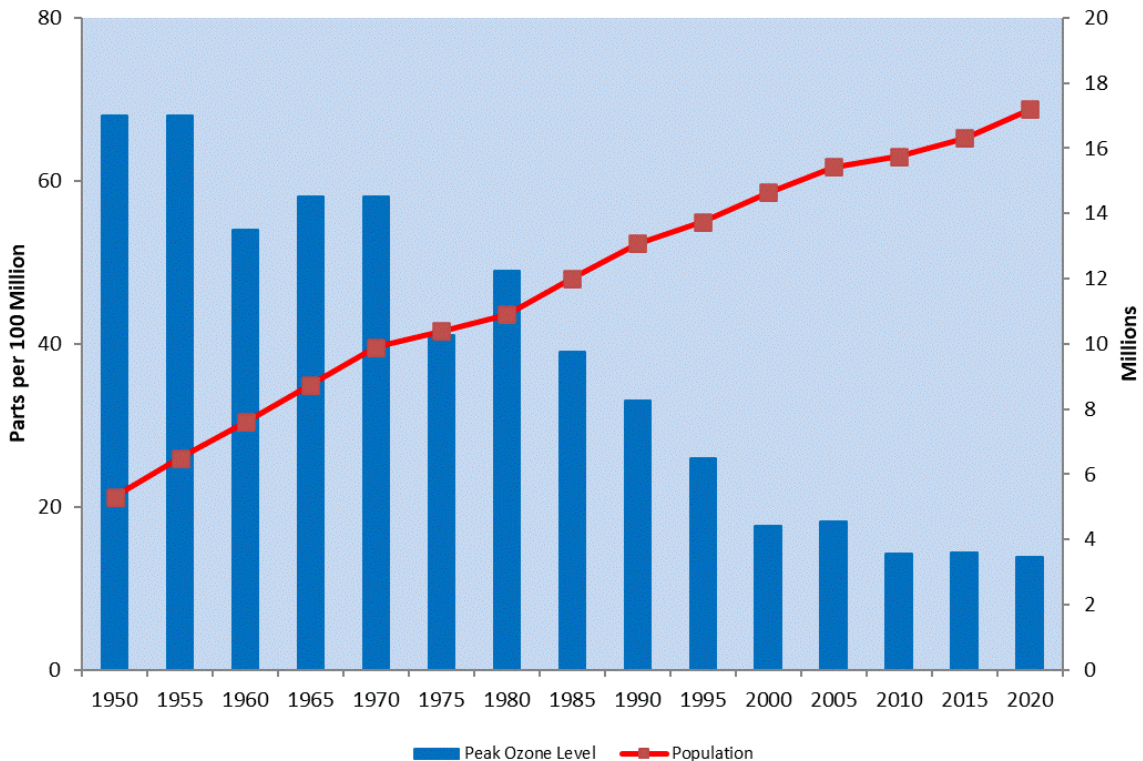
Air Quality History

The South Coast Air Basin (Basin) has suffered unhealthy air since its rapid population growth and industrialization during World War II. While air quality has improved, the residents of the Basin still breathe some of the most polluted air in the nation.

The 70-year history of the region's air pollution control efforts is, in many ways, one of the world's key environmental success stories. Peak ozone levels have been cut by almost three-fourths since air monitoring began in the 1950s. Population exposure was cut in half during the 1980s alone.

Since the late 1940s, when the war on smog began, to 2020, the region's population has more than tripled from 4.8 million to 17.2 million; the number of motor vehicles has increased more than six-fold from 2.3 million to 14.1 million; and the area has grown into one of the most prosperous regions of the world. This phenomenal economic growth illustrates that pollution control and strong economic growth can coincide.

70 Years of Progress in Reducing Ozone Levels



Mission

South Coast AQMD's mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies. This mission is pursued through a comprehensive program of planning, regulation, education, enforcement, compliance incentives, technical innovation, and promoting public understanding of air quality issues. The South Coast AQMD has implemented a policy of working with regulated businesses to ensure their participation in making the rules which will impact them. This cooperative approach has resulted in greater business support of rulemaking efforts for air that is more healthful to breathe.

To carry out its mission, South Coast AQMD develops a set of Goals and Priority Objectives which are evaluated and revised annually and presented as part of the budget proposal. The following proposed goals have been identified as being critical to meeting South Coast AQMD's Mission for FY 2024-25:

- I. Achieve Clean Air Standards.
- II. Enhance Public Education and Equitable Treatment for All Communities.
- III. Operate Efficiently and Transparently.

These goals are the foundation for South Coast AQMD's Work Program categories. Each goal is supported by multiple activities, which target specific areas of program performance.

Air Quality

Overview

South Coast AQMD has jurisdiction over an area that includes large portions of Los Angeles, Riverside, San Bernardino, and Orange counties. There are three air basins within this region: the South Coast Air Basin, the Riverside County portion of the Salton Sea Air Basin (Coachella Valley), and the Riverside County portion of the Mojave Desert Air Basin. The South Coast Air Basin (Basin) and the Coachella Valley has some of the highest air pollution levels in the United States. The federal government has designated seven pollutants that are pervasive enough to warrant federal health standards, called National Ambient Air Quality Standards (NAAQS). Known as "criteria pollutants," these are: ozone (O₃); nitrogen dioxide (NO₂); particulates (PM₁₀); fine particulates (PM_{2.5}); carbon monoxide (CO); lead (Pb); and sulfur dioxide (SO₂).

In addition, the State of California sets ambient air quality standards for these same pollutants through the California Air Resources Board (CARB). California's standards are in some cases tighter than the United States Environmental Protection Agency's (U.S. EPA) standards, which strengthens the public health protection. Toxic compounds also are a potential problem. More toxic pollutants are emitted into the air in the Basin than in any other region in California. Large number of motor vehicles and stationary sources, including large and small facilities and households are the sources of criteria air pollutants and air toxics.

Air Quality Trends

While our air quality has improved significantly over the past several decades, the Basin continues to have the worst air pollution in the country. Ozone levels have fallen by more than three-quarters since peaks in the mid-1950s, but the Basin fails to meet current federal ozone standards. In 2023, the 2015 8-hour ozone NAAQS was exceeded in the Basin on 115 days. The Basin also exceeded the former 2008 8-hour ozone and 1997 8-hour ozone NAAQS on 94 and 60 days, respectively. The 2015 ozone NAAQS was exceeded in the Basin on 123 days in 2022 and 130 days in 2021. Though the ozone air quality has improved substantially over the long term, ozone levels have remained relatively stable over the past decade. However, continued reductions in ozone precursor emissions are expected to improve ozone air quality. Meteorological conditions such as hot temperatures, prolonged stagnation and limited vertical mixing contribute to year-to-year variability. Changes in the relative emissions of volatile organic compounds (VOCs) or oxides of nitrogen (NO_x) also affect the chemistry of ozone formation and lead to marginal short-term increases in ozone concentrations as NO_x is reduced. While the ozone control strategy continued to reduce precursor emissions from man-made sources in the Basin, emissions of natural ozone precursors are not controllable. Ozone-forming emissions transported from frequent summer wildfires throughout California and year-to-year changes in the VOC emissions from vegetation resulting from dry and wet rainy-seasons can affect year-to-year differences in ozone concentrations. The maximum observed ozone levels also show some year-to-year variability but have generally decreased up until the last decade where ozone concentrations have generally remained constant. The highest 8-hour ozone level in the 2023 data was 118 ppb, compared to 122 ppb in 2022 and 120 ppb in 2021.

PM_{2.5} levels have decreased dramatically in the Basin since 1999. The U.S. EPA recently strengthened the annual average PM_{2.5} standard from 12.0 µg/m³ to 9.0 µg/m³, while retaining the 24-hour PM_{2.5} NAAQS of 35 µg/m³. In 2023, the 24-hour PM_{2.5} NAAQS was exceeded on 6 days in the South Coast Air Basin based on preliminary PM_{2.5} measurements. In 2022, there were 9 exceedance days, based on continuous and filter-based PM_{2.5} measurements. Because the highest PM_{2.5} concentrations typically occur during the rainy-season, design values are heavily dependent on the frequency of wintertime storm systems, which increase ventilation and remove PM when rainfall is present. PM_{2.5} concentrations are also significantly influenced by firework emissions and wildfire smoke, which can be transported across wide distances. PM_{2.5} levels during Independence Day on July 4th and 5th are typically among the highest days of the year in the Basin. In 2023, most of the exceedances of the 24-hour standard were recorded during periods of unfavorable meteorology in the winter months. The 2021-2023 24-hour design value for the South Coast Air Basin is 34 µg/m³ measured at the Compton, Mira Loma, and Pico Rivera stations based on preliminary monitoring data. The 2021-2023 annual design value is 13.0 µg/m³ measured at the Ontario-60 near road site based on preliminary monitoring data. Independence Day firework events occurring during the 2021-2023 period meet the criteria for an exceptional event. When removing the influence of events that are likely to be considered exceptional by U.S. EPA, the 2021-2023 24-hour design value is 32 µg/m³, measured at the Mira Loma, Compton, and Pico Rivera stations. The Basin's annual 2021-2023 design value was 12.9 µg/m³ at the Ontario-60 near road site after removing likely exceptional events.

In 2006, the U.S. EPA rescinded the annual federal standard for PM₁₀ but retained the 24-hour standard. The U.S. EPA re-designated the Basin as attainment of the health-based standard for PM₁₀, effective July 26, 2013. Apart from a handful of dust events caused by high winds, ambient levels of PM₁₀ in the Basin have continued to meet the federal 24-hour PM₁₀ NAAQS through 2022. 2023 filter-based measurements are not available at the time of publication.

In November 2008, the U.S. EPA revised the lead NAAQS from a 1.5 µg/m³ quarterly average to a rolling 3-month average of 0.15 µg/m³ and added new near-source monitoring requirements. The Los Angeles County portion of the Basin has been designated non-attainment for lead due to monitored concentrations near one facility prior to the 2012-2014 3-year design value period. However, starting with the 2012-2014 design value, all lead stations in the Basin have met the lead standard through 2022. 2023 concentrations are not available at the time of publication.

Nitrogen dioxide, sulfur dioxide, and carbon monoxide levels meet all federal national ambient air quality standards. In 2007, the U.S. EPA formally re-designated the Basin to attainment of the carbon monoxide NAAQS. Maximum levels of carbon monoxide in the Basin have been consistently less than one-third of the federal standards since 2004. In 2010, the U.S. EPA revised the NO₂ 1-hour standard to 100 ppb and the SO₂ 1-hour standard to 75 ppb. In 2023, the Basin attained these standards based on preliminary data.

Mandates

South Coast AQMD is governed and directed by a comprehensive federal law (Federal Clean Air Act) and several state laws that provide the regulatory framework for air quality management in the Basin. These laws require South Coast AQMD to take prescribed steps to improve air quality.

South Coast AQMD is responsible for stationary sources such as factories. CARB and U.S. EPA are primarily responsible for motor vehicles. South Coast AQMD and CARB share responsibilities with respect to area sources which are aggregation of smaller facilities such as gas stations and combustion sources within buildings. South Coast AQMD and the Southern California Association of Governments (SCAG) share limited responsibilities with CARB regarding mobile source emissions related to transportation and land use. Control of emissions from sources such as aircrafts, ocean going vessels, trains, trucks with international and out-of-state registration, and selected off-road equipment is primarily overseen by U.S. EPA. Without adequate efforts by CARB and U.S. EPA to control emission sources under their sole authority, it is impossible for the region to reach federal clean air standards.

The following is a more specific summary of the laws governing South Coast AQMD.

Federal Law:

Federal Clean Air Act (CAA): The CAA requires attainment of National Ambient Air Quality Standards (NAAQS) for criteria air pollutants, i.e., pollutants causing human health impacts due to their release from numerous sources. The following criteria pollutants have been identified by U.S. EPA: ozone, particulate matters (PM₁₀ and PM_{2.5}), carbon monoxide, lead, nitrogen dioxide, and sulfur dioxide. Current deadlines vary by pollutant and severity of pollution in the region.

State Implementation Plans: The CAA requires each state to develop a State Implementation Plan (SIP) to attain the NAAQS by the applicable attainment deadlines. SIPs must be approved by U.S. EPA as containing sufficient measures to timely attain NAAQS and meet other requirements described below. SIPs must contain air pollution measures to be adopted as "regulatory" form. Upon approval by U.S. EPA, SIP requirements can be enforced against regulated sources by U.S. EPA and by any citizen. South Coast AQMD must develop and submit to CARB for their concurrence and submittal to U.S. EPA, an element of the SIP referred to as the South Coast AQMD Air Quality Management Plan (AQMP) demonstrating how the Basin and Coachella Valley will attain the NAAQS.

Among the numerous other CAA requirements are: a mandate that the region achieve a three percent annual reduction in emissions of ozone precursors (VOC and NOx); a requirement that new sources over 10 tons per year of VOC or NOx, and modifications to such sources, achieve lowest achievable emission rate (LEAR) and offset their emission increases by equal reductions elsewhere in the region and transportation control measures to reduce vehicle trips.

To date, the South Coast AQMD's Governing Board has adopted major AQMPs in 1989, 1991, 1994, 1997, 1999 (amendments to the plan adopted in 1997), 2003, 2007, 2012, 2017, and 2022. The 2022 AQMP, adopted in December 2022, addresses attainment of the 2015 8-hour ozone NAAQS. In addition, revisions to existing AQMP/State Implementation Plan are conducted on an as-needed basis to address newly identified requirements by U.S. EPA and/or new monitoring data.

Sanctions, Federal Implementation Plans, and Conformity Findings: The CAA mandates that sanctions be imposed on an area if a suitable SIP is not submitted to or approved by U.S. EPA. These sanctions can include loss of key federal funds and more stringent requirements on new or expanding industries. Specific requirements for South Coast AQMD's AQMP include stringent requirements plus LAER and offsets for major new sources. Federal law also requires an operating permit program for major stationary sources, known as Title V, which must be supported by permit fees. In addition, air toxics regulations adopted by U.S. EPA pursuant to Title III must be implemented by South Coast AQMD.

Motor Vehicle Emission Controls: The CAA initially required U.S. EPA to adopt emission limitations for motor vehicles. The 1990 Amendments require U.S. EPA to adopt regulations to achieve further reductions in emissions from motor vehicles, as well as from other mobile sources such as locomotives. States are preempted from adopting emission limitations for motor vehicles and certain other mobile sources. Exception: California can adopt motor vehicle standards, and standards for some --but not all-- other mobile sources, and other states can adopt the California standards.

Hazardous Air Pollutants: In addition to criteria pollutants, the CAA regulates "hazardous air pollutants," i.e., those which can cause cancer or other severe localized health effects due to emissions from a single facility. U.S. EPA is required to adopt regulations mandating that new and existing sources emitting 10 tons per year or more of such pollutants employ Maximum

Achievable Control Technology (MACT) according to specified schedules. U.S. EPA is to consider further reductions in the future to eliminate any remaining unacceptable residual risk.

California Law:

The California Clean Air Act (CCAA): The CCAA establishes numerous requirements for Air District air quality plans to attain state ambient air quality standards for criteria air contaminants. For example, a plan must contain measures adequate to achieve five percent per year emission reductions or must contain all feasible measures and an expeditious adoption schedule. For Air Districts with serious air pollution, its attainment plan should include the following: no net increase in emissions from new and modified stationary sources; and best available retrofit control technology for existing sources.

Toxic Air Contaminants: The Air Toxic Hot Spots Act (Health & Safety Code §§ 44300, et seq.) requires facilities emitting specified quantities of pollutants to conduct risk assessments describing the health impacts to neighboring communities created by their emissions of numerous specified hazardous compounds. If an Air District determines the health impact to be significant, neighbors must be notified. In addition, state law requires the facility to develop and implement a plan to reduce the health impacts to below significance, generally within five years. Additional control requirements for hazardous emissions from specific industries are established by the state and enforced by Air Districts.

AB 617: A requirement for Air Districts to conduct air monitoring and adopt a Community Emissions Reduction Plan for communities designated by CARB under the AB 617 statewide program.

State law also includes the following measures:

- Tanner Air Toxics Process (AB 1807) which requires CARB to adopt air toxic control measures to limit emissions of toxic air contaminants from classes of industrial facilities. Local Air Districts are required to enforce these regulations or adopt equally or more stringent regulations of their own;
- Health & Safety Code §42705.5 which requires Air Districts to deploy a community air monitoring system in selected locations and Section 42706.5 which requires Air Districts to design, develop, install, operate and maintain refinery-related community air monitoring systems;
- Authority for South Coast AQMD to adopt a command-and-control regulatory structure requiring Best Available Retrofit Control Technology (BARCT);
- A requirement for South Coast AQMD to establish an expedited schedule for implementing BARCT at pre-determined greenhouse cap and trade facilities;
- A requirement for South Coast AQMD to establish a program to encourage voluntary participation in projects to increase the use of clean-burning fuels; and
- A requirement for South Coast AQMD to adopt and enforce rules to ensure no net emission increases from stationary sources.

Air Quality Control

Developing solutions to the air quality problem involve highly technical processes and a variety of resources and efforts to meet the legal requirements of California and federal laws.

Monitoring: The first step in air quality control is to determine the smog problem by measuring air pollution levels. South Coast AQMD currently operates 36 monitoring stations in the South Coast Air Basin and a portion of the Salton Sea Air Basin in Coachella Valley. These range from fully equipped monitoring stations that measure levels of criteria pollutants, as well as some air toxic pollutant levels, to those which measure a specific pollutant in critical areas. These measurements provide the basis of our knowledge about the nature of the air pollution problem and the data for planning and compliance efforts to address the problem.

Pollution Sources: South Coast AQMD, in cooperation with CARB and SCAG, estimates the sources of emissions causing the air pollution problem. Nature itself causes a portion of the emissions and must be considered. In general, South Coast AQMD estimates emissions from majority of stationary and selected mobile sources as well as natural sources such as emissions from vegetation and soil. SCAG develops the information such as population and traffic activity necessary to estimate emissions. CARB has primary responsibility to develop and maintain on road mobile source emissions with the input from SCAG for traffic activity and demographic information. This data is then consolidated in South Coast AQMD's AQMP for use in developing the necessary control strategies.

Air Quality Modeling: Using photochemical, meteorological and emissions models, South Coast AQMD planners predict future air quality to demonstrate attainment of the applicable air quality standards and the impacts of sources to local and regional air quality. Due to the nature of air pollution, air quality models can be very complex. Some pollutants are not emitted directly into the air but are products of photochemical reactions in the atmosphere. For example, VOCs mix with nitrogen dioxide (NO₂) and react in sunlight to form ozone; similarly, nitrogen oxide gases from tailpipes and smokestacks can be transformed into nitrates or particulates (PM_{2.5} and PM₁₀). The planners thus must consider transport, land use characteristics, and chemical reactions of emissions in the atmosphere to evaluate air quality impacts. Using model output, planners can look at different control scenarios to determine the best strategies to reduce air pollution for the lowest cost. The considerable data required for these analyses is collected on an ongoing basis by South Coast AQMD staff. These include, but not limited to, satellite-based air quality data, sensor-based traffic volume, ocean going vessel data collected through Automatic Identification System (AIS) transponders, and aircraft data collected using Aircraft Communications, Addressing and Reporting System (ACARS).

Planning: With emissions data and an air quality model in place, planners can develop possible control strategies and scenarios. South Coast AQMD focuses most of its effort on stationary source controls. As mentioned earlier, strategies to reduce vehicle miles traveled (VMT) are developed primarily by SCAG, while mobile source standards and control programs are developed primarily by CARB and U.S. EPA. South Coast AQMD also has limited authority over mobile sources (e.g. public fleets, indirect sources), even though South Coast AQMD adopted

facility based mobile source measures targeting major facilities such as commercial airports and warehouses.

Once a plan of emission controls to achieve the NAAQS is outlined, South Coast AQMD is required to hold multiple public meetings, workshops, and hearings to present the proposed control strategies and receive public input. South Coast AQMD also conducts a socioeconomic analysis of the strategies. South Coast AQMD maintains an ongoing and independent advisory group of outside experts for both its air quality modeling and socioeconomic assessment methodologies.

To meet federal air quality standards, the AQMPs and SIP submittals, including the 2022 AQMP, called for significant emissions reductions from projected baseline emissions in order to meet the NAAQS by the federal attainment deadlines (2031 for the 2008 8-hour ozone NAAQS, and 2037 for the 2015 8-hour ozone NAAQS). These combined reductions, while meeting the NAAQS, will still not result in attainment of all California State ambient air quality standards. The 2022 AQMP, the latest adopted AQMP, addresses attainment of the 2015 8-hour ozone NAAQS in the Basin and Coachella Valley in 2037. The 2022 AQMP employed a state-of-the-science emissions inventory and photochemical modeling platform. Six working groups were established to support the development of control strategies for the 2022 AQMP. There were a total of 22 working group meetings, 10 AQMP Advisory Group meetings, eight public workshops and hearings, two Advisory Council meetings, and numerous public outreach meetings. This process resulted in the adoption of the most ambitious plan in the history of the agency which calls for aggressive deployment of zero emission technologies wherever feasible.

Rulemaking: The regulatory process, known as rulemaking, takes the concepts of control measures outlined in the AQMP and turns them into proposed rule language. This process involves the following: extensive research on technology; site inspections of affected industries to determine feasibility; typically, a year or more of public task force and workshop meetings; in-depth analyses of environmental, social and economic impacts; and thorough review with appropriate Governing Board Committees.

This extensive process of public and policymaker participation encourages consensus in development of rule requirements so that affected sources have an opportunity for input into the rules that will regulate their operations. Once the requirements are developed, the proposed rule, along with an Environmental Assessment and a socioeconomic report, is presented to South Coast AQMD's Governing Board at a public hearing. Public testimony is presented and considered by the Board before any rule is adopted. The adopted or amended rules are then submitted to CARB and U.S. EPA for their approval. It is not uncommon for rulemaking to include follow-up implementation studies. These studies may extend one or more years past rule adoption/amendment and prior to rule implementation. Such studies are typically submitted to the Governing Board or appropriate Governing Board Committees.

Enforcement and Education: South Coast AQMD issues permits to construct and operate equipment to companies to ensure equipment is operated in compliance with adopted rules. Follow-up inspections are made to ensure that equipment is being operated under permit conditions.

Technical Innovation: In the late 1980s, South Coast AQMD recognized that technological innovation, as well as rule enforcement, would be necessary to achieve clean air standards. Thus, the Technology Advancement Office was created to look for and encourage technical innovation to reduce emissions. The California State Legislature supported this effort by providing a \$1 surcharge on every DMV registration fee paid within the Basin. These funds have been matched at a ratio of approximately three-to-one with funds from the private sector to develop new technologies such as near-zero and zero emission vehicles, low-NO_x burners for boilers and water heaters, zero-pollution paints and solvents, fuel cells, and other innovations.

An additional \$4 vehicle registration fee was authorized by the state legislature in 1990. These fees are administered through South Coast AQMD with \$1.20 going to South Coast AQMD for mobile source emissions reductions, \$1.60 subvented directly to cities and counties to support their air quality programs, and \$1.20 to the Mobile Source Air Pollution Reduction Review Committee (MSRC). The MSRC is an outside committee established by state law whose function is to make the decisions on the actual projects to be funded from that portion of the revenue.

Public Education: South Coast AQMD's efforts to clean up the air will be successful only to the extent that the public understands air quality issues and supports and participates in cleanup effort. Thus, South Coast AQMD strives to involve and inform the public through the Legislative and Public Affairs/Media Office, public meetings, publications, the press, public service announcements, and social media.

Budget Synopsis

South Coast AQMD's annual budget is adopted for the General Fund for a fiscal year that runs from July 1 through June 30. The period covered by the FY 2024-2025 budget is from July 1, 2024 to June 30, 2025. The General Fund budget is the agency's operating budget and is structured by Office and account. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a Work Program containing nine program categories, which estimate staff resources and expenditures along program and activity lines. Each category consists of a number of Work Programs, or activities. A Work Program Output Justification form is completed for each Work Program, which identifies performance goals, quantifiable outputs, legal mandates, activity changes, and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs. Any amendments due to budget increases or transfers between expenditure accounts in different Major Objects must be approved by South Coast AQMD's Governing Board. They are submitted to the Governing Board for approval at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of funding for the expenditure. Budget amendments

resulting from transfers between expenditure accounts within the same Major Object are approved at the Office level.

The South Coast AQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. Special Revenue Fund appropriations are approved by the Governing Board on an as-needed basis at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of funding for the expenditure. South Coast AQMD reports Special Revenue Funds on a modified accrual basis in the Annual Comprehensive Financial Report.

Budget Process

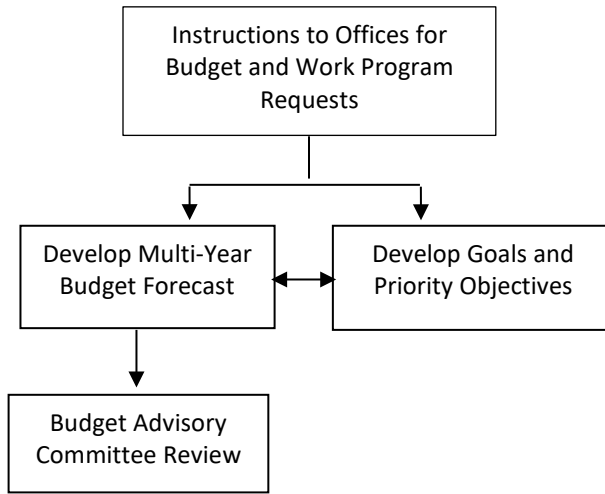
The South Coast AQMD budget process begins with the Chief Financial Officer issuing instructions and guidelines to the Offices. Under the guidance of the Executive Officer, Chief Operating Officer, and Chief Financial Officer, the Offices also begin establishing Goals and Priority Objectives for the fiscal year. The proposed annual budget and multi-year forecast is then developed by the Offices, Finance, Executive Council, the Chief Operating Officer, and the Executive Officer, based on the Goals and Priority Objectives, as well as guidelines issued by the Executive Officer. Each Office submits requests for staffing, select Salary accounts, Services and Supplies accounts, and Capital Outlay accounts. The remaining salary and benefit costs are developed by Finance. Capital expenditure requests are reviewed by an in-house committee who prioritizes the requests. Revenue projections are developed by Finance based on input received from the appropriate Offices and incorporate any proposed changes to Regulation III - Fees. This information is integrated into an initial budget request, including a multi-year forecast, and then fine-tuned under the direction of the Chief Operating Officer and Executive Officer to arrive at a proposed budget. The public, business community, and other stakeholders have several opportunities to participate in the budget process, up to and at the budget adoption hearing by the Governing Board, including:

- Two meetings of the Budget Advisory Committee, whose members include various stakeholder representatives
- Two public consultation meetings to discuss the automatic CPI increase
- A public hearing on the Proposed Budget and Work Program

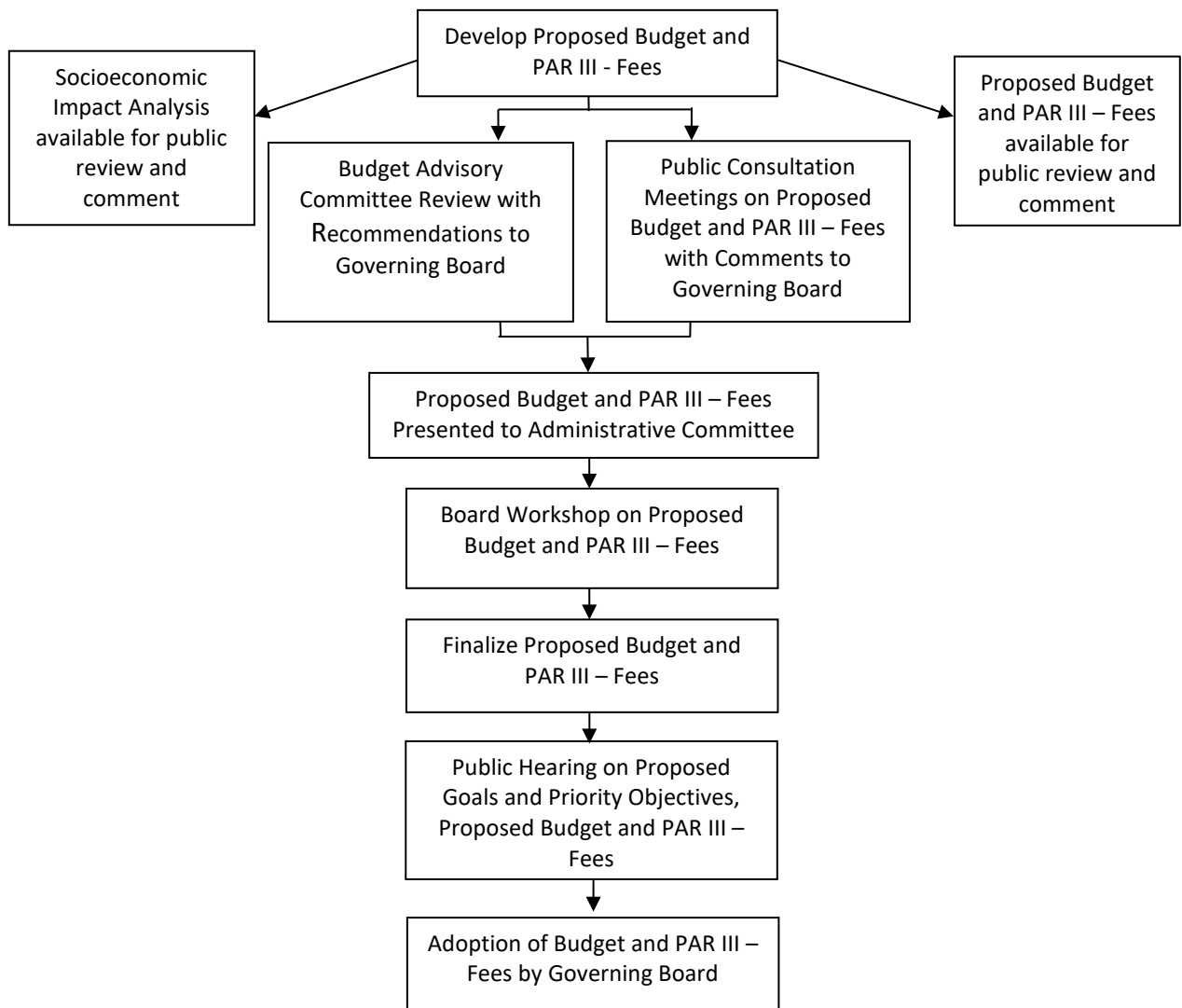
The proposed budget is presented to South Coast AQMD's Governing Board at a budget workshop and to South Coast AQMD's Administrative Committee. Any public comments and Budget Advisory Committee recommendations are submitted to the Governing Board by April 15th of each year. The proposed budget is adopted by the Governing Board and is in place on July 1st for the start of the new fiscal year.

The following flow charts represent the typical major milestones and budget processes that take place in developing South Coast AQMD's annual budget.

Preliminary Budget Process



Annual Budget Process



FY 2024-25 Budget Timeline	
Budget submissions received from Offices	Jan 5, 2024
Budget Advisory Committee meeting	Jan 17, 2024
Proposed budget available for public review	April 2, 2024
Budget Advisory Committee meeting on proposed budget	April 4, 2024
Public Consultation Meeting on proposed budget	April 9, 2024
Governing Board Special Study/Workshop	April 12, 2024
Budget Advisory Committee recommendations submitted to Governing Board	April 15, 2024
Public Hearing & Governing Board adoption of budget	May 3, 2024

Proposed Budget & Work Program

Budget Overview

The proposed budget for FY 2024-25 is an unbalanced budget with revenues/transfers in of \$209.5 and expenditures/transfers out of \$211.4 million. To compare against prior years, the following table shows South Coast AQMD’s amended budget and actual expenditures for FY 2022-23, adopted and amended budgets for FY 2023-24, and proposed budget for FY 2024-25.

Description	FY 2022-23 Amended	FY 2022-23 Actual	FY 2023-24 Adopted	FY 2023-24 Amended¹	FY 2024-25 Proposed
Staffing	1,005	-	1,010	1,010	1,008
Revenue/Transfers In	\$193.6	\$191.0	\$196.3	\$200.7	\$209.5
Expenditures/Transfers Out	\$203.2	\$189.3	\$196.3	\$205.4	\$211.4

¹ Includes Board approved changes through February 2024

The FY 2024-25 proposed budget reflects an increase of \$6.0 million in expenditures/transfers out from the FY 2023-24 amended budget and an increase of \$15.1 million in expenditures/transfers out from the FY 2023-24 adopted budget. The increase in expenditures/transfers out from the FY 2023-24 adopted budget is mainly due to increased costs for salaries resulting from the approved labor agreements. The FY 2024-25 proposed budget of 1,008 positions includes a net decrease of two positions over the FY 2023-24 amended budget.

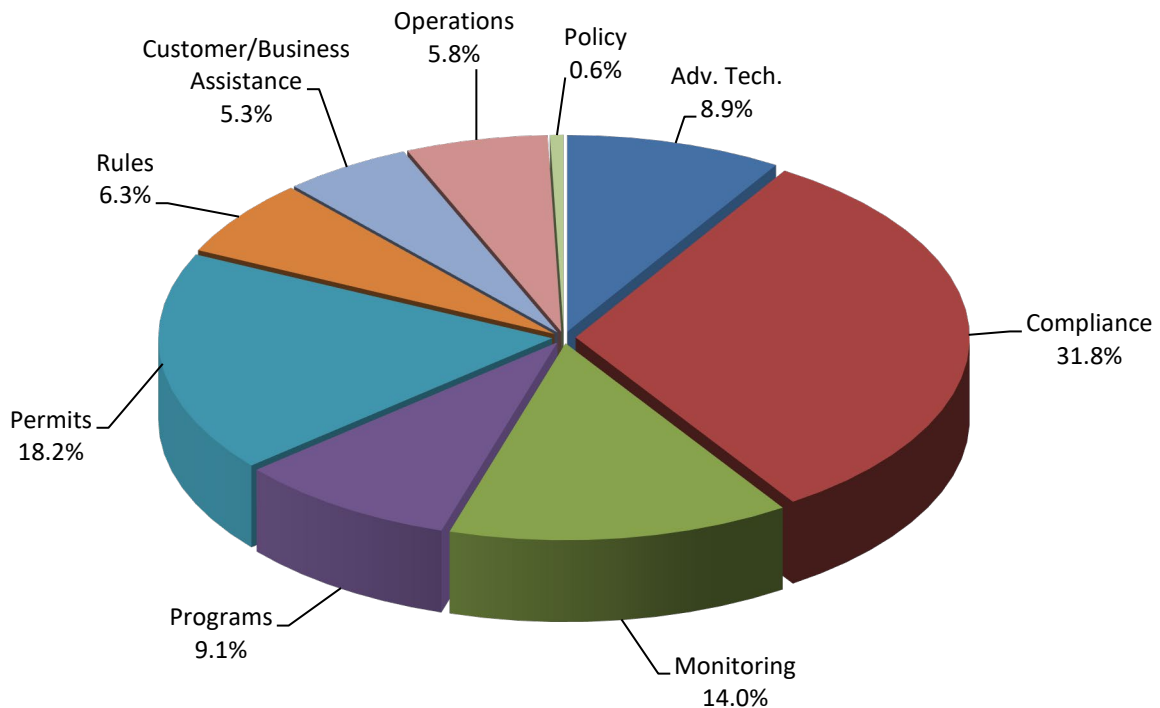
Expenditures

Work Program

South Coast AQMD expenditures are organized into nine Work Program Categories: Advance Clean Air Technology; Ensure Compliance with Clean Air Rules; Customer Service and Business Assistance; Develop Programs to Achieve Clean Air; Develop Rules to Achieve Clean Air; Monitoring Air Quality; Operational Support; Timely Review of Permits; and Policy Support. Each category consists of Work Programs, or activities, which are classified according to the nature of the activity being performed.

Each Work Program ties to the goals and objectives of the agency and identifies resources, performance measures/outputs, and legal mandates. A complete description of each program category along with a detailed work program sorted by program is included in the Goals and Priority Objectives and Work Program section. The following pie chart represents the fully burdened budgeted expenditures by Program Category for FY 2024-25.

Work Program Category Expenditures



The following table compares South Coast AQMD Work Program expenditures by category for the FY 2023-24 adopted budget and FY 2024-25 proposed budget.

Work Program Categories	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget
Advance Clean Air Technology	\$17,354,463	\$18,931,406
Customer Service and Business Assistance	10,214,961	11,144,747
Develop Programs to Achieve Clean Air	17,435,215	19,150,228
Develop Rules to Achieve Clean Air	11,790,254	13,384,004
Ensure Compliance with Clean Air Rules	62,202,115	67,225,130
Monitoring Air Quality	28,464,110	29,652,603
Operational Support	11,708,923	12,344,745
Policy Support	1,097,699	1,175,155
Timely Review of Permits	36,059,678	38,422,477
Total	\$196,327,418	\$211,430,495

Note: Fully burdened expenditures based on the Cost Allocation Schedule

Account Categories

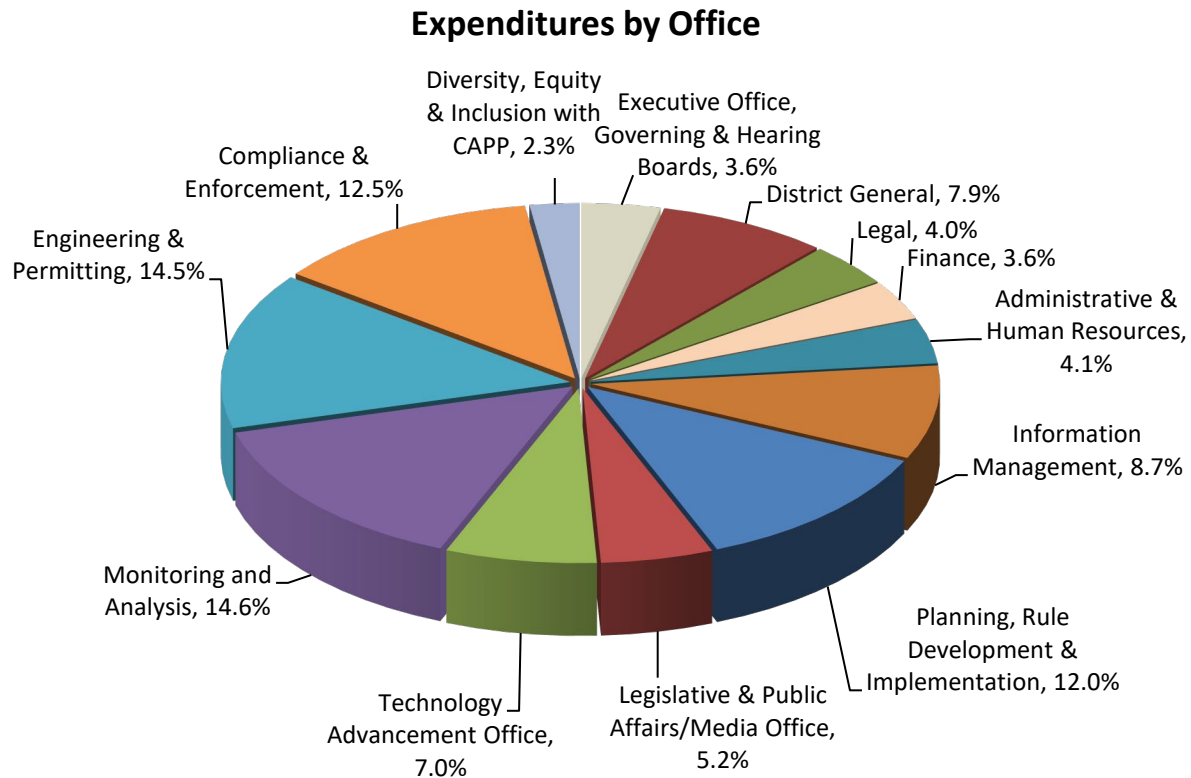
The following table compares the FY 2023-24 adopted budget and the FY 2023-24 amended budget to the proposed budget for FY 2024-25 by account category. The FY 2023-24 amended budget includes the Board-approved mid-year adjustments through February 2024.

Account Description	FY 2023-24 Adopted Budget	FY 2023-24 Amended Budget¹	FY 2024-25 Proposed Budget
Salaries/Benefits	\$160,503,939	\$163,803,939	\$174,519,397
Insurance	1,811,425	2,016,325	2,819,253
Rents	1,375,223	1,375,693	1,386,528
Supplies	3,411,962	4,454,555	3,971,473
Contracts and Services	14,085,505	15,337,686	15,488,319
Maintenance	1,808,709	2,269,337	1,923,189
Travel/Auto Expense	877,523	1,062,792	992,023
Utilities	1,965,620	1,890,220	1,965,620
Communications	1,145,320	1,155,320	1,214,040
Capital Outlays	1,720,000	4,361,963	3,418,500
Other	1,493,295	1,538,407	1,732,153
Debt Service	4,128,897	4,128,897	-
Transfers Out	2,000,000	2,000,000	2,000,000
Total	\$196,327,418	\$205,395,134	\$211,430,495

¹ Includes Board approved changes through February 2024

As mentioned previously, the proposed budget for FY 2024-25 represents an approximately \$6.0 million increase in expenditures from the FY 2023-24 amended budget. The FY 2023-24 amended budget includes mid-year increases associated with the following: monitoring equipment, legal counsel for specialized, environmental, and other litigation, outreach efforts for the elementary school education program, staff, services and supplies and capital outlays for critical projects and programs, and grant-related expenditures offset by revenue.

The following pie chart represents budgeted expenditures by Office for FY 2024-25.

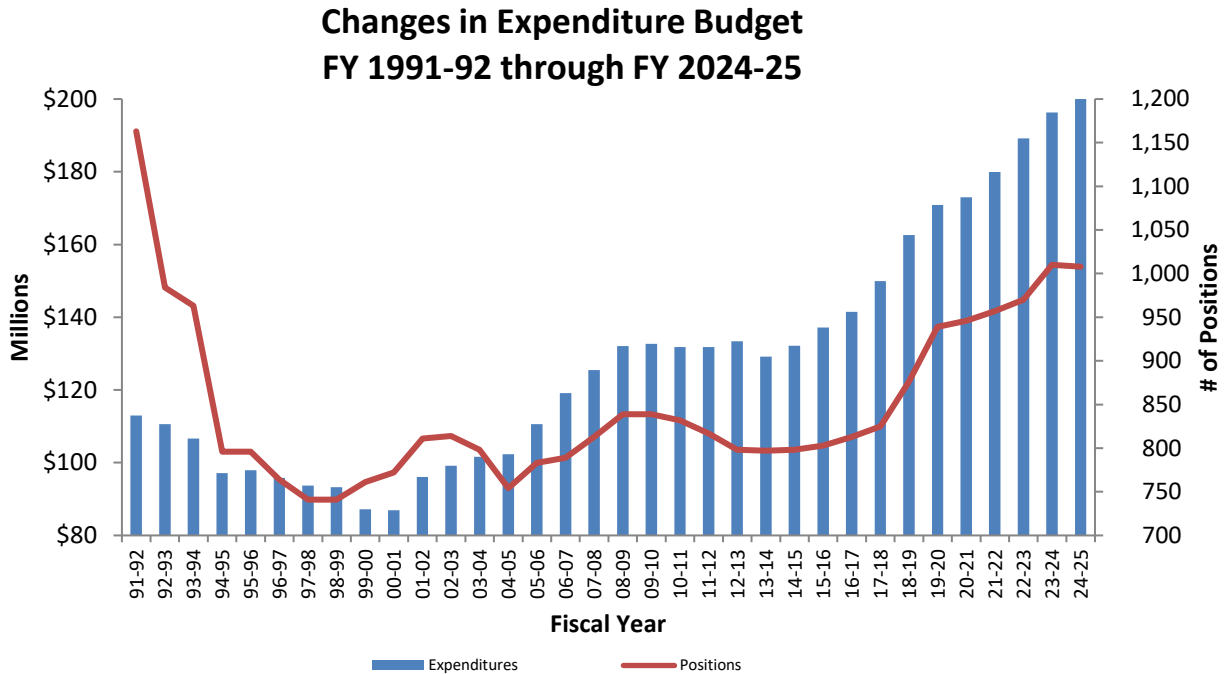


Budget Strategy

Over the years, South Coast AQMD has focused on streamlining many of its operations while still meeting its program commitments despite new federal and state mandates and increased workload complexity. The focus has been maximizing the efficient use of staff resources to enable select vacant positions to remain vacant, be deleted, or be unfunded whenever possible. In FY 2017-18, South Coast AQMD began to receive funding from the California Air Resources Board under AB 617 to reduce exposure in neighborhoods most impacted by air pollution as well as funding under the Community Air Protection Fund (CAPP). In FY 2019-20, South Coast AQMD began receiving funding through the California Air Resources Board under the Volkswagen Mitigation Settlement Agreement. These new programs, resulting in additional funding sources, have increased South Coast AQMD’s workload substantially. Nonetheless, South Coast AQMD continues to focus on the efficient use of its resources. South Coast AQMD performs an on-going review of revenues, expenditures, and staffing levels and regularly presents results to the Board.

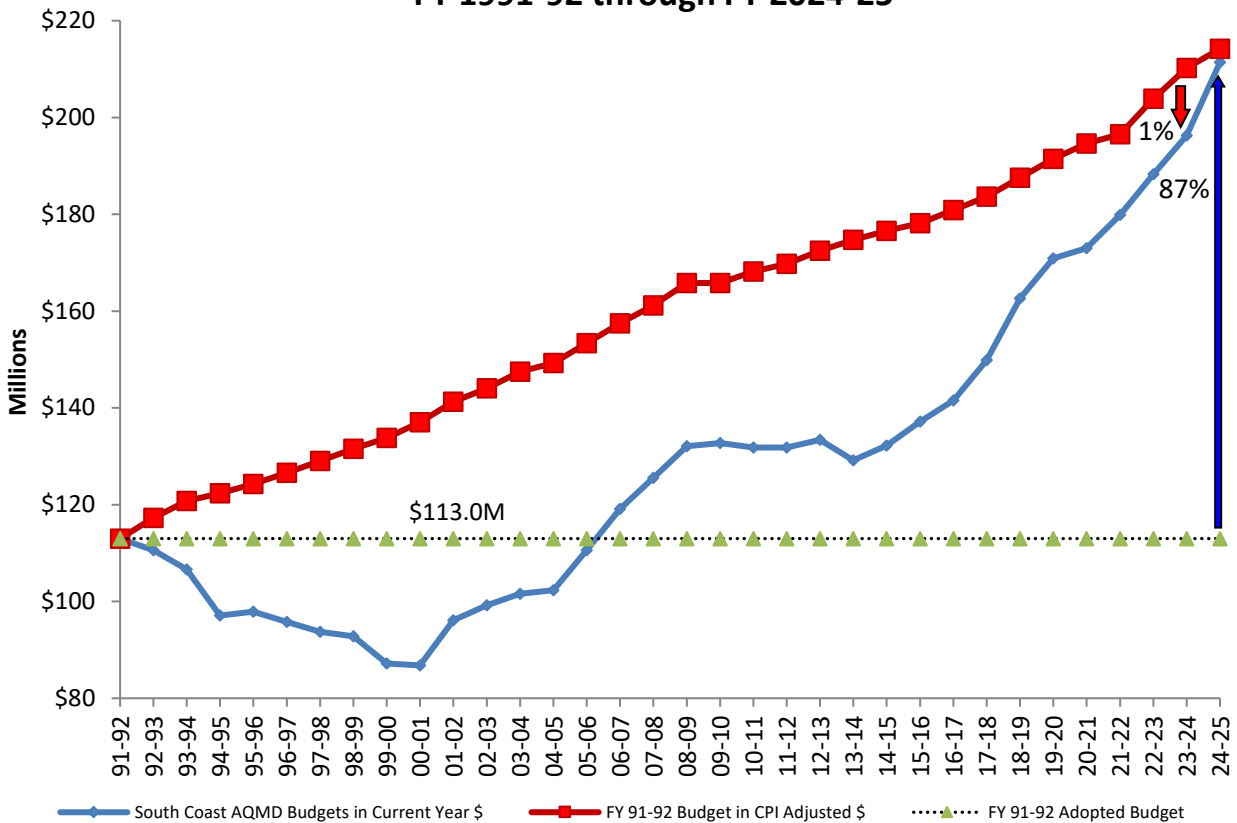
The proposed vacancy rate for FY 2024-25 is 13%, which has increased by 2% from the FY 2023-24 adopted budget.

The following charts show South Coast AQMD’s staffing and budget levels starting in FY 1991-92 when staffing was at 1,163 FTEs. The proposed budget for FY 2024-25 reflects a staffing level of 1,008 FTEs. This staffing level is 13% (155 FTEs) below the FY 1991-92 level.



The FY 2024-25 proposed budget is 87% higher when compared to the FY 1991-92 adopted budget of \$113 million. However, after adjusting the FY 1991-92 adopted budget for CPI over the last 33 years, the FY 2024-25 proposal is 1% lower.

Inflation Impact on South Coast AQMD Budgets FY 1991-92 through FY 2024-25



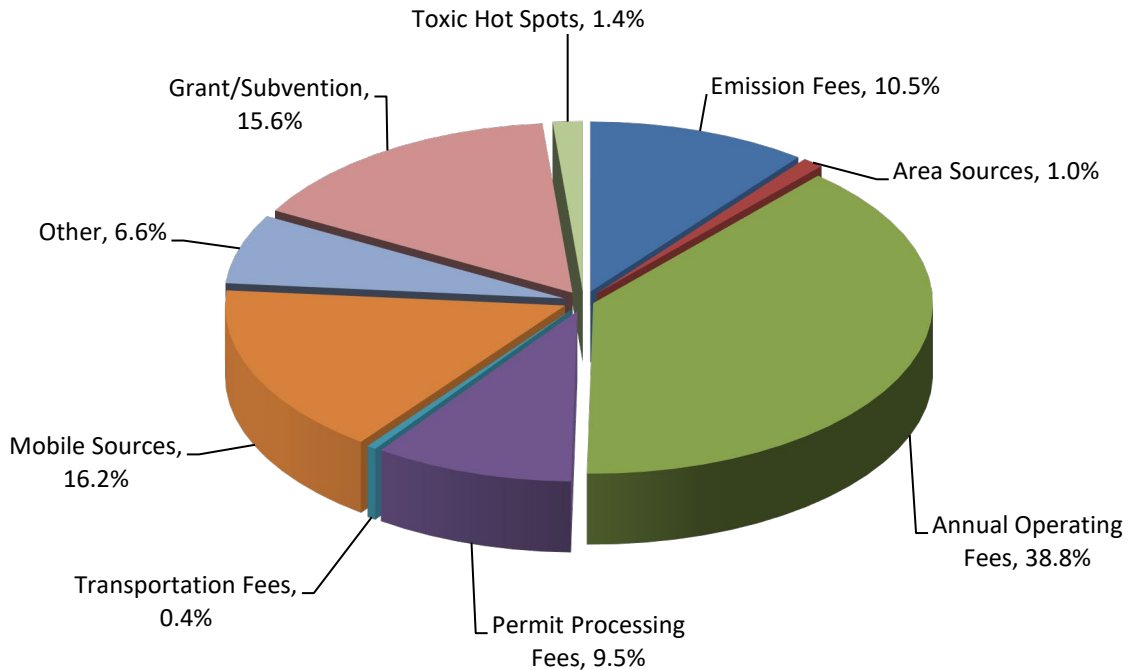
Note: CPI adjustment based on California Consumer Price Index for the preceding Calendar Year

Revenues

Revenue Categories

Each year, in order to meet its financial needs, the South Coast AQMD Governing Board adopts a budget supported by a system of annual operating and emission fees, permit processing fees, toxic “Hot Spots” fees, area sources fees, source test/analysis fees, and transportation plan fees. In FY 2024-25, these fees are projected to generate approximately \$129.7 million or 62% of South Coast AQMD revenues; of this \$129.7 million, \$123.1 million or 59% of South Coast AQMD’s projected revenues are from stationary sources. Other sources, which include penalties/settlements, Hearing Board fees, interest, and miscellaneous income, are projected to generate approximately 6% of total revenues in FY 2024-25. The remaining 32% of revenue is projected to be received in the form of federal and state grants, California Air Resources Board (CARB) subvention, and California Clean Air Act motor vehicle fees. Beginning in Fiscal Year 1978-79, the South Coast AQMD became a fee supported agency no longer receiving financial support from property taxes. The following pie chart represents revenues by Major Category for the proposed FY 2024-25 budget.

Revenues by Major Category



The following table compares the FY 2023-24 adopted revenue budget and the FY 2023-24 amended revenue budget to the proposed revenue budget for FY 2024-25. The FY 2023-24 amended revenue budget includes Board-approved mid-year changes through February 2024.

Revenue Description	FY 2023-24 Adopted Budget	FY 2023-24 Amended Budget ¹	FY 2024-25 Proposed Budget
Annual Operating Emission Fees	\$20,527,240	\$20,527,240	\$21,885,510
Annual Operating Permit Renewal Fees	76,503,215	76,503,215	81,302,660
Permit Processing Fees	19,096,873	19,096,873	19,905,270
Portable Equipment Registration Program	1,400,000	1,400,000	1,700,000
Area Sources	2,361,740	2,361,740	2,146,070
Grants/Subvention	29,318,790	32,161,120	32,608,410
Mobile Sources	32,527,730	32,527,730	33,938,180
Transportation Programs	946,650	946,650	931,400
Toxic Hot Spots	2,800,000	2,800,000	2,975,000
Other ²	8,873,490	8,873,490	8,980,600
Transfers In	1,971,690	3,481,739	3,172,400
Total	\$196,327,418	\$200,679,797	\$209,545,500

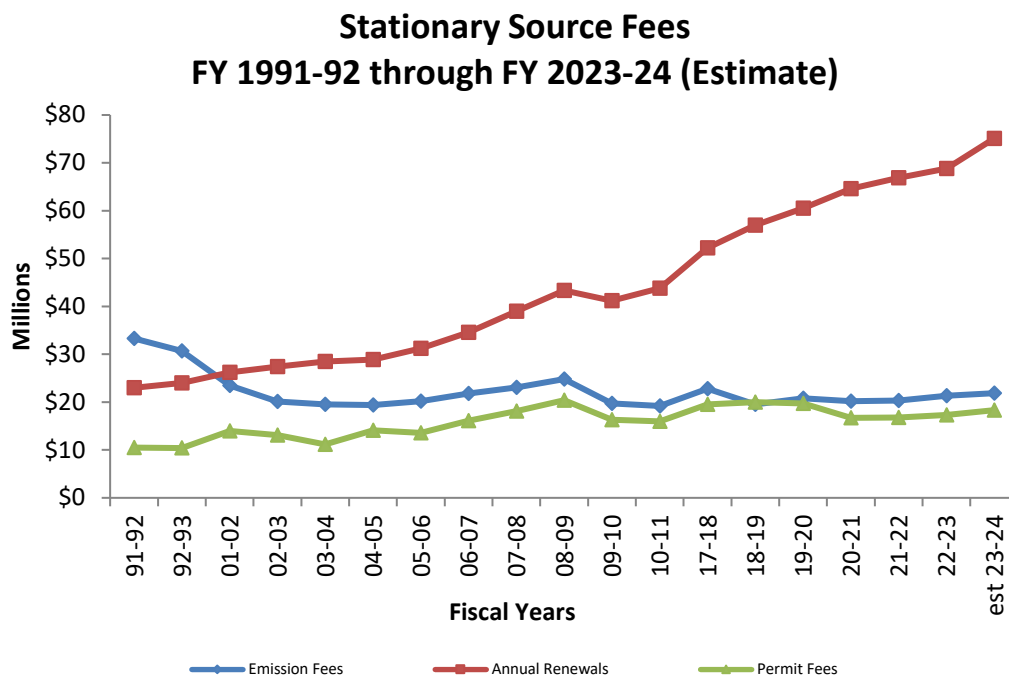
¹ Includes Board approved changes through February 2024
² Includes revenues from Interest, Lease Income, Source Testing, Hearing Board, Penalties/Settlements, Subscriptions, and Other

Over the past three decades, total permit fees (including permit processing, annual operating permit, and annual emissions-based fees) collected from stationary sources has increased by about 72% from \$66.9 million in FY 1991-92 to \$115.3 million (estimated) in FY 2023-24. When adjusted for inflation however, stationary source revenues have decreased by 8% over this same period.

Mobile source revenues that are subvended to the South Coast AQMD by the Department of Motor Vehicles (DMV) are projected to remain the same from the FY 2023-24 budgeted amounts based on vehicle registration information from the DMV and recent revenue received. In addition, this category reflects reimbursements of incentive programs (Clean Fuels, Carl Moyer, Prop 1B, VW Mitigation and CAPP) whose contract activities and revenues are recorded in special revenue funds (outside the General Fund). These incentive program costs incurred by the General Fund are reimbursed to the General Fund from the various special revenue funds (subject to any administrative caps) and are reflected under the Mobile Source revenue category.

Revenues from the federal government are projected to increase in FY 2024-25 from FY 2023-24 budgeted levels reflecting the anticipated level of federal funding from one-time grants in support of air quality efforts. State Subvention funding is expected to remain at the current level for FY 2024-25. The AB 617 Community Air Protection Program implementation funding from CARB is budgeted at a higher amount than FY 2023-24 and reflects projected activity levels.

The following graph tracks actual stationary source revenues by type of fee from FY 1991-92 (when CPI limits were placed on South Coast AQMD fee authority) to estimated revenues for FY 2023-24.



Debt Structure

Pension Obligation Bonds

In June 2004, the South Coast AQMD issued pension obligation bonds to restructure its financial obligation to the San Bernardino County Employee’s Retirement Association (SBCERA), specifically addressing accrued retirement benefits for its members. Over the years, these bonds served as a mechanism for managing and refinancing pension liabilities. As of FY 2023-2024, the South Coast AQMD has fulfilled its financial commitments, marking the completion of its pension obligation bond payments.

Fund Balance

South Coast AQMD is projecting an Unreserved (Unassigned) Fund Balance for June 30, 2025 of \$75,607,207 in addition to the following Reserved and Unreserved Designated Fund Balances for FY 2024-25.

Classification	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$ 19,900,000
Nonspendable	Reserve for Inventory of Supplies	80,000
	Unreserved Designations:	
Assigned	For Enhanced Compliance Activities	883,018
Assigned	For Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	For Permit Streamlining	234,159
Assigned	For Self-Insurance	2,000,000
Assigned	For Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$ 26,129,673

Reserves are portions of the fund balance set aside for future use and are therefore not available for appropriation. These funds consist of encumbrances which represent the estimated amount of current and prior years’ purchase orders and contract commitments at year-end and inventory which represents the value at cost of office, computer, cleaning, and laboratory supplies on hand at year-end.

Unreserved Designations in the fund balance indicate plans for use of financial resources in future years. The Designation for Enhanced Compliance Activities provides funding for inspection/compliance efforts. The Designation for Other Post Employment Benefit Obligations (OPEB) provides funding to cover the current actuarial valuation of the inherited OPEB obligation for long-term healthcare costs from the County of Los Angeles resulting from the consolidation of the four county Air Pollution Control Districts (APCDs). The Designation for Permit Streamlining was established to fund program enhancements to increase permitting efficiency and customer service. South Coast AQMD is self-insured for general liability, workers’ compensation, automobile liability, premises liability, and unemployment.

Long-Term Projection

South Coast AQMD continues to face a number of challenges in the upcoming years, including continued higher operating costs, the need for major information technology and building infrastructure improvement projects with the aging of our headquarters building, and growing program commitments while meeting air quality goals and permit processing targets. Recruiting, training, and retaining the high level of technical staffing expertise necessitated by the Community Air Protection Program established in 2017 under AB 617, the Volkswagen Mitigation Settlement Projects, the Refinery Fenceline Air Monitoring Plans under Rule 1180, and additional incentive funding under CAPP, as well as for South Coast AQMD's ongoing projects and programs, will continue to be a challenge further complicated by the retirement of current and long-term staff.

Retirement costs and any future actions SBCERA may take due to financial market fluctuations which could significantly impact South Coast AQMD's level of expenditures remains a primary uncertainty. Any legislative action that may impact the level of federal and state funding from grant awards, particularly AB 617 funding, and subvention funds is another unknown that must be considered as South Coast AQMD plans for the future. Cost recovery within the constraints of Proposition 26 is an additional uncertainty as South Coast AQMD strives to balance program operating expenses with revenues collected from fees.

In order to face these challenges, South Coast AQMD has a five year plan in place that provides for critical infrastructure improvement projects, maintains a stable vacancy rate in order to maximize cost efficiency, better aligns program revenues with costs, and strives to keep the percentage of unreserved fund balance to revenue within the Governing Board policy of 20%.

The following table, outlining South Coast AQMD's financial projection over this time period, shows the agency's commitment to meet these challenges and uncertainties while protecting the health of the residents within the South Coast AQMD boundaries and remaining sensitive to business. Starting in FY 2024-25, South Coast AQMD will realize a \$4.1M savings in Pension Obligation Bond payments.

Fiscal 2023-24 Estimate and Five Year Projection						
(\$ in Millions)						
	FY 23-24 Estimate	FY 24-25 Proposed	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
STAFFING	1,010	1,008	1,008	1,008	1,008	1,008
REVENUES/TRANSFERS IN*	\$196.7	\$209.5	\$211.7	\$214.4	\$215.9	\$218.5
EXPENDITURES/TRANSFERS OUT	\$200.7	\$211.4	\$224.3	\$230.6	\$235.2	\$235.2
Change in Fund Balance	(\$4.0)	(\$1.9)	(\$12.6)	(\$16.2)	(\$19.3)	(\$16.7)
UNRESERVED FUND BALANCE (at year-end)	\$83.7	\$81.8	\$69.2	\$53.0	\$33.7	\$17.0
% of REVENUE	43%	39%	33%	25%	16%	8%
* CPI fee increases are projected as follows: FY 2024-25 – 3.5% & 2.0% & 1.5% on Annual Operating and Permit Fees, FY 2025-26 – 3.0% & 1.5% on Annual Operating and Permit Fees, FY 2026-27 – 2.4%, FY 2027-28 – 2.6%, and FY 2028-29 – 2.7%.						

As part of the Five-Year Projection, South Coast AQMD has identified projected building maintenance and capital outlay improvement projects for its headquarters building. These projects are outlined in the following chart. In addition, the Infrastructure Improvement Special Revenue Fund was created with unanticipated one-time revenues from the General Fund for some of the capital outlay building-related improvement projects.

GENERAL FUND POTENTIAL BUILDING MAINTENANCE and CAPITAL OUTLAY PROJECTS FY 2024-25 through 2028-29
Aging Kitchen Equipment Replacement
Air Handler Mechanical Systems Upgrade/Fan Wall Installation
Atrium And Building Expansion Joint Waterproofing
Auditorium Dais Lighting Replacement and Media Space Construction
Automatic Transfer Switch Upgrade
Building Window and Structural Joint Sealing
Carpet Replacement (Third Floor)
Childcare Building Roof Replacement
Childcare Playground Renovation
Computer Room Uninterruptible Power Supply (UPS) System Upgrade
Concrete Replacement in East Courtyard & Pedestrian Areas
Emergency Generator Upgrade
Emergency Operations Center (EOC) Shipping Container
EOC Container Concrete Pads
Irrigation System Renovation
Lab Saw Tooth Roof Refurbishment
Landscape Renovation
Led Replacement of Fluorescent Office Lighting (2 Floors)
Leibert AC Units Replacement/Data Center Enhancements
Metal Detector Equipment
Parking Lot Lights Conversion to LED
Parking Lot Repair and Reseal
Patio Crack and Joint Sealing
Pneumatic HVAC Controls Update to Electronic Control
Restroom and Copy/Coffee Sink and Countertop Replacement
Restroom Panels Refurbishment/Replacement
Roofing Surface Recoat
Security System Upgrade
Vinyl Wall Covering Replacement (Various Areas)

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
PROPOSED GOALS AND PRIORITY OBJECTIVES
FOR FY 2024-2025**

MISSION STATEMENT

“To clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.”

GOALS AND PRIORITY OBJECTIVES

The following Goals and Priority Objectives have been identified as being critical to meeting South Coast AQMD’s Mission in Fiscal Year 2024-25.

GOAL I. Achieve Clean Air Standards.

Priority Objective		Performance Indicator	Performance Measurement
1	Development and Implementation of Air Quality Management Plans	Adherence to development, adoption and implementation schedules for rules related to Air Quality Management Plans and timely development of plans.	Complete six rule adoptions and/or actions that result in achievements towards 2016 and 2022 AQMP emissions reductions.
2	Secure Incentive Funding for Emissions Reduction	Increase or maintain funding for pollution reduction projects.	Secure funding of \$250 million.
3	Implementation of DEI with CAP Community Emissions Reduction Plans (CERPs) in Assembly Bill 617 (AB 617) Designated Communities	Progress towards implementation of individual AB 617 communities Community Emissions Reduction Plans (CERPs)	<p>Four quarterly Community Steering Committee (CSC) meetings for each designated community.</p> <p>One Annual Community Outreach Relations and Engagement outreach event within each designated community.</p> <p>Progress and percentage completion of DEI with CAP CERP action items for each designated community.</p> <p>Complete, release for CSC and public comment, and submit CARB Annual Progress Reports.</p> <p>Update the CERP implementation dashboards quarterly for the six AB 617 designated communities.</p> <p>Redesign each CSC Community websites for the six AB 617 designated communities.</p>

GOAL I. Achieve Clean Air Standards. (continued)

Priority Objective		Performance Indicator	Performance Measurement
4	Ensure Efficient Air Monitoring and Laboratory Operations	Achieve acceptable completion of valid data points out of the scheduled measurements in the South Coast AQMD air monitoring network for NAAQS pollutant before U.S. EPA deadline.	Achieve acceptable valid data completion submitted to U.S. EPA before deadline.
5	Ensure Timely Inspections of Facilities	Total number of Title V inspections completed annually.	Complete 100% of Title V inspections. Based on overlapping reporting periods, Title V inspections will be conducted between January 1 and June 30. During FY Q1 and Q2, staff will plan, review records and data, and conduct preliminary field operations, but inspections will not be completed. Goal is to complete inspections of 40% of Title V facilities in Q3 and 60% in Q4.
6	Increase Permitting Production	Increase permitting production.	Increase production by 500 completions as compared to Calendar Year 2023 completions (5,365). Fiscal Year 2024-25 goal of 5,865 permit completions. Quarterly progress is based on 25% increments of goal.
7	Support Development of Cleaner Advanced Technology	Amount of clean technology projects funded.	Fund \$10 Million of clean technology projects.
8	Incentive Programs	% of grant money executed in contracts.	50% of grant money contracted within six months after receipt of funds.
9	Conduct the Multiple Air Toxics Exposure Study VI (MATES VI)	Progress towards implementation of the MATES VI program	Begin air toxics monitoring at ten fixed sites for MATES VI, commence a study on Brake & Tire/Road wear, and conduct at least one MATES VI Technical Advisory Group meeting.

GOAL II. Enhance Public Education and Equitable Treatment for All Communities.

Priority Objective		Performance Indicator	Performance Measurement
1	Evaluation of Low Cost Air Quality Sensors	Evaluation and posting of results of low cost air quality sensors that have reached the market.	Evaluate and post results of 75% of sensors that have reached the market.
2	Outreach	Number of community outreach events conducted in each County and effective information distribution for South Coast AQMD programs.	Conduct/participate in four community outreach events, including one in each County.
3	Timely Investigation of Community Complaints	Initiate complaint investigation by close of business on the next business day, thereby allowing for flexibility to prioritize high priority incidents.	Contact 100% of complainants by the close of business on the next business day.
4	Social Media Efforts	Increase in audience engagement through impressions (views) of shared information via outreach for South Coast AQMD events, programs and major incidents across X, Facebook, Instagram and LinkedIn social channels.	Continue efforts to increase impressions and engagement on posts and/or campaigns with a monthly average goal of 4,000 LinkedIn impressions/2,400 Instagram impressions /8,000 Facebook impressions/48,000 X impressions on posts.
5	School Educational Outreach	Promote use of WHAM and CAPES curriculum to schools, youth groups, and other organizations throughout the four counties. Hold annual Earth Day webinars.	Outreach to 100 K-12 schools, youth groups, and/or other organizations in all four counties to provide WHAM and CAPES curriculum. Host one Earth Day webinar each for elementary, middle, and high schools, featuring WHAM and CAPES curriculum.
6	Interagency Coordination	Number of meetings with local, state, and/or federal agency partners to collaborate on investigations and other enforcement matters.	Conduct/participate in at least one interagency coordination meeting per quarter. Continue efforts to improve information sharing and conduct joint investigations with other governmental agencies, as well as to streamline referral procedures.
7	DEI External Outreach	Establish baseline number of DEI/EJ related outreach initiatives in the community.	Quarterly Young Leaders Advisory Council (YLAC) meetings. Six Critical Community Conversations for Purposeful Outreach (C3PO) Events. Six Statewide DEI/EJ Stakeholder Meetings Training, Facilitation, Leadership Development and Evaluation of Governing Board Summer Intern program.

GOAL III. Operate Efficiently and Transparently.

Priority Objective		Performance Indicator	Performance Measurement
1	Ensure Transparent Governance	Percentage of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.	100% of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.
2	Ensure Transparent Governance	Percentage of Stakeholder and Working Group meeting agendas with materials made available prior to the meeting.	100% of Stakeholder and Working Group meeting agendas with materials made available to the public three days prior to the meeting.
3	Maintain a Well Informed Staff on Diversity, Equity and Inclusion (DEI)	<p>Number of staff equity related events offered and conducted.</p> <p>Number of DEI resources/displays infographics presented.</p> <p>Development of a baseline data of employees who participate in DEI resources.</p> <p>Development of a baseline data of employees who identify an increase of their individual cultural competency from DEI resources.</p> <p>Increase in the number of South Coast AQMD employees who participate in DEI events.</p> <p>Increase in the number of South Coast AQMD employees who identify increase in learning from DEI resources.</p>	<p>Conduct 24 annual DEI related events for all staff.</p> <p>Provide 12 monthly DEI infographics for all staff.</p> <p>Increase of staff participation in DEI events.</p> <p>Increase of staff who identify an increase in their knowledge of DEI resources.</p>
4	Partner with Stakeholder Groups, & Business Community	Number of meetings with Permit Streamlining Task Force subcommittee and public meetings with permitting stakeholders.	Conduct six total public meetings with the Permit Streamlining Task Force subcommittee and/or with permitting stakeholders.
5	Timely Financial Monitoring	Timely budgetary financial reporting.	Submit quarterly budgetary financial reports to the Governing Board within six working days of the end of the quarter for quarters 1-3. Submit the 4 th quarter report within six working days of the end of July.

GOAL III. Operate Efficiently and Transparently. (continued)

Priority Objective		Performance Indicator	Performance Measurement
6	Increase Employee Resource Group (ERG) Engagement (DEI)	Facilitation of monthly DEI/ERG Meetings.	Nine monthly joint DEI/ERG meetings and one annual all ERG meeting.
7	DEI Training and Development	Develop job related equity professional development and training that increases staff's awareness and cultural competency.	Conduct two DEI agency-wide trainings per year. Conduct five J.E.D.I. Think Tanks per year. Conduct two J.E.D.I. Book Club series per year.
8	Staffing	Fill positions to reduce the vacancy rate to 13 percent.	Initiate the recruitment process such that if all positions were filled, the vacancy rate would be 13 percent.