



GOVERNING BOARD

Amy Shuklian, Chair
Supervisor, Tulare County

Bobby Macaulay, Vice Chair
Supervisor, Madera County

Vito Chiesa
Supervisor, Stanislaus County

David Couch
Supervisor, Kern County

Rosa Escutia-Braaton
Councilmember, City of Modesto

Deborah Lewis
Mayor Pro Tem, City of Los Banos

Buddy Mendes
Supervisor, Fresno County

Tania Pacheco-Werner, PhD.
Appointed by Governor

Lloyd Pareira
Supervisor, Merced County

Gilberto Reyna
Councilmember, City of Wasco

Robert Rickman
Supervisor, San Joaquin County

Rusty Robinson
Supervisor, Kings County

Jose Rodriguez
Mayor Pro Tem, City of Madera

Alexander C. Sherriffs, M.D.
Appointed by Governor

Liz Wynn
Vice Mayor, City of Visalia

Samir Sheikh
Executive Director
Air Pollution Control Officer

Northern Region Office
4800 Enterprise Way
Modesto, CA 95356-8718
(209) 557-6400 • FAX (209) 557-6475

Central Region Office
1990 East Gettysburg Avenue
Fresno, CA 93726-0244
(559) 230-6000 • FAX (559) 230-6061

Southern Region Office
34946 Flyover Court
Bakersfield, CA 93308-9725
(661) 392-5500 • FAX (661) 392-5585

DATE: January 15, 2026

TO: SJVUAPCD Governing Board

FROM: Samir Sheikh, Executive Director/APCO
Project Coordinator: Todd DeYoung



RE: **ITEM NUMBER 8: ACCEPT \$12,500,000 IN
STATE VEHICLE REPLACEMENT FUNDING TO
SUPPORT THE CONTINUED IMPLEMENTATION
OF THE DISTRICT'S DRIVE CLEAN IN THE SAN
JOAQUIN PROGRAM**

RECOMMENDATIONS:

1. Accept and appropriate up to \$1,400,000 in additional Enhanced Fleet Modernization Program funding from the California Air Resources Board (CARB) for use in the District's Drive Clean in the San Joaquin Vehicle Replacement Program.
2. Accept and appropriate up to \$11,100,000 in additional Clean Cars 4 All funding from CARB for use in the District's Drive Clean in the San Joaquin Vehicle Replacement Program.
3. Authorize the Board Chair, with Executive Director/APCO recommendation, to execute an agreement with Valley Clean Air Now for the continued implementation of the District's Drive Clean in the San Joaquin Vehicle Replacement Program and authorize the Executive Director/APCO to make administrative changes to the program, in order to ensure successful implementation of program funding.

BACKGROUND:

Reducing emissions from mobile sources, which make up the majority of ozone and PM2.5 forming NOx and toxic diesel particulate matter emissions in the Valley, is a critical component of the District's overall strategy to attain stringent health-based federal air quality standards. Given the significance of mobile source emissions, the

District's *2018 PM2.5 Plan* includes a variety of incentive programs aimed at achieving additional emission reductions from mobile sources to meet state and federal air quality standards. The District currently offers a broad suite of incentive programs designed to reduce emissions from mobile sources, which includes funding for heavy-duty trucks, off-road equipment, school buses, and light duty passenger vehicles. These programs achieve emission reductions by replacing older, higher emitting equipment with newer, cleaner technology. Additionally, your Board has prioritized programs that reduce emissions and improve quality of life in Valley communities.

Towards that end, since 2011, the District has partnered with Valley Clean Air Now (Valley CAN) to administer the successful Tune In Tune Up Vehicle Repair Program. Additionally, the District has partnered with Valley CAN to administer the Drive Clean in the San Joaquin vehicle replacement program in a coordinated effort to assist Valley residents. This program provides Valley residents with funding to replace their old vehicles with newer, cleaner vehicles. Since 2015, the District has received nearly \$120 million in state funding from the California Air Resources Board (CARB) to support the implementation of the District's vehicle replacement program. To date, the vehicle replacement program has resulted in over 10,700 vehicles replaced throughout the Valley.

Due to the overwhelming demand for this program, the District received sufficient applications to administer existing program funding and was forced to stop accepting new applications for vehicle replacement in October 2025. The District is working closely with CARB, the legislature and other stakeholders to secure, long term, sustained funding for this program. While that work is ongoing, staff has been able to work with CARB to secure additional short-term funding that will allow the District to re-open the program to new applications for a short period of time. The purpose of today's item is to seek your Board's approval to accept up to an additional \$12,500,000 in CARB funding (up to \$1,400,000 in Enhanced Fleet Modernization Program funding and up to \$11,100,000 in Clean Cars 4 All funding) for the Valley-wide Drive Clean in the San Joaquin Vehicle Replacement Program.

DISCUSSION:

The District's Drive Clean in the San Joaquin Program offers Valley residents with multiple incentive options to reduce emissions from passenger vehicles, including vehicle repairs (Tune In Tune Up), replacing older, high-emitting vehicles with newer, cleaner models and rebates on the purchase or lease of clean air vehicles. The District, in partnership with Valley CAN, has pioneered passenger vehicle repair and replacement programs focused on disadvantaged communities, with the District's programs serving as a model for other programs throughout the state. This success in effectively reaching low-income residents has been recognized and highlighted by UCLA's Luskin Center for Innovation as a model for other agencies implementing

similar programs. A 2021 report released by UCLA's Luskin Center for Innovation highlights the District's effectiveness in reaching low income disadvantaged communities throughout the Valley stating that *"the efforts of the SJVAPCD appear largely focused on reaching low income communities and communities of color through a variety of outreach approaches while still attaining emission reductions."* The report states that the District program has seen participation from 95% of disadvantaged communities within the District, compared to 72% and 68% respectively for the South Coast and Bay Area Districts indicating our success in reaching communities throughout the Valley.

Since 2015, the District has advocated for and received nearly \$120 million in state Enhanced Fleet Modernization Program and Clean Cars for All (CC4A) funding to implement a vehicle replacement program. These two separate funding sources are combined to provide incentive options up to \$12,000 and are determined by the participant's income level, disadvantaged community residential status, and the type of vehicle selected for purchase. In addition, the grant awards provide funding opportunities for alternate mobility options and e-bikes, however, to date, there has been limited interest in replacing a vehicle for these alternative options. The highest incentive levels offered under the program are provided to applicants with the lowest income (less than 225% of the federal poverty level) that reside in a disadvantaged community and choose the cleanest available vehicle (plug in hybrid or battery electric). Where eligible, participants in the vehicle replacement program may stack other available state or local utility rebates in order to maximize the funding available for their vehicle replacement purchase. To date, the District has replaced over 10,700 high polluting vehicles with newer, cleaner and more fuel-efficient models.



Program Outreach and Performance

The District and Valley CAN have successfully utilized a grassroots program outreach approach to reach program eligible participants in their community. The primary mechanism for outreach and participation in the vehicle replacement program are weekend and/or evening application clinics that are held throughout the Valley. These application clinics provide residents the opportunity to meet with Valley CAN staff, ask

questions about the program and submit application information. Since reopening the program in October 2023, these events have resulted in over 8,100 program applications allowing the District to provide the necessary funding to residents throughout the Valley. These applications represent over \$98 million in program funding demand. Because of the success of the program, the District has received more than enough applications to fully expend the available program funding and was forced to stop accepting new applications at in October 2025.



As part of the District's ongoing advocacy efforts to secure additional funding resources to support these valuable incentive programs, the District has been working closely with CARB, the legislature, and other stakeholders to secure long-term sustained funding for this important program. While no long-term funding solutions have been identified, these efforts have been successful in securing additional short-term funding resources needed to support ongoing program implementation. As part of the state budget for Fiscal Year 25-26, \$25 million in additional CC4A funding was provided to support program implementation for air districts throughout the state. In addition, based on legislative direction, CARB identified an additional \$18 million in funding originally allocated for the statewide e-bike program that had not been dispersed that could also be utilized to support the CC4A program. Based on the CARB approved funding formula for the CC4A program the District has secured \$11.1 million of the \$43 million available for program implementation across the state. This funding will support the current application backlog of approximately \$15.6 million in funding requests. If additional applications are necessary to fully expend this new funding, the District will work with Valley CAN to schedule additional weeknight application clinics across the Valley.

NEXT STEPS:

To continue the seamless administration of the vehicle replacement, the District, with Board chair approval, will execute a new agreement with Valley CAN for the continued administration of up to \$12,500,000 in additional funding for the vehicle replacement program throughout the District. The proposed amendments to agreements with Valley CAN for administration of the vehicle replacement programs are consistent with the program and administrative costs included in existing agreements with Valley CAN. Under these agreements, Valley CAN's responsibilities include, but are not limited to, program outreach, applicant assistance, submittal of complete applications to the District for review and approval, coordinating vehicle purchase with applicants, holding weekend repair events, and ensuring a strong network of participating dealership and repair facilities. Consistent with other state funded incentive programs that include

administrative resources to cover eligible program costs, the District recommends that eligible expenses under the agreements continue to include program management/oversight, accounting, payroll, overhead, outreach, insurance, and other expenses directly attributable to the implementation of the program incurred by Valley CAN.

With the approval of this item, the District and Valley CAN will continue working collaboratively to implement the successful vehicle replacement program for Valley residents. In addition, the District will continue to work with CARB, the legislature, and other stakeholders to identify long-term funding opportunities to sustain the program moving forward.

FISCAL IMPACT:

Approval of the attached Budget Resolution will:

1. Accept and appropriate up to \$1,400,000 in state Enhanced Fleet Modernization Program funding for the District's Drive Clean in the San Joaquin Vehicle Replacement Program. Of this amount, up to 15% is available to offset the cost to administer this funding.
2. Accept and appropriate up to \$11,100,000 in state Clean Cars 4 All funding for the District's Drive Clean in the San Joaquin Vehicle Replacement Program. Of this amount, up to 20% is available to offset the cost to administer this funding.

San Joaquin Valley Unified Air Pollution Control District
Meeting of the Governing Board
January 15, 2026

**ACCEPT \$12,500,000 IN STATE VEHICLE REPLACEMENT
FUNDING TO SUPPORT THE CONTINUED IMPLEMENTATION OF
THE DISTRICT'S DRIVE CLEAN IN THE SAN JOAQUIN
PROGRAM**

Attachment:

Budget Resolution
(4 pages)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**EFORE THE GOVERNING BOARD OF THE
SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF INCREASING THE
2025/26 DISTRICT BUDGET \$12,500,000
FOR THE RECEIPT OF REVENUE FROM
THE CALIFORNIA AIR RESOURCES BOARD
TO SUPPORT CONTINUED IMPLEMENTATION
OF THE DISTRICT'S DRIVE CLEAN IN THE
SAN JOAQUIN PROGRAM.

RESOLUTION NO. 2026-01-08

WHEREAS, The San Joaquin Valley Unified Air Pollution Control District (District)
is a duly constituted unified district, as provided in California Health and Safety Code
sections 40150 to 40161, and;

WHEREAS, the District is authorized by California Health and Safety Code section
40702 to make and enforce all necessary and proper orders, rules and regulations to
accomplish the purpose of Division 26 of the Health and Safety Code, and;

WHEREAS, the District is authorized to participate in, and agrees to comply with
the requirements of, the Enhanced Fleet Modernization Program and Clean Cars 4 All
Program, and;

WHEREAS, the District agrees to accept and appropriate up to \$12,500,000 in
additional funding from the California Air Resources Board for continued implementation
of the District's Drive Clean in the San Joaquin Vehicle Replacement Program.

NOW, THEREFORE, IT IS ORDERED THAT the District's Director of Finance and
Administrative Services is authorized to increase the 2025/26 District Budget as follows:

APPROPRIATIONS:

NON-OPERATING – INCENTIVE PROGRAMS

Enhanced Fleet Modernization Program 534-8590-350-529	<u>\$ 1,190,000</u>
Enhanced Fleet Modernization Program - Admin 534-8590-170-529	<u>\$ 140,000</u>
Clean Cars 4 All – Plus Up 546-8590-350-548	<u>\$ 8,880,000</u>
Clean Cars 4 All – Plus Up - Admin 546-8590-170-548	<u>\$ 1,665,000</u>

1	TOTAL INCENTIVE PROGRAMS	\$ <u>11,875,000</u>
2	TOTAL APPROPRIATIONS	\$ <u>11,875,000</u>

3 **BE IT FURTHER RESOLVED THAT**, the Director of Finance and Administrative
4 Services is ordered to increase the following:

5 DISTRICT RESERVES:

6	F/B Reserve	\$ <u>625,000</u>
7	100-3090-000-100	
8	TOTAL RESERVES INCREASED	\$ <u>625,000</u>

9
10 **BE IT FURTHER RESOLVED THAT** the estimated revenues for the 2025/26
11 District Budget be adjusted as follows:

12 ESTIMATED REVENUES

13 NON-OPERATING REVENUE

14	Enhanced Fleet Modernization Program	\$ <u>1,190,000</u>
15	534-4610-350-529	
16	Enhanced Fleet Modernization Program - Admin	\$ <u>140,000</u>
17	534-4495-170-529	
18	Clean Cars 4 All – Plus Up	\$ <u>8,880,000</u>
19	546-4610-350-548	
20	Clean Cars 4 All – Plus Up - Admin	\$ <u>1,665,000</u>
21	546-4495-170-548	
22	TOTAL NON-OPERATING REVENUE	\$ <u>11,875,000</u>

23 OPERATING REVENUE

24	Administrative Fees – EFMP	\$ <u>70,000</u>
25	534-4495-160-529	
26	Administrative Fees – CC4A – Plus Up	\$ <u>555,000</u>
27	546-4495-160-548	
28	TOTAL OPERATING REVENUE	\$ <u>625,000</u>

28	TOTAL ESTIMATED REVENUES	\$ <u>12,500,000</u>
----	--------------------------	----------------------

1 **BE IT FURTHER RESOLVED THAT** the estimated transfers for the 2025/26
2 District Budget be adjusted as follows:

3	OPERATING –TRANSFERS IN	
4	GENERAL FUND ADMIN EARNED	<u>\$ 625,000</u>
	100-4720-000-100	
5	OPERATING –TRANSFERS OUT	
6	PROGRAM ADMIN COSTS	<u>\$ 70,000</u>
	534-9020-160-529	
7	PROGRAM ADMIN COSTS	<u>\$ 555,000</u>
	546-9020-160-548	

8
9 Approved as to Accounting Form

10 By _____
11 Mario Orosco
12 Director of Finance and Administrative Services

13 **THE FOREGOING** was passed and adopted by the following vote of the Governing Board
14 of the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT this
15 15th day of January, 2026, to wit:

16
17 AYES:

18
19 NOES:

20
21 ABSENT:

22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

By _____

Amy Shuklian, Chair
Governing Board

ATTEST:

Deputy Clerk to the Governing Board

By _____

Katrina Rojas