

ENVIRONMENTAL PROTECTION

The May Revision proposes an additional \$49.7 million Special Funds to achieve surplus emission reductions from on- and off-road heavy-duty vehicle and equipment projects, as well as funding to support cost recovery litigation and enforcement cases related to hazardous waste sites and illegal disposal.

- 2007-08 No Change
- 2008-09 \$49.7 million

FINANCIAL INCENTIVE PROGRAM FOR SURPLUS EMISSION REDUCTIONS

The Air Resources Board (Air Board) proposes to spend \$48.7 million from the Air Quality Improvement Fund on a one-time basis to fund financing programs, including loans and loan guarantees to assist heavy-duty mobile pollution source fleets affected by the Air Board's new emission control rules. The financing program is intended to leverage state funding at a ratio of seven to one. The program will facilitate early action on regulatory compliance, ensuring critical emission reductions are achieved in an expedited manner.