



CALIFORNIA STATE AUDITOR

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FACT SHEET

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Report: 2006-115

The California State Auditor released the following report today:

The Carl Moyer Memorial Air Quality Standards Attainment Program
Improved Practices in Applicant Selection, Contracting, and Marketing Could Lead to More Cost-Effective Emission Reductions and Enhanced Operations

BACKGROUND

Established in 1998 to help reduce air pollution, the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) is an incentive program offered by the State Air Resources Board (state board) and participating local air districts. The Moyer Program provides monetary benefits to encourage private companies, public agencies, and individuals to undertake projects to retrofit, repower, or replace existing engines to reduce pollution emissions beyond what is required by federal, state, or local agencies.

KEY FINDINGS

Our review of the state board and four local air districts revealed the following:

- ◆ Some policies and practices did not maximize the intended reductions from the Moyer Program projects.
 - A 10 percent cap on funding multidistrict projects—those that take place in more than one local air district— impedes maximum emission reductions. An increase in the cap could have funded projects that would have achieved four times more cost-effective reductions than projects selected by those districts.
 - The state board's selection process for multidistrict projects undervalues the average cost per ton of reduced pollution emissions.
 - Three of the six scoring categories the State considers when awarding projects are not required or encouraged by state law. We determined that if the state board had placed less emphasis on these optional categories, it could have achieved 298 more tons of emission reductions and reduced the average cost per ton for those reductions by more than half.
 - Fourteen of 16 projects funded by one local air district for its matching share did not meet the Moyer Program requirements—they exceeded the state board's cost ceiling.
- ◆ More than \$26 million in Moyer Program funds had not been spent within two years as required by law.
- ◆ Timing requirements for conducting preinspections are overly restrictive.
- ◆ The state board is not performing on-site audits of districts as frequently as it should—it is currently auditing only four districts per year.

KEY RECOMMENDATIONS

The state board and/or local air districts should:

- ◆ Seek legislation to increase the cap on the proportion the state board can allocate for multidistrict projects.
- ◆ Change the values of the scoring categories the state board considers in awarding projects.
- ◆ Consider implementing the various best practices we identified in this report.
- ◆ Ensure Moyer Program funds are spent within the legal time frame and recover any unspent funds.
- ◆ Streamline the preinspection process and revise its requirements
- ◆ Perform on-site reviews of districts more frequently.

