

# Grant Management Associates

Durham, California

May 18, 2026

Clerk of the Board

California Air Resources Board

1001 I Street

Sacramento, CA 95814

## **Re: Comments on the Proposed Fiscal Year 2025-26 and Fiscal Year 2026-27 Funding Plan for the Air Quality Improvement Program**

Dear Chair and Board Members:

Grant Management Associates (GMA) appreciates the opportunity to comment on the California Air Resources Board's Proposed Fiscal Year 2025-26 and Fiscal Year 2026-27 Funding Plan for the Air Quality Improvement Program (AQIP). The proposed plan would allocate approximately \$69.88 million across the two fiscal years, including about \$68.13 million to the Clean Off-Road Equipment Voucher Incentive Project (CORE) and up to \$1.75 million for state operations.

GMA supports CARB's emphasis on near-term emission reductions, zero-emission deployment, and benefits to overburdened communities. The proposed plan clearly reflects CARB's conclusion that CORE offers the strongest AQIP benefit-cost performance among the heavy-duty project categories evaluated, especially for NOx and reactive organic gas reductions, while also maintaining competitive greenhouse gas performance. That said, the proposed allocation structure creates several practical risks for fleets, public agencies, small businesses, tribes, and disadvantaged communities that rely on AQIP-linked incentives to advance clean transportation investments.

### **Key concerns**

#### **1. Over-concentration in a single project category**

The proposed funding plan places effectively all project funding authority within one project category, CORE. This simplifies administration, but it also reduces AQIP's usefulness as a diversified policy tool and creates concentration risk if market conditions, implementation barriers, or demand patterns change during the funding period.

**Recommendation:** Reserve a modest share of AQIP funding, such as 10 to 20 percent, for other AQIP-eligible medium- and heavy-duty needs or establish a formal mid-cycle reallocation trigger if CORE deployment, equity performance, or geographic distribution falls short of expectations.

## **2. First-come, first-served access disadvantages smaller and less-resourced applicants**

CORE has experienced strong demand and repeated oversubscription, and CARB's own materials note that demand has consistently exceeded available funds. In practice, first-come, first-served voucher structures often favor applicants with established vendor relationships, internal procurement capacity, ready financing, and dedicated staff support, which can disadvantage small fleets, rural operators, tribes, and community-based organizations even when those applicants are nominally priority populations.

**Recommendation:** CARB should create targeted set-asides or phased application windows for small businesses, tribes, public agencies with limited staff capacity, and fleets serving disadvantaged or low-income communities. CARB should also pair these set-asides with dedicated technical assistance and pre-application support so that equity goals are reflected in actual access, not only in program language.

## **3. Equity metrics may not fully capture real-world community benefit**

The funding plan strongly emphasizes overburdened communities, and Appendix A notes that about 75 percent of CORE vouchers have historically gone to equipment domiciled in such communities. However, domicile alone does not always ensure that equipment use, localized emissions benefits, workforce opportunities, or economic co-benefits are reaching the communities most affected by air pollution.

**Recommendation:** CARB should refine its equity framework to account for where equipment actually operates, proximity to sensitive receptors, expected criteria-pollutant reductions in extreme non-attainment regions, and whether projects provide meaningful local co-benefits such as workforce participation or small-business access.

## **4. The plan does not fully address broader clean transportation needs**

The proposed AQIP plan is narrowly focused on off-road zero-emission deployment through CORE. For applicants whose most urgent needs involve on-road heavy-duty vehicles, pilot demonstrations, charging readiness, or coordinated fleet transition planning, this plan provides little direct support and assumes other funding streams will remain available and sufficient.

**Recommendation:** CARB should explicitly describe how this AQIP strategy will be coordinated with complementary Low Carbon Transportation Incentives, HVIP, CEC infrastructure funding, and other state programs so that applicants understand how unmet on-road and infrastructure needs will be addressed outside this funding plan.

## **5. Administrative flexibility should be matched with transparency**

The proposed plan includes contingency provisions that would allow the Executive Officer to make early allocations, establish waiting lists, and respond to funding changes to avoid disruption. Operational flexibility is important, but stakeholders would benefit from clearer public guardrails on how and when these authorities will be used.

**Recommendation:** CARB should publish objective criteria for early allocation decisions, waiting list activation, and any mid-cycle project adjustments, along with periodic public reporting on awards, applicant categories, geography, and equity outcomes.

## **Partnership and implementation perspective**

From the perspective of project implementation, the strongest external partner for GMA would likely be the CORE program administrator or a nonprofit/public-sector entity positioned to provide statewide outreach and technical assistance to under-resourced applicants. CARB has already issued a solicitation for a CORE administrator for FY 2025-26, with options for future years, and this role is central to application support, outreach, and program operations. Because GMA's value is strongest in applicant readiness, funding strategy, public-sector coordination, and support for disadvantaged, tribal, rural, and small-entity applicants, the most strategic partnership would be with an administrator or implementation partner that needs deeper field-facing technical assistance capacity rather than with OEMs or dealers that already control point-of-sale channels.

In practical terms, the strongest partner type is:

- The selected CORE administrator, if that entity seeks subcontracted support for applicant pipeline development, outreach, eligibility screening, or community-facing technical assistance.
- A statewide or regional nonprofit / public-benefit intermediary serving disadvantaged communities, tribes, or small fleets that lacks grant-development and funding-navigation capacity but has trusted relationships on the ground.
- A public agency, air district, or sector-based coalition with strong market access but limited capacity to package projects and guide applicants through compliance and procurement readiness.

Among these, the **single strongest partner opportunity** is the **CORE administrator or its primary outreach/technical-assistance subcontractor**, because that entity sits closest to program delivery and would benefit most directly from GMA's ability to translate policy into applicant-ready projects, especially for clients that are least able to compete in a fast-moving voucher environment.

## **Requested actions**

GMA respectfully requests that CARB:

- Preserve the proposed emphasis on near-term, high-impact emission reductions while reducing concentration risk through a modest diversification or performance-trigger approach.
- Create set-asides or phased access pathways for small businesses, tribes, public agencies, and disadvantaged-community applicants.
- Strengthen technical assistance and outreach so that priority populations are not disadvantaged by speed-based voucher access.
- Refine equity metrics to better capture real-world operational and community benefits.
- Provide clearer public transparency regarding contingency authorities, award distribution, and mid-cycle adjustments.

Thank you for the opportunity to provide comments on this important funding plan.

Sincerely,

Kristin Cooper

CEO

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