Advance Payment Regulation

Public Workshop
May 20, 2019
10:00AM - 12:00PM
Agenda

- Background
- Eligible Grant Programs/Projects
- Purpose
- Overview
- Upcoming Event
Background

- Senate Bill No. 854, Chapter 51, 2018 established Health and Safety Code (HSC) § 39603.1
- HSC § 39603.1 CARB may provide advance payments to grantees of a grant program or project if CARB determines specified conditions are met.
Eligible Grant Programs/Projects

- Any grant programs administered by California Air Resources Board may be eligible for advance payments.

- For more information, visit California Air Resources Board’s website at: https://ww2.arb.ca.gov/
Purpose

- HSC § 39603.1 (b) requires CARB, in consultation with Department of Finance, to adopt a regulation implementing this section to ensure the moneys are used properly.
Overview

This regulation will be added to the California Code of Regulation under Title 17 Public Health, Division 3 Air Resources, Chapter 1 as Subchapter 4.1 Advance Payments, sections 91040 through 91044:

- § 91040. Purpose
- § 91041 Definitions
- § 91042. Advance Payment Request Review Process
- § 91043. Advance Payment Criteria
- § 91044. Severability
§ 91040. Purpose

To explain the purpose of the regulation

“...advance payments of grants to programs supported by the California Air Resources Board shall only be used to support program purposes consistent with appropriate and prudent controls.”
§ 91041. Definitions.

Defines:
1. Advance Payments
2. Audit Findings
3. Available Fund Balance
4. Budgetary Controls
5. Days
6. District
7. Executive Officer
8. Good Standing
9. Liquidate
10. Material Changes
11. Small District
12. Spending Plan
13. State Board
Small Air District

- A Small Air District is defined as:

  “All county or regional air pollution control districts and all county or regional air quality management districts with a population of less than four million (4,000,000) based on data from the California Department of Finance, Demographic Research Unit.”


To describe the review process of advance payment requests.

(a) All requests for advance payments must contain the information required by law, including in this Subchapter.

(b) The Executive Officer or his or her designee will make the final determination to accept, modify, or deny an advance payment.
§ 91043. Advance Payment Criteria.

- To specify the criteria needed to receive an advance payment.
  - Outlines the requirements for small air districts, other air districts (air districts that are not small), and other entities
General Requirements to Request an Advance Payment

<table>
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<tr>
<th>Small Air Districts</th>
<th>Other Air Districts/Other Entities</th>
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<td>➢ Advance Payment is intended to alleviate a practical business or economic situation</td>
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<td>➢ The use of the Advance Payment is limited.</td>
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<td>➢ Agrees to return all unused moneys to the State if they are not liquidated.</td>
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<td>➢ Shall not use the Advance Payment received to provide payments in advance to grantees, except to another air district.</td>
<td>➢ The entity has no uncorrected financial audit findings.</td>
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<td>➢ Is in good standing with the FTB and IRS</td>
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<td>➢ Submits a spending plan that meets all of the requirements in Health and Safety Code § 39603.1</td>
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<td>➢ Agrees to not provide advance payment to any other entity.</td>
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§ 91044. Severability.

To clarify that each section of the regulation remains in effect independent of any other section.
Upcoming Event

- Board Meeting September 19-20, 2019 (Tentative)
- 45-Day Comment Period (Tentative)
  - August 2, 2019 - September 16, 2019
Questions/Comments?
Contacts

Questions/Comments:

- Fiscalpolicy@arb.ca.gov