

BOARD MEETING DATE: January 8, 2021

AGENDA NO. 9

PROPOSAL: Approve Transfer of Monies from General Fund to Health Effects Research Fund

SYNOPSIS: In 2008, the Board established a Health Effects Research Fund initially funded at \$1.5 million from the BP ARCO Settlement Fund (Fund 46). The Board further authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received that exceeds \$4 million in receipts to the Health Effects Research Fund (Fund 48). At the September 4, 2020 meeting, the Board modified the policy such that prior to making any transfers to the Health Effects Research Fund, the identified penalty money would first be used to fund Why Healthy Air Matters Education (WHAM) Environmental Justice Outreach and Initiatives and Clean Air Program for Elementary Students (C.A.P.E.S.) programs. This action is to transfer the balance of the 20 percent of annual penalty money received in FY 2019-20 that exceeds \$4 million to the Health Effects Research Fund after accounting for funds used for the WHAM, Environmental Justice and C.A.P.E.S programs.

COMMITTEE: Administrative, December 11, 2020; Recommended for Approval

RECOMMENDED ACTION:

Authorize the transfer of \$435,636 from the General Fund, Undesignated Fund Balance to the Health Effects Research Fund (Fund 48).

Wayne Nastri
Executive Officer

SJ:JKG:AP

Background

At the June 2008 Board meeting, the Board established a Health Effects Research Fund and initially funded it with \$1.5 million from the BP ARCO Settlement Fund (Fund 46). The Board further authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received that exceeds \$4 million in receipts to the Health Effects Research Fund (Fund 48). At the September 4, 2020 meeting, the Board approved the modification of the policy such that these penalty monies (calculated using the above

formula) would first fund the WHAM, Environmental Justice Outreach and Initiatives, and C.A.P.E.S programs before transferring the remaining monies to the Health Effect Research Fund. The approved funding amounts were up to \$1 million for WHAM and \$100,000 each for Environmental Justice Outreach and Initiatives and C.A.P.E.S for a total of \$1.2 million in FY 2020-21 and up to \$1.36 million in FY 2021-22 and FY 2022-23, respectively. The penalty funds received in FY 2019-20 that are available for transfer, based on 20 percent of annual penalty money received that exceeds \$4 million, is \$1,635,636. The modification of the contract for consultant services for the WHAM Program and Environmental Justice Outreach and Initiatives amounted to \$1 million and \$100,000, respectively. Professional & Specialized Services for the C.A.P.E.S. program amounted to \$100,000. The remaining balance of \$435,636 will be transferred to the Health Effects Research Fund.

The Health Effects Research Fund has been used to fund a number of research projects at local universities and research institutions. Specifically, these monies have been used to fund research through the Health Effects of Air Pollution Foundation. Findings from research funded by the Health Effects of Air Pollution Foundation indicate that fine particulate exposure is associated with biochemical changes in the brains of laboratory animals that are consistent with the biochemical pattern found in human brain tumors and neurodegenerative diseases, such as Alzheimer's disease. Another funded project found preliminary associations of particulate matter levels and the risk of childhood brain tumors. In recently funded studies laboratory animals were exposed to ambient particulate matter, including ultrafine particles, for investigation of potential stem cell activation into cancer precursor cells. The elucidation of molecular pathways involved in survival, proliferation and differentiation of cancer stem cells may be fundamental information to help develop therapies and potential preventative measures for brain tumors.

The requested Board action will make funding available to conduct additional health effects research, which may include follow-up on the results described above, and will provide information to better assess the health risks of exposure to air pollutants. Results from these studies will provide scientific information to inform policy choices for reducing emissions and exposures to pollutants in the South Coast Air Basin and other areas.

Proposal

Staff is proposing that the Board authorize the transfer of \$435,636 to the Health Effects Research Fund, which is the balance of 20 percent of annual penalty money received in FY 2019-20 that exceeds \$4 million in receipts after accounting for the funds used for the WHAM, Environmental Justice and C.A.P.E.S programs described above.

Resource Impacts

Funds are available from the General Fund, Unreserved (Unassigned) Fund Balance.