

BOARD MEETING DATE: June 5, 2026

AGENDA NO. 14

PROPOSAL: Approve Allocation of Funds as Approved by MSRC

SYNOPSIS: The MSRC approved a funding allocation of \$5,000,000 to partner with South Coast AQMD on the Transportation Electrification Advancement for Municipalities project to deploy zero emission municipal vehicles in the South Coast AQMD region. The MSRC seeks Board approval of the funding allocation as part of the FYs 2024-27 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, May 21, 2026;
Recommended for Approval

RECOMMENDED ACTION:

Approve MSRC allocation in an amount not to exceed \$5,000,000 for partnership with South Coast AQMD on the Transportation Electrification Advancement for Municipalities (TEAM) project to deploy zero emission municipal vehicles, as part of approval of the FYs 2024-27 Work Program, as described in this Board Letter.

Larry McCallon
Committee Chair, MSRC

AK:CR

Background

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220–44247) authorizing an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvented to South Coast AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

Proposal

At its May 21, 2026 meeting, the MSRC approved the following:

Transportation Electrification Advancement for Municipalities (TEAM)

In October 2023, South Coast AQMD submitted a proposal for the TEAM project under CARB’s Advanced Technology Demonstration and Pilot Projects solicitation. The TEAM project is a deployment initiative to address the unique challenges municipalities face in transitioning to zero-emission fleets. The TEAM project will deploy a wide variety of zero-emission municipal vehicles in the South Coast AQMD jurisdiction, prioritizing vehicle categories that are in the early deployment stage and/or can generate relatively higher emission reductions. The TEAM Project will also fund chargers to support the deployment, where needed, develop a fleet transition planning guide, and conduct workforce training and community outreach. In February 2026, CARB notified South Coast AQMD of the preliminary award of \$35,110,390.

Participation will be solicited from counties and cities in the South Coast AQMD jurisdiction. The MSRC considered this opportunity and approved an allocation of up to \$5,000,000 to partner with South Coast AQMD on the TEAM project as an element of the FYs 2024-27 Work Program. The final vehicle deployment scope will be defined and presented at a later date.

The MSRC requests that the Board approve the funding allocation as outlined above.

Resource Impacts

South Coast AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23). The allocation specified herein will be drawn from this fund.