

# Proposed Revisions to the 2008 Guidelines and Funding Allocation



**March 27, 2008**

# Today's Presentation

- Background
- Current Authority
- Proposed Funding Allocation
- Summary of Guideline Revisions
- Expected Outcomes and Emission Reductions
- Issues
- Recommendations

# Lower-Emission School Bus Program

## Background

# Goals



- Benefit Children's Health
- Provide Safer School Transportation
- Reduce Toxic Diesel Pollutants
- Provide Funds to Accelerate Replacement and Retrofit Before Regulation

# History

- Board Established Program in 2000
  - Over \$100 million in State Funding
  - Replaced 600 Buses and Retrofitted 3800 In-Use School Buses
- Replacing Pre-1977 Model Year Buses
  - At Programs Inception: Nearly 1900 Buses
    - Currently: Less Than 100 Remain
- Replacing 1977 to 1986 Model Year Buses
  - At Programs Inception: About 4,700 Buses
    - Currently: Less Than 2,700 Remain

# Upcoming Regulations

- Proposed Regulation to Reduce Emissions From In-Use On-Road Heavy-Duty Vehicles
  - Scheduled to be Heard By Board in October 2008
  - Would Require All Diesel School Buses to be Retrofitted
  - December 31, 2010, First Compliance Milestone

# Current Authority

- Prop 1 B: Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006
  - \$200 Million for New School Buses and Retrofits
- Senate Bill 88 Provides Direction for Spending the Funds and Reporting
- Executive Order S-02-07 Establishes Accountability for Bond funds

# Proposed Lower-Emission School Bus Program Guidelines



- Balanced Program
- Replace Oldest School Buses and Clean Up Middle-Aged In-Use Buses
- Significant Outreach to Stakeholders



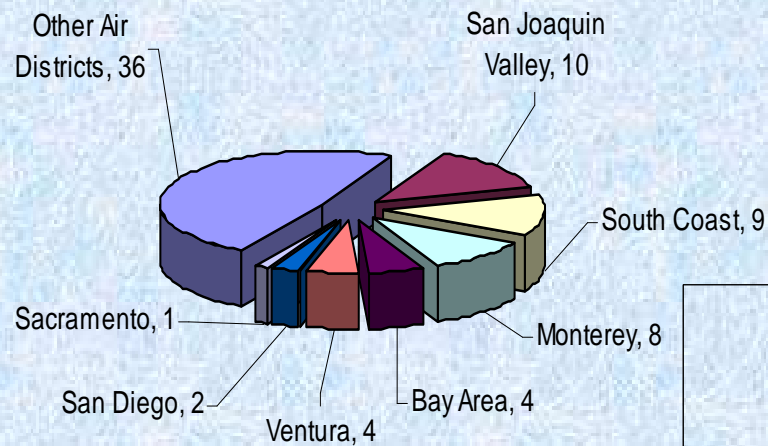
# Proposed Funding Allocation

# Senate Bill 88

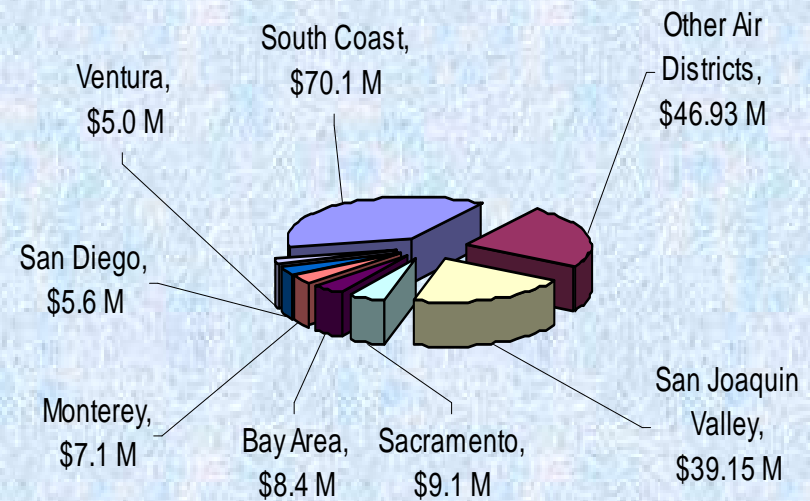
- Replace All Remaining Pre-1977 Model Year Buses First (~100 buses)
- Remaining Funds Allocated Based on Each Air District's Share of 1977-1986 Model Year Buses
- Air Districts Determine Funding Split Between New Buses and Retrofits

# Proposed Allocation

## Pre-77 School Bus Population



## Funding Distribution Based on Pre-1987 Model Year Buses Population



# Summary of Guideline Revisions



# 2008 Program Changes

- New District Implementation Options
- New Timetable with Performance Milestones
- Modified Replacement and Retrofit Requirements
- Admin - Increased Oversight and Accountability

# District Implementation Options

- Self-implementation by an air district
- Regional implementation by a neighboring air district
- Implementation by the ARB with assistance from CAPCOA
- **Funds spent within each air district will be the same regardless of what organization implements the program**

# Timetable

- April 2008: Grant Awards to Air Districts
- Through June 30, 2009: Up to 65% of Full Allocation
- February 1, 2010: Pre-1977's All Replaced, 100% of 1977-1986's and 50% of Retrofits Under Contract
- June 30, 2010: Retrofit Funds May No Longer Be Available
- June 30, 2011: All Funds Must be Spent and Equipment in Operation

# School Bus Replacement and Retrofit





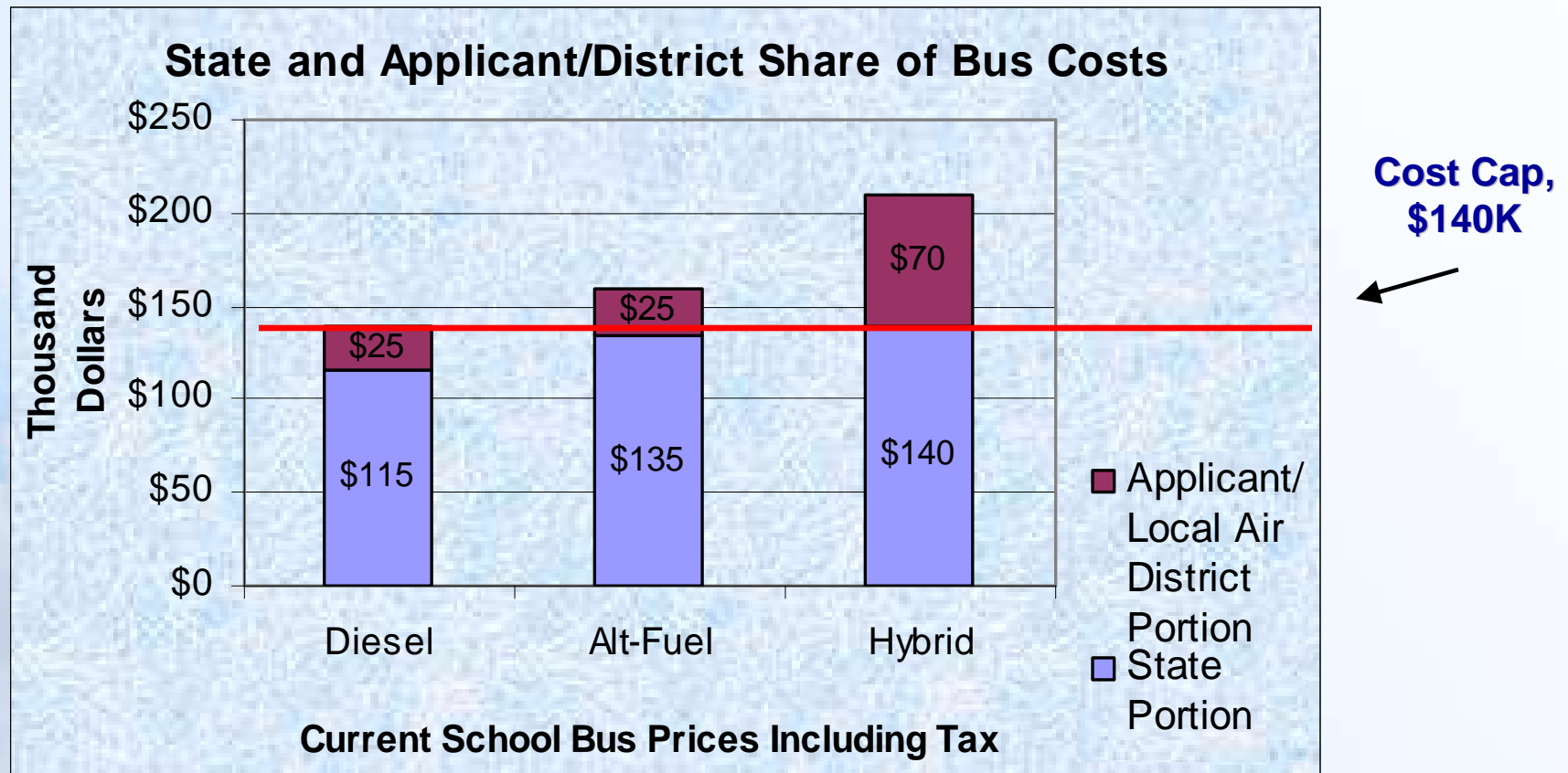
# School Bus Replacements

- Apply to Air Districts or ARB
  - Public School Districts Only
- Eligible Buses
  - 1986 Model Year and Older Buses
  - CHP Certification as of 12/31/05 and Still Current
  - > 14,000 GVWR
- Old Bus Must Be Scrapped

# School Bus Replacements (continued)

- New Bus: 1.4 Gram NOx Engines or Below Only
- Up to \$140,000 Per Bus
- 10% of Funds Can be Used for Eligible Infrastructure
- \$0 Buy In for Pre-1977 MY Replacements
- \$25,000 Buy In for 1977-1986 MY Replacements
  - Districts May Use Local Funds for Match (i.e. \$2, or \$4 DMV Fee)

# Current School Bus Prices



•Grant EO Authority to Raise Cost Cap

# Retrofit Funding

- Retrofits Are Vital
  - Most Cost Effective Option
  - Assist School Districts: Coming in Early with Proposed Regulation
- Air Districts Set a Local Program Retrofit Goal
  - ARB Proposes 25% of Funds to Retrofits in Districts Using State-Implementation
- Up to \$20K Per Retrofit
  - Maintenance
  - Back Up Filter
  - Data Logging

# Retrofit Program Requirements

- Eligible applicants
  - Public School Districts
  - Private Schools Contracting to Provide Public School Transportation
- Eligible School Buses
  - 1987 and Newer Model Year Diesel Buses
- Eligible Devices
  - ARB-Verified Level-3 Devices

# Administration Changes

- Policies and Procedures Manual
- Additional Contract, Reporting and File/Documentation Retention Requirements
- Bond Accountability
  - 3-Part Accountability Plan
  - Database
- ARB and DoF Audits



# Expected Outcomes and Emission Reductions

- Expected Outcomes
  - Replace the Remaining Pre-1977 School buses
  - 1,000 Additional 1977 to 1986 MY Buses Replaced
  - 3500 In-Use Buses Retrofitted with Level 3 Device
- Estimated Emission Reductions Through 2020
  - 3,000 Tons NO<sub>x</sub>
  - 200 Tons PM
  - 22,000 Tons CO<sub>2</sub>
- Expected to Provide about 1/3 of Compliance Cost of Proposed Retrofit Rule

# Issues

- Alternative-Fuel Funding Split
- \$140,000 Replacement Cost Cap
- Match Funding



# Recommendations

- Approve Proposed Guidelines
- Approve Funding Allocations
- Grant EO Authority to Increase Cap on New Purchases