



Air Resources Board



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TO: All Interested Parties

SUBJECT: LOWER-EMISSION SCHOOL BUS PROGRAM ADVISORY 08-005
ELIGIBLE COSTS FOR SCHOOL BUS REPLACEMENTS (LAST
UPDATED DECEMBER 2008)

This policy advisory will provide air districts and public school districts participating in the Lower-Emission School Bus Program guidance regarding eligible costs for new replacement school buses.

The Lower-Emission School Bus Program funds the purchase of new replacement school buses and alternative fuel infrastructure. All school buses eligible for replacement must be replaced with 2007 model year or newer diesel or alternative fueled buses equipped with engines certified to 1.44 g NOx/bhp-hr or cleaner and 0.01 g PM/bhp-hr or cleaner. In addition, eligible costs for school buses must be based on an ARB endorsed, currently valid California Approved Bids (CABs) that have been formally adopted by a California public school district governing board to fulfill their student transportation needs.

CABs contain several equipment specifications that bidders must comply with. However, the ARB will only fund optional equipment for the new replacement bus that is similar to the equipment on the old bus that is being replaced. Other options deemed necessary to safely operate the new bus, such as extended warranties, video equipment, air conditioning units, and other equipment may be considered an ineligible cost without detailed justification being submitted.

State law requires public school districts to purchase school buses with school board approved bids. In order to expedite the lengthy bid process, most CABs have "piggyback" provisions that other public school districts can utilize. Typically school districts will piggyback off existing bids and add or remove equipment options to satisfy the needs of their school district.

Because of time constraints and funding eligibility requirements under Proposition 1B, ARB will approve funding for replacement buses that contain only standard equipment on CABs. ARB's goal is to fund replacement school buses that are as durable as the decades old buses they are replacing, fulfilling their duties safely transporting public school children from home to school.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

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School bus duty requirements vary in rural, urban, mountain, and valley environments of California, and specialized equipment needs may be considered reasonable in these settings. Equipment that a school district feels is standard and necessary, and that is not standard equipment on a CAB, will be considered on a case-by-case basis only. Justification must be provided to the implementing agency for items such as transmission retarders or AC units. However, regardless of the equipment on a bus, State program funds will only provide \$140,000 towards the replacement cost of a school bus.

To insure that school districts get fair access to available school bus replacement funds, clarification on what buses are eligible for funding and which options can be included in the award of program funds, endorsed CABs are posted at:

<http://www.arb.ca.gov/bonds/schoolbus/bids/bids.htm>.

ARB, Air Districts, and/or the Department of Finance will conduct inspections and audits to insure that program funds are spent appropriately.

If you have any questions, please contact Mr. Earl Landberg, Air Pollution Specialist, at (916) 323-1384 or @ elandber@arb.ca.gov.

Sincerely,

/s/

Robert H. Cross, Chief
Mobile Source Control Division

cc: Earl Landberg
Air Pollution Specialist
On-Road Control Regulations