



Air Resources Board



Linda S. Adams
Secretary for
Environmental Protection

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Arnold Schwarzenegger
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August 25, 2010

Mail-Out #MSC 10-36

TO: All Interested Parties

SUBJECT: LOWER-EMISSION SCHOOL BUS PROGRAM MAIL-OUT --
FIFTH AND SIXTH INSTALLMENT OF BOND FUNDING

This mail-out provides air districts and public school districts participating in the Lower-Emission School Bus Program (LESBP or Program) guidance regarding eligible expenditures with the last two installments of bond funding. The fifth installment of March 18, 2010 bond funds is not subject to additional restrictions beyond those already in the 2008 LESBP Guidelines. However, the April 1, 2010 bonds are Build America Bonds (BAB), and the expenditure of those funds is subject to additional restrictions, as explained below, beyond those already in the 2008 LESBP Guidelines.

IMPORTANT NOTE: For funds from the March 18, 2010 and the April 1, 2010 bond issuances, this mail-out DOES NOT serve as written notification to air districts that these funds are available for their implementation of the Lower-Emission School Bus Program. Such written notification will be sent under separate cover by the Executive Officer of the Air Resources Board.

Background

The LESBP has received a 5th (almost \$44.5 million of bond funds for administrative and project costs) and 6th (about \$9.8 million of BAB funds) installment of bond funds. With the 6 bond installments, the Program has received 100 percent of its projected funding of approximately \$196 million.

For information on funding amounts for your air district from the bonds, please go to: http://www.arb.ca.gov/bonds/schoolbus/documents/5th_6th_installments.pdf

March 18, 2010 Bond Funds

These bond funds are subject to the restrictions in the 2008 LESBP Guidelines.

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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April 1, 2010 Build America Bond Funds

These funds are subject to the following restrictions, in addition to those already in the 2008 LESBP Guidelines:

- **DO NOT** allow expenditures for contracts for services associated with the maintenance of retrofit devices.
- **DO NOT** allow expenditures for administration costs for administering or participating in the LESBP.

Program deadlines described in Mail-Out #MSC 10-24 apply to both the 5th and 6th installments. If you have questions regarding this mail-out, please contact Lisa Jennings, Air Pollution Specialist, at (916) 322-6913, or via email at ljennings@arb.ca.gov.

Sincerely,

/s/

Robert H. Cross, Chief
Mobile Source Control Division

cc: Lisa Jennings
Air Pollution Specialist
Planning & Regulatory Development Section

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bcc: Deborah Kerns, OLA
Julie Cress, OLA
Erik White, MSCD
Scott Rowland, MSCD
Heather Arias, MSCD
Tess Sicat, MSCD
Dave Salardino, MSCD
Charles Kersey, MSCD
Kimya Lambert, MSCD

ORCB#6003 Advisory Fifth and Sixth Installments