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DATE: May 25, 2011

Mail-Out #MSC 11-16

TO: All Interested Parties

SUBJECT: LOWER-EMISSION SCHOOL BUS PROGRAM --- 2008 GUIDELINE REVISIONS

This Mail-Out provides guidance to air districts and public school districts participating in the Lower-Emission School Bus Program (LESBP). It is intended to assist in expediting the replacement of school buses by clarifying the 2008 LESBP Guidelines and Mail-Outs regarding school bus equipment options, eligible school buses, California Highway Patrol (CHP) safety certification documentation, and school bus dismantling requirements.

Equipment Option Considerations

Air Resources Board (ARB) considered the following issues when revising Mail-Out #MSC 09-18 (LESBP School Bus Equipment Options):

Does the equipment option already exist on the California Approved Bid (CAB) base bus as standard equipment? School bus standard equipment packages are updated by the bus manufacturers and reflect all necessary requirements to meet safety requirements. ARB is not requiring school districts to remove any options that come as standard equipment on the CAB. Special needs buses have more strenuous safety standards and some additional options may be required.

Does the CHP require (not recommend) a particular option because of geographic considerations? Specific geographic areas may necessitate non-emission related equipment such as transmission retarders and automatic tire chains. These options are currently allowed with justification under Mail-Out #MSC 09-18.

Can customer preference options be funded? The LESBP funds are provided to achieve emission reductions and funds are limited. Therefore, customer preference options will not be funded.

Eligible Equipment Options

The LESBP cost cap of \$140,000 for a replacement school bus remains. This cost cap is applicable to the cost of the replacement bus only and includes sales tax. Additional funding is available for infrastructure to support alternative-fueled and hybrid-electric

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>.

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school buses. For the replacement of 1977-1986 model year buses, school districts must pay a \$25,000 match per bus; however, this match requirement may be paid by the local air district from eligible funding sources such as Assembly Bill (AB) 2766 or AB 923 funds.

The table below identifies options that can be paid for with LESBP funds with written justification and replaces Tables 1 & 2 in Mail-Out #MSC 09-18 so long as funding from State LESBP funds does not exceed \$140,000:

Options that can be paid for with LESBP funds with written justification
<ul style="list-style-type: none">• Transmission Retarder• Air Conditioning• Automatic Tire Chains• Fog and strobe lights• 3 point Student Safety Seats

Written justification must be retained in the local air district's project file and adhere to one or more of the following:

- The bus to be replaced (old bus) is equipped with this option
- It is common/consistent with the fleet
- It is required for safety
- It is necessary for the bus route

No additional options will be considered for funding.

Eligible School Buses

Staff has received inquiries as to whether or not full sized buses may be replaced with smaller, special needs buses due to changing needs and emissions benefits. The LESBP Guidelines do not dictate that buses must be replaced with buses of the same weight class or category only that the old bus and replacement bus must have a Gross Vehicle Weight Rating (GVWR) of 14,001 pounds or greater. Therefore, school districts may replace full sized buses with smaller special needs buses using LESBP funds.

CHP Safety Certification Documentation

The 2008 LESBP Guidelines were adopted in March of 2008 and require that an application for school bus replacement funding have a current and continuous CHP safety certification (CHP form 292 - Inspection Approval Certificate) as of December 31, 2005. This requirement was established to ensure unused buses were not revived in order to get funding.

To ensure feasible eligibility requirements while maintaining assurances that funds are provided to buses in continuous service, school buses identified for replacement must have a current CHP safety certification and the two previous years of certifications.

Program advisory 08-002, <http://www.arb.ca.gov/bonds/schoolbus/advisory/adv08-002.pdf> provides flexibility in the types of continuous safety certification documentation that are acceptable for program eligibility. Mail-Out #MSC10-19, <http://www.arb.ca.gov/msprog/mailouts/msc1019/msc1019.pdf> clarifies safety certification documentation options when buses have certification gaps or operational issues. These processes are still in effect.

Clarification of Dismantling Requirements

All school buses replaced under the LESBP must be dismantled in accordance with the definition of “dismantle” as described in the LESBP Guidelines: “To punch, crush, stamp, hammer, shred, or otherwise render permanently and irreversibly incapable of functioning as originally intended, any vehicle or vehicle part.” In addition, the LESBP Guidelines require that school districts ensure that the old school bus is dismantled within 60 days of the receipt of the new, replacement bus and that proof of dismantling (DMV Dismantlers Notice of Acquisition/Report of Vehicle to be Dismantled - REG 42) of the replaced vehicle be provided before payment is made by the implementing agency.

Several case-by-case (CBC) determination requests have been submitted to ARB regarding dismantle requirements of the old school bus. A CBC determination is no longer necessary for the following:

- Dismantling is not required within 60 days if documentation shows that the old bus was not driven after delivery of the new replacement bus;
- A copy of the Department of Motor Vehicles (DMV) customer receipt issued to the dismantler can be accepted as dismantle documentation in lieu of the REG 42 form indicating that the bus was junked as long as it is issued within 60-days of receipt of the new bus;
- The old bus does not have to be dismantled if it is utilized for training exercises by the local fire department. An original letter signed by the school district’s authorized signatory and the fire department’s chief stating the bus was donated must be submitted to the air district along with the DMV title/registration noting the bus was junked or non-revivable.

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If you have questions regarding this Mail-Out, please contact Ms. Janet Page, Air Pollution Specialist, at (916) 324-1988 or via email at jpage@arb.ca.gov.

Sincerely,

/s/

Robert H. Cross
Mobile Source Control Division

cc: Janet Page
Air Pollution Specialist
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