



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
9480 Telstar Avenue, Suite 4
El Monte, California 91731 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

DATE: August 9, 2012 Mail-Out #MSC 12-15

TO: All Interested Parties

SUBJECT: THE LOWER-EMISSION SCHOOL BUS PROGRAM – EXPENDITURE
DEADLINE EXTENSION AND MOVEMENT OF FUNDS

This Mail-Out incorporates recent budget language into the 2008 Lower-Emission School Bus Program (LESBP) Guidelines that 1) extends the LESBP portion of the Proposition 1B (the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006) funds expenditure deadline by 2 years and 2) allows LESBP bond funds to be transferred from one air district to another air district. This language is found in Senate Bill 1018, Chapter 39, Statutes of 2012 (SB 1018) and was jointly proposed by the California Air Pollution Control Officers Association and the Air Resources Board (ARB) because unspent principal remained in about 20 air districts as of February 2012. The statute allows ARB to work cooperatively with local air districts to continue to pay for eligible public school bus replacements or retrofits in regions of California with the most polluting school buses and the greatest need for funding.

Expenditure Deadline

SB 1018 extends the LESBP expenditure deadline from June 30, 2012, to June 30, 2014, to allow time for all funds to be spent on cleaning up California's school bus fleet thereby protecting children's health from the harmful effects of air pollution.

Transfer of Funds

Unspent LESBP Proposition 1B funds, including accrued interest, that are not committed by an executed contract by June 30, 2012, are subject to transfer to another local air district that demonstrates an ability to fully expend (liquidate) funds by January 1, 2014 (Health and Safety Code 44299.91, (e) - (h)). ARB requested that each implementing air district report the amount of uncommitted funds as of June 30, 2012. ARB is working with the air districts - those with unspent funds and those with eligible projects - to establish a list of potential recipient air districts by September 30, 2012.

Applicable air districts must transfer funds to recipient air district(s) by January 1, 2013. In addition, any unspent funds as of January 1, 2014, will be transferred to air districts with existing demand. All transferred funds must be fully expended on eligible projects

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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and not on administrative costs. Funds not fully expended by June 30, 2014, must be returned to ARB.

Once the list of potential recipient air districts is established, documents such as grant amendments (between ARB and some air districts), memoranda of understanding (MOU), and board resolutions may need to be executed to allow the flexibility provided by SB 1018 for air districts transferring funds, receiving funds, or extending the expenditure deadline to June 30, 2014. Enclosed is the Lower-Emission School Bus Program Redirection of Funds to Another Air District form, to be completed and returned to ARB along with the necessary board resolutions and MOUs.

Air districts utilizing SB 1018 must mail copies of all applicable documents to ARB at:

California Air Resources Board
Mobile Source Control Division
Lower-Emission School Bus Program
Post Office Box 2815
Sacramento, California 95812

If you have questions regarding this Mail-Out, please contact Ms. Lisa Jennings, Air Pollution Specialist, at (916) 322-6913 or via email at ljennings@arb.ca.gov.

Sincerely,

/s/

Robert H. Cross, M.S.M.E, P.E.
Chief, Mobile Source Control Division

Attachment

cc: Mr. Kenneth Koyama, Executive Director
California Air Pollution Control Officers Association
1107 Ninth Street, Suite 210
Sacramento, California 95814

Ms. Lisa Jennings
Air Pollution Specialist
Mobile Source Control Division