

**Appendix G**  
**Public School Bus Set-Aside**

In FY22-23, \$135 million was allocated to support purchases of qualifying Zero-Emission (ZE) school buses made by public school districts and other qualifying entities located in small-sized air districts and in medium-sized air districts. Compared to Standard HVIP, the Public School Bus Set-Aside offers higher voucher amounts, prioritizes fleet owners in rural and underserved communities, and requires the scrapping of an old school bus, per the requirements detailed below.

The FY 22-23 Public School Bus Set-Aside initial application window will open on June 20, 2023, at 10:00am Pacific Time and remain open until September 29, 2023, at 5:00pm Pacific Time.

The policies and requirements in the HVIP Implementation Manual apply to the Public School Bus Set-Aside. In instances where policies and requirements differ, those outlined in this appendix take precedence for the Public School Bus Set-Aside.

**Voucher Amounts:**

Voucher amounts in the Public School Bus Set-Aside intend to cover nearly, if not all, the full cost of a new zero-emission school bus and are shown in Table 1 below. Vouchers for the Public School Bus Set-Aside may cover taxes and fees related to the purchase of the eligible vehicle.

Table 1: Maximum Voucher Amounts

School Bus Type	Without a wheelchair lift	With a wheelchair lift
Type A	\$285,000	\$310,000
Type C	\$350,000	\$375,000
Type D	\$370,000	\$395,000

Vouchers for the Public School Bus Set-Aside are not eligible for Standard HVIP plus-ups. For information about Standard HVIP, see [www.californiahvip.org/IM](http://www.californiahvip.org/IM) and <http://www.californiahvip.org/funding>.

**Combining with Other Funding Sources:**

Public School Bus Set-Aside vouchers may be combined or “stacked” with other eligible public incentives, where applicable, to further support fleet purchase decisions. To stack eligible public incentives, the dealer and purchaser must ensure that all of the Public School Bus Set-Aside’s and respective public incentive program’s requirements and policies regarding the stacking of public funds are met.

Local-funded incentives and some federal-funded incentives may be combined with Public School Bus Set-Aside vouchers, so long as each incentive program is not paying for the same costs, or the total sum of incentives does not exceed the total cost of the vehicle. Local-funded incentives that may be combined with Public School Bus Set-Aside funds include programs administered by local air districts or local municipalities

that are locally funded. AB 923 funds administered by local air districts may also be combined with Public School Bus Set-Aside funding. While applicants can combine some federal incentives with the Public School Bus Set-Aside, applicants MAY NOT combine US EPA Clean School Bus Program funding with the Public School Bus Set-Aside.

Stacking Public School Bus Set-Aside funding with State-funded incentives is not allowed. The list of incentive programs that MAY NOT be combined with Public School Bus Set-Aside funding includes, but is not limited to, the following:

- California Climate Investments (CCI), including standard HVIP funding
- Environmental Protection Agency Clean School Bus Program
- Volkswagen Environmental Mitigation Trust for California (VW Mitigation Trust)
- Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program)
- Community Air Protection Incentives to Reduce Emissions in AB 617 Communities

### **Eligible Applicants:**

Public school districts in California that own their own school buses are eligible to participate in the Public School Bus Set-Aside. This includes public school districts that own their school buses but contract with a County Office of Education or private contractor for maintenance and operations. Where two or more public school districts have formed a Joint Powers Authority (JPA), and the JPA holds ownership of the school buses, the JPA is eligible to participate. Public charter schools that own their own school buses and County Offices of Education that own their own school buses are also eligible to participate.

Eligible entities include:

- California Public School Districts
- California Public Charter Schools, as listed at <https://www.cde.ca.gov/ds/si/cs/>
- California Joint Power Authorities (JPAs)
- California County Offices of Education (COEs)
- Division of State Special Schools of the California Department of Education

All applicants must serve students within the K-12<sup>th</sup> grade levels.

Private schools are not eligible applicants.

The physical address of the school district main office/headquarters must be located within the boundaries of a California air district defined as Small or Medium, per the guidelines of the California Air Pollution Control Officers Association (CAPCOA) (see Table 2 below for the list of eligible air district locations). In cases where JPAs apply for funding, small or medium air district eligibility is determined by the physical address of the JPA headquarters. If the JPA does not have a physical address, eligibility is determined by the school district main office/headquarters of the school district where the school buses will be primarily domiciled.

### **Application Prioritization:**

All applicants in small- and medium-sized air districts are eligible to apply immediately when the Public School Bus Set-Aside re-opens for applications on June 20<sup>th</sup>, 2023, at 10:00am Pacific Time.

Applicants will be prioritized according to the size of the air district they are located in and whether they are located in a Disadvantaged Community (DAC) or a Low-Income Community (LIC). All applicants will be placed into a Priority Group. The Priority Groups are as follows:

Priority Group 1 – Applicants located in a small-sized air district and in a DAC or a LIC

Priority Group 2 – Applicants located in a small-sized air district, not in a DAC or a LIC

Priority Group 3 – Applicants located in a medium-sized air district and in a DAC or a LIC

Priority Group 4 – Applicants located in a medium-sized air district, not in a DAC or a LIC

Prior to the close of the initial application window, funds will be prioritized first to applicants in Priority Group 1, based on timestamp of Application Part A.

After the close of the initial application window, the remaining available funds, if any, will be allocated to eligible applicants in Priority Groups 2 through 4, who submitted applications during the initial application window. If the number of applications received for Priority Groups 2 through 4 exceeds the amount of remaining available funding, a randomization process will be utilized. The Priority Group within which a funding shortfall occurs will be randomized, as well as all subsequent Priority Groups. All applicants will be randomized within their respective Priority Groups. See randomization process below.

After the close of the initial application window, if the number of applications does not exceed the amount of available funding, all eligible applications received within the initial application period will be funded. Additionally, applications will continue to be accepted on a first-come, first-served basis thereafter for any eligible applicants in small- and medium-sized air districts, without prioritizing DACs or LICs or prioritizing small air districts over medium. Applications will continue to be accepted until all funding has been requested.

If funds are not fully requested, CARB may use the remaining Public School Bus Set-Aside funds towards public school bus vouchers requested via standard HVIP.

**Randomization:**

If the Public School Bus Set-Aside is oversubscribed during the initial application window, funding will be assigned using a randomization process to manage demand and create a waitlist. All applications in Priority Groups 2 through 4 will be randomized as described below as needed and based on demand.

Duplicative applications and duplicative scrappage vehicles will be removed or consolidated before the randomization process begins. Duplicative applications are defined as two or more applications for the same applicant. Duplicative scrappage vehicles are defined as two or more scrappage vehicles with the same Vehicle Identification Number – whether on the same application or different applications. If two or more duplicative applications of different quantities are submitted, the smaller quantity will be deleted.

Eligible applications will be assigned their place in the queue for funding using a random-number generator, with the caveat that all applications will be randomized within their respective Priority Groups.

The process of applying the randomization will be conducted by the Grantee and witnessed by CARB staff. The process will be video recorded, and the recording will be available upon request by contacting [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com).

Any Application Part A which includes more than one scrappage vehicle with the same applicant, will be assigned one “group” number for randomization, not multiple numbers for each scrappage vehicle, and all scrappage vehicles on that Application Part A will receive funding according to that position in the queue.

Any eligible applications not allocated funding via the randomization process will then remain on a waitlist.

**Waitlist:**

When available funding is fully subscribed, CARB has sole discretion to permit a waitlist. Waitlisted applicants will be listed in the order determined by the randomization process. If funding becomes available, waitlisted applicants will be reviewed in the order in which they are listed.

Waitlisted applicants are not guaranteed funding, nor is there a guarantee funding will become available. Funding availability is based on demand, and any cancellations during the funding process.

Applicants on the waitlist are subject to the Implementation Manual and the Terms and Conditions that are in place at the time they are offered Public School Bus Set-Aside Funding, not the version in place at the time the waitlist request is initially made (if different).

**Air District Size and DAC or LIC Locator:**

The physical address of the school district headquarters/main office must be within the boundaries of a small- or medium-sized air district in California. A map of California air districts can be found at <https://ww2.arb.ca.gov/california-map-local-air-district-websites>. Table 2 lists the air districts by size, per CAPCOA definitions.

Table 2: Air Districts by Size

<b>Small Air District</b>  <b>(Eligible)</b>	Amador County APCD Antelope Valley AQMD Butte County AQMD Calaveras County APCD Colusa County APCD El Dorado County AQMD Feather River AQMD	Glenn County APCD Great Basin Unified APCD Imperial County APCD Lake County AQMD Lassen County APCD Mariposa County APCD Mendocino County AQMD	Modoc County APCD North Coast Unified AQMD Northern Sierra AQMD Northern Sonoma APCD Shasta County AQMD Siskiyou County AQMD Tehama County APCD Tuolumne County APCD
	<b>Medium Air District</b>  <b>(Eligible)</b>	Eastern Kern APCD Mojave Desert AQMD Monterey Bay Unified APCD Placer County APCD	San Luis Obispo County APCD Santa Barbara County APCD Ventura County APCD Yolo-Solano AQMD
<b>Large Air District</b>  <b>(Not Eligible)</b>	Bay Area AQMD Sacramento Metro AQMD San Diego County APCD San Joaquin Unified APCD South Coast AQMD		

Eligible
Not Eligible

Eligible applicants within an eligible air district (small/medium-sized air district) will receive priority during the initial application window if a DAC or LIC falls within the applicant’s boundaries. DAC and LIC priority will be applied using the California Climate Investments Priority Populations map, located online at <https://webmaps.arb.ca.gov/PriorityPopulations/>. DAC and LIC designations will apply to applicants if any overlap occurs between the California Climate Investments Priority Populations map (Disadvantaged Community (map legend color: burnt orange), Disadvantaged and Low-income Community (map legend color: pink), or Low-income Community (map legend color: blue)) and the applicant’s boundaries. For JPAs, DAC and LIC designations will apply if any overlap occurs between the California Climate Investments Priority Populations map (Disadvantaged Community (map legend color: burnt orange), Disadvantaged and Low-income Community (map legend color: pink), or Low-Income Community (map legend color: blue)) and the boundaries of any school district that is a member of the JPA.

**Old School Bus Scrappage Requirements:**

Participation in the Public School Bus Set-Aside requires the scrappage of an old school bus. The old school bus can be any internal combustion engine using any fuel type. The eligibility requirements for the old school bus are:

- The school bus chassis must be a 2010 model year or older. The school bus chassis age is verified by the model year listed on the DMV Registration Form.
- The school bus must be applicant owned. The school bus cannot have a lienholder listed on the DMV Registration Form.
- The school bus must have a Gross Vehicle Weight Rating (GVWR) greater than 14,000 pounds. School bus(es) with a GVWR of exactly 14,000 pounds or less than 14,000 pounds are not eligible.
- The school bus must have a current California Highway Patrol Safety Certification (CHP 292 or equivalent).
- Diesel-fueled school bus(es) must be compliant with the California Truck and Bus Regulation in order to receive a full voucher amount. In cases where the old school bus is not compliant, a

\$20,000 voucher deduction will be applied. Review the School Bus Fact Sheet on the Truck & Bus Regulation for detailed information:

[ww3.arb.ca.gov/msprog/onrdiesel/documents/fsschoolbus.pdf](http://ww3.arb.ca.gov/msprog/onrdiesel/documents/fsschoolbus.pdf)

Proof of scrappage utilizes a Dismantle Certification Form and requires supporting documentation. The Dismantle Certification Form will require the following documentation to be considered a complete submittal:

- A copy of the DMV Dismantler's Notice of Acquisition/Report of Vehicles to be Dismantled (REG 42) **or** a DMV Junk Slip **and** Certificate of Destruction from the entity destroying the school bus. A Certificate of Destruction template can be found on the HVIP website.
- Photographs documenting proper school bus chassis and school bus engine destruction:
  - Vehicle Identification Number (VIN) plate;
  - Engine plate depicting engine serial number;
  - Photograph(s) depicting the method used to scrap the non-engine portion of the school bus (chassis). To dismantle the school bus chassis means to punch, crush, stamp, hammer, shred or otherwise render permanently and irreversibly incapable of functioning as originally intended.
  - Photograph(s) depicting the method used to scrap the engine portion of the school bus. To dismantle the engine portion, a 5-inch hole must be cut into the engine block.

CARB or its administrator may, in their sole discretion, require additional documentation to ensure scrappage requirements have been met. Additionally, in the event that funding from other sources becomes available, CARB or its administrator may require additional documentation to comply with specific requirements of the new funding source (such as Diesel Emissions Reduction Act funding).

Scrappage of the old school bus can occur after Terms and Conditions have been fully executed and must occur within 365 calendar days of new school bus delivery.

#### **Eligible New School Buses:**

The new school buses must be zero-emission and meet all HVIP eligibility requirements included in the Implementation Manual. The new school bus(es) must have a Gross Vehicle Weight Rating (GVWR) greater than 14,000 pounds. Fossil fuel fired heaters may not be installed in the new school bus. In addition, new school buses must have Vehicle-to-Grid (V2G) functionality via use of type 1 combined charging system (CCS), which enables them to store and discharge generated electricity of at least 60kw, though there is no specific requirement for the purchaser's utilization of this technology. New school buses must comply with ISO 15118-20 Road vehicles — Vehicle to grid communication interface — Part 20: 2nd generation network layer and application layer requirements. OEMs must self-certify as to this capability. More information about the HVIP eligibility process is at [www.californiahvip.org/sellers](http://www.californiahvip.org/sellers).

Purchasers can discern whether a specific HVIP-eligible school bus is included in the Public School Bus Set-Aside by viewing the indication on each bus's listing at [www.californiahvip.org/vehicle-category/school-bus](http://www.californiahvip.org/vehicle-category/school-bus). A purchaser intending to purchase a school bus that is not indicated as being Public School Bus Set-Aside eligible, will instead participate in standard HVIP on a first-come, first-served basis, including utilizing the voucher amounts and program rules included in the standard HVIP Implementation Manual.

## Application Process and Timeline:

### Application Part A:

- Applicants will submit Application Part A directly via an online portal.
- In Application Part A, applicants must list their contact information, projected quantity of vehicles they plan to purchase, and provide information on the old school bus(es), including the number of buses they intend to scrap.
- Applicants must provide a Letter of Intent signed by an authorized representative stating the applicant's intent to purchase zero-emission school bus(es).
- Applicants must provide a current copy of the DMV Registration for each old school bus included in Application Part A.
- Applicants must answer questions related to charging infrastructure, both existing and planned, for the new school bus(es).
- The information provided on Application Part A cannot change after the initial application window has closed. The old school bus(es) included on Application Part A cannot be substituted.

### Application Part B:

- If initially selected for funding, applicants will have 30 calendar days to accept funding. If funding is not accepted within 30 calendar days, funding may be reallocated to another applicant.
- Applicants will be required to complete Application Part B within 30 calendar days of notification and will be required to respond to Application Part B corrections within 30 calendar days of notification. Requests for extension can be submitted to [voucherprocessing@tetrattech.com](mailto:voucherprocessing@tetrattech.com).
- Application Part B submittals will be reviewed in the order received, regardless of applicant's prioritization.
- Approval of late Application Part B submittals is at the discretion of CARB or its administrators.
- Applicants must provide the following documentation to the Public School Bus Set-Aside team for review:
  - **Board Resolution:** The HVIP Public School Bus Set-Aside School Board Resolution template must be completed, approved, and signed by a school district or governing board. If the HVIP Public School Bus Set-Aside School Board Resolution template cannot be utilized, a School Board Resolution:
    - must provide authorization to participate in the program,
    - identify an individual authorized to implement and administer the project,
    - specify HVIP Public School Bus Set-Aside funding,
    - cannot be dated prior to January 1, 2023.
  - **Proof of CHP 292 Certification (or equivalent):** The old school bus is required to be CHP certified at the time of Application Part A and remain certified until Terms and Conditions have been fully executed.
  - **A copy of the current DMV registration with no lienholder listed.**
  - **A photograph of the school bus manufacturer's ID tag(s).** The photograph(s) must legibly depict the VIN and GVWR.

- **A photograph of the school bus engine plate.** The photograph must legibly depict the engine serial number.
- **A photograph of the engine block.**
- **A photograph of the side profile of the bus.**
- **Proof of compliance with the California Truck and Bus Regulation** for old diesel-fueled school bus(es) to be scrapped only, not the entire fleet.

**Application Part C:**

- At this stage, applicants will select eligible new school bus(es) from the HVIP catalog and work with the HVIP approved dealer to complete Application Part C. Applicants are not required to select a like-for-like replacement school bus. Applicants can choose any school bus in the HVIP catalog that meets the requirements for Public School Bus Set-Aside funding.
- Application Part C requires participation of both the applicant and the selected HVIP approved dealer.
- HVIP administrators will work directly with the dealer to progress the voucher through redemption. The voucher progression processes are detailed in the standard Implementation Manual.
- If an applicant selects a new school bus manufacturer that exceeds the HVIP Manufacturer Cap threshold at any time prior to Terms and Conditions, CARB may, at its sole discretion, allow or require applicants to change their new school bus manufacturer on a Case-by-Case basis.

**Non-Responsive Applicants:**

If at any stage in the Public School Bus Set-Aside application or funding process, an applicant ceases to respond to CARB or its administrators regarding missed deadlines, for a period beyond 30 days, funding may be cancelled and reallocated to another applicant.

**Terms and Conditions/Purchase Order:**

- Upon approval of Application Part C, Terms and Conditions will be issued to the applicant and dealer for signature.
- After the Terms and Conditions are fully executed, the applicant will have 10 business days to sign and submit a purchase order or other binding agreement for the new school bus(es).
- Upon submission of a purchase order and signature of terms and conditions, a deduction of \$20,000 will be applied to any voucher for any old bus that is not compliant with the California Truck and Bus Regulation.
- The HVIP approved dealer must submit the VIN that uniquely identifies the vehicle, along with the vehicle expected delivery date within 60 calendar days from the date of the Purchase Order submission.



**Voucher Renewal:**

A Public School Bus Set-Aside voucher may be renewed at three-month intervals for up to a total of 540 calendar days from the time a purchase order is submitted.

**Redemption process:**

In addition to adhering to redemption requirements detailed in the standard Implementation Manual, the following are required for Public School Bus Set-Aside participants:

- The new school bus must be delivered, and CHP certified. Proof of CHP Certification of the new school bus is required within 30 calendar days of vehicle delivery.
- If the new school bus is equipped with a wheelchair lift, a photograph of the wheelchair lift will be required.
- Additional documentation may be required prior to voucher redemption, at the discretion of CARB or its administrators.
- The old school bus(es) must be dismantled and required documentation provided within 365 calendar days of the new school bus delivery date. The difference between the Public School Bus Set-Aside voucher amount and standard FY 22-23 HVIP eligible school bus voucher amount must be refunded to CARB if the purchaser fails to meet this requirement.
- All HVIP Terms and Condition requirements must be met.
- Telematics reporting requirements are the same as standard HVIP as described in the standard HVIP Implementation Manual.

**Personally Identifiable Information and Applicant Privacy and Conditions of Use:**

All information associated with the application, voucher request, and voucher redemption, including applicant name and address, contact information, and sales transaction are public information and subject to release. Additionally, the VIN of the vehicle to be scrapped may be shared with other funding entities as necessary to determine compliance with co-funding requirements.

Any information or data that contains Personally Identifiable Information (PII) should only be reported in aggregate, with PII removed, or only retained for contact purposes. For more information, please visit CARB's website for [Privacy and Conditions of Use](#).