

Appendix G
Public School Bus Set-Aside for Small and Medium Air Districts

In FY21-22, \$130 million is available for purchases of qualifying school buses made by public school districts and other qualifying entities located in small-sized air districts and in medium-sized air districts. The Public School Bus Set-Aside for Small and Medium Air Districts (Public School Bus Set-Aside) will offer higher voucher amounts, prioritize fleet owners in rural and underserved communities, and will require an old bus to be scrapped, per the requirements detailed below.

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. Therefore, maximum voucher amounts are based on current base price averages for zero-emission school bus models in California at the amounts 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. The sum of HVIP and other eligible public funds may not exceed the full vehicle cost inclusive of taxes and fees.

Table 1: Maximum Voucher Amounts

School Bus Type	Voucher Amount*
Type A (with or without a wheelchair lift)	\$350,000
Type C & D without a wheelchair lift	\$375,000
Type C & D with a wheelchair lift	\$400,000

*Vouchers for the Public School Bus Set-Aside are intended to eliminate the cost barrier of adopting zero-emission school buses.

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.

- 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 at the K-12th grade level.

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 domiciled.

Application prioritization for set-aside:

All applicants in small- and medium-sized air districts are eligible to apply for the set-aside funds immediately when HVIP re-opens to requests in 2022.

During the first 90 calendar days, funds will be prioritized first to applicants that are located in both a Disadvantaged Community (DAC) and within a small-sized air district, based on timestamp of Application Part A. After the 90-day application submission window, the remaining available funds, if any, will be allocated to requests that have been received **during** the 90-day window according to the order described below:

1. Applicants located in small air districts but not located in DACs, then
2. If additional funds remain, requests from applicants located in medium-sized air districts and in DACs will be funded, then
3. If additional funds remain, requests from applicants located in medium-sized air districts that are not in DACs will be funded.

After the initial 90-day window described above, if any funding remains, requests will continue to be accepted and funds will be allocated on a first-come, first-served basis thereafter for any applicants in small- and medium-sized air districts, without prioritizing DACs or prioritizing small air districts over medium.

Requests will be accepted until the fund have been fully requested. If funds have not been fully requested, CARB may use the remaining set-aside funds towards public school bus vouchers requested via standard HVIP.

Air District size and DAC 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://www.arb.ca.gov/capcoa/dismap.htm>. Table 2 lists the air districts by size, per CAPCOA definitions.

Table 2: Air Districts by Size

Small Air District	Amador County APCD	Glenn County APCD	Modoc County APCD
	Antelope Valley AQMD	Great Basin Unified APCD	North Coast Unified AQMD
	Butte County AQMD	Imperial County APCD	Northern Sonoma APCD
	Calaveras County APCD	Lake County AQMD	Shasta County AQMD
	Colusa County APCD	Lassen County APCD	Siskiyou County AQMD
	El Dorado County AQMD	Mariposa County APCD	Tehama County APCD
	Feather River AQMD	Mendocino County AQMD	Tuolumne County APCD
Medium Air District	Eastern Kern APCD	San Luis Obispo County APCD	
	Mojave Desert AQMD	Santa Barbara County APCD	
	Monterey Bay Unified APCD	Ventura County APCD	
	Placer County APCD	Yolo-Solano AQMD	
Large Air District	Bay Area AQMD		
	Sacramento Metro AQMD		
	San Diego County APCD		
	San Joaquin Unified APCD		
	South Coast AQMD		

Eligible
Not Eligible

Applicants within an eligible air district (small/medium-sized air district) will receive priority during the 90 calendar day window if any Disadvantaged Communities (DAC) fall within the school district boundaries. DAC priority will be applied using California Climate Investments Priority Populations map, located online at <https://webmaps.arb.ca.gov/PriorityPopulations/>. DAC designation will apply to applicants if overlap occurs between the California Climate Investments Priority Populations map (Disadvantaged Community (map legend color: pink) or within the boundaries of a Disadvantaged and Low-income Community (map legend color: pink-blue striped)) and the boundaries of the school district.

Old school bus scrappage requirements for set-aside funding:

Participation in the 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 following are the old bus eligibility requirements:

- The bus chassis must be a 2007 model year or older. The bus chassis age is verified by the model year listed on the DMV Registration Form.
- The bus must be applicant owned. The bus cannot have a lienholder listed on the DMV Registration Form.
- The bus must have a Gross Vehicle Weight Rating (GVWR) greater than 14,000 pounds
- The bus must have a current California Highway Patrol Safety Certification (CHP 292 or equivalent)
- The bus 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

Proof of scrappage utilizes a Dismantle Form and required supporting documentation. The Dismantle 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 bus.
- Photographs documenting proper bus chassis and 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 bus (chassis). To dismantle the 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 bus. To dismantle the engine portion a 5-inch hole must be cut into the engine block.
- Scrappage of the old bus can occur after Terms and Conditions have been executed and must occur within 365 calendar days of new bus delivery.

Eligible vehicles for set-aside funding:

School buses funded with set-aside funds 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. OEMs must self-certify as to this capability. More information about the HVIP eligibility process is at www.californiahvip.org/sellers. Purchasers can discern whether a specific HVIP-eligible school bus is included in the set-aside by viewing the indication on each bus's listing at www.californiahvip.org/vehicle-category/school-bus. A purchaser intending to purchase a school bus that is not indicated as being part of the set-aside (due to not having V2G capability), 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 Implementation Manual.

Application process and timeline for set-aside:

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, including the number of buses they intend to scrap.
- Applicants must provide a Letter of Intent signed by a school district official stating the district's intent to purchase.
- Additional information will be requested on charging infrastructure, both existing and planned needs for the school bus(es).

Application Part B:

- If initially selected for funding, applicants will be required to complete Application Part B within 30 calendar days. Requests for extension can be submitted to voucherprocessing@tetrattech.com.
- At this stage, applicants will select a qualifying school bus(es) from the HVIP catalog and work with the HVIP approved dealer to complete Application Part B. 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 set-aside funding.
- Application Part B requires participation of both the applying school district and the selected HVIP approved dealer. The following documentation must be gathered by the applicant and provided to the selected HVIP approved dealer. The dealer is to then complete a voucher request on behalf of the applicant and upload the required documentation upon voucher request submission:
 - **Board Resolution:** A resolution from a school district or governing board that authorizes participation in the program and identifies an individual authorized to implement and administer the project. Board Resolutions must specify HVIP funding and cannot be dated prior to November 19, 2021.
 - **Proof of CHP 292 Certification (or equivalent):** The old bus is required to be CHP certified at time of Application Part A and remain certified until new bus delivery or until the old bus is scrapped, whichever occurs first.
 - **A copy of the current DMV registration with no lienholder listed.**
 - **A photograph of the school bus manufacturer's ID tag.** The photo must legibly depict the vehicle identification number (VIN) and GVWR rating.
 - **A photograph of the school bus engine plate.** The photo must legibly depict the engine serial number.
 - **Proof of compliance with the California Truck and Bus Regulation** for this bus only, not the entire fleet.
- Once the HVIP approved dealer submits the voucher request with all required documentation, Application Part B is considered complete and ready for review. 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.

Terms and Conditions / Purchase Order for set-aside:

- Upon approval of Application Part B, Terms and Conditions will be issued to the applicant and dealer for signature.
- The old school bus must be compliant with the California Truck and Bus Regulation prior to executing Terms and Conditions; non-compliance results in a voucher decrease of \$20,000.
- After the Terms and Conditions are fully executed, the applicant will have 10 business days to complete and submit a purchase order or other binding agreement for the new bus.

Redemption process for set-aside:

- 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 bus must be delivered, and CHP certified. Proof of CHP Certification of the new bus is required within 30 calendar days of vehicle delivery.
 - The voucher will be eligible for redemption following CHP certification in addition to the standard Implementation Manual requirement of DMV registration of the delivered bus.
- The old bus must be dismantled and required documentation provided within 365 calendar days of the bus delivery date. The difference between the Public School Bus Set-Aside voucher amount and standard FY21-22 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.