

Bipartisan Infrastructure Law Clean School Bus Program

Initial Implementation Report to Congress



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On November 15, 2021, President Biden signed into law the Bipartisan Infrastructure Law. Under Title XI: Clean School Buses and Ferries, the Bipartisan Infrastructure Law (BIL) provides \$5 billion over five years (FY 2022-2026) for the replacement of existing school buses with clean school buses and zero-emission school buses.

While new school buses meet EPA's tougher emission standards, many older buses continue to emit pollutants that can be harmful to health like nitrogen oxides (NOx) or particulate matter (PM). Students are particularly vulnerable to air pollution inside and near older diesel school buses, and these pollutants increase their risk of asthma and other respiratory illness. Bus drivers and other school staff are also exposed to diesel exhaust. The Bipartisan Infrastructure Law provides an unprecedented amount of funding to clean a substantial portion of the nation's fleet of nearly 500,000 school buses. These new cleaner school bus replacements will produce either zero or low tailpipe emissions compared to their older diesel predecessors. This historic investment in school buses will transform fleets across the United States, especially communities that have been historically underserved. These emission reductions will result in cleaner air for students riding the buses, bus drivers, school staff working near the bus loading areas, and the communities the buses drive through each day. Beyond the community, the reduction in greenhouse gas emissions from these bus replacement projects will help to address the outsized

Benefits of Clean School Buses

Electric school buses have zero tailpipe emissions, meaning that students, drivers, and members of the community are exposed to significantly less harmful diesel pollutants like PM and NOx. Replacing diesel buses with electric buses also reduces greenhouse gas (GHG) emissions, maintenance costs, and fuel costs. When they aren't being used to transport students, electric school buses could also be used as sources of power via their battery storage. Experts are exploring advancements in vehicle-to-grid (V2G) technologies that can store surplus energy and then return it to the grid during peak times of use. This is an important function as more renewable energy sources are added to the grid.

Alternative fuel school buses can also reduce tailpipe pollution, GHG emissions, and fuel costs, depending on the alternative fuel that is used.

Visit EPA's website for more information about the [benefits of electric and alternative fuel school buses](#) as well as [V2G technologies](#).

role of the transportation sector on climate change¹ as well as supporting the Administration's Justice40 goals.

The Clean School Bus Program will support domestic manufacturing and American jobs. School bus manufacturers have facilities across the county that produce zero-emission and clean school buses.

Clean School Bus Program Overview

Half of the available funding is dedicated for zero-emission school buses and half is for clean school buses. A zero-emission school bus is a school bus that produces zero exhaust emission of any air pollutant and any greenhouse gas, and a clean school bus is one that reduces emissions and is operated entirely or in part using an alternative fuel or is a zero-emission bus. EPA may make awards up to 100% of the cost of the replacement bus and charging or fueling infrastructure, and EPA may award funding for bus replacement and infrastructure through grants, rebates, or contracts.

Eligible recipients are defined as:

- State or Local Governmental Entities that are responsible for:
 - Providing school bus service to one or more public school systems; or
 - The purchase of school buses.
- Eligible Contractors, which may be a for-profit, not-for-profit, or nonprofit entity that has the capacity to:
 - Sell clean school buses, zero-emission buses, charging or fueling infrastructure, or other equipment needed to charge, fuel, or maintain clean or zero-emission school buses; or
 - Arrange financing for such a sale.
- Nonprofit School Transportation Associations
- Tribes, Tribal Organizations, and Tribally-controlled schools that are responsible for:
 - Providing school bus service to one or more Bureau-funded schools; or
 - The purchase of school buses.

EPA may prioritize applications that propose to replace buses that serve:

- High-need local education agencies;
- Tribal schools;
- Rural or low-income areas; or
- Applications that provide cost share through public-private partnerships, grants from other entities, or school bonds.

¹ <https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

In making awards for low- or zero-emission clean school buses, EPA will consider the following criteria without preference to any individual criterion:

- Lowest overall cost of bus replacement;
- Local conditions, including the length of bus routes and weather conditions;
- The impact on domestic manufacturing jobs, to include parts, components, and assembly, including the job impact in underserved communities;
- Technologies that most reduce emissions; and
- Whether funds will bring new technologies to scale or promote cost parity between old technology and new technology, particularly for production in the United States.

Prioritizing Underserved Communities

Established in Executive Order 14008, Justice40 is a whole-of-government effort to ensure that 40 percent of the overall benefits from Federal investments, including climate and clean energy investments, reach disadvantaged communities². The BIL allows EPA to prioritize applications that will replace buses serving high-need local education agencies, Tribal Schools, and rural or low-income areas. This prioritization will help support Justice40 goals. In addition, EPA will focus education and outreach efforts to underserved communities, including partnering with stakeholders to reach communities that may have never applied for a Federal grant or rebate.

Reporting Requirements

The BIL directs EPA to submit a report to Congress detailing the total number of applications received, the number and amount of grants and rebates awarded as well as the location of the recipients of the grants and rebates, the criteria used to select the recipients, and other information relevant to the evaluation of the implementation of the program. This report is to be submitted no later than January 31 of each year.

As no application period for the program has been opened yet, there are no applications or awards on which to report. At the time of this report, and as described in the following section, EPA has initiated stakeholder engagement as part of the required education and outreach plan in advance of opening a funding solicitation.

Education & Outreach

The BIL directs EPA to develop, within 120 days of enactment, an education and outreach plan, coordinated with stakeholders, to explain to potential applicants how to apply, describe eligible technologies and their benefits, and include best practices and lessons learned. These best practices and lessons learned will focus on clean and electric school bus acquisition and deployment, planning and installing associated infrastructure, and workforce training.

² <https://www.whitehouse.gov/wp-content/uploads/2021/07/M-21-28.pdf>

EPA has already begun this process. On December 15, 2021, EPA held a listening session for interested stakeholders, which was attended by approximately 800 people. This session provided an overview of the funding program as well as an opportunity for stakeholders to provide feedback and suggestions to aid in the development of program guidance. On December 16, 2021, EPA again presented on the program during an Office of International and Tribal Affairs (OITA) listening session about the BIL, during which attendees had an opportunity to ask questions and provide suggestions.

In addition, EPA has established a dedicated mailbox for additional input and feedback. Many stakeholders who were either unable to attend the listening sessions or did not have time to speak at the listening sessions have submitted their feedback and suggestions through the mailbox. EPA has received feedback from representatives of public and private schools, school districts, nonprofit environmental organizations, school bus contractors, electricity providers and energy producers, and vehicle electrification companies. They provided comments on a range of program design aspects including the type of technical assistance and education that EPA should provide to recipients, how EPA should implement the funding competitions, and what fuel types should be eligible for funding in the clean school bus category.

All of this feedback will be considered in designing and implementing the program. Once guidance for potential applicants is finalized, it will be published on the webpage that EPA has established for the program. The page already houses a factsheet on the program and the slides that were used during the December 15 listening session.

Looking Ahead

EPA intends to open the first cycle of funding as early as April 2022. Under the BIL, EPA may award competitive grants and rebates, and contracts for rebates. EPA has experience awarding grants and rebates through its Diesel Emissions Reduction Act (DERA) program. Rebates are the fastest way for EPA to provide funds to fleets for bus replacement. Therefore, for this first cycle of funding, EPA intends to create a rebate program.

Additionally, EPA intends to open a competitive Request for Applications for Clean School Bus grant funding in late FY 2022 or early FY 2023. EPA is also assessing the feasibility of awarding contract funds to eligible contractors to provide school bus rebates.

EPA will post program updates on the Clean School Bus webpage as they become available, including hosting webinars for potential applicants about funding opportunities. More information will be posted to www.epa.gov/cleanschoolbus.

The replacement of older buses with newer, cleaner school buses will not only substantially reduce harmful emissions that increase the risk of asthma and other respiratory illness, but it will also reduce greenhouse gas emissions in the transportation sector. The Clean School Bus program is a critical step toward protecting the health of students, bus drivers, school staff, and surrounding communities, and toward addressing climate change.

EPA Experience Funding School Bus Projects

EPA has managed the DERA program since funding began in 2008. Although DERA funds projects in diverse sectors, over 40% of the vehicles and equipment upgraded through DERA have been school buses. In addition to funding the replacement and retrofit of older, higher-emitting diesel school buses through the National and State DERA grant programs, EPA has a dedicated School Bus Rebate program. Under the 2020 DERA Rebate Program, over 460 diesel school buses will be replaced with cleaner models. Compared to older diesel buses, these new buses can reduce pollution like NO_x and PM by over 90% and achieve GHG reductions as well.

Separate from the DERA School Bus Rebate program, the 2021 American Rescue Plan (ARP) Electric School Bus Rebate program offered \$7 million to underserved school districts, tribal schools, and private fleets serving those schools for the replacement of old diesel school buses with new electric school buses. EPA expects to announce awards in early 2022.