

20107672D

HOUSE BILL NO. 1140

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Labor and Commerce
on February 6, 2020)

(Patron Prior to Substitute—Delegate Keam)

A BILL to amend the Code of Virginia by adding a section numbered 22.1-178.1, relating to the establishment of the Clean School Bus Grant Fund and Program.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 22.1-178.1 as follows:

§ 22.1-178.1. *Clean School Bus Grant Fund and Program.*

A. As used in this section, unless the context requires a different meaning:

"Department" means the Department of Education.

"Electric school bus" means a school bus that is propelled by an electric motor that draws electricity from a battery and is capable of being recharged from an external source of electricity.

"Fund" means the Clean School Bus Grant Fund established in subsection B.

"Program" means the Clean School Bus Grant Program established pursuant to subsection C.

"School bus" has the meaning as the term "schoolbus" as provided in 49 U.S.C. § 30125.

"Scrap" means to crush, shred, or otherwise disassemble or make inoperable.

"Scrapping" does not include selling, leasing, exchanging, or otherwise disposing for use in another motor vehicle in any location.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Clean School Bus Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of administering and providing grants on a competitive basis pursuant to the Clean School Bus Grant Program established pursuant to subsection C. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Superintendent of Public Instruction.

C. The Department shall, no later than July 1, 2020, establish the Clean School Bus Grant Program for the purpose of (i) awarding grants from the Fund on a competitive basis to school boards for (a) the difference in cost between diesel school buses and electric school buses with the goal of complete replacement of existing diesel school buses with electric school buses no later than 2030, (b) the implementation of recharging infrastructure or other infrastructure needed to charge or maintain such electric school buses, and (c) workforce development and training to support the maintenance, charging, and operations of such electric school buses and (ii) developing an education outreach program pursuant to subsection P.

D. To be eligible to receive a grant under the Program, a school board shall submit an application at such time, in such manner, and containing such information as the Department shall require, including:

1. Certification that no public work or service normally performed by a school board employee will be privatized or subcontracted in connection with the receipt or use of grant funds; and

2. To ensure a fair assessment of total workforce impact of the receipt and use of grant funds, a detailed accounting of the workforce of the school board at the time of application, including the number of employees organized by salary, full-time or part-time status, and job title.

3. Details on the cost difference between diesel and electric school buses, including the cost of charging such buses.

E. The Department shall give highest priority to applications from school boards that:

1. Serve the most students who live in the areas with the highest asthma rates, as measured by the most recent data from the Virginia Department of Health, and lowest measured air quality, as determined by the most recent data from the Virginia Department of Environmental Quality;

2. Will most reduce emissions by replacing the most polluting diesel school buses with the cleanest running electric school buses, as indicated by (i) the age of the school buses to be replaced and (ii) the annual vehicle miles traveled by the school buses to be replaced; or

3. Will complement the use of grant funds through other activities that will (i) enable broader deployment of electric vehicles, such as securing additional sources of funding through public-private partnerships with utilities as part of a transparent open process that allows for competition, grants from

60 other entities, or the issuance of bonds, or (ii) achieve further reductions in emissions, such as installing
61 solar panels to power electric school buses purchased with grant funds.

62 F. In awarding grants, the Department shall, to the greatest extent practicable, ensure a broad
63 geographic distribution of grant awards.

64 G. Each grant recipient shall, in collaboration with its transportation employees:

65 1. Replace diesel school buses with electric school buses at rate that is at least as fast as the rate at
66 which buses would normally be replaced in order to replace the entire diesel school bus fleet no later
67 than 2030, giving priority to buses manufactured by an entity that creates jobs in the Commonwealth;

68 2. No later than one year after using grant funds to purchase an electric school bus, scrap the diesel
69 engine of the school bus being replaced, unless Department grants a waiver in accordance with 49
70 U.S.C. § 5323(j)(2); and

71 3. Provide current employees with training to effectively operate, maintain, or otherwise adapt to
72 new technologies relating to electric school buses.

73 H. No grant recipient shall, as a result of receiving a grant, lay off, transfer, demote, reduce the
74 salary or benefits of, or worsen the working conditions of any current employee.

75 I. Any grant recipient may retain any funds or benefits received from scrapping a diesel engine,
76 transferring or repurposing a diesel school bus as authorized by a waiver granted by the Department in
77 accordance with 49 U.S.C. § 5323(j)(2), or reselling or reusing other parts of a diesel school bus that is
78 replaced using grant funds.

79 J. Each electric school bus purchased with grant funds shall be operated as part of the school bus
80 fleet for at least five years; be maintained, operated, and charged according to manufacturer
81 recommendations and any applicable statutory and regulatory requirements; and comply with the
82 requirements described in 49 U.S.C. § 5323(j).

83 K. No electric school bus purchased with grant funds shall contain a power unit or other technology
84 that creates air pollution within the school bus, such as an unvented diesel passenger heater.

85 L. Any electric school bus purchased with grant funds may utilize a vehicle-to-grid battery system,
86 provided that:

87 1. The school board or appropriate school board employee develops and implements a plan for bus
88 parking locations and maximum battery drainage; and

89 2. The school board oversees bus and battery purchasing that allows for competition and a fair,
90 transparent process. The school board also oversees any vehicle-to-grid usage involving the delivery of
91 energy back to the grid and sale of electric power to a third party, ensuring that the process cannot be
92 controlled by a monopoly entity that buys the bus batteries without allowing for competition and
93 provides 10 percent of any earnings from such sales to the Department for the purpose of offsetting the
94 administrative costs of the Program or, if surplus funds are available, to fund additional grants
95 pursuant to the Program. The school boards' oversight shall be guided by a designated independent
96 research group's study and full accounting of the Commonwealth's potential value streams for all parties
97 involved with the Program. This accounting will aid school boards in the creation of a 10-year plan to
98 ensure full transition of the buses with maximum carbon reduction, efficiency, and profitability for each
99 school district. Due to the constantly changing nature of technology and energy production, the
100 Program shall be reassessed each year on July 1 by an independent group of experts to ensure
101 maximum carbon reduction, efficiency, and profitability and to ensure that an appropriate balance is
102 being struck between the private and public shared value streams.

103 M. The Department may grant a waiver in accordance with 49 U.S.C. § 5323(j)(2)(C) for an electric
104 school bus purchased with grant funds for which the cost of components and subcomponents produced
105 in the United States (i) for each fiscal year 2020 through 2024 is more than 60 percent of the cost of
106 all components of such school bus and (ii) for fiscal year 2025 and each fiscal year thereafter is more
107 than 70 percent of the cost of all components of such school bus.

108 N. The Department shall make available to the public on its website a downloadable electronic
109 database of information with respect to each grant made under the Program, including (i) the school
110 board that received the grant; (ii) the elements of the school board's successful application; (iii) the
111 grant amount; (iv) the uses of grant funds; (v) the number, make and model, year of make, cost, annual
112 miles traveled or estimated to be traveled, and number of students transported or estimated to be
113 transported per day for each electric school bus purchased with grant funds and each diesel school bus
114 replaced by each such electric school bus; (vi) an indication as to whether the grant recipient received
115 any waiver authorized pursuant to this section; (vii) the number, make and model, year of make, fuel
116 type, type of school bus, annual miles traveled, and the number of students transported per day of any
117 scrapped diesel school bus; (viii) an estimate of the local air pollution emissions and global greenhouse
118 gas emissions avoided as a result of purchasing electric school buses with grant funds; and (ix) any
119 other information determined by the Department to enable an analysis of the use and impact of grant
120 funds received pursuant to the Program.

121 O. No later than January 31 of each year, the Department shall submit to the General Assembly and

122 *make available to the public on its website a report that includes (i) a description of the grant*
123 *applications received under the Program, including a summary of the elements of successful grant*
124 *applications; (ii) a description of the grants awarded under the Program, including a summary of the*
125 *information described in subsection N; (iii) a description of the effect of the receipt of grants on*
126 *students, schools, local communities, industry, workforce, local air pollution, and greenhouse gas*
127 *emissions; and (iv) any other information that the Department deems necessary to assist the General*
128 *Assembly in understanding the implementation, outcomes, and effectiveness of the Program.*

129 *P. The Department shall, in conjunction with national school bus transportation associations,*
130 *educators, school bus drivers, and any other stakeholder that it deems appropriate, develop education*
131 *outreach that promotes and explains the Program and the benefits of participating in the Program,*
132 *informs school boards of the process for applying for grants, describes available electric school bus*
133 *technologies and the benefits of such technologies, facilitates the sharing of best practices and lessons*
134 *learned among grant recipients, and includes, as appropriate, information from the annual reports*
135 *required under subsection O.*

136 **2. That the General Assembly shall review implementation of the Clean School Bus Grant**
137 **Program established by this act by July 1, 2030. If the aims of the Program have not been**
138 **accomplished, the Program shall be extended for an additional five years.**