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HOUSE BILL NO. 1140

Offered January 8, 2020

Prefiled January 7, 2020

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.*

Patrons—Kearney and Carroll Foy

Referred to Committee on Education

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 to a significant extent 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 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.

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 and lowest measured air 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, (ii) the annual vehicle miles traveled by the school buses to be replaced, and (iii) and the prioritization of electric school buses that can be plugged directly into schools that generate their own solar power or have battery storage units to augment the amount of power available; or

3. Will complement the use of grant funds through other activities that will (i) enable broader

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59 deployment of electric vehicles, such as securing additional sources of funding through public-private
60 partnerships with utilities as part of a transparent open process that allows for competition, grants from
61 other entities, or the issuance of bonds, or (ii) achieve further reductions in emissions, such as installing
62 solar panels to power electric school buses purchased with grant funds.

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

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

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

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

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

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

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

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

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

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

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

90 2. The school board oversees any vehicle-to-grid usage involving the sale of electric power to a third
91 party, ensures that any earnings from such sales cannot be controlled by a monopoly entity that buys
92 the bus batteries without allowing for competition, ensures that it receives a certain percentage of the
93 revenue generated from such sales, makes a full accounting of such sales and reports such sales
94 monthly to the Department, and provides 10 percent of any earnings from such sales to the Department
95 for the purpose of offsetting the administrative costs of the Program or, if surplus funds are available,
96 to fund additional grants pursuant to the Program.

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

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

115 O. No later than January 31 of each year, the Department shall submit to the General Assembly and
116 make available to the public on its website a report that includes (i) a description of the grant
117 applications received under the Program, including a summary of the elements of successful grant
118 applications; (ii) a description of the grants awarded under the Program, including a summary of the
119 information described in subsection N; (iii) a description of the effect of the receipt of grants on
120 students, schools, local communities, industry, workforce, local air pollution, and greenhouse gas

121 emissions; and (iv) any other information that the Department deems necessary to assist the General
122 Assembly in understanding the implementation, outcomes, and effectiveness of the Program.

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

130 2. That the provisions of this act shall expire on July 1, 2030.