

Department of Planning and Budget
2021 Special Session 1 Fiscal Impact Statement

1. Bill Number: HB2118

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Keam

3. Committee: Passed Both Houses

4. Title: Electric Vehicle Grant Fund and Program; creation; report.

5. Summary: Requires the Department of Environmental Quality (DEQ) to establish the Virginia Electric Vehicle Grant Program and Fund to support the awarding of grants on a competitive basis to projects by public school divisions to cover the costs associated with replacing diesel school buses with electric school buses, to implement maintenance infrastructure, and to develop and train workers to support its maintenance; to projects by public, private, or nonprofit entities in Virginia to assist with replacing commercial motor vehicles, heavy equipment, or other machinery owned and operated by the entities that are used in Virginia that rely on diesel fuels with electric vehicles or equivalent equipment that reduce air emissions and to implement recharging infrastructure or other infrastructure needed to charge or maintain such electric vehicles or equivalent equipment.

In consultation with the Department of Mines, Minerals and Energy (DMME), the Virginia Department of Transportation (VDOT), the Department of Education (DOE), and other agencies of the Commonwealth, as well as organizations with expertise in the climate and public health, and other interested stakeholders, DEQ is directed to adopt necessary policies and procedures for administering the Fund and Program. DEQ is to submit an annual report to the General Assembly regarding the administration of the fund and program, unless funding was not received. As federal or other nongeneral funding becomes available, DEQ is to convene a work group consisting of representatives from relevant state agencies, as well as from education, energy, environment, health, manufacturing, technology, and transportation sectors, and other interested stakeholders to develop recommendations for establishing and administering the fund and program. Upon completion, the work group shall report its recommendations to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations.

6. Budget Amendment Necessary: See item 8.

7. Fiscal Impact Estimates: Final. See item 8.

8. Fiscal Implications: This bill establishes the Virginia Electric Vehicle Grant Fund and the Virginia Electric Vehicle Grant Program. Moneys in the Fund are to be used solely for the

purposes of awarding grants on a competitive basis through the Program, or implementing and administering the Program. The bill prohibits the allocation of moneys from the Fund unless federal or other nongeneral funds are available to cover the full cost of the allocation. The expenditure of such funds will require an appropriation. Additionally, the bill requires that DEQ, as funds are available, to convene a workgroup to develop recommendations for establishing and administering the Fund and Program and identifying and developing dedicated streams of revenue for the Fund. The bill further requires that any utility that a utility that chooses to contract with participating school divisions to provide school buses report annually to DEQ and the workgroup established in this bill. DEQ anticipates expenditure impact resulting from this bill until funding becomes available.

Under existing law, The Department of General Services (DGS) procures statewide school bus purchase contracts within requirements set by DOE. Use of the statewide contracts are optional for school divisions. Under the terms of this bill, the procurement of the electric school buses may be completed by program grantees outside of a DGS contract. To the extent that participating school divisions choose to participate in an electric school bus project in lieu of purchasing from the existing statewide contracts, there could be a decrease in the number of school buses purchased from the statewide contract. Depending on the amount of decreased purchases, bulk savings on the contract may decrease and school divisions still purchasing school buses through the statewide contract may have higher costs per school bus as a result of a lower volume of school buses being procured in the aggregate. Any additional costs are indeterminate and would be dependent on the school bus purchasing needs of school divisions utilizing the statewide contract.

No immediate state fiscal impact under Direct Aid to Public Education is anticipated, but any change to local costs for bus-related expenditures may eventually impact the state cost for the school bus formula in the Standards of Quality. Any actual fiscal impact to the state or localities under Direct Aid to Public Education is indeterminate.

It is anticipated that DMME and DOE can absorb any fiscal impact that may result from this bill within existing resources. VDOT anticipates no fiscal impact as a result of this bill.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality; Department of Education; Direct Aid to Public Education; Department of Mines, Minerals and Energy; Department of Transportation; Department of General Services; local school divisions.

10. Technical Amendment Necessary: No.

11. Other Comments: None.