

State of California  
AIR RESOURCES BOARD  
Resolution 08-23

March 27, 2008

Agenda Item No.: 08-3-4

WHEREAS, Health and Safety Code sections 39600 and 39605 authorize the Board to act as necessary to execute the powers and duties granted to and imposed upon the Board;

WHEREAS, in section 43000 of the Health and Safety Code, the Legislature has declared that the emission of air pollutants from motor vehicles is the primary cause of air pollution in many parts of the state and, in sections 39002 and 39003 of the Health and Safety Code, has charged the Board with the responsibility of systematically addressing the serious air pollution problem caused by motor vehicles;

WHEREAS, on August 27, 1998, following extensive scientific review and public hearings, and consistent with the conclusions of the Scientific Review Panel and the Office of Environmental Health Hazard Assessment, the Board formally identified particulate matter (PM) emitted from diesel-fueled engines as a toxic air contaminant;

WHEREAS, on September 28, 2000, in Resolution 00-30, the Board adopted a comprehensive Diesel Risk Reduction Plan that includes the use of low-sulfur diesel fuel, retrofitting existing engines with PM filters, and reducing PM emissions from all new diesel engines and vehicles by nearly 90 percent;

WHEREAS, on January 27, 2000, in Resolution 00-02, the Board directed staff to work with school districts, the Department of Education, engine and bus manufacturers, the environmental community, and the public to evaluate the potential health risk to school children exposed to particulate matter from diesel-fueled school buses, and to report back to the Board on possible measures to reduce that exposure;

WHEREAS, on December 7, 2000, in Resolution 00-44, the Board approved the creation of the Lower-Emission School Bus Program to help facilitate the replacement of older school buses and the retrofit of diesel particulate filters on applicable school buses;

WHEREAS, since the program began in 2000, the program has received over \$100 million in State funding, and has replaced 600 older high-polluting school buses with new buses and retrofitted about 3,800 in-use diesel buses with Air Resources Board (ARB) verified retrofit technologies that reduce PM emissions by at least 85 percent;

WHEREAS, on November 7, 2006, California voters approved Proposition 1B, which enacted the Highway Safety, Traffic Reduction Air Quality, and Port Security Bond Act of 2006 to; Proposition 1B authorizes \$200 million for replacing and retrofitting school buses;

WHEREAS, these funds have been appropriated to the ARB through the 2007 Budget Act signed by Governor Schwarzenegger on August 24, 2007 and will be implemented through the ARB's Lower-Emission School Bus Program to replace the oldest high-polluting school buses with new buses and to retrofit older buses with ARB-verified retrofit technologies that reduce PM emissions by at least 85 percent;

WHEREAS, Senate Bill 88 (Statutes of 2007, Chapter 181) provided direction for allocating these funds: first, that all remaining pre-1977 buses be replaced; next, that this funding be allocated based on each air district's share of 1977-1986 model year buses; and lastly, that air districts determine the funding split between replacing 1977-1986 model year buses and retrofitting in-use-buses;

WHEREAS, Executive Order S-02-07: Governor Schwarzenegger's Executive Order on Bond Accountability was signed on January 24, 2007 to ensure that program funds are well spent and program goals are achieved;

WHEREAS, Board staff conducted workshops on September 18<sup>th</sup> and 20<sup>th</sup>, 2007, to discuss proposed revisions to the Lower-Emission School Bus Program guidelines and received valuable input from environmental organizations, engine and retrofit device manufacturers, school bus vendors, school transportation officials, and other stakeholders;

WHEREAS, Board staff, in consultation with school districts, affected industries, public agencies and other interested parties, has proposed revised guidelines and funding allocations for the Lower-Emission School Bus Program that address the accountability requirements of both SB 88 and EO S-02-07, and would provide grants for new buses and equip older buses with particulate filters;

WHEREAS, the California Environmental Quality Act (CEQA) in section 21080.5 of the Public Resources Code, and Board regulations at title 17, CCR, section 60006, require that no project which may have significant adverse environmental impacts may be adopted as originally proposed if feasible alternatives or mitigation measures are available to reduce or eliminate such impacts;

WHEREAS, the Board has held a duly noticed public meeting to consider the approval of the guidelines for the Lower-Emission School Bus Program, and has heard and considered the comments made by representatives of school districts, air districts, affected industries, and other interested persons and agencies;

WHEREAS, based upon the staff report and the oral and written testimony and discussion presented at the March 27, 2008, public meeting, the Board finds that:

1. Continued use of the remaining 74 pre-1977 school buses, which emit substantial amounts of PM and oxides of nitrogen (NO<sub>x</sub>) and which do not meet current federal safety standards, is a public health and safety concern.
2. The guidelines proposed by staff will reduce school children's exposure to both cancer-causing and smog-forming pollution, and will provide safer school transportation.
3. All eligible pre-1977 model year school buses will be replaced with new, lower-emitting buses meeting the latest federal motor vehicle safety standards.
4. The remaining portion of the funds will fund the replacement of 1977 to 1986 buses and the installation of particulate filters on the most polluting buses as determined by eligible applications received by each air district.
5. Retrofitting school buses that will remain in service for many years will reduce significantly more emissions than retrofitting school buses that are at or near the end of their useful life.
6. The funds provided in the 2007-2008 fiscal year State budget will fund the entire cost of each new bus up to \$140,000 minus the \$25,000 match requirement, and the cost of an installed ARB verified device up to \$20,000.
7. All buses that are replaced with State budget funds will be scrapped or rendered inoperable.
8. This program will reduce approximately 3,000 tons of NO<sub>x</sub>, 200 tons of PM and 22,000 tons of CO<sub>2</sub> through 2020.
9. Future school bus price increases may necessitate an increase in the school bus replacement cost cap and adjustment of the district match requirement.
10. In accordance with the California Environmental Quality Act and Board regulations, the proposed guidelines and funding allocations will not have any significant adverse environmental impacts, but will facilitate reductions in PM and NO<sub>x</sub> from school buses, thereby improving air quality.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the revised 2008 Lower-Emission School Bus Program Guidelines (Guidelines), as set forth in Attachment A hereto and incorporated by reference herein.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to work with the local air districts and CAPCOA to notify school districts of the availability of grant funds for the bus replacement and retrofit programs, and to distribute the Guidelines to a broad range of interested parties.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to continue working with school transportation officials, CAPCOA, air districts, and other stakeholders to ensure that the program is effectively and expeditiously implemented.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to encourage air districts and other public agencies to provide additional sources such as funds from AB 923 (Stats 2004, ch 707) and AB 2766 (Stats 1990, ch 1705) as well as the California Department of Education's Small School District Bus Replacement Program, to accelerate the replacement and retrofitting of older school buses.

BE IT FURTHER RESOLVED, that the Board delegates to the Executive Officer the authority to increase the school bus replacement cost cap and to adjust the district match requirement as necessary to accommodate future price increases in school bus replacement costs.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to seek sufficient additional funding from the Legislature to accomplish the program's goals of enhancing children's health and safety by cleaning California's school bus fleet.

I hereby certify that the above is a true and correct copy of Resolution 08-23, as adopted by the Air Resources Board.

/s/

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Lori Andreoni, Clerk of the Board

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**Identification of Attachment to the Resolution**

Attachment A: 2008 Lower-Emission School Bus Program Guidelines, as approved by the Board at the March 27, 2008 public hearing.