

November 6, 2023

Clerks' Office
California Air Resources Board
1001 I Street
Sacramento, California 95814

Subject: First Student's comments on the Proposed Fiscal Year 2023-24 Funding Plan for Clean Transportation Incentives

To the Members of the Air Resources Board:

We at First Student appreciate the California Air Resources Board's (CARB) and staff's commitment to transitioning the state's school bus fleet to zero emission. As one of the largest owners and operators of school buses in the state, with approximately 2,800 units in operation, including over 20 electric units, plus our cooperate foot print of 46,000 units, and the largest electric fleet operating in North America with over 300 electric units delivering children safely and efficiently each school day, we believe we have unique and valuable insight for CARB to consider as this funding plan is evaluated.

We do thank the CARB staff for taking time to meet with us over the last several months to listen to our thoughts and concerns about funding for electric school buses in California. However, the proposed Fiscal Year 2023-24 Funding Plan for Clean Transportation Incentives will penalize school districts that have chosen to use third party entities (Contractors) to provide transportation services for their students by excluding them from being recipients in this critical state budget funding. These are students that reside in disadvantaged communities and touch every part of the state. These students should have the exact same funding availability as all students in California.

Contractors are under the exact same mandate as all other school bus operators to transition to zero emission that was created by AB 579 (Ting) this year. However, the proposed funding plan specifically excludes contractors from being eligible to receive funding from the \$375M Public School Bus program. This is an unfunded mandate for school districts across the state. This exclusion will harm the students in school districts that utilize contractors as contractors will not be able to add electric units to those fleets without the funding that is provided to other school bus operators by this plan. Contractors face the exact same pricing challenges for both buses and infrastructure that other school bus operators face. Both the Federal government, and several other states (notably NY, CT, NJ, OR, WA) that have school bus funding program, recognize this challenge and ensure that contractors and school bus operators are eligible for their funds. Only, California at this time, excludes contractors from these funds. Some believe that contactors can "just finance" the purchase of electric units. However, these



costs to the contractors would have to be passed to the school districts, thereby increasing their transportation budget and potentially taking funds from other critical educational needs.

However, even if CARB allows school bus contractors to participate in HVIP, the criteria for that program will still penalize school districts that use contractors. Under the proposed HVIP plan, private fleet operators can only receive vouchers after they have purchased 30 units with no vouchers. After that, the vouchers are reduced by more than 50% for contractors. Whereas public school districts have no restrictions on vouchers provided to them. In the end, this will result in higher costs to school districts that use contractors. School buses should be treated the same regardless of ownership as they all serve the same students and reducing financial burdens on school districts should be at the forefront of the HVIP program.

The plan does provide some language that contractors are eligible for other funds in the state, most notably the HVIP program. However, the administrators of this program set eligibility requirements each year that prevent most contractors from participating in this funding stream. This is notably done by setting Model Year replacement at an age and/or annual milage at level that most contractors cannot submit eligible replace units. For instance, the HVIP Model Year for replacement was set at 2007, First Student does not own any 2007 Model Year units. This means First Student, and other similarly situation contractors, cannot participate in this funding stream.

These exclusions mean the students and communities served by First Student will not be able to enjoy the emissions free transportation that other California students will have. These students are in these school district that First Student serves:

San Bernadino County Preschool Services Department	San Ramon Valley Unified School District	San Jose Unified School District
San Bernadino County Preschool Services Department	San Leandro Unified School District	Hollister School District
Oro Grande School District	San Lorenzo Unified School District	Bellarmino College Preparatory
Palm Springs Unified School District	Fresno County Office of Education	Metropolitan Education District
Riverside County - Mecca Migrant Headstart Center	Fresno Unified School District	Lycee Francais International Laperouse
Corona-Norco Unified School District	Newman-Crows Landing Unified School District	Tustin Unified School District
Hesperia Unified School District	Banta Elementary SD	Fallbrook Union High School District



Alvord Unified School District	Patterson Unified School District	Los Angeles Cty Office of Education (LACOE) - SE & SE
Helendale School District	West Contra Costa Unified School District	Chadwick School
Barstow Unified School District	San Rafael City Schools	Rolling Hills Prep School
Silver Valley Unified School District	Mount Tamalpais School	Ventura County
Victor Elementary School District	San Domenico School	Long Beach Unified School District
Petaluma City Schools	John Swett Unified School District	Slauson Learning Center
Marin Pupil Transportation Agency	Schools Of San Joaquin County	Glendale Unified School District
Tamalpais Union High School District	Stanislaus Union School District	Orange County Department of Education
San Mateo County Office of Education	Stockton Unified School District	St. Margaret's Episcopal School
San Mateo-Foster City School District	Children's Home Of Stockton	Riverside County - Mecca Migrant Headstart Center
Sacred Heart Schools, Atherton	La Honda-Pescadero Unified School District	Saddleback Valley Unified School District
TRAFFIX	West Valley JPA	Child And Family Guidance Center
Lamorinda SBTA	Valley Christian High School	Burbank Unified School District
Hope Gardens-Union Rescue Mission		

These are communities that struggle with air quality and should not be penalized because their school district has chosen the more cost-effective approach to student transportation through contracting with First Student. They are not the only communities that will be impacted by this funding plan. All school districts that utilize contractors will be similarly affected.



We, therefore, respectfully request that the Board amend the proposed plan to include funding for school buses owned and operated by contractors. This is only fair to the students and communities where they are operated. The Federal government and other states have adopted this approach and we believe CARB should as well.

We will gladly assist the Board and staff with developing an approach that will benefit all students in California. We appreciate your consideration of our comments.

Sincerely,

Kevin L. Matthews

Kevin L. Matthews
Head of Electrification
First Student

