

2019 Diesel Emissions Reduction Act (DERA) School Bus Rebates: **Frequently Asked Questions**

Thursday, October 24, 2019

The questions and answers below are provided to assist eligible organizations in applying for rebates for school bus replacements through the DERA School Bus Rebate program. **The sections listed in this FAQ reference the sections in the Program Guide.**

The Program Guide and other rebate information can be found at:

www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera.

Section 1: Background

Section 2: Eligible Applicants

Question: Does an eligible entity need to be in a nonattainment area to apply?

Answer: No, as long as the applicant meets all eligibility requirements, they can apply. Eligible entities nationwide may apply.

Question: Do applicants need to provide any proof of signature authority from a public school?

Answer: Public school districts applying for rebates for buses they own and operate do not need to provide proof of signature authority, however the person signing the application must be an authorized representative of the organization. If the applicant is a public school district applying with state-owned buses, the applicant must submit a signed letter on the official letterhead of the state agency that owns the buses authorizing the application. See Section 2: Eligible Applicants of the Program Guide for additional information.

Question: We are a public school district but the buses we operate are owned by the state. Who should sign the letter on behalf of the state authorizing us to participate?

Answer: The signature on the official letterhead of the state agency that owns the buses must be from an authorized representative of the state agency. The applying district must submit the signed letter as well as proof of ownership showing that the state agency owns the buses. Please see Section 2: Eligible Entities of the Program Guide for additional information.

Question: What do public school districts enter in the "Type of eligible public entity" field on the application?

Answer: Public schools do not enter anything in this field. It is for private entities only. Please see Section 2: Eligible Applicants of the Program Guide for additional information.

Question: Can a group of eligible entities submit a joint application?

Answer: No. Each entity must submit its own application.

Question: Can an entity who has received EPA funds in the past apply?

Answer: Yes, all eligible applicants with eligible buses may apply.

Question: We have multiple subsidiaries. Can we submit the application under the parent company even though the buses being replaced are owned and operated by one of our wholly owned Ssubsidiaries?

Answer: Yes, the application may be submitted under the name of the parent company. If the owner listed on the bus title differs from the name of the parent company, then the applicant must also provide a letter of explanation that details the relationship between the parent company and subsidiaries.

Question: Can we submit applications for more than one of our wholly owned subsidiaries?

Answer: No. The applicant may submit only one application on behalf of all subsidiaries, unless the fleet owned by the parent company has more than 101 buses in operation. Fleets with 101 or more buses in current operation may submit two applications.

Question: Are private schools eligible entities?

Answer: No. Private schools and other organizations that operate buses are not eligible to apply to this rebate program unless the school buses on the application serve, and are operated under a contract with, an eligible entity.

Question: Can we still apply if our school district leases buses from a transportation contractor?

Answer: No, eligible applicants must own the buses listed on the application. In this case, the transportation contractor is the eligible entity. Please see Section 2: Eligible Applicants of the Program Guide for additional information.

Question: Who is eligible to apply under this funding opportunity?

Answer: Eligible applicants include regional, state or local agency, or port authority, or tribal government or native village, which has jurisdiction over transportation or air quality, including public school districts and municipalities. Private entities that operate school buses under a contract with an entity mentioned may also apply. If the applicant is a private entity, the applicant must certify on the rebate application that it has an existing and executed contract to provide transportation services to a specific public school district at the time of the rebate application.

Section 3: Eligible Vehicles

Question: Do school buses have to be operable at the time of the funding request to be eligible?

Answer: Yes. Vehicles must be able to start, move in all directions, and have all operational parts to meet the eligibility requirements.

Question: How do I demonstrate a bus is used three days a week if it accumulated less than 10,000 miles in the past 12 months?

Answer: By signing the application form, the applicant certifies that all buses listed on the application meet the requirements of Section 3: Eligible Vehicles of the Program Guide.

Question: Does the current school year refer to the 18/19 school year or the 19/20 school year?

Answer: The current school year refers to the 19/20 school year. However, the 10,000 mile usage requirement applies to the last 12 months.

Question: Are spare buses eligible for this funding opportunity?

Answer: No. Spare buses are not eligible for this funding opportunity, unless they have accumulated at least 10,000 or more miles transporting students over the most recent 12 months or been in use for at least three days per week transporting students during the current school year.

Question: Can school buses used to transport students from schools to other schools (e.g., athletics) qualify for rebates?
Answer: In the Program Guide, “a school bus is defined as a vehicle primarily used for the purpose of transporting 10 or more preprimary, primary, or secondary school students to or from schools.” Buses used primarily for transporting students from schools to other schools meet this definition and may be eligible for rebates. Please see Section 3 of the Program Guide for other vehicle eligibility requirements.

Question: We recently purchased a new bus. Do we qualify for a rebate?
Answer: No, purchases cannot be made until an official selection letter is received from EPA.

Question: What are the class definitions?
Answer: Class definitions are determined by the Gross Vehicle Weight Rating (GVWR). The GVWR is defined in the Code of Federal Regulations as the value specified by the manufacturer as the maximum design loaded weight of a single vehicle. Please see Section 3: Eligible Vehicles for additional information.

Question: Are only old buses that run on diesel eligible for replacement under the rebate?
Answer: Yes. Vehicles listed for replacement must be diesel-powered school buses powered by a 2006 or older engine model year.

Question: Do school buses that operate on alternate fuels such as propane qualify as an eligible replacement vehicle?
Answer: Yes, replacement vehicles may run on alternate fuels. Please see Section 3: Eligible Vehicles of the Program Guide for additional information.

Question: Can I purchase a new gasoline bus as a replacement vehicle?
Answer: Yes. Gasoline buses are eligible in this program to replace eligible old diesel buses.

Question: Would we qualify for this rebate if we did a lease-purchase for the buses instead of purchasing them outright?
Answer: No. Lease-purchases are not eligible for this funding opportunity.

Question: Is engine replacement an eligible option?
Answer: No. Engine replacement is not an eligible activity under the 2019 DERA School Bus Rebate program.

Question: Are replacement buses eligible if they are financed rather than purchased outright?
Answer: Leases and lease-purchases are not allowed, but applicants can use other financing options like a standard vehicle loan as long as the title to the new bus is under the applicant’s name.

Question: Are applicants required to have a minimum fleet size to apply?
Answer: No. Applicants with school bus fleet sizes between 1-100 buses may submit one rebate application that includes up to 10 eligible buses to be replaced. Applicants with over 100 school buses in their fleet can submit up to two rebate applications listing different buses.

Question: What type of vehicles are eligible under this funding opportunity?
Answer: Vehicles listed for replacement must be diesel school buses powered by a 2006 or older model year engine; have a Gross Vehicle Weight Rating (GVWR) of 10,001 lbs or more; be owned by the applicant or state government without any liens on the title; be able to start, move in all directions, and have all operational parts; and have accumulated at least 10,000 or more miles transporting students over the most recent 12 months, or been in use for at least three days per week on average transporting students during the current school year.

Question: Our bus does not meet the 10,000 mile minimum requirement. Are there any waivers or exemptions that would allow us to apply?

Answer: If the proposed bus to be replaced has not accumulated 10,000 miles over the most recent 12 months, it must instead have been in use at least three days per week transporting students during the current school year to be eligible.

Question: Are used replacement buses eligible if powered by 2017 or newer model year engines?

Answer: Yes.

Section 4: Funding Amounts

Question: How many rebates will be available?

Answer: EPA has reserved approximately \$10,000,000 to scrap and replace buses, with each bus being eligible for \$15,000-20,000 depending on the gross vehicle weight rating (GVWR) of the replacement bus.

Question: Are the program's amounts per bus or per applicant?

Answer: The rebate amount is per each eligible bus.

Question: Is the funding level for replacements based on the class size of the original bus or of the new replacement bus?

Answer: The funding level for replacements is determined by the class size of the new replacement bus. Pursuant to the Program Guide, the replacement bus must be "no more than one vehicle class size larger than the original school bus." For example, if a fleet were to replace a Class 6 bus with a Class 5 bus, the fleet would be eligible for a rebate for \$15,000 which corresponds with the Class 5 bus size.

Section 5: Application

Question: When is the deadline for submitting completed applications and supporting documentation?

Answer: Applications must be received by EPA before 4:00 pm Eastern Time on Wednesday, October 30, 2019.

Question: The application will not open when I click on it.

Answer: Please right-click the application link and select "save link as" or "save target as" and save the PDF to your desktop. Then open the document using the free Adobe Acrobat Reader program. Please contact CleanDiesel@epa.gov if you continue having problems with the application.

Question: Does an applicant need both a DUNS number and an Employer Identification Number (EIN)?

Answer: Yes, both numbers are required. See Section 5 of the Program Guide for more information.

Question: We are having difficulty locating the EPA engine family name.

Answer: The EPA engine family name is a 12-character number/letter designation included on the engine nameplate for all heavy-duty truck engines sold in the United States. Please contact the engine manufacturer for assistance in obtaining the required engine-specific information.

Question: Are applicants required to submit vehicle titles?

Answer: Yes, a copy of each vehicle title and registration must be submitted as part of the application package to prove ownership. Applicants that are missing titles to vehicles can try contacting their state DMV offices for copies of the vehicle titles.

Question: We do not have bus registrations in our state. What do we do regarding the registration requirement?

Answer: If vehicle registration is not required by law in the state where the vehicle operates, the applicant must submit documentation that registration is not required in that jurisdiction. This might be as simple as including a link in the applicant's email pointing to the state department of transportation web page that states that school bus registrations are not required in that state.

Question: How is the remaining life for vehicles determined?

Answer: The remaining life is the fleet owner's estimation of years of useful life the vehicle might have had left were it not being scrapped. This should include any secondary life had the vehicle been resold to other fleets. Please provide your best estimate given the condition of the bus being replaced.

Section 6: Selection

Question: When will the selection process take place?

Answer: The application submission period closes on October 30, 2019, at 4:00 pm Eastern Time. Selection and eligibility verification will take place soon after. EPA anticipates announcing selections in January 2020.

Question: How will applications be prioritized and selected to receive funding?

Answer: All eligible applications submitted to EPA by Wednesday, October 30, 2019 at 4:00 pm Eastern Time will be assigned a unique identification number and applicants will be selected through a random number generator. Please see Section 6: Selection of the Program Guide for additional information.

Question: If funding is offered in future years, will awards be made from the current wait list?

Answer: No. If funding is available in future years, EPA will issue a new funding opportunity announcement and applicants will need to reapply.

Question: Are states with higher populations allocated more funding?

Answer: No.

Section 7: Notification

Question: How will I know if my application has been selected?

Answer: Selected applicants will be notified by letter. See Section 7: Notification of the Program Guide for additional information.

Question: How soon after the program closes will the results be posted on EPA's website?

Answer: EPA anticipates selections will be made in January 2020. Results will be posted at www.epa.gov/cleandiesel/school-bus-rebates-diesel-emissions-reduction-act-dera.

Section 8: Purchase Order Submittal

Question: When must new buses be purchased?

Answer: New buses must be purchased within 90 days of the date of the selection letter, but not before the date on the selection letter. Please see Section 8: Purchase Order Submittal of the Program Guide for additional information.

Question: Can a selectee submit a letter of intent to purchase rather than an actual purchase order?

Answer: No. A purchase order for a new bus must be submitted within 90 days of the date of the selection letter.

Question: How can we participate if we cannot order buses until a bid has been requested?
Answer: The purchase order cannot pre-date the date of the selection letter, but you may enter into the bidding process prior to receiving the selection letter.

Question: If we are selected to receive a rebate and, prior to submitting a purchase order, we determine that we are unable to make the purchase, can we withdraw our application?
Answer: Yes. A selectee may opt out at any time, but we recommend that fleets only apply if they think it is very likely that they will use the funds.

Question: If we apply for ten buses and later determine we can only afford two, will all rebate funds be declined?
Answer: No. Selectees may reduce the number of buses from what they list on the application. However, additional buses may not be added. EPA encourages applicants to list the number of buses they believe they can afford.

Section 9: Vehicle Delivery

Question: What will happen if orders for the new replacement buses are delayed past the deadline to receive reimbursement?
Answer: Applicants are encouraged to coordinate with vendors to ensure timely delivery of replacement vehicles. EPA will consider specific situations, such as delivery delays, on a case-by-case basis.

Section 10: Scrappage

Question: Are there reference pictures for the scrapping of the engine and the chassis?
Answer: See Appendix F of the Program Guide for sample scrappage photos.

Question: How do we drill the 3-inch hole in the engine block?
Answer: Past selectees have successfully cut the 3-inch hole using a 3-inch metal hole saw bit on a power drill or using a torch.

Question: Who should scrap the bus?
Answer: Scrappage may be completed by the selectee or by a scrap yard or similar service. All scrappage requirements must be met. Please see Section 10: Scrappage of the Program Guide for additional information.

Question: Can the frame be partially cut in half to allow the bus to be towed to the scrap yard? Cutting the frame completely in half will make it very difficult to tow the bus.
Answer: The purpose of the scrappage requirements is to ensure the bus is permanently disabled and can no longer be used as a vehicle. The chassis rail must be completely cut in half. This may be done at the scrap yard.

Question: Can we keep the bus body without the chassis and engine for training purposes?
Answer: Yes, the chassis and engine must be scrapped but other parts of the bus may be salvaged. Fire departments may use the bus for training purposes, but the bus may not be set on fire as this runs counter to the goal of reducing air pollution. Please see Section 10: Scrappage of the Program Guide for additional information.

Section 11: Request for Payment

No questions at this time.

Section 12: Payment

Question: How long will it take to receive payment after we submit the final documents?

Answer: Once EPA has received and approved the payment request and supporting documentation, payment will be issued in about a month via electronic funds transfer. Please see Section 12: Payment of the Program Guide for additional information.

Appendix I: Terms and Conditions

Question: Are applicants disqualified from taking grant program money from other state or local programs for buses that are replaced as a part of this program?

Answer: No. The applicant portion of funding may consist of funds from state and local grant program, or other third-party funding and financing. However, buses that receive rebates under this program cannot be funded or financed in whole or part with other federal funds. Also, funds awarded under this program may not be used to meet cost-sharing requirements for projects funded with environmental mitigation funds. For example, Volkswagen Environmental Mitigation Trust funds cannot be used to fund the same bus that is being replaced under this rebate program. Please see Appendix H: Terms and Conditions of the Program Guide for more information.

Question: If awarded a rebate, is it considered taxable income to our company?

Answer: It is the recipient's responsibility to report income in accordance with any/all applicable state, local, or federal tax requirements.