

2021 American Rescue Plan (ARP) Electric School Bus Rebates: **Frequently Asked Questions**

Wednesday, November 3, 2021

The questions and answers below are provided to assist eligible organizations in applying for rebates for school bus replacements through the 2021 ARP Electric School Bus Rebates 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/dera/2021-american-rescue-plan-arp-electric-school-bus-rebates

Section 1: Background

Question: How does the 2021 DERA School Bus Rebates differ from the new 2021 American Rescue Plan (ARP) Electric School Bus Rebates?

Answer: While the two programs are similar and run concurrently, they require separate application forms and differ significantly with regard to eligibility and several other details. The new 2021 ARP Electric School Bus Rebates exclusively fund the replacement of old diesel buses with new electric school buses for underserved school districts, tribal schools, and private fleets serving those schools. Please see the table at the [ARP Rebates website](#) which highlights key differences between the two programs.

Question: Does the ARP Rebate Program fund electric repowers?

Answer: No. This rebate will exclusively fund the replacement of old diesel buses with new electric school buses and will not fund electric repowers.

Section 2: Eligible Applicants

Question: Can an entity apply for both the 2021 DERA School Bus Rebates and the new 2021 ARP Electric School Bus Rebates?

Answer: Yes, eligible applicants can apply to both programs, but the eligibility for the ARP Rebates is significantly more restrictive per the [ARP Rebates website](#). Fleets eligible to apply to both programs cannot use funding from both programs on the same bus replacements.

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

Answer: Eligible applicants for 2021 ARP Electric School Bus Rebates include:

1. Public school districts listed on the ARP Electric School Bus Rebates Eligibility List posted on the [ARP Rebates website](#)
 - a. Districts on the eligibility list are estimated to have 30% or more students living in poverty based on the [US Census Small Area Income and Poverty Estimates \(SAIPE\) School District Estimates for 2019](#)
2. Federally recognized Indian tribal governments responsible for providing school bus transportation
3. Private entities that operate school buses under a contract with an entity listed above

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

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

- 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 public school district.
- 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:* Our school is not included in the list of eligible school districts, despite serving a disadvantaged community. Can we submit documentation for eligibility consideration under this program?
Answer: No, school districts must appear on the eligibility list to apply for funding under the 2021 ARP Electric School Bus Rebates. For details on eligibility, see Section 2 of the Program Guide.
- Question:* Are buses used for a Head Start program that are owned and operated by a federally recognized tribe eligible for the 2021 ARP Electric School Bus Rebates?
Answer: It depends. The tribe may be eligible to apply for the 2021 ARP School Bus Rebates if the proposed replacement bus will not be funded by other federal funds (e.g., Head Start grant funds).
- Question:* Are Bureau of Indian Education and Bureau of Indian Affairs schools eligible for the ARP Electric School Bus Rebates?
Answer: Possibly. Federally recognized Indian tribal governments responsible for providing school bus transportation are eligible to apply for funding if they own the buses that will be replaced. Note: Buses owned by federal agencies (e.g., Bureau of Indian Affairs) are not eligible for replacement. Also, replacement buses in the ARP Electric School Bus Rebates cannot be funded by other federal funding sources (e.g., BIA).
- Question:* Are school districts only eligible if they have 30 percent or more students living in poverty?
Answer: Yes. School districts named in the eligibility list are all estimated to have 30 percent or greater students living in poverty. Please see Section 2 of the Program Guidelines for more information on eligibility requirements.

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:* 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 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. Can we get a rebate for this purchase?
Answer: No, replacement bus purchases cannot be made until an official selection letter is received from EPA.

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: 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 if the title to the new bus is under the applicant's name.

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 either the last 12 months or calendar year (Jan.-Dec.) 2019, it must instead have been in use at least four days per week on average transporting students between 9/1/2019 and 2/29/2020 to be eligible.

Question: Please identify engine model years eligible for replacement. Does the old bus need to be scrapped?

Answer: Diesel school buses powered by a 2006 or older model year engine are eligible. The bus being replaced must be scrapped. Please see Section 3 of the 2021 Program Guide for additional vehicle eligibility requirements.

Question: What are the size restrictions on buses being replaced and new replacement buses?

Answer: Engine model year 2006 and earlier diesel school buses that are being replaced must be Type C or Type D school buses. Replacement battery-electric buses must also be Type C or Type D school buses.

Question: Is a van eligible for replacement under the ARP Rebates?

Answer: No, only Type C and Type D diesel school buses are eligible for replacement.

Section 4: Funding Amounts

Question: How much funding is available per bus?

Answer: EPA is offering \$300,000 for each old diesel bus replaced with a new battery-electric school bus. Applicants can list up to 4 buses for replacement for a maximum rebate amount of \$1,200,000.

Question: Are funds available specifically for EV chargers? Is there a maximum that can be spent on EV chargers?

Answer: 2021 ARP Electric School Bus Rebates are paid out after fleets have successfully scrapped their old buses, purchased and received their new buses and EV chargers, and submitted the payment documentation specified in Section 11 of the Program Guide to EPA.

There are no separate funds specifically for EV chargers and there are no limits on how much a fleet spends on their buses, EV chargers, or the installation of those EV chargers and associated infrastructure.

Question: For the ARP Electric School Bus Rebate program, if the bus purchased is less than \$300,000 will the rebate be capped at a lower amount?

Answer: Rebates cannot exceed the cost of the bus and EV charging equipment and infrastructure. If the cost of the EV charging equipment, infrastructure, and the bus is less than \$300,000, the rebate amount will be capped to match the applicant's total expenditure. EPA estimates that in most cases the total cost will exceed \$300,000.

Question: Are ARP rebate funds competitive across all eligible school districts nationwide, or is there an anticipated budget per state?
Answer: There is no budget per state, but there is prioritization for geographic diversity in the lottery process for selecting applicants from the 10 different EPA Regions. Please see Section 6 of the Program Guide for more information on the selection process.

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 Friday, November 5, 2021.

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 DERA@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: Remaining life is the fleet owner's estimate of the number of years until the bus would have been retired from service if the bus were not being scrapped because of the rebate funding. The remaining life estimate is the number of years of operation remaining, including if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of scrappage, as well as things like usage, maintenance, and climate. Please provide your best estimate given the condition of the bus being replaced.

Question: What should we do if the engine manufacturer cannot help us obtain the EPA engine family name?

Answer: Please submit the application, titles, and registrations to DERARebates@EPA.gov along with a brief explanation of your efforts to locate the engine family name. If selected in the lottery process, we may be able to assist you in confirming the engine family name.

Question: How can an applicant reflect bus usage of at least four days per week on the application?

Answer: Please use the second checkbox on the application to certify vehicles have been in use at least four days per week on average transporting students between 9/1/2019 and 2/29/2020. You must still record the miles traveled for each vehicle in the table on the application.

New *Question:* What should a tribal applicant do if the title of a bus is under a school district's name?

Answer: The applicant must own and operate the old school bus for which funds are being requested. If the school district owns and operates the bus, then the school district would be the eligible applicant. For the purposes of prioritization in the selection process, Section 6 of the Program Guide states that EPA will prioritize the "single highest ranked tribal applicant" in the lottery. If the school district is a government agency under the operation of the tribal government, then the applicant should fill out the Applicant Organization Type as "Tribal Government/Agency" to ensure that EPA applies the appropriate prioritization to the application in the selection process.

New *Question:* How do I determine the 12-digit engine family name?

Answer: The EPA engine family name is usually found on the nameplate that is permanently affixed to the engine. The exact location and appearance of the nameplate varies by engine manufacturer. If the EPA engine family name does not appear on the engine or it is difficult to read, the manufacturer of your engine may be able to assist you in determining the engine family name. Some manufacturers also have online tools where their customers can enter engine serial numbers and determine the engine family name.

Section 6: Selection

Question: When will the selection process take place?

Answer: The application submission period closes on November 5, 2021, at 4:00 pm Eastern Time. Selection and eligibility verification will take place soon after. EPA anticipates announcing selections in January-February 2021.

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

Answer: All eligible applications submitted to EPA by Friday, November 5, 2021 at 4:00 pm Eastern Time will be assigned a unique identification number and applicants will be selected by lottery via a random number generator. Please see Section 6: Selection of the Program Guide for additional information on prioritization for tribal fleets and geographic diversity.

Question: What are the chances of being selected for funding?

Answer: The probability of an applicant being selected for funding in the 2021 ARP Electric School Bus Rebates is dependent on the number of applicants and the amount requested per application. It is difficult to estimate this probability given that this is a new funding opportunity.

Question: For prioritization purposes in the lottery selection process, are public schools located within tribal reservation boundaries considered a public or tribal school?

Answer: Only federally recognized Indian tribal governments responsible for providing school bus transportation are considered eligible tribal applicants, of which, one will receive prioritization in the lottery selection process. Schools located within reservation boundaries, but not operated by the tribal government, may still be eligible applicants if they are specifically identified by name in the eligibility list.

Question: Will applicants be notified if they are not selected for funding?

Answer: Yes, applicants will be informed via email when the selection lists and waitlists are posted to the DERA website.

Section 7: Notification

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

Answer: Selected applicants will be notified by email with a PDF selection 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-February 2021. Results will be posted at www.epa.gov/dera/awarded-dera-rebates.

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: 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 four 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.

Question: Can a school district request an extension on the purchase order deadline if they are awaiting confirmation from the school board on the budget?

Answer: Yes. Fleets can request extensions to the purchase order deadline. EPA will review these requests on a case-by-case basis and may grant extensions if sufficient justification is provided.

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: 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: The EPA engine plate is gone so we cannot take a picture of it for scrappage. Does this disqualify us from funding?

Answer: A missing engine nameplate or tag does not necessarily disqualify a bus from being eligible. When emailing your application to EPA, please point out in the email that the engine nameplate is missing. You will likely need to reach out to the bus or engine manufacturer to confirm the engine model year and the 12-character EPA engine family name.

Section 11: Request for Payment

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 other federal funds or Volkswagen (VW) Environmental Mitigation Trust funds can be used on the same bus replacement project as 2021 ARP Electric School Bus Rebate funds. Fleets can use external non-federal and non-VW funding sources as part of their bus replacement project, but must confirm with the source of those funds that they are not pass-through federal or VW Trust funds.

The total of 2021 ARP Electric School Bus Rebate funds and other eligible external funds cannot exceed the cost of the new buses and, for electric bus replacements, the cost of charging equipment/infrastructure for those buses.

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.