



Environmental Protection Agency Clean School Bus Program

Overview of the 2023 \$500M School Bus Rebate Program

On September 28, the Environmental Protection Agency [Clean School Bus Rebates program](#) officially opened the second round of rebate funding. The program makes \$500 million available to schools to replace older diesel buses with zero-emission (electric) buses and clean buses, which can include electric buses. In the 2022 round of rebate funding, 90 percent of the applications were for electric buses. The application window closes on January 31, 2024.

In a significant change from the first rebate program, the program requires applicants applying for electric buses to submit a [Utility Partnership Agreement](#) with the application. The program guide encourages applicants to reach out to the utility early – even before making the decision to apply – to understand the costs and also how to maximize program benefits.

To help schools prepare for their initial conversation with the utility, the Beneficial Electrification League developed a short explainer for school officials, [Talking to Your Local Utility About Electric School Buses](#).

Background

In 2021, the Infrastructure Investment and Jobs Act (IIJA) was signed into law. This bipartisan infrastructure bill includes \$5,000,000,000 (\$5 Billion) in funding over a five-year period (\$1B per year starting in fiscal year 2022). Half of the funding is set aside for zero-emissions (electric) school buses, and half can be used for “clean” buses, which may also include electric school buses. The program will be administered by the U.S. Environmental Protection Agency (EPA), and will provide competitive grants, rebates and contracts to replace currently-owned buses.

Eligible applicants

- Public School Districts (Local or State governmental entities, or charter school districts, responsible for providing school bus service)
- Tribal Applicants (Tribal organizations providing school bus service to one or more Bureau-funded schools)
- Third Parties (nonprofit school transportation association or eligible contractors including, generally, school bus dealers, Original Equipment Manufacturers, school bus service providers, and private school bus fleets that provide student transportation services)

Priority applicants

- Rural districts identified by the [National Center for Education Statistics \(NCES\)](#) with locale code, “43-Rural: Remote.”
- High-need and low-income area school districts (see [Small Area Income and Poverty Estimates \(SAIPE\) School District Estimates for 2021](#)).

- School districts funded by the Bureau of Indian Affairs or serving students living on Tribal lands.

Funding amounts

- The total amount available in grant funding is \$500 million.
- **EPA will only cover electric charging infrastructure costs on the customer side of the meter.**
- The total rebate amount for each bus includes \$20K for charging infrastructure. Rebate recipients have discretion in determining how to split the costs. For unprioritized school districts, the grant funding available for the two classes of electric buses is \$200K and \$145K. (See chart below for grant funding amounts.)

Table 4: Maximum Funding Amount per Replacement School Bus

School District Prioritization Status	Replacement Bus Fuel Type and Size					
	ZE – Class 7+	ZE – Class 3-6	CNG– Class 7+	CNG – Class 3-6	Propane – Class 7+	Propane – Class 3-6
Buses serving school districts that meet one or more prioritization criteria	Up to \$345,000 (Bus + Charging Infrastructure)	Up to \$265,000 (Bus + Charging Infrastructure)	Up to \$45,000	Up to \$30,000	Up to \$35,000	Up to \$30,000
Buses serving school districts that are not prioritized	Up to \$200,000 (Bus + Charging Infrastructure)	Up to \$145,000 (Bus + Charging Infrastructure)	Up to \$30,000	Up to \$20,000	Up to \$25,000	Up to \$20,000

Application process

- Applicants can request battery-electric, compressed natural gas (CNG), and propane buses. Applicants requesting battery-electric buses are also able to purchase eligible EV charging equipment and infrastructure. Each applicant can request up to 25 buses.
- The rebate program disburses funds by a lottery; there is no advantage to applying early.
- The 2023 Clean School Bus (CSB) Rebates process includes [SAM.gov](https://www.sam.gov) account registration, rebate application submission, review and selection by EPA. Selectees will submit purchase orders to request payment and then receive payment, followed by new bus delivery, existing bus replacement, and project close out.
- EPA will be working to achieve nationwide deployment and ensure a broad geographic distribution of awards.

Bus replacement

- As with the rebate program, buses purchased with grant money must replace a bus in the existing fleet. Buses must be 2010 or older; for districts that do not have such a bus, 2011 is allowable. Funds cannot be used to expand a fleet.

The Beneficial Electrification League’s (BEL) seeks to enable interested and eligible rural school districts equitable access to Clean School Bus funds. Please reach out with questions. To stay informed or join the initiative visit: www.be-league.org/buses or email grants@be-league.org