

March 9, 2010

Air Pollution Control Board
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) -
PROPOSED FUNDING FOR SCHOOL BUS GRANT PROGRAM PROJECTS
INVOLVING SIMI VALLEY UNIFIED SCHOOL DISTRICT AND RIO
SCHOOL DISTRICT (**RECOMMENDATIONS 1, 2, AND 4 REQUIRE 6/10
VOTE**)

RECOMMENDED ACTION:

1. Approve funding of up to \$131,305 for a School Bus Replacement Grant project to assist the Simi Valley Unified School District's replacement of one (1) pre-1987 school bus with one (1) new lower-emission diesel school bus.
2. Approve funding of up to \$131,291 for a School Bus Replacement Grant project to assist the Rio School District's replacement of one (1) pre-1987 school bus with one (1) new lower-emission diesel school bus.
3. Direct the Air Pollution Control Officer to prepare a Grant Agreement for the above project, if approved for funding, using the Grant Agreement previously approved by your Board that has been updated to meet current state guidelines, and Authorize the Air Pollution Control Officer to sign the Grant Agreement on behalf of the Air Pollution Control District and to make any necessary minor administrative changes to such agreement.
4. Authorize the Auditor-Controller to process the following accounting transaction for the School Bus Replacement Program in Special Revenue Fund 7002 – Air Pollution Grants for Fiscal Year 2009-2010 (requires **6/10 vote**):

Increase Revenue (9248 – State Aid)	\$32,596
Increase Revenue (9255 – State Aid – ARRA fed pass-through)	\$230,000
Increase Services and Supplies (2301 – Other Grants)	\$262,596

FISCAL/MANDATES IMPACT:

Mandatory:	No	
Source of Funding:	Build America Bonds	\$230,000
	Motor Vehicle Fee AB 923 Program	\$32,596

STATEMENT OF MATTER FOR BOARD CONSIDERATION:

A. Background

The Lower-Emission School Bus Program was established by the state legislature in 2001 to reduce school children's exposure to toxic diesel particulate emissions. California voters approved the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) in November 2006. This Act designated \$200 million statewide to replace old high-polluting school buses and to retrofit existing diesel school buses with ARB-verified pollution control equipment. In 2008, the California Air Resources Board (CARB) adopted revised guidelines for the school bus grant program and adopted grant allocations for each air district in the state based on a formula from enabling legislation (Health and Safety Code Sections 44299.90-44299.91). On May 13, 2008, your Board approved a resolution to participate in the state's Lower Emission School Bus Program and accepted a grant award from the Air Resources Board for up to \$5 million to carry out this grant program. Created by the federal stimulus legislation enacted in February 2009, Build America Bonds are a new financing tool for state and local governments, designed to assist state and local governments in financing capital projects at lower borrowing costs and to stimulate the economy and create jobs.

According to estimates from the Air Resources Board, the emission reductions resulting from this grant program in Ventura County will be 75 tons of nitrogen oxides (NO_x), 5 tons of toxic particulate matter (PM), and 550 tons of carbon dioxide (CO₂) through 2020.

B. Proposal

Health and Safety Code Section 44299.901(e) specifically requires that the CARB School Bus Program Guidelines be used to develop and administer this program. Staff contacted all school districts in the county that own their bus fleets and all school bus transportation service providers regarding the second phase of this grant program. Funding available for this second phase of the grant program is limited to the 35 percent remaining of the original \$5 million grant plus \$68,913 additional funding from CARB plus any unused grant funds from Phase 1 projects that are not completed.

Selection of the grant recipients must follow state guidelines which dictate that only the oldest school bus replacements may be funded. Sufficient funding for requested grants is only currently available to replace two 1986 school buses. Simi Valley Unified and Rio School Districts were chosen to receive the proposed grant awards based on the age of the replaced buses and the fact neither one of these school districts have yet to receive a new school bus grant from this Prop 1B funding program. School districts will contribute \$10,000 of the \$25,000 required match. The remaining \$15,000 match fund requirement plus \$1,305 increase in sales taxes for Simi Valley Unified School District and \$1,291 increase in sales taxes for Rio School District is being funded from AB923 DMV fees based on a Board policy for Ventura County's Lower Emission School Bus Program.

Staff will use a Grant Agreement similar to the School Bus Grant Agreement, which was reviewed by County Counsel, to make these grant awards. This Grant Agreement was updated to meet state guidelines, and it has been approved by the Air Resources Board. Staff will administer the Grant Agreement and ensure the project time and milestone schedules are met before funds are provided to the project proponents/school districts. The Air Pollution Control Officer also requests authorization to make minor administrative changes to the Grant Agreements, if necessary. If a significant change to a Grant Agreement is required, your Board will be requested to approve the change. The Auditor-Controller's Office and County Counsel have reviewed this letter. If you have any questions, please contact Stan Cowen at 645-1408 or Nancy Mendoza (fiscal) at 645-1402.

MICHAEL VILLEGAS
Air Pollution Control Officer