

EPA 2023 Clean School Bus Program Rebates Cheat Sheet

2023 Rebates Overview

As part of the Bipartisan Infrastructure Law, Congress authorized up to \$5 billion under the Clean School Bus Program (CSBP) to replace polluting diesel school buses nationwide. Right now, EPA is [awarding approximately \\$500 million](#) of this funding as rebates via a lottery process available to school districts and fleet operators. These rebates can be used to purchase electric school buses (ESBs) and charging infrastructure. **Applications for the 2023 CSBP rebates are due January 31, 2024, at 4pm ET.** This is the third round of funding available under CSBP, following the 2022 CSBP rebates and 2023 CSBP grants. There are some new requirements for this round of funding compared to the 2022 rebate, so districts should start on their applications right away!

2023 Rebates Summary

Application Period: The program opened on September 28, 2023, and applications are due at 4pm ET on January 31, 2024. EPA plans to award at least \$500 million. EPA anticipates announcing awards in April 2024, with a two-year project period ending in April 2026.

- See EPA's 2023 CSBP rebates [webpage](#) for program information, dates and documents.

Eligible Applicants: Public school districts, Tribal applicants and third parties (including school transportation contractors) are eligible to apply. There can only be one application per district, but third parties can submit multiple applications on behalf of multiple districts.

Eligible School Buses: For old buses being replaced, EPA is targeting diesel buses that are model year 2010 or older. However, newer buses are eligible if they are being replaced with an ESB and if the applicant has no model year 2010 or older buses in its fleet. All buses being replaced must be operational and have provided bus service to a public school district for at least 3 days/week on average during the most recent school year, excluding emergency-related school closures. Among other things, replacement ESBs must be new (i.e., first retail sale; no [repowers](#)), model year 2022 or newer, and purchased (not leased). All replacement buses must serve the school district listed on the application for at least five years, with some exceptions.

- See EPA's [Program Guide](#) for all program rules and eligibility requirements.
- See EPA's [Q&A document](#) for answers to clarifying questions.

Prioritized School Districts: High-need districts, districts in low-income areas, certain rural districts and districts funded by the U.S. Bureau of Indian Affairs have priority status. Many non-priority districts are eligible to self-certify for priority status at the time of their application. EPA expects to award approximately 60% of funds to prioritized applicants.

- See EPA's [Prioritized School District List](#) for a PDF list of all districts with priority status.
- See EPA's [Prioritized School District Detailed List](#) for an Excel spreadsheet of all districts with priority status and all districts eligible to self-certify for priority status.
- See EPA's [Prioritization Self-Certification Instructions](#) to self-certify for priority status.

Maximum Awards: Each applicant can apply for rebates to replace one to 25 buses. Each bus being replaced is eligible for up to \$345,000 in rebate funding for replacement buses and charging infrastructure. Applicants can request up to an additional \$20,000 per bus for replacement buses equipped with wheelchair lifts. Up to \$20,000 per bus is also available to support increased shipping costs for applicants in Alaska, Hawaii, Puerto Rico, U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands.

Scrappage: School buses being replaced must be scrapped if they are model year 2010 or older. However, newer buses being replaced can be sold or donated instead. Existing buses must be replaced by the end of the project period (two years), but there can be overlap between existing buses and replacement buses. Whether existing buses are scrapped, sold or donated, awardees will be required to submit corresponding documentation to EPA.

Applications: Applications are submitted through [EPA's online application portal](#). Applicants need an active registration as an entity via SAM.gov with a Unique Entity ID (UEI) in order to apply. The application requests certain information about the buses being replaced, including the Vehicle Identification Number (VIN), Gross Vehicle Weight Rating (GVWR), average annual fuel consumption and average annual mileage, as well as copies of their titles. In addition, applications must include certain forms: [School Board Awareness form](#) (for all applicants), [Utility Partnership Agreement](#) (for all applicants requesting ESBs) and [School District Approval form](#) (for third-party applicants only).

- See EPA's [Application User Guide](#) for a step-by-step guide to the application process.

Changes to Program Rules for 2023 Rebates

The table below highlights how key provisions of the Clean School Bus Program vary across the 2022 rebates, 2023 grants and 2023 rebates. See EPA's [Program Guide](#) for further details on the rules of the program.

	2022 Rebates	2023 Grants	2023 Rebates
Total funding available	~\$1 Billion	~\$400 Million	~\$500 Million
Maximum per-bus funding available	\$395,000*	\$395,000**	\$345,000***
Additional \$20,000 available for wheelchair lifts			X
Additional \$20,000 available for increased shipping costs for certain states and territories			X
Number of replacement buses for individual districts	1-25	15-50	1-25
Applications with multiple school districts allowed		X	
Expanded definition of "eligible contractor" that allows school transportation contractors to apply		X	X
Narrower definition of "rural" for priority status ("rural remote" school districts only)		X	X
Self-certification for priority status for eligible large school districts (35,000+ students or 45+ schools)		X	X
Applicants encouraged to consider bus manufacturers' job quality during procurement			X
School Board Awareness form for all applicants			Required
Utility Partnership Agreement for applicants requesting ESBs		Optional	Required
School District Approval form for third-party applicants		Required	Required
Award selection process	Lottery	Scored on Rubric	Lottery
Application platform	EPA Portal	Grants.gov	EPA Portal

*Up to \$375,000 for buses and \$20,000 per bus for charging infrastructure

**Additional funding was available to cover project implementation costs such as staff time, training, scrappage, etc.

***Note that the Qualified Commercial Clean Vehicles (section 45W) tax credit provides up to \$40,000 per bus

Additional Funding and Financing Opportunities

While the Clean School Bus Program provides an excellent opportunity to bring the economic, air quality and health benefits of ESBs to your community, CSBP rebate funding may not be sufficient to cover all associated costs. School districts should be sure to [pursue other funding and financing options](#) to maximize support for their ESB projects. Note that, like many federal funding programs, CSBP funds cannot be stacked with other federal funds for

purchases, but most state and local funds can be stacked. WRI has compiled a [Clearinghouse of funding and financing opportunities](#) for ESBs.

IRA Tax Credits: Tax credits from the [Inflation Reduction Act](#) will be available to further support purchases of ESBs and charging infrastructure. Tax-exempt entities such as school districts are eligible to receive these tax credits as a direct payment. For example, the Qualified Commercial Clean Vehicles ([section 45W](#)) tax credit will provide up to \$40,000 per bus for ESB purchases once the Internal Revenue Service [finalizes its form](#) to claim the credit. EPA has specified in its [Q&A document](#) that these tax credits can be stacked with CSBP funds.

Other Funding Sources: State and local governments may have grants, rebates, vouchers or other programs available to provide funding for electric school buses and chargers. Similarly, electric utilities may have incentive, pilot, [make-ready](#) or other programs available to support fleet electrification and the adoption of related technologies such as renewable energy generation and battery storage. Note that CSBP funding cannot be used for costs on the utility side of your electrical meter.

Financing: Financing arrangements can provide capital for costs today to be paid back over a future period, often with a small premium (i.e., interest). These mechanisms include bonds, lease to purchase agreements, or loans facilitated by private and public lenders. Private lenders associated with vehicle manufacturers can facilitate [leasing](#) or [tax-exempt financing](#). Entities like state financing authorities, [green banks](#) and community development financial institutions ([CDFIs](#)) may be able to provide low-cost capital or credit enhancement mechanisms to support infrastructure projects at a much more competitive rate than a conventional bank loan. [Learn more](#) about how financing mechanisms can complement funding awards to scale the adoption of electric school buses.

Additional Resources for 2023 Rebate Applicants

WRI's [Electric School Bus Initiative](#) is working to accelerate the electrification of the U.S. school bus fleet. We have free support and resources available to help school districts interested in ESBs, including:

- [Office hours](#) with our staff to answer districts' questions about ESB funding and adoption.
- [Step-by-step guide](#) to help districts at every stage of fleet electrification.
- [Market study and buyer's guide](#) with comprehensive information on ESBs available in the U.S.
- [Request for proposal \(RFP\) template](#) to guide districts' procurement of ESBs and chargers.
- [Power Planner](#) to help districts start coordinating with their utility on ESB deployment.
- [Sign up](#) to receive future updates from the Electric School Bus Initiative!