

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1542 Session of  
2023

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JUNE 29, 2023

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF  
REPRESENTATIVES, AS AMENDED, DECEMBER 12, 2023

AN ACT

1 Establishing the Electric School Bus Grant Program and the  
2 Electric School Bus Grant Program Fund; providing for duties  
3 of the Department of Education; and making an appropriation.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Electric  
8 School Bus Grant Program Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Charging infrastructure." A facility or equipment that is  
14 used to charge a battery or other energy storage device of a  
15 vehicle that is fully or partially powered by electricity.

16 "Department." The Department of Education of the  
17 Commonwealth.

1 "Disproportionately impacted community." Any of the  
2 following:

3 (1) A community that is in a census block group, as  
4 determined in accordance with the most recent Federal  
5 decennial census, where:

6 (i) the proportion of households that are low income  
7 is more than 40%;

8 (ii) the proportion of households that identify as  
9 minority is more than 40%; or

10 (iii) the proportion of households that are cost-  
11 burdened is more than 40%.

12 (2) A community identified or approved by a State agency  
13 as a disproportionately impacted community if any of the  
14 following apply:

15 (i) The community has a history of environmental  
16 racism perpetuated through redlining, anti-Indigenous,  
17 anti-immigrant, anti-Hispanic or anti-Black laws.

18 (ii) The community is impacted by multiple factors,  
19 including socioeconomic stressors, disproportionate  
20 environmental burdens, vulnerability to environmental  
21 degradation and a lack of public participation, which may  
22 act cumulatively to affect the health and environment and  
23 contribute to persistent disparities.

24 "Electric-powered school bus." A school bus that is powered  
25 solely by electricity.

26 "Fund." The Electric School Bus Grant Program Fund  
27 established under section 6(a).

28 "Grantee." A recipient of a grant under the program.

29 "Internal combustion engine school bus." A school bus  
30 powered by diesel fuel or gasoline.

1 "Nonattainment area." An area of this Commonwealth that has  
2 been designated by the Environmental Protection Agency as being  
3 in nonattainment with national ambient air quality standards.

4 "Program." The Electric School Bus Grant Program established  
5 under section 3(a).

6 "School bus." A school bus as defined in 75 Pa.C.S. § 102  
7 (relating to definitions).

8 "School entity." A public school, including ~~a charter school~~ <--  
9 ~~or cyber charter school~~, AN intermediate unit or area career and <--  
10 technical school operating within this Commonwealth.

11 "Secretary." The Secretary of Education of the Commonwealth.  
12 Section 3. Electric School Bus Grant Program.

13 (a) Establishment.--The Electric School Bus Grant Program is  
14 established within the department. The department shall award  
15 grants under the program to a school entity or a contracted  
16 nonprofit organization or private entity acting on behalf of the  
17 school entity to finance the following:

18 (1) The procurement and maintenance of electric-powered  
19 school buses, the conversion of internal combustion engine  
20 school buses to electric-powered school buses, charging  
21 infrastructure and electrical upgrades on each customer's  
22 side of the meter as necessary to support charging  
23 infrastructure.

24 (2) The administrative costs associated with the  
25 procurements, conversions, maintenance or retirements  
26 specified under paragraph (1), including up-front  
27 administrative costs associated with developing and  
28 implementing a proposal for the procurements, conversions or  
29 maintenance.

30 (b) Duties.--The department shall administer the program,

1 including providing the necessary technical assistance for the  
2 program. The department may provide no more than the equivalent  
3 of one-half of a full-time employee of the department to provide  
4 technical assistance to a school entity regarding applying for a  
5 grant under the program and implementing a project with the  
6 awarded grant money.

7 (c) Application.--The department shall establish an  
8 application process for a school entity or a contracted  
9 nonprofit organization or private entity acting on behalf of the  
10 school entity to apply for a grant under the program. The  
11 department shall post information about the program application  
12 process, including an application form that the department  
13 develops for the program, on the department's publicly  
14 accessible Internet website.

15 Section 4. Criteria for awarding grants under program.

16 (a) Criteria.--The department shall develop criteria for  
17 awarding grants under the program, which shall include all of  
18 the following:

19 (1) Giving priority to a school entity:

20 (i) located in or attended by students living in a  
21 disproportionately impacted community;

22 (ii) located in a nonattainment area;

23 (iii) where at least a certain percentage of  
24 students, as determined by the department, receive free  
25 or reduced-price lunches under the National School Lunch  
26 Program; or

27 (iv) that retires or converts at least a certain  
28 percentage, as determined by the department, of the  
29 grantee's internal combustion engine school buses or  
30 retire or convert the grantee's internal combustion

1 engine school buses in a certain manner.

2 (2) Periodic reporting requirements for a grantee to  
3 demonstrate that the grant money awarded under the program is  
4 being used in accordance with this act.

5 (3) Procedures for addressing a grantee's noncompliance  
6 with this act, including procedures for the reimbursement of  
7 grant money awarded under the program.

8 (b) Limitation.--The department shall limit the amount of a  
9 grant awarded under the program to a school entity as necessary  
10 to achieve cost parity between the costs associated with the  
11 school entity's existing internal combustion engine school buses  
12 and costs associated with the procurements, conversions,  
13 maintenance, retirements and administrative costs specified  
14 under section 3.

15 Section 5. Contract terms for transportation services.

16 (a) Transportation services.--If a contract for the  
17 furnishing of transportation of students to and from a school  
18 entity is executed by the school entity on or after the  
19 effective date of this subsection, the contract shall be made  
20 for a term not to exceed 15 years. The contract shall be  
21 renewable at the option of the school entity and the party  
22 contracted to provide transportation services, jointly, at the  
23 end of the term of the contract. The renewed contract shall  
24 include all of the terms and conditions of the previous  
25 contract, including any provisions increasing rates based on  
26 increased costs.

27 (b) School bus leases.--

28 (1) Except as provided under paragraph (2), if a  
29 contract is executed by a school entity for the lease or  
30 rental of a school bus on or after the effective date of this

1 subsection, the contract shall be made for a term not to  
2 exceed 15 years.

3 (2) If the contract under paragraph (1) provides that  
4 the school entity may exercise an option to purchase the  
5 school bus or cancel the lease or rental at the end of each  
6 annual period during the period of the contract, the contract  
7 may be made for a term not to exceed 20 years.

8 (c) Negotiations.--Notwithstanding any other provision of  
9 law, nothing in this section shall be construed to prohibit a  
10 contract specified under subsection (a) or (b) from being  
11 negotiated annually within the contract period when economic  
12 factors indicate negotiation is necessary to maintain an  
13 equitable pricing structure, subject to the approval of each  
14 contracting party.

15 (d) Compliance.--Any rental, lease or lease-purchase of a  
16 school bus shall comply with any other applicable laws of this  
17 Commonwealth.

18 Section 6. Electric School Bus Grant Program Fund.

19 (a) Establishment.--The Electric School Bus Grant Program  
20 Fund is established within the State Treasury. The department  
21 shall administer the fund for the purposes of this act. The fund  
22 consists of money transferred or appropriated to the fund for  
23 implementation of the program and available money from Federal  
24 sources and gifts, grants and donations received under  
25 subsection (b).

26 (b) Sources.--

27 (1) The fund shall consist of money appropriated to the  
28 fund by the General Assembly.

29 (2) The department may seek, accept and receive money  
30 from Federal sources and gifts, grants and donations from

1 public and private entities for deposit into the fund. The  
2 department shall transmit money received under this paragraph  
3 to the State Treasurer, who shall deposit the money into the  
4 fund.

5 (c) Appropriations.--Money in the fund is appropriated on a  
6 continuing basis to the department for the purposes of this act.  
7 The State Treasurer shall credit all interest and income derived  
8 from the deposit and investment of money in the fund to the  
9 fund. Unexpended and unencumbered money remaining in the fund at  
10 the end of a fiscal year shall not lapse.

11 (d) Direct or indirect costs.--The department may use up to  
12 8% of the money in the fund to cover the direct and indirect  
13 costs the department incurs in administering the program.

14 (e) Technical assistance.--The department shall reserve a  
15 portion of the money in the fund to provide ongoing technical  
16 assistance to a school district to seize available Federal funds  
17 and understand fleet transition considerations for the school  
18 district's specific situation.

19 Section 7. Contracted nonprofit organizations or private  
20 entities.

21 In order to expediently process contracts for the provision  
22 of transportation services funded by a grant awarded under the  
23 program, a school entity may select a preapproved contracted  
24 nonprofit organization or private entity that meets all of the  
25 following criteria:

26 (1) The nonprofit organization or private entity  
27 provides any of the following:

28 (i) An electric school bus.

29 (ii) An electric school bus charging infrastructure.

30 (iii) Charging and charging management services.

1 (iv) Electric school bus services.

2 (2) The nonprofit organization or private entity has  
3 sought and received approval from the secretary to provide  
4 any of the products or services listed under paragraph (1).

5 Section 8. Reports.

6 (a) Submission.--On or before January 1, 2025, and on or  
7 before January 1 of each odd-numbered year thereafter, the  
8 department shall prepare a report summarizing the progress of  
9 the program and submit the report to the following:

10 (1) The chairperson and minority chairperson of the  
11 Education Committee of the Senate.

12 (2) The chairperson and minority chairperson of the  
13 Education Committee of the House of Representatives.

14 (3) The chairperson and minority chairperson of the  
15 Environmental Resources and Energy Committee of the Senate.

16 (4) The chairperson and minority chairperson of the  
17 Environmental Resources and Energy Committee of the House of  
18 Representatives.

19 (5) The chairperson and minority chairperson of the  
20 Transportation Committee of the Senate.

21 (6) The chairperson and minority chairperson of the  
22 Transportation Committee of the House of Representatives.

23 (b) Accessibility.--The department shall post a copy of each  
24 report under subsection (a) on the department's publicly  
25 accessible Internet website.

26 Section 9. Effective date.

27 This act shall take effect in 60 days.