



## Hyde Park Central School District BOE Meeting, 9/26/2024 EPA Grant for Electric Buses



**Mission:** We empower all learners to be successful members of our dynamic society.

**Vision:** Hyde Park Central School District is an innovative learning community for all.

# Zero-Emission School Bus Mandate



## The Zero-Emission School Bus Mandate (N.Y. Educ. Law § 3638)

- In April 2022, New York's Enacted 2022-23 State Budget included a requirement that, by 2035, all student transportation be done with zero-emission vehicles.
- Under the law, all school district purchases or leases of new vehicles for pupil transportation must be zero-emission by July 1, 2027.
- No later than July 1, 2035, every school district shall only operate and maintain zero-emission school buses.
- New York State will not provide state aid for gasoline, diesel, or propane powered buses purchased after July 1, 2027. HPCSD currently receives 59.2% state aid on school bus purchases.

# EPA: 2023 Clean School Bus Award



- The U.S. Environmental Protection Agency's (EPA) Clean School Bus program provides funding to eligible applicants for the replacement of existing school buses with clean, alternative fuel school buses or zero emission school buses.
- Eligible applicants are school districts, state and local government programs, federally recognized Indian tribes, non-profit organizations, and eligible contractors.
- The EPA prioritized funding for high-need local education agencies; low income, rural and tribal schools; and, applications that cost share through public-private partnerships, grants from other entities, or school bonds.
- \$1.8 billion awarded to 888 school districts to replace 5,990 school buses
- The Hyde Park Central School District was awarded **\$3.4 million** for **17 buses** (\$200,000/bus).
  - High Need, Rural-Remote and Tribal school districts were prioritized for this funding.
  - Even though HPCSD is not a prioritized school district, only four other districts in New York State (all which are prioritized) received a larger grant than Hyde Park CSD.

# NYSERDA: New York School Bus Incentive Program



- The **New York School Bus Incentive Program (NYSBIP)** offers vouchers to public school districts and bus operators for the purchase of electric school buses (ESBs) and associated charging infrastructure.
- Hyde Park CSD is eligible to receive 10 NYSBIP grants in the amount of \$257,250 each.
  - One NYSBIP grant is being applied to the bus purchased this school year.
  - Nine other NYSBIP grants are available to HPCSD to “stack” with the EPA Grant.
- Charger vouchers are also available through NYSBIP and Hyde Park CSD qualifies for \$65,000 per charger.

	<b>Base Voucher Amount</b>	<b>With Fleet Electrification Plan</b>
<b>Non-priority District</b>	\$25,000	\$55,000
<b>Priority District</b>	\$35,000	\$65,000

# The Inflation Reduction Act of 2022



- The **Inflation Reduction Act of 2022** provides tax credits for school buses through the Qualified Commercial Clean Vehicle Credit (45W).
  - This credit provides up to \$40,000 for qualified commercial clean vehicles, including school buses, that weigh more than 14,000 lbs. The credit is calculated as the lesser of 30% of the cost basis of the vehicle or the *incremental cost* compared to a comparable vehicle.
  - Allows tax-exempt entities, like school districts, to receive cash payments for these credits.

## Calculation of Tax Credit (Section 45W):

Cost of Electric Bus	\$ 458,027.26
Less: Cost of Diesel Bus	- 157,839.50
Incremental Cost	<b>\$ 311,895.76</b>
30% of Incremental Cost	\$ 90,056.33
Tax Credit/bus (lesser of 30% of incremental cost or \$40,000)	<b>\$ 40,000.00</b>

# Financing 17 buses & chargers



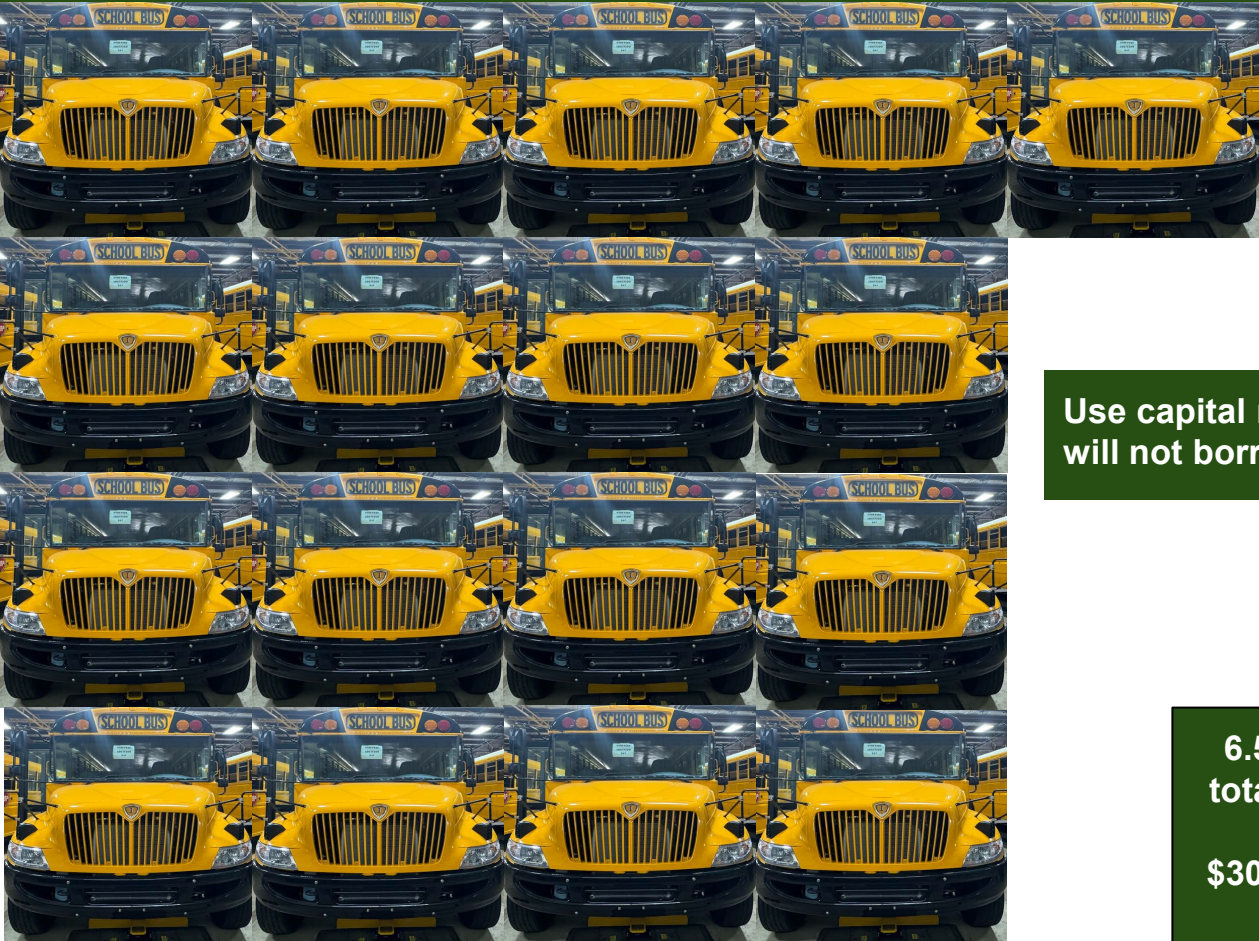
	<b>9 Buses &amp; chargers</b>	<b>8 Buses &amp; chargers</b>	<b>17 Buses &amp; chargers</b>
Gross Cost of Buses & Chargers	\$ 4,227,617.34	\$ 3,757,882.08	\$ 7,985,499.42
EPA Grant (\$200,000/bus for 17 buses)	(1,800,000.00)	(1,600,000.00)	(3,400,000.00)
NYSBIP Grant (\$257,250/bus for 9 buses)	(2,315,250.00)	-	(2,315,250.00)
<b>Total upfront cost of buses and chargers</b>	<b>\$ 112,367.34</b>	<b>\$ 2,157,882.08</b>	<b>\$ 2,270,249.42</b>
<b>Finance with Capital Reserve Funds</b>			<b>\$ 2,270,249.42</b>
NYSERDA Grant \$11,708/charger (may receive up to \$65,000/charger for equipment & installation)	(105,372.00)	(93,664.00)	(199,036.00)
State Aid (59.2%)	(4,141.24)	(1,222,017.10)	(1,226,158.34)
Tax Credit (up to \$40,000/bus)	(2,854.10)	(320,000.00)	(322,854.10)
<b>Total net cost of buses and chargers</b>	<b>\$ -</b>	<b>\$ 522,200.98</b>	<b>\$ 522,200.98</b>

# Cost per bus and charger



Gross Cost of 1 bus	\$ 458,027.26
Gross Cost of 1 charger	11,708.00
<b>Total Cost of 1 bus &amp; 1 charger</b>	<b>\$ 469,735.26</b>
EPA & NYSERDA Grants	(336,191.18)
<b>Total upfront cost of 1 bus and charger</b>	<b>\$ 133,544.08</b>
NYSERDA Charger Grant	(11,708.00)
State Aid (59.2%)	(72,126.96)
Tax Credit	(18,991.42)
<b>Total net cost per bus &amp; charger</b>	<b>\$ 30,717.70</b>

# Net Cost to Purchase 17 buses and chargers



<b>17 Buses &amp; chargers</b>
\$ 7,985,499.42
(3,400,000.00)
(2,315,250.00)
<b>\$ 2,270,249.42</b>
<b>\$ 2,270,249.42</b>
(199,036.00)
(1,226,158.34)
(322,854.10)
<b>\$ 522,200.98</b>

**Use capital reserve,  
will not borrow**

**6.54% of the  
total cost; Net  
cost is  
\$30,717.70 per  
bus**



# Summary



- The Grants from the EPA and NYSERDA are competitive and there is no guarantee that the grants will continue into the future or that if they do continue that HPCSD would be awarded these grants again. In order to utilize the \$3.4M EPA Grant, Hyde Park CSD must commit to the purchase before **November 29, 2024**.
- Stacking the EPA grants with NYSERDA grants, state aid and the tax credit allows the school district to purchase 17 buses at 6.54% of the total gross cost (93.46% discount).
  - Total net cost of **\$522,200.98** represents a **savings of \$7,463,298.44** from the gross cost of the 17 buses.
  - **The net cost per bus is \$30,717.70**
- New York State will not provide state aid for gasoline, diesel, or propane powered buses purchased after July 1, 2027. HPCSD currently receives 59.2% state aid on school bus purchases.
- The district has funds saved in the Capital Reserve and the purchase of the 17 buses that qualify for the EPA grant would not be added to the tax levy. Even though the district normally borrows for school bus purchases, no debt would be issued for these 17 buses.
- **VOTE**: A public vote is necessary to expend the funds and would occur on **November 19, 2024** at Haviland Middle School from 6:00 am – 8:00 pm.