SENATE COMMITTEE ON ENVIRONMENTAL QUALITY Senator Blakespear, Chair 2025 - 2026 Regular

Bill No:	AB 1111		
Author:	Soria		
Version:	4/30/2025	Hearing Date:	7/16/2025
Urgency:	No	Fiscal:	Yes
Consultant:	Eric Walters		

SUBJECT: Pupil transportation: schoolbuses: zero-emission vehicles: extensions: scrapping

DIGEST: This bill adds additional criteria that allow certain schools to delay the requirement to purchase zero-emission schoolbuses, and removes the requirement that retired schoolbuses be scrapped to be eligible for certain zero-emission schoolbus funding.

ANALYSIS:

Existing law:

- 1) Defines the following:
 - a) "Local educational agency" (LEA) to mean a school district, county office of education (COE), or charter school. (Education Code (EC) 17927)
 - b) "Frontier LEA" to mean an LEA that meets either of the following conditions:
 - i) The total number of pupils in average daily attendance (ADA) at all of the schools served by the LEA is fewer than 600; or
 - ii) Each county in which a school operated by the LEA is located has a total population density fewer than 10 persons per square mile.
- Requires, commencing January 1, 2035, 100% of all newly purchased or contracted schoolbuses of an LEA to be zero-emission vehicles, where feasible. (Education Code (EC) 17927)
- 3) Authorizes, if an LEA determines that the purchase or contracting of a zeroemission schoolbus is not feasible due to both terrain and route constraints, the LEA to request a one-time extension for a term not to exceed five years, provided that both of the following conditions are met:
 - a) The LEA can reasonably demonstrate that a daily planned bus route for transporting pupils to and from school cannot be serviced through available zero-emission technology in 2035; and,

- b) CARB, in consultation with the California Department of Education (CDE) and the State Energy Resources Conservation and Development Commission, receives and evaluates an LEA's request, and grants a one-time extension based on the LEA reasonably demonstrating that they cannot meet the requirement. (EC 17927)
- 4) Authorizes, commencing January 1, 2040, if a frontier LEA determines that the purchase or contracting of a zero-emission schoolbus is not feasible due to both terrain and route constraints, the frontier LEA to request annual extensions, with the last extension expiring on January 1, 2045, provided that both of the following conditions are met:
 - a) The frontier LEA can reasonably demonstrate that a daily planned bus route for transporting pupils to and from school cannot be serviced through available zero-emission technology in the period in which the annual waiver is sought; and,
 - b) The CARB, in consultation with the CDE and the State Energy Resources Conservation and Development Commission, receives and evaluates the frontier LEA's request, and grants an annual extension based on the frontier local educational agency reasonably demonstrating that they cannot meet the requirement. (EC 17927)
- 5) Requires all diesel-fueled schoolbuses with a Gross Vehicle Weight Rating (GVWR) over 14,000 pounds to have a Level 3 particulate matter (PM) filter, the highest level verified retrofit, or an original equipment manufactured PM filter that most commonly comes installed on 2007 model year and newer engines. Prohibits, as of January 1, 2012, schoolbuses manufactured before April 1, 1977, to operate in California. Requires recordkeeping to demonstrate compliance in lieu of a report. (California Code of Regulations (CCR), Title 13, 2025(k))
- 6) Requires, if a continuing contract for the furnishing of transportation of pupils in school districts to and from school using schoolbuses that are zero-emission vehicles is made, it must be made for a term not to exceed 15 years. Authorizes a contract to be renewable at the option of the school district and the party contracting to provide transportation services jointly at the end of the term of the contract. Requires the contract as renewed to include all of the terms and conditions of the previous contract, including any provisions increasing rates based on increased costs. (EC 39803.5)
- 7) Specifies that a schoolbus replaced with HVIP funding shall be scrapped no later than 24 months from the date of delivery of the replacement vehicles. Requires grantees to provide CARB proof of scrap of the retired internal combustion engine (ICE) schoolbus or schoolbuses. (Section 121 of Chapter 52)

of the Statutes of 2022, as amended by Section 97 of Chapter 38 of the Statutes of 2024)

This bill:

- 1) Expands the applicability of all LEAs' ability to request a one-time, no-morethan-five-year extension on the ZEV schoolbus purchase requirements to include determining there is a lack of sufficient infrastructure or a lack of sufficient repair and maintenance necessary to support the operation of a zeroemissions schoolbus.
- 2) Expands the annual exemptions that can be requested by frontier LEAs 2040-2045 to also apply to small school districts, and to include the infrastructure and repair and maintenance provisions above.
- 3) Creates an exemption from an existing requirement for schoolbuses being replaced using HVIP funding to be scrapped within 24 months of delivery of the replacement vehicle for instances where the schoolbus 1) is less than 25 years old, and 2) will be transferred to a frontier LEA or small school district eligible for the annual exemption described above.

Background

Schoolbuses in California. According to CARB's 2024 report pursuant to SB 1403 (Lara, Chapter 370, Statutes of 2018), staff estimates there are approximately 20,000 school buses operating in California. Approximately 55% of the combined public and private schoolbus fleet are powered by diesel fuel. When only considering publicly owned schoolbuses, this figure increases to 62%. Of the approximately 20,000 schoolbuses, 23% are powered by gasoline or flexible fuel (a gasoline blend with up to 85% ethanol), 14% are compressed natural gas (CNG), 5% are propane, and 3% are hybrid or electric.

The average publicly owned schoolbus in California is 14 years old and 25% of publicly owned buses are more than 20 years old with 68 diesel powered buses that are model years 1978-1988. These oldest buses are the most critical for replacement as they are high pollutant emitting and posed the greatest health risk to children.

Diesel exhaust produces harmful air contaminants such as NOx and diesel particulate matter (DPM). Breathing these emissions is harmful to everyone, but especially to children because they have a faster breathing rate than adults. Exposure to these emissions, even at low concentrations, can reduce lung development and also lead to respiratory diseases, aggravating conditions such as asthma, which affects nearly 6.3 million U.S. children, making it the most common long term childhood disease in America.

2) State actions to transition away from diesel and CNG buses. CARB has taken several actions to reduce children's exposure to vehicle-related pollutants during their commute by schoolbus. CARB's Truck and Bus rule requires old heavy-duty trucks and buses to be retired in order to reduce DPM and other pollutants to meet the state's emission reduction goals and comply with the NAAQs. Schoolbuses that weigh over 14,000 GVWR and transport pupils to and from school are regulated under the Truck and Bus Regulation (CCR, Title 13, 2025). All schoolbuses are required to have a Level 3 PM exhaust filter or be designated as low-use, are restricted from idling, and are required to have routine smoke tests. The presence of PM exhaust filters reduces PM emissions by at least 85%. Nearly all engines that have an engine model year of 2007 or newer come assembled from the manufacturer equipped with a PM exhaust filter .Additionally, school districts with schoolbuses under the Truck and Bus Rule must retire pre-1977 schoolbuses and maintain specified records of the vehicle.

AB 579 (Ting), Chapter 445, Statutes of 2023 requires that in 2035, 100% of a LEA's newly purchased or contracted schoolbuses must be ZE, where feasible. CARB may grant extensions if a LEA determines a ZE schoolbus is not feasible due to both terrain and route constraints.

Comments

 Purpose of Bill. According to the author, "School districts, especially those in rural areas, attempting to prepare for the state mandate to convert to 100% zero-emission school busses by 2035 have encountered serious limitations in existing electrical infrastructure to support needed charging stations and their district's ability to maintain and repair zero-emission bus fleets once adopted. Additionally, school bus manufacturers are winding down diesel bus production, making it difficult if not impossible for districts that qualify for a longer implementation period to find busses to operate during that extra time. AB 1111 Seeks to give small rural districts additional time to meet California's new zero-emission standards, provide a more robust consideration of which districts are not ready due to limited electrical infrastructure and allows school districts making the switch to zero emission busses early to furnish their still functional decommissioned busses to districts unable to make the switch at this time. This will ensure a smoother transition to zero-emission busses for California's schools and reduce disruptions in school transportation services for California's students."

2) Who knows what the future holds? If the existing AB 579 requirements are implemented, the ZEV purchase requirement will be imposed on school districts starting in 2035, 10 years from today. Especially given the rate at which the ZEV market is growing, it is nearly impossible to predict the availability of vehicles a decade from now. For instance, looking back ten years, in 2015 only 34,477 electric vehicles were sold in all of California. This year, over 100,000 EVs were sold in the first quarter of 2025 alone.¹

While the conditions proposed by this bill that would necessitate a delay (e.g. lack of infrastructure or maintenance abilities), it is not clear what the benefit is in providing the extension in statute *today*. On the other hand, setting a ZEV schoolbus target and then almost immediately weakening the requirements could send a clear and discouraging signal to manufacturers. Technology-forcing regulations, by their very nature, are intended to set ambitious goals to push markets to develop new offerings that will comply and provide them certainty there will be interested buyers.

Given the lack of obvious immediate upside and likely self-fulfilling negative impacts of weakening 2035 requirements today, the author and committee may wish to strike Section 1 from the bill.

3) *Bumpy road ahead.* The second section of AB 1111 pertains to a requirement that school districts must scrap retired ICE schoolbuses in order to be eligible for HVIP funding apportioned in the 2023 Budget Act. Scrappage requirements are a somewhat common feature of ZEV incentive programs: the air district-run Clean Cars 4 All (CC4A) program (and by extension the statewide Driving Clean Assistance Program (DCAP)) require the replaced vehicle to be scrapped, as does CARB's Voluntary Accelerated Vehicle Retirement (VAVR) program.

In all of these cases, the intent of requiring the replaced ICE vehicle to be scrapped are to ensure the purchase of the new ZEV induces the most possible emission reductions. If adding a ZEV takes an ICE vehicle off the road, it is clear that it overall reduced emissions. If doing so only shifts a used vehicle elsewhere to be used by a different driver (who themselves may be able to buy an ICE vehicle at a lower cost than they otherwise would have), it is less clear what the emission reduction benefits are.

¹ CEC. California ZEV Sales Hold Steady to Start 2025. May 16, 2025. <u>https://www.energy.ca.gov/news/2025-05/california-zev-sales-hold-steady-start-2025</u>

Requiring scrappage of replaced ICE vehicles is not a universally and objectively correct requirement to impose, but is a policy decision whose tradeoffs must be weighed. Small, rural LEAs have the treatment they do under ZEV schoolbus purchase requirements because of the unique challenges they face. It is understandable that the author would wish to make it easier and less costly for these schools to keep a functioning fleet. However, this is HVIP money, and so it may be appropriate to judge this policy primarily for its impact on statewide emissions. Regardless of the challenges small, rural LEAs face, this policy could keep ICE schoolbuses on the roads longer than they otherwise would have. Despite route and terrain challenges requiring special considerations, diesel particulate matter affects young lungs all the same. *Given amendments in this and previous committees, going forward the author may wish to ensure Section 2 still provides the intended ability for frontier LEAs to acquire schoolbuses that would otherwise be scrapped.*

4) Committee amendments. Staff recommends the committee adopt the bolded amendments in comments 2 above.

DOUBLE REFERRAL:

This measure was heard in Senate Education Committee on July 2, 2024, and passed out of committee with a vote of 6-0.

Related/Prior Legislation

AB 579 (Ting) Chapter 445, Statutes of 2023, requires, commencing January 1, 2035, all newly purchased or contracted schoolbuses of an LEA be zero-emission vehicles.

SOURCE: California School Boards Association

SUPPORT:

Association of California School Administrators California Association of School Business Officials (CASBO) California School Boards Association Clovis Unified School District San Bernardino County District Advocates for Better Schools Small School Districts Association

OPPOSITION:

Advanced Energy United California Electric Transportation Coalition California Environmental Voters Center for Biological Diversity Cleanearth4kids.org Climate Action California Earthjustice Jobs to Move America Los Angeles County Electric Truck & Bus Coalition Sierra Club California The Climate Center

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