

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

***** 388.1674b.added THIS ADDED SECTION IS EFFECTIVE OCTOBER 1, 2023 *****

388.1674b.added Clean school bus grant program; clean fleet initiative.

Sec. 74b. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2023-2024 only an amount not to exceed \$125,000,000.00 for grants under the clean school bus grant program. Funds under this section must be administered through the department, to be distributed to districts and intermediate districts using guidelines from the department of environment, Great Lakes, and energy's clean fleet initiative that supports the conversion of vehicular fleets to low- or no- greenhouse gas emissions operations as determined by the department of environment, Great Lakes, and energy. Alternative fuel vehicles, including, but not limited to, vehicles that operate using electricity, propane, and natural gas, are eligible expenses under this section.

(2) Qualified recipients must apply for funding in a form and manner determined by the department. Qualified recipients must agree to be responsive to legitimate and reasonable requests from this state to support the promotion, education, and operation of electric vehicle school buses and other alternative fuel school buses, including participating in and offering ride events for the public and drive events for other school bus drivers as allowable by insurance.

(3) The department shall award funding under this section on a prioritization basis, with funds covering 90% of the cost for prioritized qualified recipients and 70% of costs for nonprioritized qualified recipients. The department may cap total funding amounts per qualified recipient. Funding under this section may be used for maintenance or operational costs of new or existing vehicles.

(4) The department, in cooperation with the department of environment, Great Lakes, and energy, shall establish eligibility standards for replacement and new bus purchases, including eligibility standards for which types of buses are eligible for purchase with funds under this section. For a qualified recipient that is a privately owned school bus company, the qualified recipient must agree to repay a portion of amounts received from funds under this section if the qualified recipient does not maintain a service contract with a public school district for the useful life of vehicles purchased with funds under this section. The department, in cooperation with the department of environment, Great Lakes, and energy, must determine a repayment amount based on the projected useful life of the vehicle purchased, the number of years in which the privately owned school bus company maintained a service contract with a public school district, and the total amount of funding received under this section.

(5) The department shall create and publicly post selection criteria and prioritization of qualified recipients. The department shall utilize federal Justice40 parameters for this process. The criteria under this subsection must give preference to qualified recipients that are school districts or intermediate districts in any of the following:

(a) National Ambient Air Quality Standards (NAAQS) nonattainment zones.

(b) Environmental justice communities as identified by this state's MiEJScreen Environmental Justice Screening Tool.

(c) Small Area Income and Poverty Estimates (SAIPE) Program areas.

(d) Rural areas as defined by locale codes "43-Rural: Remote" and "42-Rural: Distant" by the National Center for Education Statistics.

(e) Communities with high free and reduced lunch participation rates.

(6) Funds under this section must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(7) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

(8) The funds allocated under this section for 2023-2024 are a work project appropriation, and any unexpended funds for 2023-2024 are carried forward into 2024-2025. The purpose of the work project is to provide support for qualified recipients to transition to environmentally friendly transportation vehicles. The estimated completion date of the work project is September 30, 2027.

(9) As used in this section:

(a) "Operational cost" means any cost of operating an electric bus, including, but not limited to, the purchase and installation of infrastructure, including, but not limited to, charging stations and hubs.

(b) "Qualified recipient" means a district, an intermediate district, or a privately owned school bus company under contract with a district.

History: Add. 2023, Act 103, Eff. Oct. 1, 2023.