

Illinois EPA Announces \$17.7M Notice of Funding Opportunity for Electric School Buses

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SPRINGFIELD — Illinois Environmental Protection Agency (Illinois EPA) Director John J. Kim today announced an open-ended \$17.7 million Notice of Funding Opportunity (NOFO) to fund the replacement of existing diesel school buses with new all-electric school buses located and operated in any of the three priority areas outlined in the Volkswagen Beneficiary Mitigation Plan (BMP) and further described below. Illinois EPA will also fund a portion of electric bus charging equipment if charging infrastructure is needed for buses with these funds. This funding opportunity will remain open until funding is depleted with grants awarded on a first-come, first-serve basis.

“The clean energy future is here and all communities—especially those most affected by air pollution—deserve to take part in the EV revolution,” said Governor JB Pritzker. “Thanks to this open-ended grant, my administration is protecting our children’s health and creating high-paying jobs by replacing existing diesel school buses with clean, electric models.”

“This funding opportunity is our latest action to electrify the transportation sector,” said Director Kim. “Utilizing an open-ended application process will allow us to award grants as applications are submitted and approved, providing a smoother, faster turnaround of funding to school districts in areas that are disproportionately impacted by air pollution.”

Through this funding opportunity, Illinois EPA will fund projects in the three priority areas outlined in Illinois’ BMP for the Volkswagen diesel emissions settlement and as specified in the NOFO:

- **Priority Area 1:** Cook, DuPage, Kane, Lake, McHenry, and Will counties, Oswego Township in Kendall County, and Aux Sable and Goose Lake townships in Grundy County.
- **Priority Area 2:** Madison, Monroe, and St. Clair counties.
- **Priority Area 3:** Champaign, DeKalb, LaSalle, McLean, Peoria, Sangamon, and Winnebago counties.

Eligible applicants include school districts that own their buses or commercial school bus providers. Purchased buses must serve a school district within one of the three priority areas. Existing diesel buses must be engine Model Year 2009 and older diesel-powered Class 4 – 8 school buses and must be scrapped within 90 days of the new buses being placed into service. If an applicant does not currently own eligible existing diesel school buses to replace and scrap, the applicant may acquire eligible existing diesel school buses from another school district/commercial school bus provider in which the bus is still in operation and has at least 80 percent of its annual operational hours in 2021-2023 in the same county/counties as the applicant.

In April of 2022, Illinois EPA submitted a revised BMP to the VW Settlement Trustee, focusing Illinois’ remaining VW allocation on electric transportation and infrastructure. The goals of the revised plan include reducing nitrogen oxide emissions in areas where the affected VW vehicles were registered. The revised BMP takes into consideration areas that do not meet federal air quality standards for ozone and bear a disproportionate share of the air pollution burden, including environmental justice areas.

The link to the Notice of Funding Opportunity is available at: <https://gata.illinois.gov/grants/csfa.html?page=Opportunity.aspx&nofo=2801>. All required forms and information can be found on the Driving A Cleaner Illinois webpage: <https://epa.illinois.gov/topics/air-quality/driving-a-cleaner-illinois.html>. Applications for the Driving a Cleaner Illinois – Volkswagen All-Electric School Buses NOFO will be accepted until funding is depleted.

All applicants must pre-qualify through the Grant Accountability and Transparency Act [Grantee Portal](#).