

**South Dakota
DERA 2019/2020
SD-C10-002A
APPENDIX D-4
Beneficiary Eligible Mitigation Action Certification**

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary State of South Dakota (SD)

Lead Agency Authorized to Act on Behalf of the Beneficiary SD Department of Environment and Natural Resources (DENR)
(Any authorized person with delegation of such authority to direct the Trustee delivered to the Trustee pursuant to a Delegation of Authority and Certificate of Incumbency)

Action Title:	DERA 2019/2020
Beneficiary's Project ID:	SD-C10-002A
Funding Request No.	<i>(sequential)</i> SD-005A
Request Type: (select one or more)	<input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input checked="" type="checkbox"/> Beneficiary <input type="checkbox"/> Other (specify): _____
Funding Request & Direction (Attachment A)	<input checked="" type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action	<input type="checkbox"/> Appendix D-2 item (specify): _____
Action Type	<input checked="" type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
Explanation of how funding request fits into Beneficiary's Mitigation Plan BM (5.2.1):	Pages 23-24 of SD's BMP give explanation of how trust funds will be used for the DERA option.
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):	DERA programmatic priorities are on pages 5 of the attached work plan.
Estimate of Anticipated NOx Reductions (5.2.3):	Estimated Nox Reductions are on page 6 of the attached work plan.
Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1):	SD DENR
Describe how the Beneficiary will make documentation publicly available (5.2.7.2).	Page 26 of SD's BMP describes how documentation will be made publicly available.
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).	Cost share requirements are on page 10 of the attached work plan.
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).	Notice was emailed to US Government agencies on 2/8/18.

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- Attachment A Funding Request and Direction.
- Attachment B Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4).
- Attachment C Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).
- Attachment D Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.]
- Attachment E DERA Option (5.2.12). [Attach only if using DERA option.]
- Attachment F Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.]

CERTIFICATIONS

By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary State of South Dakota, and the person executing this certification has authority to make this certification on behalf of the Lead Agency and Beneficiary, pursuant to the Certification for Beneficiary Status filed with the Court.
2. Beneficiary requests and directs that the Trustee make the payments described in this application and Attachment A to this Form.
3. This application contains all information and certifications required by Paragraph 5.2 of the Trust Agreement, and the Trustee may rely on this application, Attachment A, and related certifications in making disbursements of trust funds for the aforementioned Project ID.
4. Any vendors were or will be selected in accordance with a jurisdiction's public contracting law as applicable. (5.2.5)
5. Beneficiary will maintain and make publicly available all documentation submitted in

support of this funding request and all records supporting all expenditures of eligible mitigation action funds subject to applicable laws governing the publication of confidential business information and personally identifiable information. (5.2.7.2)

DATED: Feb 24, 2021



Kyrik Rombough, Engineer Manager III

SD DENR

[LEAD AGENCY]

for
State of South Dakota

[BENEFICIARY]

ATTACHMENT B - PROJECT MANAGEMENT PLAN

TIMELINE

Date	Activity
November 4, 2019	Call for Round 12 Projects Opens
December 13, 2019	Call for Round 12 Projects Deadline
December 16, 2019 - January 10, 2020	Evaluate & Select Round 12 Projects
January 15, 2020	<u>Round 12 Selected Projects List</u> . Email rebate agreements to selected applicants.
January 2020 - April 2020	Recipients will order buses and email DENR copies of purchase orders.
September 2020	Deadline for all invoices and paperwork to be submitted to DENR for Round 12
November 2, 2020	Call for Round 13 Projects Opens
December 11, 2020	Call for Round 13 Projects Deadline
December 14, 2020 - January 8, 2021	Evaluate & Select Round 13 Projects
January 13, 2021	<u>Round 13 Selected Projects List</u> . Email rebate agreements to selected applicants.
January 2021 - April 2021	Recipients will order buses and email DENR copies of purchase orders.
September 2021	Deadline for all invoices and paperwork to be submitted to DENR for Round 13

PROJECTED VW TRUST ALLOCATIONS

SD's VW Trust Allocation	\$8,125,000
Current Allocation of Trust for Category 10 DERA Projects (25%)	\$2,031,250
Funds Expended for Previous Category 10 DERA Projects	\$710,011
Remaining Trust Funds Allocated for Category 10 DERA Projects	\$1,321,239
Anticipated Category 10 Trust Funds Needed for 2019/2020 DERA Project	\$643,504
Anticipated VW Administrative Funds Needed for 2019/2020 DERA Project *	\$32,175

* Subject to 10% administrative cap in Beneficiary Mitigation Plan.

PROJECT BUDGET OVERVIEW

	Oct 2019 - Sep 2021
EPA Base Allocation	\$643,504
State Matching Funds (VW Category 10 Trust Funds)	\$643,504
EPA Match Incentive	\$321,752
VW Administrative *	\$32,175
Mandatory Cost-Share of Buses	65-75% of bus

* Subject to 10% administrative cap in Beneficiary Mitigation Plan.

ITEMIZED PROJECT BUDGET

Budget Category	Oct 2019 – Sep 2021		
	EPA Allocation	VW Category 10	VW Administration
1. Buses	\$916,993	\$643,504	\$0
2. Administration	\$48,263	\$0	\$32,175
SD-C10-001 TOTAL	\$965,256	\$643,504	\$31,566

ATTACHMENT C – PLAN FOR REPORTING

Beneficiary Reporting Obligations: For each Eligible Mitigation Action, no later than six months after receiving its first disbursement of Trust Assets, and thereafter no later than January 30 (for the preceding six-month period of July 1 to December 31) and July 30 (for the preceding six-month period of January 1 to June 30) of each year, each Beneficiary shall submit to the Trustee a semiannual report describing the progress implementing each Eligible Mitigation Action during the six-month period leading up to the reporting date (including a summary of all costs expended on the Eligible Mitigation Action through the reporting date). Such reports shall include a complete description of the status (including actual or projected termination date), development, implementation, and any modification of each approved Eligible Mitigation Action. Beneficiaries may group multiple Eligible Mitigation Actions and multiple sub-beneficiaries into a single report. These reports shall be signed by an official with the authority to submit the report for the Beneficiary and must contain an attestation that the information is true and correct and that the submission is made under penalty of perjury. To the extent a Beneficiary avails itself of the DERA Option described in Appendix D-2, that Beneficiary may submit its DERA Quarterly Programmatic Reports in satisfaction of its obligations under this Paragraph as to those Eligible Mitigation Actions funded through the DERA Option. The Trustee shall post each semiannual report on the State Trust's public-facing website upon receipt at <https://www.vwenvironmentalmitigationtrust.com/state-trust/south-dakota>.

ATTACHMENT D – DETAILED COST ESTIMATES

Rounds 12 and 13

Recipient	Quote	%	Max Award
Groton School District	\$85,000.00	25%	\$21,250.00
Ethan School District	\$89,000.00	25%	\$22,250.00
Rosholt School District	\$86,950.00	25%	\$21,737.50
Wolsey-Wessington School District	\$85,900.00	25%	\$21,475.00
Northwestern Area School District	\$88,202.00	25%	\$22,050.50
Redfield School District	\$85,900.00	25%	\$21,475.00
Beresford School District	\$88,466.00	25%	\$22,116.50
Wessington Springs School District	\$85,050.00	25%	\$21,262.50
West Central School District	\$103,621.00	25%	\$25,905.25
Rosholt School District	\$86,950.00	25%	\$21,737.50
Redfield School District	\$85,900.00	25%	\$21,475.00
Northwestern Area School District	\$88,202.00	25%	\$22,050.50
Yankton School District	\$101,088.27	35%	\$35,380.89
Huron School District	\$95,070.00	25%	\$23,767.50
Rapid City Area School District	\$105,500.00	25%	\$26,375.00
Harrisburg School District	\$94,172.00	35%	\$32,960.20
Brookings School District	\$101,118.00	35%	\$35,391.30
Yankton School District	\$101,760.27	35%	\$35,616.09
Rapid City Area School District	\$105,500.00	25%	\$26,375.00
Huron School District	\$97,970.00	25%	\$24,492.50
Madison Central School District	\$97,794.20	35%	\$34,227.97
Harrisburg School District	\$94,172.00	35%	\$32,960.20
Rapid City Area School District	\$105,500.00	25%	\$26,375.00
Harrisburg School District	\$94,172.00	35%	\$32,960.20

Recipient	Quote	%	Max Award
Waubay	\$81,990.86	25%	\$20,497.72
Newell School District	\$90,150.00	25%	\$22,537.50
De Smet School District	\$85,500.00	25%	\$21,375.00
Willow Lake School District	\$83,590.00	25%	\$20,897.50
School Bus Inc/8539	\$85,135.00	25%	\$21,283.75
Wilmot School District	\$81,990.86	25%	\$20,497.72
Sisseton School District/8836	\$86,457.63	25%	\$21,614.41
Gayville-Volin School District/9101	\$100,290.00	35%	\$35,101.50
Hanson School District	\$93,290.00	25%	\$23,322.50
Garretson School District/0884	\$98,796.00	35%	\$34,578.60
Britton-Hecla School District	\$85,004.05	25%	\$21,251.01
Warner School District	\$89,495.00	25%	\$22,373.75
School Bus Inc/9846	\$93,956.00	25%	\$23,489.00
Garretson School District/4926	\$98,796.00	35%	\$34,578.60
Sisseton School District/3017	\$86,457.63	25%	\$21,614.41
Rutland School District	\$87,500.00	25%	\$21,875.00
Howard School District	\$91,900.00	25%	\$22,975.00
Arlington School District	\$88,900.00	25%	\$22,225.00
Wolsey-Wessington School District	\$88,400.00	25%	\$22,100.00
Gayville-Volin School District/3499	\$100,290.00	35%	\$35,101.50
School Bus Inc/9847	\$93,956.00	25%	\$23,489.00
Timber Lake School District	\$102,566.00	25%	\$25,641.50
Watertown School District/1473	\$86,500.00	25%	\$21,625.00
Beresford School District	\$106,598.00	25%	\$26,649.50
West Central School District	\$105,198.00	25%	\$26,299.50
Dell Rapids School District	\$99,950.00	25%	\$24,987.50
School Bus Inc/9361	\$93,956.00	25%	\$23,489.00
Watertown School District/5553	\$85,885.19	25%	\$21,471.30
Lennox School District	\$99,507.00	35%	\$34,827.45
Yankton School District/1291	\$100,270.00	35%	\$35,094.50
School Bus Inc/9363	\$93,956.00	25%	\$23,489.00
K & D Busing/8299	\$86,350.00	25%	\$21,587.50
Yankton School District/1290	\$100,270.00	35%	\$35,094.50
Huron School District/4349	\$94,900.00	25%	\$23,725.00
Harrisburg School District/2269	\$99,166.40	35%	\$34,708.24
K & D Busing/6752	\$84,550.00	25%	\$21,137.50
Huron School District/9328	\$94,900.00	25%	\$23,725.00
K & D Busing/4503	\$87,800.00	25%	\$21,950.00
Rapid City Area Schools 1/1438	\$109,900.00	25%	\$27,475.00
Rapid City Area Schools 2/3557	\$109,900.00	25%	\$27,475.00
Rapid City Area Schools 3/7101	\$109,900.00	25%	\$27,475.00
Rapid City Area Schools 4/7644	\$109,900.00	25%	\$27,475.00
Rapid City Area Schools 5/7102	\$109,900.00	25%	\$27,475.00
Rapid City Area Schools 6/3553	\$109,900.00	25%	\$27,475.00

2020 Diesel Emissions Reduction Act (DERA) State Grants

Work Plan and Budget Narrative Template

INSTRUCTIONS: States and territories applying for 2020 DERA State Grant funds must use this template to prepare their Work Plan and Budget Narrative.

Please refer to the 2019-2020 DERA State Grants Program Guide full program details, eligibility criteria and funding restrictions, and application instructions.

SUMMARY PAGE

Project Title: State Clean Diesel Grant Program Funding FY 2019-2020

Project Manager and Contact Information

Organization Name: South Dakota Department of Environment and Natural Resources, Air Quality Program

Project Manager: Barb Regynski

Mailing Address: 523 E Capitol, Pierre, SD 57501

Phone: 1-605-773-3151

Fax: 1-605-773-4068

Email: barb.regynski@state.sd.us

Project Budget Overview: State matching funds are contingent upon being able to use VW settlement money.

	2019	2020
EPA Base Allocation	\$315,666	\$327,838
EPA Match Bonus	\$157,833	\$163,919
State Voluntary Matching Funds VW C10	\$315,666	\$327,838
Mandatory Cost-Share	\$2,084,112	\$2,182,800
TOTAL Project Cost	\$2,873,277	\$3,002,395

Project Period

October 1, 2019 – September 30, 2021

Summary Statement

The South Dakota program will provide rebates for diesel bus replacement. The primary focus will be on school buses with any extra funds used for transit systems.

The state will use the grant money to provide a rebate program to help purchase new buses to replace old, high-emitting diesel buses. We estimate to replace 32 buses with FY 2019 funds and 32 buses with FY2020 funds.

Total rebate per replacement bus will be up to 25% of the purchase price of a 2018 model year or newer engine certified to EPA emission standards, 35% of the purchase price of a 2018 model year or newer engine certified to meet CARB's Low-NOx Standards, or 45% of the purchase price of a new, zero tailpipe emissions replacement bus. Funds must be used to pay for the replacement of old diesel buses. Buses being replaced may not be engine model year 1995 or older. No buses being replaced may be engine model year 2010 or newer, except if replacing with a new, zero tailpipe emissions replacement vehicle. Recipients may not use funds to pay for administrative expenses. DENR intends to participate with as many eligible entities throughout the state of South Dakota as possible. The completed applications will be reviewed by DENR. DENR will develop a ranking system to determine which applicants receive rebates.

Information about the South Dakota Clean Diesel Grant Program can be found at:

<http://denr.sd.gov/des/aq/aadera.aspx>

SCOPE OF WORK

STATE/TERRITORY GOALS AND PRIORITIES:

While South Dakota's air quality is cleaner than many states and currently in attainment with all NAAQS standards, reducing emissions from diesel engines is one of the most important air quality challenges facing the country. The South Dakota rebate program will provide funding for vehicle replacement. The primary focus will be on school buses, with any excess funding being available to transit buses. South Dakota's program objectives are to reduce emissions and childhood exposure to harmful diesel exhaust, while maximizing school budgets. Below is the 2014 National Emissions Inventory Pollutant Summary for South Dakota's Mobile Fleet.

Emissions Inventory Sector	Pollutant	Emissions	Units
Mobile - Non-Road Equipment - Diesel	CO	8632.51	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	CO	4201.87	TON
Mobile - On-Road Diesel Light Duty Vehicles	CO	790.65	TON
Mobile - Non-Road Equipment - Diesel	NOX	18210.95	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	NOX	14827.05	TON
Mobile - On-Road Diesel Light Duty Vehicles	NOX	306.32	TON
Mobile - Non-Road Equipment - Diesel	PM25-PRI	1421.59	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	PM25-PRI	586.73	TON
Mobile - On-Road Diesel Light Duty Vehicles	PM25-PRI	13.86	TON

School buses are a safe and effective way to transport children to and from school, but they emit pollution. According to the Environmental Protection Agency (EPA), exposure to school bus diesel exhaust, even at low levels, is a health hazard that can aggravate respiratory problems such as asthma and bronchitis and possibly increase the risk of lung damage. Asthma is currently the number one cause of missed school days for American children. According to the 2005 edition of "The Health Behaviors of South Dakotans", 11,348 children were at risk due to current asthma.

Children are especially vulnerable to the effects of diesel exhaust since their lungs are not yet fully developed, and they breathe twice as much air as adults per pound of body weight. Some children can spend an average of an hour per day on diesel powered buses, inhaling the mixture of pollutants. Diesel fuel contains 40 chemicals listed as hazardous air pollutants under the federal Clean Air Act. And, you don't have to ride the bus to breathe in these fumes. The air quality in and around schools is compromised by idling buses during morning and afternoon drop off and pick up, exposing not only students, but parents, teachers, administrators and bus drivers to unhealthy diesel emissions.

"The School Bus Pollution Report Card 2006", researched by the Union of Concerned Scientists and endorsed by the American Lung Association, found that the average South Dakota school bus ranked among the oldest and most-polluting in the country. There were about 1,670 public school buses operating in the state of South Dakota. These school buses tended to be older vehicles operating on diesel engines that have significantly higher nitrogen oxides (NOx) and particulate matter (PM) emission levels compared to current emission standards. The average bus in the state was 14 years old, with 63% of the fleet being over 10 years old. The state received a D for soot pollution and the lowest possible rankings for cleanup.

School buses, like all diesel-powered vehicles, pollute the air with harmful gases and particles. Replacing older buses can decrease the amount of harmful pollution generated, helping to reduce the risk of asthma attacks, respiratory problems, and other diseases. This is especially important for children, whose developing lungs are particularly susceptible to diesel exhaust's damaging health effects.

VEHICLES AND TECHNOLOGIES:

DENR will provide a rebate for the incremental cost of a newer, cleaner bus up to 25% of the purchase price of a 2018 model year or newer engine certified to EPA emission standards, 35% of the purchase price of a 2018 model year or newer engine certified to meet CARB's Low-NOx Standards, or 45% of the purchase price of a new, zero tailpipe emissions replacement vehicle. For replacements, the engine being replaced must be scrapped or rendered permanently disabled. Drilling a three inch hole in the engine block and disabling the chassis is the preferred scrapping method. The replacement vehicle must not be in a larger weight class than the existing vehicle.

School buses being replaced may not be engine model year 1995 or older. No funds used under this program shall be used to replace school buses engine model year 2010 or newer, except if replacing with a new, zero tailpipe emissions replacement vehicle. No funds used under this program shall be used to cover expenses incurred prior to the project period set forth in any assistance agreement.

ROLES AND RESPONSIBILITIES:

DENR will make an announcement in the Department of Education's "Education Online" newsletter and email letters to all public school districts in South Dakota and possibly others to promote the rebate opportunity. DENR developed a website to provide information about the program.

Applicants for bus replacement will be chosen according to the Programmatic Priorities and an evaluation process. This process will include but is not limited to the following evaluation points.

1. Number of buses previously received
2. Ownership: publicly owned, privately owned non-profit, or privately owned for-profit
3. Age of vehicle

DENR will evaluate the applications, determine the recipients for bus replacement rebates, and enter into an agreement with the recipients. The recipients will be required to verify that the old engines or vehicles being replaced were scrapped or rendered permanently disabled with photographs.

TIMELINE AND MILESTONES:

1st and 2nd quarters of grant period:

- Begin the process of soliciting applicants.
- Accept applications for bus replacement rebates.
- Evaluate applicants.
- Select rebate recipients and finalize agreements.

3rd and 4th quarters of grant period:

- Selected recipients order replacement buses.
- Selected recipients scrap old buses.
- Finalize all required paperwork

5th and 6th quarters of grant period:

- Begin the process of soliciting applicants.
- Accept applications for bus replacement rebates.
- Evaluate applicants.
- Select rebate recipients and finalize agreements.

7th and 8th quarters of grant period:

- Selected recipients order replacement buses.
- Selected recipients scrap old buses.
- Finalize all required paperwork

DERA PROGRAMMATIC PRIORITIES:

The principal objective of the rebate program is to achieve significant reductions in diesel emissions in terms of tons of pollution produced and reductions in diesel emissions exposure from buses by following the programmatic priorities as defined in Section VIII.D of the Program Guide.

1. The program will be offered though out the state since South Dakota does not have any nonattainment areas or areas exposed to more than 2.0 µg/m³ of diesel particulate matter emissions.
2. The projects targeted diesel emissions reductions are located at bus stops and schools.

EPA'S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:

Pursuant to Section 6a of EPA Order 5700.7, "Environmental Results under EPA Assistance Agreements," EPA must link proposed assistance agreements with the Agency's Strategic Plan. EPA also requires that grant applicants and recipients adequately describe environmental outputs and outcomes to be achieved under assistance agreements.

1. Linkage to EPA Strategic Plan:

This proposal supports progress towards EPA's FY 2018-22 Strategic Plan. Awards made under this announcement will support Goal 1, "A Cleaner, Healthier Environment" Objective 1.1, "Improve Air Quality." Under this objective, EPA will "Deliver a cleaner, safer, and healthier environment for all Americans and future generations by carrying out the Agency's core mission." Specifically, the proposed activities will reduce emissions from diesel fleets, thereby reducing local and regional air pollution of criteria pollutants and air toxics. The school bus replacements must be powered by a 2018 engine model year or newer certified engine or new, zero tailpipe emissions replacement bus. This investment has a potentially large payoff for the public good, particularly for our children.

2. Outputs: Expected outputs from the projects to be funded under this Program include, but are not limited to:

- Number of replaced buses: We estimate to replace 32 buses with FY 2019 funds and 32 buses with FY 2020 funds
- Dissemination of project technology information via websites
- Quarterly and final reports

3. Outcomes: Expected outcomes from the projects to be funded under this Program include, but are not limited to:

- Tons of pollution reduced annually and over the lifetime of the vehicles, specifically:
 - fine particulate matter (PM_{2.5}),
 - nitrogen oxides (NO_x),
 - carbon monoxide (CO) and/or carbon dioxide (CO₂),
 - volatile organic compounds (VOCs).

Below are the estimated project summary results using the Diesel Emissions Quantifier. For the FY 2019, a fleet of thirty-two EMY 2000 diesel school buses was used, with all thirty-two being replaced in 2020 with diesel school buses with 2019 technology. For the FY 2020 estimate, a fleet of thirty-two EMY 2001 diesel school buses was used, with all thirty-two being replaced in 2021 with diesel school buses with 2020 technology. The default values for school buses were used as inputs.

2019 & 2020 Estimated Project Summary Emissions Results
Here are the results for the project.¹

<u>2019</u>	<i>Annual Results (short tons)²</i>	NO_x	PM2.5	HC	CO	CO₂	Fuel³
	Baseline for Upgraded Vehicles/Engines	4.019	0.281	0.793	1.891	489.6	43,520
	Amount Reduced After Upgrades	3.697	0.276	0.758	1.757	0.0	0
	Percent Reduced After Upgrades	92.0%	98.2%	95.5%	92.9%	0.0%	0.0%
	<i>Lifetime Results (short tons)³</i>						
	Baseline for Upgraded Vehicles/Engines	24.113	1.689	4.760	11.346	2,937.6	261,120
	Amount Reduced After Upgrades	22.184	1.658	4.546	10.540	0.0	0
	Percent Reduced After Upgrades	92.0%	98.2%	95.5%	92.9%	0.0%	0.0%
<u>2020</u>	<i>Annual Results (short tons)²</i>	NO_x	PM2.5	HC	CO	CO₂	Fuel³
	Baseline for Upgraded Vehicles/Engines	4.019	0.281	0.793	1.891	489.6	43,520
	Amount Reduced After Upgrades	3.697	0.276	0.758	1.757	0.0	0
	Percent Reduced After Upgrades	92.0%	98.2%	95.5%	92.9%	0.0%	0.0%
	<i>Lifetime Results (short tons)³</i>						
	Baseline for Upgraded Vehicles/Engines	24.113	1.689	4.760	11.346	2,937.6	261,120
	Amount Reduced After Upgrades	22.184	1.658	4.546	10.540	0.0	0
	Percent Reduced After Upgrades	92.0%	98.2%	95.5%	92.9%	0.0%	0.0%

¹ Emissions from the electrical grid are not included in the results.

² 1 short ton = 2000 lbs.

³ In gallons; fuels other than ULSD have been converted to ULSD-equivalent gallons.

- Benefits to the communities affected by the project, including improvements to human health and the environment, the local economy, social conditions, and the welfare of residents in such communities.
 - An increased understanding of the environmental or economic effectiveness of the implemented technology; dissemination of the increased knowledge via the website.
 - Reduced diesel pollution emissions near schools and bus stop areas for children.
 - Improved ambient air quality
 - Reduced impacts to school aged children.
 - Reduced number of children with asthma.

SUSTAINABILITY OF THE PROGRAM: DENR will provide public notification that lists project information on the State website within 60 days of a grant. Website postings will include the total number and dollar amount of rebates, as well as a breakdown of the technologies funded. This information will help encourage other schools to implement these solutions by showing successful demonstrations.

South Dakota plans to implement the Clean Diesel Program as long as federal dollars are available to fund the program and will continue to use VW Trust Funds as match to complete activities that will reduce the air pollution levels caused by diesel engines. The recipients will maximize the useful life of any certified engine configuration or verified technology used by following their bus maintenance plans.

BUDGET NARRATIVE

2019/2020 Itemized Project Budget

Budget Category	2019 EPA Allocation	2019 Mandatory Cost-Share	2019 VW Trust Voluntary Match	2020 EPA Allocation	2020 Mandatory Cost-Share	2020 VW Trust Voluntary Match	Line Total
1. Personnel	\$39,312	\$0	\$26,208	\$39,312	\$0	\$26,208	\$131,040
2. Fringe Benefits	\$10,221	\$0	\$6,814	\$10,221	\$0	\$6,814	\$34,070
3. Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5. Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Contractual	\$539	\$0	\$360	\$553	\$0	\$369	\$1,821
7. Other	\$416,822	\$2,084,112	\$277,882	\$436,560	\$2,182,800	\$291,040	\$5,689,216
8. Total Direct Charges (sum 1-7)	\$466,894	\$2,084,112	\$311,264	\$486,646	\$2,182,800	\$324,431	\$5,856,147
9. Indirect Charges	\$6,604	\$0	\$4,403	\$5,111	\$0	\$3,407	\$19,525
10. Total (Indirect + Direct)	\$473,498	\$2,084,112	\$315,667	\$491,757	\$2,182,800	\$327,838	\$5,875,672
11. Program Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Explanation of Budget Framework

1. Personnel - A project manager will oversee the program. For FY 2019/2020, the project manager will spend approximately 50% of the time on the project or 1040 hrs/yr at an average salary of \$37/hr, the administrator will spend approximately 20% of the time on the project or 416 hrs/yr at an average salary of \$48/hr, and the secretary will spend approximately 20% of the time on the project or 416 hrs/yr at an average salary of \$17/hr. The following table summarizes personnel cost for the project period:

Budget Category	2019 EPA Allocation	2019 Voluntary Match	2020 EPA Allocation	2020 Voluntary Match	Line Total
Project Manager @ \$37/hr x 1040 hrs = \$38,480/yr	\$23,088	\$15,392	\$23,088	\$15,392	\$76,9604
Administrator @ \$48/hr x 416 hrs = \$19,968/yr	\$11,981	\$7,987	\$11,981	\$7,987	\$39,936
Secretary @ \$17/hr x 416 hrs = \$7,072/yr	\$4,243	\$2,829	\$4,243	\$2,829	\$14,144
TOTAL = \$65,520/yr	\$39,312	\$26,208	\$39,312	\$26,208	\$131,040

2. Fringe Benefits - For FY 2019/2020, fringe benefit costs are approximately 26% of the personnel salary.

Budget Category	2019 EPA Allocation	2019 Voluntary Match	2020 EPA Allocation	2020 Voluntary Match	Line Total
Fringe Benefits @ personnel X 26% = \$17,035/yr	\$10,221	\$6,814	\$10,221	\$6,814	\$34,070

3. Travel - DENR does not anticipate any travel during this project period.
4. Equipment - DENR does not anticipate purchasing any equipment during this project period.
5. Supplies - DENR does not anticipate purchasing any supplies during this project period.
6. Contractual – For FY 2019/2020 the contractual services consist of Bureau of Personnel and the state accounting system and will be approximately \$900/yr.

Budget Category	2019 EPA Allocation	2019 Voluntary Match	2020 EPA Allocation	2020 Voluntary Match	Line Total
2019 \$899/yr 2020 \$922/yr	\$539	\$360	\$553	\$369	\$1,821

7. Other - This category will include the funds going toward the actual State rebates to eligible entities and their mandatory cost share. The recipient will order and purchase the buses. After delivery, the recipient will submit a request for reimbursement, an invoice, the certification of disposal form, and photographic evidence of scrappage to DENR. A rebate will then be sent to the recipient. For FY 19, using the average price for a diesel school bus as \$86,838, the 25% rebate would be \$21,709.50/bus for 32 buses totaling \$694,704 and the 75% mandatory cost share would be \$65,128.50/bus for 32 buses totaling \$2,084,112. For FY 20, using the average price for a diesel school bus as \$90,950, the 25% rebate would be \$22,737.50/bus for 32 buses totaling \$727,600 and the 75% mandatory cost share would be \$68,212.50/bus for 32 buses totaling \$2,182,800.

Budget Category	2019 EPA Allocation	2019 Voluntary Match	2019 Mandatory Cost Share	2020 EPA Allocation	2020 Voluntary Match	2020 Mandatory Cost	Line Total
2019 bus price \$86,838 2020 bus price \$90,950	\$416,822	\$277,882	\$2,084,112	\$436,560	\$291,040	\$2,182,800	\$5,689,216

8. Total Direct Charges - The total amount of direct costs. (See items 1-7 above.)

Budget Category	2019 EPA Allocation	2019 Voluntary Match	2019 Mandatory Cost Share	2020 EPA Allocation	2020 Voluntary Match	2020 Mandatory Cost	Line Total
Total Direct Charges	\$466,894	\$311,264	\$2,084,112	\$486,646	\$324,431	\$2,182,800	\$5,689,216

9. Indirect Charges - Indirect costs result from allocation of a grouping of administrative costs which are not easily identified as a direct cost. The indirect cost is the personnel amount X the indirect cost rate.

Budget Category	2019 EPA Allocation	2019 Voluntary Match	2020 EPA Allocation	2020 Voluntary Match	Line Total
FY19 personnel x 16.8% = \$11,007 FY20 personnel x 13% = \$8,518	\$6,604	\$4,403	\$5,111	\$3,407	\$19,525

10. Total (Indirect + Direct) – (See items 8-9 above.)

11. Program Income – If scrapped or salvaged engines/vehicles are to be sold, program income requirements apply. Program income may be used to meet the cost-sharing or matching requirement of the award, including any mandatory or voluntary cost-share. The amount of the award remains the same.

Administrative Costs Expense Cap

South Dakota plans on using no more than 15% of a state's total project costs to cover administrative costs as identified in OMB Circular A-87 Appendix B (e.g. personnel, benefits, travel, supplies). Total project costs include the federal share as well as any cost-share provided by the state. The 15% maximum does not include indirect cost rates or funds assigned to projects, and total cost for the budget period.

Matching Funds and Cost-Share Funds

South Dakota will use the VW C10 settlement money as voluntary match to the base amount if it is available and then it will be eligible for the bonus of 50% the base amount. The rebate recipient will order and purchase the buses. After delivery, the rebate recipient will submit a request for reimbursement, an invoice, the certification of disposal form, and disposal photos to DENR. A rebate will then be sent of not more than 25% of the purchase price of a 2018 model year or newer engine certified to EPA emission standards, 35% of the purchase price of a 2018 model year or newer engine certified to meet CARB's Low-NOx Standards, or 45% of the purchase price of a new, zero tailpipe emissions replacement vehicle.

Funding Partnerships

South Dakota intends to fund target fleets that they do not own and operate by providing **participant support costs** to a project partner as rebates.