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Topeka, KS 66612-1367



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[www.kdheks.gov](http://www.kdheks.gov)

Janet Stanek, Secretary

Laura Kelly, Governor

November 14, 2023

Volkswagen Diesel Emissions Environmental Mitigation Trust  
c/o Wilmington Trust, N.A., as Trustee  
1100 North Market Street  
Wilmington, DE 19890  
Attn: Russell Crane and/or Michael Bochanski Jr., 5th Floor

RE: D-4 Submission from Kansas, PROJ05, Resubmitted with correct certification on D-4

Greetings:

The Kansas Department of Health and Environment (KDHE) has resubmitted to Wilmington Trust the PROJ05 funding request for the State of Kansas. Per your request on 11/13/2023, the D-4 was signed by Rick Brunetti, Director of the Bureau of Air at KDHE. This is the only change to the submission of PROJ05.

Please direct all comments and questions to Kathleen Waters at [kathleen.waters@ks.gov](mailto:kathleen.waters@ks.gov) or 785-296-1575.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Waters". The signature is written in a cursive, flowing style.

Kathleen Waters  
Environmental Program Administrator  
KDHE-Bureau of Air  
1000 SW Jackson Street, Suite 310  
Topeka, KS 66612

**APPENDIX D-4**  
**Beneficiary Eligible Mitigation Action Certification**

**BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION**

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Beneficiary State of Kansas

Lead Agency Authorized to Act on Behalf of the Beneficiary Kansas Department of Health and Environment  
*(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)*

<b>Action Title:</b>	KS Clean Diesel Program - DERA VW 5
<b>Beneficiary's Project ID:</b>	DERA-VWEMT-5
<b>Funding Request No.</b>	<i>(sequential)</i> 4
<b>Request Type: (select one or more)</b>	<input type="checkbox"/> Reimbursement <input checked="" type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
<b>Payment to be made to: (select one or more)</b>	<input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Kansas Department of Health and Environment (Lead Agency)</u>
<b>Funding Request &amp; Direction (Attachment A)</b>	<input checked="" type="checkbox"/> Attached to this Certification <input type="checkbox"/> To be Provided Separately

**SUMMARY**

<b>Eligible Mitigation Action</b>	<input type="checkbox"/> Appendix D-2 item (specify): _____
<b>Action Type</b>	<input checked="" type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
<b>Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1):</b> Please see Summary Attachment	
<b>Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2):</b> Please see Summary Attachment	
<b>Estimate of Anticipated NOx Reductions (5.2.3):</b> Please see Summary Attachment	
<b>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):</b> Please see Summary Attachment	
<b>Describe how the Beneficiary will make documentation publicly available (5.2.7.2).</b> Please see Summary Attachment	
<b>Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).</b> Please see Summary Attachment	
<b>Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).</b> Please see Summary Attachment	

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).

Please see Summary Attachment

**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 Kansas, 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: 11/14/2023



[NAME]

[TITLE] *Director, Bureau of Air*

Kansas Department of Health and Environment

[LEAD AGENCY]

for

State of Kansas

[BENEFICIARY]

Beneficiary: State of Kansas

Lead Agency: Kansas Department of Health and Environment

D-4: 5

## **Summary Attachment Beneficiary Eligible Mitigation Action Certification**

### **Explanation of how the funding request fits into the Beneficiary's Mitigation Plan (5.2.1):**

This funding request addresses VW EMT action category 10. Diesel Emission Reduction Act (DERA) Option.

The lead agency (KDHE) will use trust funds for the non-federal voluntary match, pursuant to Title VII, Subtitle G, Section 793 of the DERA Program in the Energy Policy Act of 2005 (codified at 42 U.S.C. § 16133).

The federal allocation for Kansas, voluntary match from the VW trust and the federal bonus will be used in the following project.

- Kansas Clean Diesel Program school bus replacements (partial reimbursement per federal requirement)

This category is eligible under DERA pursuant to all DERA guidance documents available through the EPA. VW trust funds will not be used to meet the non-federal mandatory cost-share requirements, as defined in applicable DERA program guidance, of any DERA grant.

### **Detailed description of the proposed Eligible Mitigation Action, including its community and air quality benefits (5.2.2):**

The activity offers program support awards for school bus replacements using the established Kansas Clean Diesel Program. Attachment E is the Kansas Clean Diesel Program workplan. The workplan provides a detail description of the work process and includes a timeline that is reportable to the Region 7 EPA DERA grant coordinator. Air quality benefits include a reduction of oxides of nitrogen (NO<sub>x</sub>), PM<sub>2.5</sub>, hydrocarbons, CO and CO<sub>2</sub>. Awards for project support reduce these emissions across the state.

**Estimate of the NOx reductions anticipated as a result of the proposed Eligible Mitigation Action (5.2.3):**

NOx reductions were calculated using the Diesel Emission Quantifier for school buses.<sup>1</sup>

<b>Table 1. Initial estimated NOx reduction</b>	
<b>Category</b>	<b>NOx reduced over life time of equipment</b>
School Bus Replacements	15.332 short tons

NOx reduction estimates will be recalculated at close out of the project and reported as a final estimate.

**Identification of the specific governmental entity responsible for reviewing and auditing expenditures of Eligible Mitigation Action funds to ensure compliance with applicable law (5.2.7.1):**

Reviewing and auditing expenditures is a KDHE work process. The payout document is prepared by the project manager. The payout is entered into the system for electronic funds transfer. The payout is reviewed by fiscal staff before it is approved. Names of all authorized instructors and confirmers are listed on the Kansas Delegation of Authority and Exhibit A forms that were submitted to the trust.

**Describe how the Beneficiary will make documentation publicly available (5.2.7.2).**

To the extent allowable under Kansas law, KDHE is committed to providing documentation submitted by applicants and recipients of Eligible Mitigation Action funds to the public. KDHE will post this documentation on its KS VW Settlement webpage. Electronic and paper copies of these documents can be requested by the public under the Kansas Open Records Act.

**Describe any cost share requirement to be placed each NOx source proposed to be mitigated (5.2.8).**

Cost share is required per cooperative agreement between KDHE and EPA for Clean Diesel/DERA activities. The limits for awards as stated in item 5.2.6 (Attachment D of this PDF) flow through to the awardee and are established in a written agreement that is signed by the Secretary of KDHE and the awardee. Paid receipts are required to be submitted to KDHE and new equipment and equipment destruction must be verified in person or by photo before reimbursement is made to the awardee.

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<sup>1</sup> <https://cfpub.epa.gov/quantifier/>

**Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).**

KDHE provided the Department of the Interior, Department of Agriculture and a compiled list of tribal contacts and federal land contacts within Kansas with the following notification via e-mail:

*Re: Notice of Availability of Mitigation Action Funds pursuant to Section 4.2.8 of the Environmental Mitigation Trust Agreement for State Beneficiaries, in In re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation, MDL No. 2672CRB (JSC) (Dkt. No. 2103-1)*

*This communication is provided to your Federal Agency pursuant to Section 4.2.8 of the above-cited Trust Agreement (copy attached hereto). Please be advised that the Beneficiary Mitigation Plan for the State of Kansas may provide for the availability of funds for which your Federal Agency or other parties could apply for proposed projects for use on lands within your Agency's custody, control, or management (including, but not limited to, Clean Air Act Class I and II areas). The review, consideration and written determinations relating to each such application or request will be subject to the terms of the underlying settlement agreement documents, all applicable laws and regulations of this jurisdiction, and any additional procedures or other measures that will be developed, adopted and published by this jurisdiction relating to the handling of requests or applications for project funding. For further information, please visit our VW Settlement website at <http://www.kdheks.gov/bar/air-monitor/dieselgrant/dieselvw.html>.*

Kansas does not have Class I or Class II designated areas.

**If applicable, a description of how the Eligible Mitigation Action mitigates the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).**

The Bureau of Air at KDHE operates the KS Air Monitoring Network. Ozone and particulate matter (PM) exceedances have occurred in past years but none of the Kansas monitors currently violate the health-based standards for these criteria pollutants. Oxides of nitrogen (NOx) are also a concern though current effort has not detected any exceedances of the health-based standard. Concerns about human exposure to diesel emissions in areas where the concentrations are likely to be increased have lead the KS Clean Diesel Program staff to target school buses for improvements. School buses operate in neighborhoods and school settings where there is an increased risk of exposure to the public. Finally, using the VW EMT funds, there will be a greater impact than with DERA funding alone.



**ATTACHMENT B**  
**PROJECT MANAGEMENT PLAN - 5**  
**PROJECT SCHEDULE AND MILESTONES**

<b>Milestone</b>	<b>Date</b>
KDHE named lead agency	12/2016
KDHE holds an informal request for information period	11/2017 to 12/2017
Kansas certified for beneficiary status	1/30/2018
KDHE provides notification to federal agencies	3/2018
KDHE posts EMT plan for formal comments	6/1/2018 to 7/2/2018
KDHE uploads final plan to 3 <sup>rd</sup> party trust	8/6/2018
KDHE submits 1 <sup>st</sup> funding request to 3 <sup>rd</sup> party	8/20/2019
KDHE submits 2 <sup>nd</sup> funding request to 3 <sup>rd</sup> party	9/1/2019
KDHE submits 3 <sup>rd</sup> funding request to 3 <sup>rd</sup> party	3/22/2023
<b>KDHE submits 4<sup>th</sup> funding request to 3<sup>rd</sup> party</b>	<b>8/2/2023</b>
Report 6 months	1/1/2024
Report 1 year 7/1/2024	7/1/2024
Report 1 year 7/1/2025	7/1/2025
Final Report for 4 <sup>th</sup> request to 3 <sup>rd</sup> party	9/1/2025

Reporting to the third party trust will also occur per the prescribed schedule described in 5.3 of Attachment A of the final trust document.

## PROJECT BUDGET

Period of Performance: 7/1/2023 to 9/30/2025				
Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	DERA 2022 10/1/2022 to 9/30/2023, extension requested to allocate and spend all funds until 9/30/2024. Additional time will be requested once new deadline is near.	Mandatory Cost Share
1. Equipment expenditure	\$0.00	\$0.00	\$0.00	\$0.00
2. Contractor Support	\$0.00	\$0.00	\$0.00	\$0.00
3. Subrecipient Support	\$1,390,724	\$877,992	\$512,732	\$3,000,000 <i>estimated</i>
4. Administrative	\$88,933	\$72,008	\$16,924	\$0.00
Project Totals	\$1,479,657	\$950,000	\$529,656	Unknown at this time
Percentages	100%	64% (mandatory match not included)	56% (mandatory match not included)	Unknown at this time

1. DERA 2022 (FFY2023, DS94A). VW trust provides the match required for KDHE to qualify for grant bonus funds.
2. Cost share for school buses is mandatory per EPA grant agreement. It is anticipated that cost share from awardees for the entire project will be approximately \$3,000,000 or greater.
3. Subrecipient Support = Project support allocated to awardees
4. Administrative is subject to Appendix D-2 15% cap and includes salary/fringe and indirects. For D-4 number 2 administrative is approximately 7.6% for the VW trust portion.<sup>1</sup>

<sup>1</sup> Federal indirect rate = 16.8% for SFY2024

**PROJECTED TRUST ALLOCATIONS:**

	2019 (1)	2019 (2)	2021	2022 (4)	2023 (5)
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$309,795.36	\$2,318,757.00	\$0.00	\$2,349,335.82	\$950,000
2. Anticipated Annual Cost Share	Approximately \$2,000,000	Approximately \$1,900,000	-	Pending	\$3,000,000
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	Approximately \$2,722,352.36 DERA, VW Trust and cost share	Approximately \$4,696,893.00	-	Pending	Approximately \$4,479,656 DERA, VW Trust and cost share
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$0	\$309,795.36	-	\$2,628,552.36	\$4,977,888.18
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$309,795.36	\$2,318,757.00	-	\$2,349,335.82	\$950,000
6. Total Funding Allocated to for	\$309,795.36	\$2,628,552.36	-	\$4,977,888.18	\$5,927,888.18

Beneficiary, inclusive of Current Action by Year (line 4 plus line 5)					
7. Beneficiary Share of Estimated Funds Remaining in Trust	\$15,662,238.80	\$15,352,443.44	-	\$13,033,686.44	\$10,684,350.62
8. Net Beneficiary Funds Remaining in Trust, net of cumulative Beneficiary Funding Actions (line 7 minus line 6)	\$15,352,443.44	\$13,033,686.44	-	\$10,684,350.62	\$9,734,350.62

## **Attachment C**

### **Kansas Department of Health and Environment (KDHE)**

#### **Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11).**

The current project for 2022 (FFY2023)<sup>1</sup> involves federal DERA funds intermingled with the VW trust allocation for Kansas. Reporting requirements for both entities will be largely satisfied by following federal reporting requirements in which project activities are reported quarterly. Kansas Department of Health and Environment (KDHE) reports quarterly to EPA and provides a final write up after close out. The contents of the quarterly report include expenditures and outputs including written agreements finalized, bid approvals, equipment verifications and equipment decommission. The final report includes updated emission reductions, all project costs and cost-share contributed by the awardee. In addition to federal requirements, KDHE will provide a semi-annual report directly to the trust no later than six months after receiving each disbursement. After that KDHE will adhere to the prescribed schedule described in 5.3 of Attachment A of the final trust document. These reports will also be posted to the KS VW Settlement webpage for public viewing.<sup>2</sup>

Anticipated report dates directly to the trust:

- January 1, 2024 (estimated date, six months after funding is received)
- July 1, 2024
- July 1, 2025
- Final report September 1, 2025

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<sup>1</sup> DERA project timeline will be extended.

<sup>2</sup> <http://www.kdheks.gov/bar/air-monitor/dieselgrant/dieselvw.html>

## 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.]**

It is likely that many of the awards will be over \$25,000. Vendors are chosen by the awardee and approved by KDHE to assure state bid competition laws are followed.

School districts awardees are required to match projects per federal rules. All awardees order their equipment and are reimbursed after all project requirements are verified by KDHE.

Reimbursement awards will follow federal requirements that are listed in the FY2022 State Clean Diesel Grant Program Information guides.<sup>1</sup>

<b>Table 3. Award limits</b>		
<b>DERA/Clean Diesel Eligible Activity</b>	<b>Federal Reimbursement Limit (what is awarded)</b>	<b>Minimum Mandatory Cost-Share (Awardee responsibility)</b>
School bus replacement	25%	75%

For example, school districts are currently submitting bids for similar new buses and the range of costs varies according to type, inclusions of idling reduction equipment and other requirements specific to each district's request.

Range: \$142,000 to \$107,000

Average: \$124,000

Average award: \$31,000 for projects containing one bus

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<sup>1</sup> This document is available on the EPA Clean Diesel webpage.

**ATTACHMENT E**

**DERA workplan associated with this request**





## **2022 Diesel Emissions Reduction Act (DERA) State Grants**

### **Work Plan and Budget Narrative Template**

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Kansas Department of Health and Environment, Bureau of Air 2022

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**SUMMARY PAGE 6/13/2022**

**Project Title: Kansas Clean Diesel Program 2022 (10/1/2022 to 9/30/2023)**

**Project Manager and Contact Information**

**Organization Name: KS Department of Health and Environment – Bureau of Air**

**Project Manager: Kathleen Waters (Bureau of Air)**

**Mailing Address: 1000 SW Jackson Street, Suite 310, Topeka, KS 66612**

**Phone: 785-296-1575**

**Fax: 785-559-4256**

**Email: kathleen.waters@ks.gov**

**Project Budget Overview:**

	<b>2021*</b>	<b>2022</b>
EPA Base Allocation	\$0	\$353,104.00
EPA Match Bonus (if applicable)	\$0	\$176,552.00
Voluntary Matching Funds (if applicable)	\$0	\$353,104.00 (VW)
Mandatory Cost-Share	\$0	\$1,000,000 is a placeholder amount. Unknown at this time but will consist of the awardees cost-share for awarded projects.
<b>TOTAL Project Cost</b>	<b>\$0</b>	<b>\$882,760.00 + mandatory cost share from Awardee</b>

\*KDHE did not participate in the 2021 opportunity due to staffing

**Project Period for 2021-2022 DERA State Grants**

October 1, 2021 – September 30, 2023

**Summary Statement**

The Kansas Department of Health and Environment (KDHE) will continue implementing the Kansas Clean Diesel Program. Past DERA and ARRA activities date back to 2008 using both the competitive and state allocation funding sources. Projects funded include locomotive repowers,

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idling reduction technologies for long haul Class – 8 vehicles, particulate pollution reduction technologies, nonroad engine replacements, and early school bus replacements. The program was shelved in 2014 due to limited available personnel to run the program. The program was rebooted in 2016 with a focus on early school bus replacements. In 2017 KDHE was named the lead agency for VW mitigation trust activities in Kansas. The required trust spending overview included using trust funds to match DERA funds for program expansion. KDHE was unable to participate in the 2021 offering due to staffing concerns but the 2022 it is anticipated that staffing will not be a concern.

The 2022 grant period will again use funds from the VW Trust per the requirements of the federal DERA grant and option number 10 in Appendix D-2 of the final partial consent decree.<sup>1 2</sup>

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### SCOPE OF WORK

The program will use the allocated funding to offer partial reimbursement for the purchase of new school buses to replace buses that will be retired and decommissioned ahead of the normal attrition schedules. The projects will be selected using a random number drawing after the entities and vehicles are verified as eligible by KDHE staff.

**STATE/TERRITORY GOALS AND PRIORITIES:** The Bureau of Air at KDHE administers the KS Air Monitoring Network. Ozone and PM exceedances have occurred in past years but none of the Kansas monitors currently violate the health-based standards for these criteria pollutants. Oxides of nitrogen are also a concern though current efforts have not detected any exceedances of the health-based standard. Concerns about human exposure to diesel emissions in areas where the concentrations are likely to be increased have led the KS Clean Diesel Program staff to target school buses for improvements.

**VEHICLES AND TECHNOLOGIES:** The following paragraphs provides details as to what type of entity and project will be eligible for the award process.

Eligible entity: Public school districts in Kansas that are eligible to receive federal funding.

Eligible equipment: KHDE will make awards for support costs for the partial reimbursement of eligible school buses operated by unified school districts in Kansas. Eligible engine model years include 2009 and older models, 2010 and newer engine models are eligible if the replacement vehicle is all electric powered. Per EPA guidance, to be eligible for funding, the existing vehicle must have accumulated at least 7,000 miles/year during the two years prior to upgrade, or during calendar year (Jan-Dec) 2019. The engine(s) of the bus/buses that will be retired and replaced through this award will be required to be rendered permanently incapacitated (no fleet expansion). The retiring bus/buses must have at least three years of remaining usefulness. All

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<sup>1</sup> The Kansas Plan for the VW Environmental Mitigation Trust is available on the KDHE website:  
<http://www.kdheks.gov/bar/air-monitor/dieselgrant/dieselvw.html>

<sup>2</sup> Current EPA DERA program guidance, 2022  
<https://www.epa.gov/dera/state#docs>

retiring buses replaced through this award must be replaced with buses that contain engines certified to be the latest engine model year. Finally, any new bus must be used for the same purpose as the bus it replaced through this award.

Number of buses per award: Each school district may submit one application for the partial reimbursement of up to five buses. As with past opportunities, KDHE program staff reserve the right to adjust awarded projects on any selected application.

**ROLES AND RESPONSIBILITIES:** DERA funds will be used for awards for project support offered by KDHE to Kansas school districts and owners of eligible construction equipment. The following provides clarification on project responsibilities of the grantee and the participant.

Grantee responsibilities = KDHE tasks

There is one KDHE employee assigned to the KS Clean Diesel Program. Kathleen Waters (Monitoring and Date Unit Chief) has had continuous involvement with the EPA Clean Diesel Program since inception. KDHE will award eligible school districts for eligible school bus replacements per current program Guide and the terms and conditions of the cooperative agreement with EPA. These awards are in the form of project support and are made as reimbursements. Reimbursements will be processed after all program requirements are met, normally by electronic disbursement. This includes but is not limited to the following state programmatic activities: All initial and final reporting requirements to EPA, preparation of application, outreach to state program partners for promotion, Q&A updates on the KDHE webpage, award eligibility assurance per SAM.gov, match requirement met by the participant, written agreement issuance, verification of bid process, agreed upon purchase of new vehicle, and decommission of replaced vehicle. Written agreement tasks will be handled by a Public Service Administrator whose primary task is to handle other such Bureau of Air agreements and contracts. Fiscal reports and fund appropriation will be handled by a Program Analyst.

Participant responsibilities = Participant tasks

Written agreement for award distribution will include a workplan of the agreed upon tasks each entity must perform to be eligible for partial reimbursement per the terms and conditions of the cooperative agreement between EPA and KDHE. This includes but is not limited to the following activities: Agreement to provide require match, bid process undertaken, agreement/workplan adherence and submission of all required documents, and purchase receipts.

**TIMELINE AND MILESTONES:**

10/1/2022 - 9/30/2023

11/2022 – Launch RFP for applications, review awardee agreements

12/2022 – Application review and random number assignment, update photo documentation information, quarterly report

1/2023 – Inform awardees, provide agreements to school districts, post to website

2/2023 to 4/2023 begin quote gathering, complete agreements, districts begin ordering, quarterly report

5/2023 to 9/2023 – continue as stated above, access delivery dates and consider request for extension for buses to be delivered.<sup>3</sup> Quarterly reports and final report.

**DERA PROGRAMMATIC PRIORITIES:** The program goal to reduce diesel emissions is supportive of Objective 1.1, Improve Air Quality, in the EPA Strategic Plan (2022 to 2026). Clean Diesel activities are workplan items in the KDHE 105 cooperative agreement for FY2022. These activities are expanded by offering assistance through this allocation. Activities under this agreement also support DERA Programmatic Priorities to reduce exposure to diesel emissions in areas of air quality concern. This award opportunity will be offered throughout the state and in the priority counties identified by EPA at: <https://www.epa.gov/sites/default/files/2021-02/documents/fy21-priority-county-list.pdf>

**EPA’S STRATEGIC PLAN LINKAGE AND ANTICIPATED OUTCOMES/OUTPUTS:**

Anticipated Outputs		Estimated Outcomes for School Buses <sup>4</sup>	
Maintain an expanded DERA program document to promote program to partners		Gallons of fuel saved Annual / Lifetime	1,020/5,100
Updated website	Beginning middle and end	Tons CO Annual / Lifetime	0.823/4.117
Agreements written	15 to 25	Tons PM Annual / Lifetime	0.130/0.648
Number of buses purchased	25	Tons NOx Annual / Lifetime	1.733/8.666
		Tons CO2 Annual / Lifetime	11.5/57.4
Number of old engines decommissioned	25	Tons HC Annual / Lifetime	0.355/1.776
		Health Outcomes Examples speak to the range in reduced health care costs due to PM.	Wyandotte County = \$110,000 Saline County = \$21,000 Wallace County = 5,400

The Outcomes listed in the table above were calculated using the Diesel Emission Quantifier.

<sup>3</sup> Conversations with bus dealers suggest a considerable increase in the time it take to receive a school bus once ordered.

<sup>4</sup> The write up discusses possible outcomes based on past projects. Outcomes were calculated using the Diesel Emission Quantifier, school bus year 2003, default settings for fuel use and 108 for annual idling hours.

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**SUSTAINABILITY OF THE PROGRAM:** Clean Diesel activities have continued in KS even as KDHE opted to shelve the award component and not participate in the allocation opportunities. Idling reduction at schools using policy and technology is discussed during school environmental education events, health fairs, and mobile source discussions. KDHE program staff also promotes EPA school bus rebate opportunities to our program partners. These activities continue as part of the 105 workplan when awards are not offered and are reportable 105 workplan activities. When awards are offered, routine contact with participants is also performed in and outside of EPA cooperative agreement period to monitor project equipment and to promote the benefits of participating in a clean diesel project.

The participants will be recognized on the KDHE website.

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**BUDGET NARRATIVE**

**2022 Itemized Project Budget**

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel	11,440		11,440		22,880
2. Fringe Benefits	3,423		3,423		6,864
3. Travel	0		0		0
4. Equipment	0		0		0
5. Supplies	0		0		0
6. Contractual	0		0		0
7. Other	512,932	1,000,000 est	336,180		1,849,111 est
<b>8. Total Direct Charges (sum 1-7)</b>	527,804	1,000,000 est	351,052		1,878,855 est
9. Indirect Charges	2,052		2,052		4,104
<b>10. Total (Indirect + Direct)</b>	529,856		353,104		529,856
11. Program Income	0.00	See notes	0.00	0.00	0.00

*Personnel* – Bureau of Air (BOA) is using the EPA allocation to pay for program administration for the timeframe 10/1/2022 to 9/30/2023.

Title	Hourly rate	%FTE	Salary (DERA+VW05)
Monitoring and Data Unit Chief (KW)	\$32/hr	0.1	6,656 + 6,656
Fiscal Analystist (JD)	\$25/hr	0.05	2,600 + 2,600
Public Service Administrator (PT)	\$21	0.05	2,184 + 2,184
		<b>Total = 0.2FTE</b>	<b>Total = \$22,880</b>

*Fringe Benefits* - Bureau of Air (BOA) is using the EPA allocation to pay for program administration for the timeframe 10/1/2022 to 9/30/2023.

Fringe is calculated at 30% of salary –

Title	30% of salary = Fringe (DERA + VW05)
Monitoring and Data Unit Chief	1,997 + 1,997
Fiscal Analystist	780 + 780
Public Service Administrator	655 + 655
	<b>Total = \$6,864</b>

- *Travel – No travel*
  - *Supplies – No Supplies*
  - *Equipment – No Equipment*
  - *Contractual – No Contractual*
  - *Other – Awards for Project Support*
- Indirect Charges* - Approved rate for Indirects = 13.8%, includes – Personnel, Fringe, Travel, Equipment, and Supplies.<sup>5</sup>

**Administrative Costs Expense Cap**

The KDHE total for administrative costs = \$37,953. The amount is less than the 15% maximum for the base allocation and bonus.

**Matching Funds and Cost-Share Funds**

**Mandatory Match:** Mandatory match will be generated from the participating school district. The program offers up to a 25 percent reimbursement of the total cost of a diesel-powered school bus. If the average cost of a bus is \$95,000, 25 percent = \$23,750. If KDHE anticipates reimbursing 25 percent of costs for 15 school buses each school district’s match = \$71,250 in mandatory match per bus awarded. KDHE includes a statement on the application that match for new replacement vehicles is required. The KDHE issues written agreements with the school districts and

<sup>5</sup> Negotiated indirect rate for SFY2022 is 13.8%. This rate will change on July 1, 2022. The author will not know until after this date.

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construction entities also include the requirement. The agreements must be signed by participants and KDHE officials in order to be final.<sup>6</sup>

**Voluntary Match: Voluntary match**

The source of non-federal for the FY2022 Clean Diesel grant to KDHE is 100% from the VW trust allocation to Kansas and is equal to \$353,104.

<b>Source description</b>	<b>Amount</b>
Base EPA DERA Grant	\$353,104
KDHE Voluntary Match using VW allocation	\$353,104
Bonus from EPA DERA Grant	\$176,552
<b>TOTAL</b>	<b>\$882,760</b>

**Funding Partnerships**

KDHE makes awards for project support through written agreements. Project support is defined as equipment purchases and installations related to the equipment purchases stated in written award agreements.

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<sup>6</sup> Bus costs are expected to be considerable higher than in past years due to supply issues and other related costs KDHE may cap awards or simply offer fewer awards, it has been discussed but not finalized as of 6/16/2022.

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DERA 2022 PROJ05 2023  
 KDHE - DERA 2022

Grant Periods 10/1/2022 to 9/30/2023 extended to 9/30/2024

EPA Allocation  
 EPA Award Base \$353,104.00  
 EPA Bonus \$176,552.00  
 EPA Award + bonus + match \$1,479,656.00

KDHE Voluntary Match using VW \$950,000.00  
 EPA Award + bonus + match \$1,479,656.00  
 EPA Bonus \$176,552.00  
 EPA Award Base \$353,104.00

15% of award max EPA for outlays \$79,448.40  
 15% of VW allocation max for outlays \$142,500.00

Outlays EPA \$72,008.60  
 Outlays VW \$72,008.60  
 Indirect EPA \$2,052.34  
 Indirect VW \$10,357.40

Other EPA \$455,595.06  
 Other VW \$867,634.00

Description of Project Budget Items	10/1/2023 to 9/30/2025	Voluntary Match (VW)	Mandatory Cost-Share*	Description of Match
Personnel				
KW, JD, PT, 3 new staff	\$47,424.00	\$0.00	\$0.00	VW
<b>Total Personnel</b>	<b>\$47,424.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
Fringe Benefits				
30% of Salary for 1 Environmental Program Admin	\$14,227.20	\$0.00	\$0.00	VW
<b>Total Fringe Benefit</b>	<b>\$14,227.20</b>	<b>\$0.00</b>	<b>\$0.00</b>	
Travel				
Local Mileage 1000 miles @ \$.33 / mile	\$0.00	\$0.00	\$0.00	
<b>Total Travel</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
Equipment				
<b>Total Equipment</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
Supplies				
<b>Total Supplies</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
Contractual				
<b>Total Contractual</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
Other (Pass through to the awardees) includes bonus for meeting voluntary match	\$877,991.40	\$3,000,000.00	\$3,000,000.00	VW for Voluntary, Awardees for Mandatory
<b>Total Other</b>	<b>\$877,991.40</b>	<b>\$3,000,000.00</b>	<b>\$3,000,000.00</b>	
Indirect Charges				
(Personnel+Fringe+Travel+Equipment+Supplies) (0.168) =B26	\$61,651.20			
<b>Total Indirect</b>	<b>\$10,357.40</b>	<b>\$0.00</b>	<b>\$0.00</b>	
<b>Total Direct Charges</b>	<b>\$939,642.60</b>	<b>\$0.00</b>	<b>\$3,000,000.00</b>	<b>VW for Voluntary, Awardees for Mandatory</b>
<b>Total Funding Request =</b>	<b>\$950,000.00</b>	<b>\$3,000,000.00</b>	<b>\$3,000,000.00</b>	
<b>Total Project Cost*</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	

\*Mandatory cost share and total Project Costs are estimated  
 \$512,731.66  
 \$877,991.40  
 \$1,390,723.06  
 Total for project support  
 \$1,390,723.06