South Dakota
DERA Rounds 16 & 17
SD-C10-004
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 Agriculture and Natural Resources (DANR)
(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 Rounds 16 & 17
Beneficiary's Project ID:	SD-C10-004
Funding Request No.	*(sequential)* SD-017
Request Type: **(select one or more)**	■ Reimbursement ■ Advance ☐ Other (specify): ______
Payment to be made to: **(select one or more)**	■ Beneficiary ☐ Other (specify): ______
Funding Request & Direction (Attachment A)	■ Attached to this Certification ■ To be Provided Separately

SUMMARY

Eligible Mitigation Action ☐ Appendix D-2 item (specify): ______ **Action Type** ■ 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 page 6 of the attached work plan.
Estimate of Anticipated NOx Reductions (5.2.3): Estimated Nox Reductions are on page 8 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 DANR
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 11 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: 7-23-2025

Kyrik Rombough, Engineer Manager III

SD DANR

[LEAD AGENCY]

for

State of South Dakota

[BENEFICIARY]

ATTACHMENT B - PROJECT MANAGEMENT PLAN

TIMELINE

Tentative Schedule for Round 16

Date	Activity
November 1, 2023	Call for Round 16 Projects Opens
December 8, 2023	Call for Round 16 Projects Deadline
December 11, 2023 – January 5, 2024	Evaluate & Select Round Fifteen Projects
January 10, 2024	Post Round 16 Selected Projects List. Email rebate agreements to selected applicants.
January 2024 – April 2024	Recipients will order buses and email DANR copies of purchase orders
September 2024	Deadline for all invoices and paperwork to be submitted to DANR

Tentative Schedule for Round 17

Date	Activity
November 4, 2024	Call for Round 17 Projects Opens
December 13, 2024	Call for Round 17 Projects Deadline
December 16, 2024 – January 3, 2025	Evaluate & Select Round 17 Projects
January 8, 2025	Post Round 17 Selected Projects List. Email rebate agreements to selected applicants.
January 2025 – April 2025	Recipients will order buses and email DANR copies of purchase orders
September 2025	Deadline for all invoices and paperwork to be submitted to DANR

PROJECTED VW TRUST ALLOCATIONS

SD's VW Trust Allocation	$8,125,000
Current Allocation of Trust for Category 2/10 Bus Projects (35-45%)	$2,843,750 to $3,656,250
Anticipated Category 10 Trust Funds Used for Rounds 16 & 17 DERA Projects	$748,687
Anticipated VW Administrative Funds Used for Rounds 16 & 17 DERA Projects*	$43,276
Funds requested for previous Category 2/10 Bus Projects	$2,064,989
Remaining Trust Funds Allocated for Category 2/10 Bus Projects	$778,761 to $1,591,261

* Subject to 2.5 - 10% administrative cap in Beneficiary Mitigation Plan.

PROJECT BUDGET OVERVIEW

	Oct 2023 - Sep 2025
EPA Base Allocation	$791,963
State Matching Funds (VW Category 10 Trust Funds)	$791,963
EPA Match Incentive	$395,982
VW Administrative *	$43,276
Mandatory Cost-Share of Buses	65-75% of bus

* Subject to 2.5 - 10% administrative cap in Beneficiary Mitigation Plan.

ITEMIZED PROJECT BUDGET

	Oct 2023– Sep 2025		
Budget Category	**EPA Allocation**	**VW Category 10**	**VW Administration**
1. Buses	$1,123,030	$748,687	$0
2. Administration	$64,915	$0	$43,276
SD-C10-004 TOTAL	$1,187,945	$748,687	$43,276

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

Round 16

Lake Preston School District	$93,000.00	25%	$23,250.00
Windstar Lines, Inc	$535,000.00	25%	$133,750.00
Watertown School District/72 8791	$125,116.32	25%	$31,279.08
Watertown School District/91 8792	$125,116.32	25%	$31,279.08
Watertown School District/93 3446	$125,116.32	25%	$31,279.08
Watertown School District/96 3029	$126,353.36	25%	$31,588.34
Yankton School District/4648	$139,860.00	35%	$48,951.00
Yankton School District/4649	$139,860.00	35%	$48,951.00
K&D Busing	$117,850.00	25%	$29,462.50
Foreman Sales & Service	$134,560.00	25%	$33,640.00
Douglas School District/1046	$125,047.00	25%	$31,261.75
Elkton School District	$124,648.00	35%	$43,626.80
Oldham-Ramona-Rutland School District/5878	$122,270.00	25%	$30,567.50
Brandon Valley School District/4503	$150,652.00	35%	$52,728.20
Brandon Valley School District/9537	$150,652.00	35%	$52,728.20
Oldham-Ramona-Rutland School District/2199	$128,500.00	25%	$32,125.00
De Smet School District	$161,350.00	25%	$40,337.50
Wilmot School District	$93,584.00	25%	$23,396.00

Round 17

Recipient	Quote	%	Max Award
West Central School District	$124,262.00	25%	$31,065.50
Freeman School District	$136,234.20	25%	$34,058.55
Colman-Egan School District	$133,500.00	25%	$33,375.00
Howard School District	$98,500.00	25%	$24,625.00
Waverly School District	$129,148.93	25%	$32,287.23
Viborg-Hurley School District	$140,045.00	35%	$49,015.75
White Lake School District	$98,500.00	25%	$24,625.00
Sioux Valley School District	$111,750.00	25%	$27,937.50
DeSmet School District	$96,000.00	25%	$24,000.00
Timber Lake School District	$161,008.34	25%	$40,252.09
Chester Area School District	$164,500.00	25%	$41,125.00
Deuel School District	$140,226.15	25%	$35,056.54
Madison Central School District	$144,252.06	35%	$50,488.22
Yankton School District/0328	$153,377.00	35%	$53,681.95
Yankton School District/9850	$153,377.00	35%	$53,681.95
Beresford School District	$140,530.00	25%	$35,132.50
JJSP Leasing, LLC	$582,250.00	25%	$145,562.50
Harrisburg School District	$146,977.00	35%	$51,441.95
Willow Lake School District	$141,665.50	35%	$49,582.93
Lennox School District	$141,870.00	35%	$49,654.50
School Bus Inc/2942	$121,424.00	25%	$30,356.00
Douglas School District/#3 1329	$138,877.50	25%	$34,719.38
Douglas School District/#16 2289	$138,877.50	25%	$34,719.38
Harlow's School Bus Service, Inc/5764 1004	$116,018.63	25%	$29,004.66
Harlow's School Bus Service, Inc/5691 1028	$116,018.63	25%	$29,004.66
Hoven School District/9109	$134,850.00	25%	$33,712.50
School Bus Inc/ #38 0721	$132,687.00	25%	$33,171.75

United States Environmental Protection Agency

Office of Transportation and Air Quality
September 2024

2023-2024 Diesel Emissions Reduction Act (DERA) State Program

Work Plan and Budget Narrative Template

INSTRUCTIONS: States and territories applying for 2023-2024 DERA State Program funds should use this template to prepare their Work Plan and Budget Narrative.

Please refer to the 2023-2024 DERA State Program Guide full program details, eligibility criteria and funding restrictions, and application instructions.

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SUMMARY PAGE

Project Title: State Clean Diesel Grant Program Funding FY 2023/2024

Project Manager and Contact Information

Organization Name: South Dakota Department of Agriculture 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:

	2022*	2023	2024	Total
EPA Base Allocation	$346,537	$410,996	$380,967	$1,138,500
Total State Contribution *(Cost share)*	$346,537	$410,996	$380,967	$1,138,500
EPA Match Bonus *(If applicable)*	$173,269	$205,498	$190,484	$569,251
Total EPA Allocation *(base plus match bonus if applicable)*	$519,806	$616,494	$571,451	$1,707,751
TOTAL Project Cost *(EPA Allocation plus State contribution)*	**$866,343**	**$1,027,490**	**$952,418**	**$2,846,251**

Note: *If state participated in 2022

3 Year Project Period for 2023-2024 State DERA Grants[1]

FY2023 First Phase: October 1, 2023 – September 30, 2024

FY2024 Incremental Amendments: December 10, 2024 – September 30, 2025

2023-2024 Project Period Close Out: September 30, 2026

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 52 buses with FY 2023/2024 funds.

Total rebate per replacement bus will be up to 25% of the purchase price of an EMY 2022 or newer engine certified to EPA emission standards, 35% of the purchase price of an EMY 2022 or newer engine certified to meet CARB's Low-NOx Standards, or 45% of the purchase price of a zero tailpipe emissions replacement bus. Funds must be used to pay for the replacement of old diesel buses. Recipients may not use funds to pay for administrative expenses. DANR intends to participate with as many eligible entities throughout the state of South Dakota as possible. The completed applications will be reviewed by DANR. DANR will develop a ranking system to determine which applicants receive rebates.

Information about the South Dakota Clean Diesel Grant Program can be found at:
https://danr.sd.gov/Environment/AirQuality/CleanDieselProgram/default.aspx

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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 2020 National Emissions Inventory Pollutant Summary for South Dakota's Mobile Diesel Fleet.

[1] FY2024 funds will be dispersed as an incremental amendment to existing 2023 DERA State Grants or, if a state does not have a 2023 grant, a new award.

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.

2020 National Emissions Inventory Pollutant Summary for South Dakota's Mobile Diesel Fleet

SECTOR	STATE	POLLUTANT	POLLUTANT TYPE	EMISSIONS	UNITS
Mobile - Non-Road Equipment - Diesel	SD	Nitrogen Oxides	CAP	11093.00879	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	Nitrogen Oxides	CAP	6402.244148	TON
Mobile - Non-Road Equipment - Diesel	SD	Carbon Monoxide	CAP	4964.061307	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	Carbon Monoxide	CAP	2386.488674	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	Carbon Monoxide	CAP	1452.079681	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	Nitrogen Oxides	CAP	1110.454086	TON
Mobile - Non-Road Equipment - Diesel	SD	PM10 Primary (Filt + Cond)	CAP	853.7039854	TON
Mobile - Non-Road Equipment - Diesel	SD	PM2.5 Primary (Filt + Cond)	CAP	828.0927306	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	PM10 Primary (Filt + Cond)	CAP	255.1783333	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	PM2.5 Primary (Filt + Cond)	CAP	182.8913146	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	PM10 Primary (Filt + Cond)	CAP	68.59290532	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	PM2.5 Primary (Filt + Cond)	CAP	52.82082936	TON
Mobile - Non-Road Equipment - Diesel	SD	Sulfur Dioxide	CAP	7.021558109	TON
Mobile - On-Road Diesel Heavy Duty Vehicles	SD	Sulfur Dioxide	CAP	5.86818933	TON
Mobile - On-Road Diesel Light Duty Vehicles	SD	Sulfur Dioxide	CAP	0.982415741	TON

VEHICLES AND TECHNOLOGIES:

DANR will provide a rebate for the incremental cost of a newer, cleaner bus up to 25% of the purchase price of an EMY 2022 or newer engine certified to EPA emission standards, 35% of the purchase price of an EMY 2022 or newer engine certified to meet CARB's Low-NOx Standards, or 45% of the purchase price of a 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.

No funds used under this program shall be used to cover expenses incurred prior to the project period set forth in any assistance agreement. Projects may include the diesel emissions source types defined below:

School Buses	Includes diesel powered school buses of Type A, B, C and D. A "school bus" is defined as a passenger motor vehicle designed to carry a driver and more than 10 passengers, that the Secretary of Transportation decides is likely to be used significantly to transport preprimary, primary, and secondary school students to or from school or an event related to school.
Transit Buses	Includes Class 5+ diesel powered medium-duty and heavy-duty transit buses. Gross vehicle weight rating (GVWR) as defined below: Class 5 (16,001 - 19,500 lbs GVWR); Class 6 (19,501 -26,000 lbs GVWR); Class 7 (26,001 - 33,000 lbs GVWR); Class 8 (33,001 lbs GVWR and over)

Projects must include bus replacement. Buses must be replaced with newer, cleaner vehicles. Eligible replacement vehicles include those powered by diesel or clean alternative fuel engines (including gasoline), hybrid engines, and zero tailpipe emissions power sources.

To be eligible for funding, vehicles must be powered by engines certified by EPA and, if applicable, CARB emission standards. Zero tailpipe emissions vehicles and equipment do not require EPA or CARB certification. EPA's annual certification data for vehicles, engines, and equipment may be found at: https://www.epa.gov/compliance-and-fuel-economy-data/annual-certification-data-vehicles-engines-and-equipment. EPA's engine emission standards may be found at: https://www.epa.gov/emission-standards-reference-guide/all-epa-emission-standards. Engines certified by CARB may be found by searching CARB's Executive Orders for Heavy-duty Engines and Vehicles, found at: https://ww2.arb.ca.gov/our-work/programs/new-vehicle-and-engine-certification .Please see the Low-NOx Engine Factsheet found at https://www.epa.gov/dera/state for guidance on identifying engines certified to meet CARB's Optional Low NOx Standards.

Existing engines and new vehicles must meet the eligibility criteria defined below to be eligible for funding. No buses being replaced may be engine model year 2010 or newer, except if replacing with an EMY2020+ zero tailpipe emission or CARB low-NOx replacement vehicle.

Transit Bus and School Bus Current Engine Model Year (EMY)	**Vehicle Replacement: EMY 2022+**	**Vehicle: EMY 2022+ Zero Emission or Low-NOx 1**
older -2006	Yes	Yes
2007 -2009	Yes	Yes
2010 -newer	No	Yes

1Please see the Low-NOx Engine Factsheet found at https://www.epa.gov/dera/state for guidance on identifying engines certified to meet CARB's Optional Low NOx Standards.

Eligible project costs include the purchase price of eligible vehicles as defined above. These costs are subject to the mandatory cost share requirements.

Eligible costs for battery electric powered vehicle replacement projects can include the purchase and installation of one charging unit per vehicle, including the unit and charging cable, mount and/or pedestal. These costs are subject to the mandatory cost share requirements. **Ineligible costs** include power distribution to the pedestal, electrical panels and their installation, upgrades to existing electrical panels or electrical service, transformers and their installation, wiring/conduit and its installation, electricity, operation and maintenance, stationary energy storage systems that power the equipment (e.g. batteries) and their installation, and on-site power generation systems that power the equipment (e.g., solar and wind power generation equipment) and their installation.

Below are the ownership, usage and remaining life requirements:

1. **Operational:** The existing vehicle must be fully operational. Operational equipment must be able to start, move, and have all necessary parts to be operational.

2. **Ownership:** The participating fleet owner must currently own and operate the existing vehicle and have owned and operated the vehicle during the two years prior to upgrade.

3. **Remaining Life:** The existing vehicle must have at least three years of remaining life at the time of upgrade. Remaining life is the fleet owner's estimate of the number of years until the unit would have been retired from service if the unit were not being upgraded or scrapped because of the grant funding. The remaining life estimate is the number of years of operation remaining even if the unit were to be rebuilt or sold to another fleet. The remaining life estimate depends on the current age and condition of the vehicle at the time of upgrade, as well as things like usage, maintenance, and climate.

4. **Highway Usage:** To be eligible for funding, the existing certified highway vehicle must have accumulated at least 7,000 miles/year during the two years prior to upgrade.

ROLES AND RESPONSIBILITIES:

DANR will email an announcement to the Department of Education which will be passed on to all public-school districts in South Dakota and possibly others to promote the rebate opportunity. DANR will also email the information to the superintendents of all public schools. DANR 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

DANR 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 vehicles being replaced were scrapped or rendered permanently disabled with photographs.

TIMELINE AND MILESTONES:

1st, 2nd, 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.

3rd, 4th, 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 maintenance areas.

2. The project's targeted diesel emissions reductions are located at bus stops and schools.

3. The Department will follow its Nondiscrimination Policy which is available at: https://danr.sd.gov/ContactUs/docs/DANR%20Nondiscrimination%20Policy.pdf

4. The Department will publish the program information at: https://danr.sd.gov/Environment/AirQuality/CleanDieselProgram/default.aspx

PROJECT SUSTAINABILITY:

Information about the project is available to the public at: https://danr.sd.gov/Environment/AirQuality/CleanDieselProgram/default.aspx

WORKFORCE DEVELOPMENT:

The recipients will follow their own training and safety protocols.

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

Pursuant to Section 6.a. of EPA Order 5700.7A1, "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. 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 52 buses with FY 2023/2024 funds
- Dissemination of project technology information via websites
- Quarterly and final reports

2. 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 (PM2.5),
    - nitrogen oxides (NOx),
    - 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 FY 2023 funds, a fleet of thirty-one EMY 2000 diesel school buses was used, with all thirty-one being replaced in 2024 with diesel school buses with 2023 technology. The default values for school buses were used as inputs.

Here are the Estimated Project Summary Emissions Results for FY 2023.[1]

Annual Results (short tons)[2]	NO_x	PM2.5	HC	CO	CO_2	Fuel[3]
Baseline for Upgraded Vehicles/Engines	4.459	0.274	0.844	2.113	474.3	42,160
Amount Reduced After Upgrades	4.008	0.270	0.832	1.824	0.0	0
Percent Reduced After Upgrades	89.9%	98.7%	98.6%	86.3%	0.0%	0.0%
Lifetime Results (short tons)[2]						
Baseline for Upgraded Vehicles/Engines	13.376	0.822	2.532	6.340	1,422.9	126,480
Amount Reduced After Upgrades	12.025	0.811	2.496	5.471	0.0	0
Percent Reduced After Upgrades	89.9%	98.7%	98.6%	86.3%	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.

Below are the estimated project summary results using the Diesel Emissions Quantifier. For FY 2024, a fleet of twenty-one EMY 2000 diesel school buses was used, with all twenty-one being replaced in 2025 with diesel school buses with 2024 technology. The default values for school buses were used as inputs.

Here are the Estimated Project Summary Emissions Results for each year for the project.[1]

Annual Results (short tons)[2]	NO_x	PM2.5	HC	CO	CO_2	Fuel[3]
Baseline for Upgraded Vehicles/Engines	3.020	0.186	0.572	1.432	321.3	28,560
Amount Reduced After Upgrades	2.715	0.183	0.564	1.235	0.0	0
Percent Reduced After Upgrades	89.9%	98.8%	98.6%	86.3%	0.0%	0.0%
Lifetime Results (short tons)[2]						
Baseline for Upgraded Vehicles/Engines	9.061	0.557	1.715	4.295	963.9	85,680
Amount Reduced After Upgrades	8.146	0.550	1.691	3.706	0.0	0
Percent Reduced After Upgrades	89.9%	98.8%	98.6%	86.3%	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.

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BUDGET NARRATIVE

2023 Itemized Project Budget

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel	$22,464	$0	$14,976	$0	$37,440
2. Fringe Benefits	$5,654	$0	$3,770	$0	$9,424
3. Travel	$0	$0	$0	$0	$0
4. Equipment	$0	$0	$0	$0	$0
5. Supplies	$0	$0	$0	$0	$0
6. Contractual	$1,121	$0	$747	$0	$1,868
7. Other	$584,040	$2,920,200	$389,360	$0	$3,893,600
8. Total Direct Charges (sum 1-7)	$613,279	$2,920,200	$408,853	$0	$3,942,332
9. Indirect Charges	$3,215	$0	$2,143	$0	$5,358
10. Total (Indirect + Direct)	$616,494	$2,920,200	$410,996	$0	$3,947,690
11. Program Income	$0	$0	$0	$0	$0

2024 Itemized Project Budget

Budget Category	EPA Allocation	Mandatory Cost-Share	Voluntary Match (if applicable)		Line Total
			VW Mitigation Trust Funds	Other Funds	
1. Personnel	$22,464	$0	$14,976	$0	$37,440
2. Fringe Benefits	$5,654	$0	$3,770	$0	$9,424
3. Travel	$0	$0	$0	$0	$0
4. Equipment	$0	$0	$0	$0	$0
5. Supplies	$0	$0	$0	$0	$0
6. Contractual	$1,124	$0	$748	$0	$1,872
7. Other	$538,990	$2,694,951	$359,327	$0	$3,593,268
8. Total Direct Charges (sum 1-7)	$568,232	$2,694,951	$378,821	$0	$3,642,004
9. Indirect Charges	$3,219	$0	$2,146	$0	$5,365
10. Total (Indirect + Direct)	$571,451	$2,694,951	$380,967	$0	$3,647,369
11. Program Income	$0	$0	$0	$0	$0

Explanation of Budget Framework

1. Personnel - A project manager will oversee the program. For FY 2023 & 2024, the project manager will spend approximately 40% of the time on the project or 832 hrs/yr at an average salary of $45/hr. The following table summarizes personnel cost for the project period:

Budget Category	EPA Allocation	Voluntary Match (if applicable)
Project Manager @ $45/hr x 832 hrs = $37,440/yr	$22,464	$14,976

2. Fringe Benefits - For FY 2023 & 2024, fringe benefit costs are approximately 25.17% of the personnel salary.

Budget Category	EPA Allocation	Voluntary Match (if applicable)
Fringe Benefits @ $37,440 X 25.17% = $9,424/yr	$5,654	$3,770

3. Travel - DANR does not anticipate any travel during the FY 2023 & 2024 project periods.

4. Equipment - DANR does not anticipate purchasing any equipment during the FY 2023 & 2024 project periods.

5. Supplies - DANR does not anticipate purchasing any supplies during the FY 2023 & 2024 project periods.

6. Contractual – For FY 2023, the contractual services consist of Bureau of Personnel and the state accounting system and will be approximately $1,868/yr. For FY 2024, the contractual services consist of Bureau of Personnel and the state accounting system and will be approximately $1,872/yr.

Budget Category	EPA Allocation	Voluntary Match (if applicable)
FY23 Contractual $1,868/yr	$1,121	$747
FY24 Contractual $1,872/yr	$1,124	$748

7. Other - This category will include the funds going toward the actual State rebates to eligible entities. 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 DANR. A rebate will then be sent to the recipient. For FY 2023, using the average price for a diesel school bus as $125,600, the 25% rebate would be $31,400/bus for 31 buses totaling $973,400 and the 75% mandatory cost share would be $94,200/bus for 31 buses totaling $2,920,200. For FY 2024, using the average price for a diesel school bus as $171,108, the 25% rebate would be $42,777.00/bus for 21 buses totaling $898,317 and the mandatory cost share would be $128,331/bus for 21 buses totaling $2,694,951.

Budget Category	EPA Allocation	Voluntary Match (if applicable)	Mandatory Cost Share
FY23 Avg bus price of $125,600 X 31 buses = $3,893,600	$584,040	$389,360	$2,920,200
FY24 Avg bus price of $171,108 X 21 buses = $3,593,268	$538,990	$359,327	$2,694,951

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

Budget Category	EPA Allocation	Voluntary Match (if applicable)
Total Direct Charges	$503,460	$335,640

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	EPA Allocation	Voluntary Match (if applicable)
FY23 $37,440 X 14.31% = $5,358	$3,215	$2,143
FY24 $37,440 X 14.33% = $5,365	$3,219	$2,146

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 DANR. A rebate will then be sent of not more than 25% of the purchase price of a bus with an EMY 2022 or newer certified to EPA emission standards, 35% of the purchase price of a bus with an EMY 2022 or newer engine certified to meet CARB’s Low-NOx Standards, or 45% of the purchase price of a 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.