

Volkswagen Settlement Funding School Bus Replacement Program

Q & A

Q. Can we get an emailed copy of the PowerPoint?

A. The PowerPoint and the September 9, 2020, webinar can be accessed on the Energy and Environment Cabinet website. <https://eec.ky.gov/Pages/Volkswagen-Settlement.aspx>

Q. Is the 50% on the base purchase price, exclusive of options?

A. Yes, it is the base price of the bus.

Q. 2001 or earlier bus is required? Is that a typo? Most VW programs have said 2009 or earlier

A. It is a 2001 or earlier bus. Although the national Volkswagen Settlement would have allowed 2009 or earlier buses, Kentucky's legislature adopted the 2001 provision.

Q. Everyone that applies will be approved as long as they have a bus that meets the minimum eligibility requirements? The % of the reimbursement will be adjusted accordingly based on the # of eligible buses?

A. That is correct – this is NOT a competitive solicitation.

Q. Is there a specific process for scrapping the buses (who scraps, how certified?)

A. The school district will be responsible for scrapping any bus(es) being replaced using these funds. Scrapped is defined by the Settlement. The EEC will have a process for documenting the scrapping of an eligible bus.

Q. Will this webinar be accessible after the session?

A. Yes, the webinar is posted on the EEC website. <https://eec.ky.gov/Pages/Volkswagen-Settlement.aspx>

Q. Will the buses be depreciated by KDE at the same rate with regard to original purchase price?

A. That is not under the purview of EEC.

Q. If the bus is not a base bus but a special needs instead, is it still like for like? Does that still qualify the 50%?

A. A school bus is defined by the Volkswagen Settlement as – “a Class 4-8 bus sold or introduced into interstate commerce for purposes that include carrying students to and from school or related events. May be type A-D.

Q. If there is a 34 passenger handicap bus can it be replaced a 34 passenger non handicap?

A. If it meets the requirements listed above.

Q. You may have said this but what if we request for reimbursement for 5 buses and November 1 you tell us there isn't enough money. Will you tell us how many we are approved for?

A. If more funds are applied for than funds available, as per House Bill 352, everyone will be reduced pro-rata and all districts will know the amount of funding available for reimbursement to that district, if all requirements are met.

Q Can you review the information again for those who may not have a "daily" bus that qualifies? But has a bus in the fleet that is 2001 or older, to sub on daily routes.

A. If you do **NOT** have a bus listed on the KDE inventory as a "daily" 2001 or older bus, but you have a SPC purpose bus that you use on a daily basis, you can apply for ONE (1) bus replacement for that bus. If you have a bus on the KDE inventory listed as "daily" and a 2001 or earlier year, you **CANNOT** apply for the SPC bus.

Q. Would we be able to see what districts have applied for the funding?

A. The school districts receiving funding will be posted on the EEC webpage.
<https://eec.ky.gov/Pages/Volkswagen-Settlement.aspx>

Q. What if we don't have enough funding to satisfy the \$8.5 mil in applicants this year, what is the plan for the rollover money?

A. EEC does not anticipate there being any remaining funding. However, if districts do not apply for replacement buses to use the total amount designated by the General Assembly, since Kentucky has a one year budget in place, EEC would need to request an appropriation and it would need to be approved in the next year budget.

Q. So a district couldn't replace a 66 passenger with a 72? Obviously districts' needs and available buses have changed since 2001.

A. The requirements of the national Settlement are to replace like for like and the purpose of the Settlement was to reduce the excess NOx emissions that Volkswagen had illegally allowed to be emitted. EEC also understands that needs may have changed in the 20 years since these buses have been purchased. If you have a class 4-8 school bus eligible for replacement – Type A-D – it needs to be replaced with a new bus of the same type. If a 66 passenger bus and a 72 passenger bus are the same Class and Type – and the 66 passenger bus and the 72 passenger bus have the same engines and Gross Vehicle Weight (GVW) either the 66 or 72 passenger bus can be purchased.

Q. Are links available on how to find out if you are in a nonattainment or maintenance county?

A. Yes, that information is available in the Beneficiary Mitigation Plan located on the EEC web site here: <https://eec.ky.gov/Pages/Volkswagen-Settlement.aspx>

Q. What if you want to replace a handicapped equipped bus with a non-handicapped bus?

A. If you have a class 4-8 school bus eligible for replacement – Type A-D – it needs to be replaced with a new bus of the same type. You will need to provide a detailed description of the proposed mitigation plan. The purpose of the Settlement was to reduce those NOx emissions from other types of projects to “mitigate” the excess emissions.

Q. Can you go into detail as to what the Mitigation plan needs to look like?

A. This section needs to provide enough information to show that the school bus replacement project will provide the NOx reductions required by the Settlement. This information will be used to demonstrate to the national settlement trustee that emission reductions are taking place and the types of school buses being replaced.

(e.g. The project will benefit _____ air quality, because the newer buses will emit ___% fewer harmful pollutants. Aging diesel buses contribute to harmful air quality issues especially in and around schools. The new buses will be equipped with emission reduction measures which will reduce particulate and NOx emissions by ___% and __%. In total, replacing 45 is expected to reduce NOx emissions by _____ pounds annually, and PM by _____ pounds annually.)

Q. This like type refers to the capacity of the bus only... correct?

A. If you have a class 4-8 school bus eligible for replacement – Type A-D – it needs to be replaced with a new bus of the same type. You need to remain within the Class of school bus and Type of school bus. If you have passenger size preferences and the bus you are wanting to choose has a larger capacity (66 passenger bus vs 72 passenger bus) but have the same engines and Gross Vehicle Weight (GVW) either the 66 or 72 passenger bus can be purchased, but a description needs to be included under the Description of Mitigation Item on the application.

Q. Do you have a sample application filled out to where I can make sure I fill it out right?

A. The application is straight forward –

- Provide the detailed description of what you are replacing;
- The emissions reduction,
- Provide the bus(es) you are plan to purchase; and
- Make sure the application is signed by a person who will be responsible for ensuring bus purchase and bus scrappage.

Q. The VMT, is that the miles the bus ran that year. Make will be like IH or freightliner, or bluebird, model is like 3800 or body type.

A. You can use model to show the Class and Type Codes.

Q. If there is a 34 passenger handicap bus can it be replaced a 34 passenger non handicap?

A. If you have a Class 4-8 diesel school bus eligible for replacement – Type A-D – it needs to be replaced with a new bus of the same type. You need to remain within the Class of school bus and Type of school bus. If you are proposing something different – a description of whether or not the engines are different needs to be provided under the Detailed Description of Mitigation Action. The Settlement was designed to provide for NOx emission reductions – and school buses is an eligible category – it does not denote a handicap bus vs regular bus.

Q. So the 50% is regardless of type of alternate fuel - that is, it is irrelevant what type of alternate fuel you choose to use. If you apply for money to convert to electric and then change your mind and replace with propane, does that matter in the end?

A. Yes, the up-to-50% is regardless of fuel type. However, school districts need to determine their bus needs and apply for bus replacements accordingly. EEC will be notifying all school systems of the funds available to them. If school systems change their minds and don't purchase the bus(es) identified in the application, it will not allow a correct reimbursement amount once the school systems are requesting that reimbursement.

Q. "Like for like" is referring to passenger size and not the type. So, a type C bus can only be replaced with another type C bus of the same pass size? 66 & 72 are both type C, would that not be like for like?

A. The requirements of the national Settlement are to replace like for like and the purpose of the Settlement was to reduce the excess NOx emissions that Volkswagen had illegally allowed to be emitted. EEC also understands that needs may have changed in the 20 years since these buses have been purchased. If you have a Class 4-8 school bus eligible for replacement – Type A-D – it needs to be replaced with a new bus of the same type. If a 66 passenger bus and a 72 passenger bus are the same Class and Type – and the 66 passenger bus and the 72 passenger bus have the same engines and Gross Vehicle Weight (GVW) either the 66 or 72 passenger bus can be purchased. Provide the information under the Detailed Description of the Mitigation Action as to why a bus was chosen.

Q. Can you replace a 78 passenger with a special needs with less passenger bus?

A. You can request to replace an eligible bus with the same Class size and Type – and you can go down in size, but you cannot go up. The determining factor will be the emissions from replacing the bus with a like bus or with a special needs, less passenger bus.

Q. Can a handicap bus be purchased in place of a 52 passenger bus?

A. An analysis needs to be made on the Class and Type of bus you are requesting to replace and the one you are anticipating purchasing. Include that project description in the Detailed Description of Mitigation Action.

Q. Could a rear engine bus replace a forward engine bus that has the same type engine?

A. If the Class and Type are the same, GVW is the same, and the emissions from both engines are basically the same.

Q. Some transit agencies use class 4 buses. So wouldn't those qualify for funds? When is transit bus funding going to be announced?

A. No, these funds have been designated for school bus replacement only and the definition of school bus is included in the Appendix D-2 of the Settlement.

Q. Did I hear you say we could replace a larger passenger bus with a smaller passenger bus, but you could not purchase a larger bus to replace a smaller bus?

A. That is correct. Please refer to the Class and Type of the Eligible Bus.

Q. What if a like bus size is no longer available? We have a 70 passenger that is no longer offered by any vendor.

A. Refer to the school bus class and type. Request an appropriate replacement and note that information in the Detailed Description of Mitigation Action.

Q. We have buses that qualify for the VW settlement that are listed as spares on our inventory. But due to increased daily tech shuttle routes we used them daily. We can prove by vocational tech mileage along monthly inspection reports. Do those school buses qualify?

A. If you do **NOT** have a bus listed on the KDE inventory as a "daily" 2001 or older bus, but you have a SPC purpose bus that you use on a daily basis, you can apply for ONE (1) bus replacement for that bus. If you have a bus on the KDE inventory listed as "daily" and a 2001 or earlier year, you **CANNOT** apply for the SPC bus.

Q. Could a rear engine bus replace a forward engine bus that has the same type engine?

A. If the NOx emissions associated with either a rear or forward bus are the same, you need to document in the Detailed Description of the Mitigation Action.

Q. Our district has 2003 and 2004 school buses - we have followed state recommended guidelines and removed buses from our fleet as they reached their expiration date. Can our district apply on our older buses or will it only apply to 2001 buses?

A. If you do **NOT** have a bus listed on the KDE inventory as a "daily" 2001 or older bus, but you have a SPC purpose bus that you use on a daily basis, you can apply for ONE (1) bus replacement for that bus. If you have a bus on the KDE inventory listed as "daily" and a 2001 or earlier year, you **CANNOT** apply for the SPC bus.

Q. My district has 2001 model buses that we would like to apply for the grant. The buses are used frequently but are listed as spares on our list. They are used when the primary bus broken down or in the shop for inspections. Would this qualify them as being in daily use?

A. If you do **NOT** have a bus listed on the KDE inventory as a “daily” 2001 or older bus, but you have a SPC purpose bus that you use on a daily basis, you can apply for ONE (1) bus replacement for that bus. If you have a bus on the KDE inventory listed as “daily” and a 2001 or earlier year, you **CANNOT** apply for the SPC bus.

Q. Which one of these do we use to find out our emissions savings using the Argonne Afleet model?

Use Diesel In-Use Multiplier?[?]

Use Low NO_x Engines?[?]

Input Custom Fuel Economy?

A. **Please Note – The application has been revised to also allow the use of the EPA, Diesel Emissions Quantifier Model to determine NO_x emissions reductions. Some people find the model easier to navigate.**

If using the Argonne Afleet model -- do not select the options for the “Diesel In-Use Multiplier.” You would only select and fill in the option for “Custom Fuel Economy” if you were proposing to replace a diesel **School Bus** with a **Hybrid**. After selecting the “Custom Fuel Economy” checkbox, you would insert the average fuel economy for the **Hybrid School Bus** as provided by the OEM within the “New Diesel (MPDGE)” field. You would only select the option for “Low NO_x Engines” if you were proposing to purchase a new **School Bus** with this type of engine.