

ELIGIBILITY AND KEY CONSIDERATIONS:

Eligible Applicants:

Eligible applicants for this program include public school districts operating in Kentucky which are considered under the Settlement as **Government** entities. The Settlement defines the following terms as:

- “**Government**” shall mean a State or local government agency (including a school district, municipality, city, county, special district, transit district, joint powers authority, or port authority, owning fleets purchased with government funds), and a tribal government or native village.²

Applicants under this school bus replacement program must intend to maintain the operation of the bus in Kentucky for a minimum of ten (10) years.

Eligible Projects:

- **In Kentucky, School Buses** eligible for replacement include 2001 engine model year or older **Class 4-8 School Buses** sold or introduced into interstate commerce for purposes that include carrying students to and from school or related events. Eligible **School Buses** may include Type A-D **School Buses**.
- Eligible projects may seek to replace at a maximum, five (5) eligible school buses.
- Per Kentucky Department of Education School Bus Specifications, in Kentucky, an eligible **School Bus** may be replaced with any new **Diesel, Propane** or **All-Electric School Bus**, with the engine model year in which the Eligible Bus Mitigation Action occurs or one engine model year prior.
- All eligible **School Bus(es)** to be replaced under this Program must be **Scrapped** within thirty (30) days of new vehicle delivery. “**Scrapped**” shall mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block and to disable the chassis by cutting the vehicle’s frame rails completely in half.
- Eligible **School Buses** must be purchased new, from an original equipment manufacturer (OEM) or OEM-authorized dealer. If the new **School Bus** shall be **Alternate Fueled** or **All-Electric**, it shall be fully equipped by the manufacturer or by a third party at the direction of the manufacturer to operate on an alternative fuel or electricity prior to the initial purchase and registration of the vehicle.
- Each eligible **School Bus** must be certified/approved by the U.S. Environmental Protection Agency (EPA) and/or the California Air Resources Board (CARB) and must comply with all federal and state safety requirements.
- Eligible **School Buses** must be registered within the State of Kentucky.

The following projects are **not eligible** for the Kentucky VW Settlement Program **School Bus** Replacement Grant Program funding:

- **School Buses** and/or related fueling technologies that are not commercially available;
- Rebuilds of existing vehicles; and
- **Repowered** or remanufactured engines.

Eligible Costs:

For selected, eligible **School Bus** projects, the program will provide:

- Per House Bill 352, this program will provide up to 50% of the cost of a replacement bus, based on the latest School Bus Specifications as published by the Kentucky Department of Education.
- Eligible costs are for the **BASE** price of the school bus per the latest School Bus Specifications as provided by the Kentucky Department of Education.
- If more buses are requested than funds available for the 50% reimbursement, the amount awarded per bus will be pro-rated.
- Replacement buses must be for a like bus that is being replaced (i.e. category & size).

Ineligible Costs:

- Grant funding shall not cover costs associated with scrappage of eligible **School Buses** to be replaced.
- Grant funding shall not cover additional costs above the base bus cost.

Grant Project/Reimbursement Timeline:

- **Applications** for the Kentucky School Bus Replacement Program funded by the Volkswagen Environmental Mitigation Funds must be submitted by **COB October 9, 2020**. No exceptions to this deadline will be allowed.
- Payment of project expenses will take place on a reimbursement basis. The Grantee must purchase the school bus(es), scrap the school bus(es) being replaced and provide documentation that the vehicle has been scrapped; and submit required documentation before payment can occur.
- The Grantee may proceed with its project after it is notified by the Kentucky EEC that its application has been approved and the funding amount provided.

Additional Considerations:

Any information submitted in response to the solicitation for the State of Kentucky's **School Bus** Replacement Grant will be considered public records and subject to disclosure to the public. The VW EMT Beneficiary Mitigation Plan and all documentation and records submitted by Kentucky in support of each funding request to the Trustee will be available to the public on the EEC VW Webpage, which is accessible at <https://eec.ky.gov/Pages/Volkswagen-Settlement.aspx>

Funding requests submitted by Kentucky EEC to the Trustee will also be made available to the public via the Trustee Public Website, which is accessible at <https://www.vwenvironmentalmitigationtrust.com/>.

Summarized details regarding the expenditure of Trust Funds by Kentucky EEC (e.g., cumulative totals for categories of eligible mitigation actions identified in the Beneficiary Mitigation Plan, identification of recipients of Trust funds and their project scopes) will be maintained on the EEC webpage.

Documentation and records supporting all expenditures of the Trust Funds by Kentucky will be made publicly available. The general public may request such information by submitting a records request to Kentucky EEC. Specific request instructions are provided on the EEC Webpage, including the name, title, and contact information for the EEC staff with responding to such records requests. By submitting an application for a grant, applicants agree to allow the use of applicant and project information as provided in application and grant documents to be published or distributed in various print or electronic media publications.

Kentucky EEC reserves the right to not award funds to applicants that have failed to submit a complete application.

By signing the application, the Applicant certifies that:

- He/she understands the scrappage requirements of this grant program and that he/she will comply with these requirements;
- He/she understands that an amount less than 50% of the cost of a base bus may be awarded in instances where available funds do not allow for full 50% reimbursement;
- He/she has read and understands the reporting requirements and that she/she will comply with these requirements;
- All vendors will be selected in accordance with applicable State public contracting laws; and
- He/she, along with any other officers, directors, owners, partners, employees, or agents of the applicant organization is (are) not presently debarred, suspended, proposed for debarment, or declared ineligible for an award by any State or Federal agency.

APPLICATION REQUIREMENTS:

Applicants must complete and provide the items listed below in their grant application. Details for completing the items below are provided in this Application Manual.

Applicants must complete and submit the Commonwealth of Kentucky Volkswagen Diesel Settlement Environmental Mitigation Trust **School Bus** Replacement Grant Application, accessible at <https://eec.ky.gov/Pages/Volkswagen-Settlement.aspx>.

By submitting an application for School Bus replacement, the applicant is agreeing to:

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- Operate and maintain the school bus in Kentucky for no fewer than ten (10) years;
- Register all purchased vehicles within Kentucky;
- Comply with related Title VI requirements; and

- Comply with scrappage requirements.

Supporting Documentation:

The application must include:

- The number, type, and model year, mileage, fuel type and VIN number of **eligible School Buses** to be replaced;
- Estimate of the lifetime emission reduction by replacing an eligible bus with a new replacement bus.
- The number, type, and model year of new eligible **School Buses** to be purchased;
- A description of the total base price of eligible **School Buses** as provided in the Kentucky Department of Education **2021 School Bus Purchasing Guide**;
- A description of the community benefits to be achieved as a result of the project.
- The application must contain an estimate of the expected lifetime NOx emissions reduction for each proposed **School Bus** replacement, calculated using the Argonne National Laboratory Heavy-Duty Vehicle Emissions Calculator (accessible at <https://afleet-web.es.anl.gov/hdv-emissions-calculator/>).

Where to submit

Application forms are located at <https://eec.ky.gov/Pages/Volkswagen-Settlement.aspx>.

A complete submittal will consist of the signed, completed application form and documentation from the Afleet tool emission reduction calculations.

The application and documentation will be submitted via email to: KY.VWSettlement@ky.gov.