

**October 11, 2019 Update to
Questions and Answers
Diesel Emission Reduction Act (DERA) 2019
State Clean Diesel Grant Program for replacing diesel school buses
The application period start date is September 17, 2019
Deadline for submitting applications is 5:00 p.m. on October 15, 2019.**

QA - September 17, 2019

Question 1:

My county is listed in the second tier of eligibility, but I plan to submit an application and see if there are any funds left over from tier one. Do I qualify?

Answer 1:

For evaluation purposes, each application received during the open period will be grouped into one of the three priority categories depending on the county. Within each priority category, applications will be ranked according to the cost effectiveness of the project (cost per ton of emission reduced over the lifetime of the project). Here is a list of eligibility requirements:

1. An eligible applicant is any Georgia public school system that owns and operates school buses.
2. Eligible applicants can only receive funding for projects proposing to replace model year 1996-2009 school buses with school buses equipped with 2016 or newer model year engines; or replace 1996 -2018 diesel school buses with 2016 or newer near zero NOx or zero emissions school buses.

Please note school buses proposed for replacement must not have been previously scheduled for replacement within three (3) years of August 2019.

Question 2:

Can you tell me if a system is awarded a grant when would the deadline be for receiving the new buses and disabling the older buses? How long before we need to use the grant money?

Answer 2:

Awarded projects will need to be fully completed by September 30, 2020. The RFA closes on October 15, 2019, at 5:00 p.m. Timing of other millstones are not as definitive. The selection process should take about one month. For selected school systems, a final agreement may take up to about four months. This is because the school system will typically need approval from their respective boards. Bus delivery will typically take about four months.

Question 3:

We have to match 85% of the quoted price of the bus. Does this mean that roughly 15% of the cost of the bus would be covered by this grant?

Answer 3:

Awarded projects will receive a maximum funding of 14.9% of the actual cost of the buses and are required to provide a minimum of an 85.1% match. Each awarded project will have a funding cap, which will assure EPD does not exceed the available DERA funding amounts. The U.S. Environmental Protection Agency (EPA) has awarded approximately \$486,864 to EPD to reduce diesel emissions via the Diesel Emission Reduction Act (DERA) State Clean Diesel Grant. An applicant seeking to provide more match funding will be able to improve the project's overall cost-effectiveness. Keep in mind that within each priority category, applications will be ranked according to the cost-effectiveness of the project (cost per ton of emissions reduced over the lifetime of the project). The most cost-effective project within the highest priority category will be selected.

Question 4:

If we were to qualify for a bond bus, and if we were to qualify for this grant, could this grant be used on top of allocated bond bus money to purchase a bus or must it be used separate bus purchase?

Answer 4:

Paying for the bus using funds from a local bond is acceptable, provided funding does not originate from another Federal Program. Federal funding may not be used to satisfy the 85.1% match requirement. Furthermore, school buses proposed for replacement must not have been previously scheduled for replacement within three (3) years of August 2019.

QA – October 3, 2019

Question 5:

My school system was awarded a grant many years ago to install DOCs on our old buses. Do these buses qualify for funding for early replacement if we received the previous grant?

Answer 5:

The DOC or any other diesel control technology installed under a prior DERA program would need to remain in service for at least four years. After this four-year period, the school bus is eligible for DERA funding for additional diesel reductions. Note that replacing a school bus that has been retrofitted with a DOC will lower the cost effectiveness compared to the same bus without a DOC. The applicant should identify if a DOC was added to ensure the cost effectiveness is properly calculated.

Question 6:

If approved for the grant, how long do we have to apply the funds to the bus purchase?

Answer 6:

Awarded projects will need to be fully completed by September 30, 2020. The RFA closes on October 15, 2019, at 5:00 p.m. The following is an outline providing an approximate timeline for intermediate milestones:

- October 15, 2019 - RFA Closes
- November 15, 2019 - Selection Process is Completed
- March 15, 2020 - Memorandum of Agreement is Finalized, and Buses are Ordered
- July 15, 2020 - New Buses Arrive; Old Buses Destroyed and Final Invoices Submitted
- September 30, 2020 - Project is Completed and Closed Out

Question 7:

If it's determined that we need to reduce the bus numbers listed, can we do so after the approval?

Answer 7:

Yes, the final list of early replacement buses provided as part of an application may be reduced. However, cost effectiveness is used to select projects within the highest priority category, so it is important to provide accurate fleet information. Once a school system is selected, they will typically need their board approval for expenditures, which can ultimately affect the final project scope. Buses may not be ordered until a Memorandum of Agreement (MOA) is reached via signatures from both the school system and the EPD Director. A key part of the MOA process is finalizing the scope of service, which will confirm the list of buses that must be replaced.

Question 8:

How do I know which school systems received a grant for the school bus replacement program?

Answer 8:

EPD will reach out and work directly with eligible applicants if their project is selected for funding. EPD posts prior grant recipients at: <https://epd.georgia.gov/past-dera-awarded-projects> upon completion of their projects.

Question 9:

Is there a funding limit you can apply for (i.e. on a per applicant or project basis, max number of vehicles you can replace, etc.)?

Answer 9:

Total funding for the 2019 “State” DERA program provided to EPD is approximately \$486,864. EPD will use a small portion for administrative purposes and award the rest of the funding for projects that reduce diesel emissions from school buses. This funding will pay no more than 14.9% of the total cost of new school buses that are part of the project and will require an 85.1% match. The required match arrangement allows EPD to maximize the availability of federal funds to reduce diesel emissions.

Question 10:

How long do the new vehicles have to be in operation?

Answer 10:

A new school bus that is part of early replacement under this funding must operate for a minimum of four years.

Question 11:

Are there reporting requirements for the new vehicles once deployed?

Answer 11:

The information EPD focuses on the acquisition of the new bus(es) and destruction of the old bus(es). There is a notification requirement in the event a school system is not able to fulfil its minimum four-year operational requirement.

Question 12:

In the application/memo only public schools that own and operate their vehicles can apply.

Answer 12:

Yes, an eligible applicant is any Georgia public school that owns and operates school buses.

Question 13:

Does this include leasing? Or are there any leasing provisions?

Answer 13:

No, the Georgia public school must own and operate the school buses. Hence, a school system leasing buses would not qualify.

Question 14:

Is there a scrappage requirement?

Answer 14:

Yes, the old bus must be scrapped via permanently disabling the chassis and engine. This funding is through DERA, and the respective scrappage requirements apply to this funding. Scrappage involves disabling the chassis by cutting through the frame rails and cutting a hole in the engine block.

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Question 15:

One of the questions on the application is, "Total Requested Federal Funding." I was not sure if there was a cap on this number or exactly what number I should enter there.

Answer 15:

“Total Request Federal Funding” is the amount of federal funding the applicant is seeking from the State DERA Program. \$486,864 is the maximum funding available for this request for applications. An applicant should only seek funding for a project scope likely to be approved by their board. The State DERA Funds will only cover 14.9% of the total project cost, so the school system must be able to cover the other 85.1% match portion, which cannot come from any other Federal Funding source. For example, a school system could seek to replace 36 buses at \$90,000 each. This example project would cost \$3,240,000. The school system’s match portion would be a minimum of \$2,756,705 and the State DERA could cover up to \$483,295 (“Total Request Federal Funding”). If another project was ranked first and this example project second, the scope of the second project could be adjusted (i.e., fewer bus replacements) consistent with assuring the relative ranking (i.e., cost effectiveness) of the project is retained.

Question 16:

Is the Boys and Girls Club a potential candidate for the funding?

Answer 16:

No, eligible applicant must be a Georgia public school system that owns and operates school buses.