

Volkswagen Environmental Mitigation Trust - FAQ

- 1. If a district feels they qualify to be included on the list but are not – is there any appeal process to qualify/get added?**

The district list came from the Arizona Department of Education’s most current list of Title I school districts for the FY17/18 school year. While there is not a formal appeal process, a school district who believes that they qualified and were left off the list should go ahead and submit an application and provide documentation of them meeting the 60% Free and Reduced Lunch requirement [UPDATED].

- 2. Can vendors/consultants help districts submit the online application if needed?**

The applications are such that districts will not need outside assistance with completing and the applications will only be accepted by the Office of Grants and Federal Resources (GFR) directly from the districts.

- 3. Do the customers need to have a quote prior to submitting the application (i.e. they need to enter the purchase price on the application) or do they simply fill out the information on their trade/scrap bus, indicating they would like funding for new bus?**

The district does not need to have an actual quote before submitting the application. The only information needed concerning the bus to be purchased is will it be diesel or alt-fuel.

- 4. Can districts auction or sell their buses that are being replaced with funding from the Volkswagen Environmental Mitigation Trust?**

*NO! The Trust agreement requires that the buses being replaced are scrapped and the process documented. This Trust is supporting an effort to reduce NOx pollutants, so the old buses must be rendered inoperable. **If a district auctions, sells or disposes of the vehicle other than the method required by the GFR and documented in the grant agreement, the replacement vehicle will not be eligible for reimbursement under this program.***

- 5. How does the district properly dispose of the vehicle?**

The Trust defines this process: “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 for all engines. If any Eligible Vehicle will be replaced as part of an eligible project, Scrapped shall also include the disabling of the chassis by cutting the vehicle’s frame rails completely in half.” The Office of Grants and Federal Resources

(GFR), which is administering the grant funding for this program, is recommending that districts include scrapping in the transaction to replace the bus. The school bus vendors will develop a method to scrap the bus and properly document the process for the districts. If a district decides to handle the scrapping process themselves, they will be required to provide the VIN and photographic documentation to the GFR as outlined in the grant agreement.

- 6. Does the bus have to be delivered by June 30, 2020 or just a purchase order submitted by school by then?**

The bus does not need to be delivered by 6/30/2020, but through purchase order or other mechanism the money must be obligated.

- 7. Does a school district have to own a used bus that qualifies for a certain amount of time?**

Unlike other similar programs, there is no annual mileage requirement or ownership requirement for the bus to be replaced.

- 8. Is the 15-year time frame based on when the bus was delivered (“in service date”), the model year, or the “date of manufacture” listed on the identification plate on the inside of the bus?**

The 15 year time frame is based on the bus model year.

- 9. We have a list of districts – but not a list of buses eligible for replacement per district (which is critical); is this available?**

*Districts may apply for up to 10% of their total fleet. As fleet data changes rapidly, GFR does not want to use a static list or outdated information. Districts that believe they meet the eligibility should provide data to support their request up to 10% of their total bus fleet [**UPDATED**].*

- 10. Can you help us with the eCivis training/WebEx timelines?**

Once the trustee has approved Arizona’s mitigation plan, GFR will schedule four in-person trainings and at least one WebEx training session.

- 11. Do used buses qualify for the replacement if they are 2010 (DEF/SCR Emissions/Clean Diesel) or later?**

Any modifications that have been made to the bus do not alter the eligibility requirement of 15 years or older and 100,000+ miles.

- 12. Are there any limitations on what equipment is added to a bus (camera systems, two-way radios, air conditioning, etc.)?**

School districts are free to order any configuration of bus they wish but the amount eligible for reimbursement does not change. The school district will be required to pay for any cost above and beyond the \$110K (new diesel) or \$135K (alt fuel) allocations.

- 13. How long after the school is invoiced to pay for the bus after delivery will ADOA be disbursing their reimbursement? 30 days from invoice? 60 days from invoice? This will be essential to vendors for accurate bus pricing.**

GFR will be reimbursing school districts within two weeks of receiving all necessary paperwork.

- 14. Can schools finance the bus and use the allotted funds as a down payment? (If so, the reimbursement schedule is a more critical question).**

The funding allocated under this program is to purchase the bus outright and not to finance over time. The school district must possess clean title to the bus.

- 15. Is there any leeway on age/mileage requirement (i.e. if a school has a 12-year old bus with 200K miles, could it be considered?)**

The only leeway on age/mileage is when it has to meet this criteria, which is by 6/30/2020. The criteria is not either/or.

- 16. When is the soonest estimated timeframe that districts will be approved (so we can get purchase orders issued/buses on order; a bus usually takes 6-9 months from purchase order to delivery).**

The earliest the trustee will approve Arizona's mitigation plan and initial drawdown request would be 8/23/2018. Best case scenario, district applications will be received, approved, and funding available 30 days later or 9/23/2018.

- 17. Are all bus types eligible (MFSAB)?**

All bus types except gasoline are eligible.

- 18. If you approve a district for replacement of three buses but they want to buy six to get a better manufacturer discount – will they need to write two purchase orders or can they apply the eligible reimbursement to one purchase order and independently pay the difference?**

It can all be one transaction with the district paying the difference.

- 19. How will the applications be processed? Is it on a “first come first serve basis”? How will districts on the list be prioritized?**

No, the program is structured to ensure each of the eligible districts the opportunity to apply with all applications being reviewed at one time. Each district will receive at

least one bus if it meets the eligibility requirements with additional funds allocated until either every applicant receives funding to replace up to 10% of their fleet or all the funding is exhausted, whichever happens first [UPDATED].

20. What is the maximum amount of buses eligible to be replaced in a fleet?

The maximum number of buses replaced will be limited to 10% of each districts' bus fleet, and will be rounded up to ensure each district receives at least one bus.

21. When will the application open and how will districts be notified?

The application will open after the trustee approves the plan, and each school districts' school facilities board liaison will reach out to notify each district of the application opening.

22. What will the state do with money that is "leftover?" Can ineligible districts be considered for funding at that time?

"Leftover" funding will be redistributed to Title 1 districts in order to help meet the goal of replacing 10% of their fleet. Districts who do not meet the Title 1 criteria will not be considered at any time due to the limited funds and excess in bus eligibility among Title 1 districts.

23. Would there be any exception possible for exporting a bus instead of scrapping?

No, scrapping of the vehicle is non-negotiable and must be implemented according to the guidelines outlined in the Trust.

24. What data set is being used to determine school districts' eligibility in regards to it being Title 1 and bus eligibility?

Eligibility for this program is being based on the data sets being provided by Arizona Department of Education (ADE). Therefore, we strongly encourage districts to submit or update their data with ADE as soon as possible in order to be eligible for this funding.

25. Can we purchase used buses with these funds?

This can be discussed during the application process specifically if the vehicle supports the overall goal of reducing NOx emissions, such as purchasing a used alternative fuel bus. However, recipients must remember that the allocation is for a single bus and any additional funds will be re-distributed.

26. Can we issue a purchase order now and place an order for a bus in anticipation of receiving funds later?

The Trust agreement does not have any prohibition on pre-agreement cost, so you are free to move forward with your purchase order as long as you understand that the approval of Arizona's Mitigation Plan is still pending with the Trustee and your future grant application/award is contingent on final determination of eligibility along with successfully providing all of the required documentation.