



## Questions and Answers

### Transit Capital Assistance Grant Program – Round 3

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Grant materials, including this document, are available at:

<https://doa.wi.gov/Pages/vwsettlementwisconsin.aspx>

*Questions below were posed to DOA in writing and may have been edited for clarity or combined with other questions of similar nature. Please note that questions limited to the application process may be posed to the Grant Administrator until the grant application deadline.*

**1. Under this Program, can an eligible applicant replace buses that it operates but does not own?**

No. An eligible vehicle must be owned by an eligible applicant. Leased or contracted buses are not eligible for replacement.

**2. Can large trucks, medium trucks, and buses be interchangeably replaced?**

No. Replacement buses must be of similar kind but do not have to be of the same engine propulsion, make, model, or manufacturer. Example: a heavy-duty transit bus must be replaced with another heavy-duty transit bus. However, the replacement bus may be from a different manufacturer.

**3. If we apply for a 60-foot articulated bus, then would we need to dispose of more than one 40-foot diesel bus? Or is it still a 1 for 1 replacement?**

See #2 above. Replacement buses must be of similar kind, but do not have to be of the same engine propulsion, make, model, or manufacturer. Example: a heavy-duty transit bus must be replaced with another heavy-duty transit bus. Replacement of one 40-foot class 8 eligible diesel-powered transit bus with one 60-foot class 8 eligible diesel-powered, electric, or alternative-fueled articulated transit bus is allowable, subject to DOA's review and approval of all project details. All other Program provisions apply, including replacement and scrapping requirements.

**4. Are there any operational requirements for this program (for example, do they have to operate a certain amount of time per day or drive in a specific area for a certain amount of time?)**

There are no requirements to operate a certain amount of time per day or drive in a specific area for a certain amount of time. Grantees will be required to pay all operating costs associated with a bus awarded under the grant and maintain it in accordance with manufacturer recommendations.

**5. How long does the applicant have to deploy and operate the bus once the award has been given?**

Per Section 3.4 (Right to Reject Applications and Negotiate Grant Agreement Terms) of the Announcement, DOA reserves the right to negotiate grant agreement terms, including the period of performance, with potential grantees. In general, all work must be completed and buses must be in operation by December 31, 2026, and a bus purchased with grant funds must be used for public mass transit service for the entire useful life of the asset.



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**6. Are non-profits able to utilize the VW Settlement to apply for a grant to purchase an electric bus?**

Eligible applicants are defined in Section 1.4 (Definitions) of the Announcement and eligibility requirements are further discussed in Section 4.0 (Eligibility Requirements) of the Announcement.

**7. Are school buses an eligible vehicle under the Program?**

No. Vehicles eligible for replacement are defined in Section 1.4 (Definitions) of the Announcement.

**8. Can alternative energy vehicles be purchased with grant funds?**

New diesel, alternate fuel, and all-electric are eligible propulsion systems under this Program.

**9. Is there a goal for funding electric buses (as a percentage of the total available or an absolute number)?**

No.

**10. In the funding breakdown, will there be a dollar or percentage cap on any electric buses funded?**

No.

**11. Is there a limit for how many electric buses a transit system can apply for?**

Applicants are limited only by the number of buses eligible for replacement in their fleet.

**12. Is the purchase and installation of electric vehicle charging infrastructure for new all-electric buses an eligible project under the Program?**

Yes. Part 2(e)(4) of Appendix D-2 (Eligible Mitigation Actions and Mitigation Action Expenditures) of the VW Environmental Trust for State Beneficiaries Agreement and Section 6.1.1. of the Announcement states that if diesel buses are replaced with all-electric buses, charging infrastructure associated with the new all-electric buses is an eligible project cost. The VW Environmental Mitigation Trust for State Beneficiaries Agreement and the Announcement provide limitations for such projects. DOA reserves the right to limit, amend, or deny funding requests of associated electric vehicle charging infrastructure in the event that it does not comply with the Announcement and/or the VW Environmental Trust for State Beneficiaries Agreement.

**13. What bus options, accessories, or additional equipment can be paid for with grant funds? (e.g. can VW funds pay for a new farebox, communications equipment, or safety equipment for the new bus?)**

Project costs are limited by Sections 6.1 (Eligible Expenses) and 6.2 (Ineligible Expenses) of the Announcement. DOA anticipates allowing project expenses that include base vehicle costs only. The VW Environmental Mitigation Trust Agreement for State Beneficiaries limits expenses to



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replacement vehicles and cannot pay for additional components, upgrades, or add-ons. DOA considers base vehicle costs those that are customary and reasonable, as determined by DOA. DOA intends to review grantee applications, procurements, purchase orders, expenses, and vehicles closely to ensure costs are eligible. Grant agreements will also list eligible project costs. DOA reserves the right to restrict project expenses to comply with the VW Environmental Mitigation Trust for State Beneficiaries Agreement and the Announcement. DOA will not reimburse for ineligible project expenses.

**14. Is there a minimum or maximum amount a single agency could apply for?**

Agencies may apply for any amount. Award amounts are limited by the available funding.

**15. Is there an award limit by agency?**

There is no limit to the number of awards DOA may issue. Award amounts are limited by the available funding.

**16. What is the maximum vehicle funding? And how many vehicles can each applicant apply for?**

There is not a maximum award amount per vehicle or a limit on the amount of vehicles each applicant can apply for. Applicants should follow instructions to prioritize buses it submits for replacement in Appendix A – Project Budget.

**17. If applications score relatively equal, will there be consideration given to an equitable distribution of the funds? In other words, will there be partial awards or is it all or nothing?**

Per Section 3.4 (Right to Reject Applications and Negotiate Grant Agreement Terms) of the Announcement, DOA reserves the right to negotiate grant agreement terms with potential grantees. This includes the right to make partial awards. Applicants should follow instructions to prioritize buses it submits for replacement.

**18. Since the largest scored section is “Transportation to Employment”, is there a need to create new routes or is this a way to describe how the current route structure services the employment sector?**

Grantees are not required to create new bus routes in the event of an award. Section 5.3 (Transportation to Employment) of the Announcement asks applicants to, “Explain how the new bus(es) will connect employees with employers.” Applicants may choose how to provide this information and may provide supporting documentation.

**19. Does DOA have a scoring rubric or system for applications that extends beyond the high-level evaluation criteria provided in the Announcement? If so, can you share it? Will DOA use its scoring system to determine which applicants receive awards? Is there a minimum score necessary to qualify for an award?**



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DOA will establish an internal scoring methodology prior to the application deadline. The methodology will be released after the application deadline. Application scores will be tabulated and ranked based on the scoring. There is no minimum score necessary to qualify for an award. However, applicants must meet all requirements as identified in Section 4.0 (Eligibility Requirements) of the Announcement and must respond to all required application questions.

**20. What data and criteria will DOA use to assess the absolute and relative values of different applicant’s transit service employment-related connections? In other words, how will DOA determine which “communities or routes” are “critical for connecting employees with employers?” Will DOA make any attempts to verify an applicant’s stated employee/employment/ridership figures?**

30% of the overall score will be based on information demonstrating how the new bus(es) will connect employees with employers. Applicants are encouraged to provide supporting documentation such as route maps, ridership statistics, letters of support, or other materials deemed appropriate by the applicant. Applicants will certify to the accuracy of their application (including employment data) by signature of the applicant’s authorized representative. However, DOA may request additional information from applicants, including employment inputs, after the application deadline.

**21. Will scores on NOx emission reductions account for the locations of these reductions and their varying impacts on regional air quality?**

DOA will consider project locations in determining awards. As identified in Section 1.2.3 (Objectives) of the Announcement as well as in Wisconsin’s Beneficiary Mitigation Plan, a primary objective of the Program is to improve air quality in areas that bear a disproportionate share of the air pollution burden within its jurisdiction.

**22. I am inquiring about the deduction to shared revenue payments for grant recipients. I see the law sunsets in 2027 and wanted to clarify the impact to their shared revenue between now and then- will it be 3 or 4 deductions?**

The grant agreement and shared revenue reductions will conform to § 79.036(3)(b) Wis. Stats. which states that reductions will occur for a period of ten (10) consecutive annual payments.<sup>1</sup> The sunseting of the VW program will not affect the shared revenue reduction timeline/payments.

**23. When will shared revenue reductions begin under the Transit Capital Assistance Grant Program (“Program)?**

A shared revenue reduction shall commence in the state fiscal year (SFY) following the first grant payment made to a grantee subject to the reduction. Example: If a grantee receives the first grant payment on June 15, 2024, the shared revenue reduction would commence in SFY 25 (July 1, 2024 to June 30, 2025).

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<sup>1</sup> <https://docs.legis.wisconsin.gov/statutes/statutes/79/i/036>



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**24. Will the grant agreement specify the years in which shared revenues will be reduced?**

No. The grant agreement and shared revenue reductions will conform to § 79.036(3)(b) Wis. Stats. which states that reductions will occur for a period of ten (10) consecutive annual payments.

**25. What assurances will grantees have that shared revenues will be fully restored in year 11?**

§ 79.036(3)(b) Wis. Stats. specifies that shared revenue payments shall be reduced for ten (10) consecutive annual payments. Current law does not provide for additional reductions.

**26. Are Transit Commissions, Transportation Commissions, Transportation Authorities, or Public Corporations subject to the shared revenue reductions of the Program?**

No.

**27. Are municipalities or counties that support an entity listed in Question 23 (above) subject to the shared revenue reduction?**

No. Counties, towns, villages and cities are subject to the shared revenue reduction provision of the Program only when they receive grant funds directly.

**28. What is the shared revenue reduction impact on a per-bus basis?**

The shared revenue reduction is not calculated on a “per-bus” basis. Rather, the reduction is calculated based on grants received (i.e., payments) by the grantee under the grant agreement. Any impact of the shared revenue reduction on a per bus basis is a local financial decision determined by the grantee.

**29. Is the reduction in shared revenues for a grantee 1/10th of the award amount for 10 years?**

No. The total shared revenue reduction shall be a percentage of the total payments received under the Program based on population (see table below). The annual reduction shall be ten equal amounts commencing in the fiscal year following each grant payment. See Examples 1-3 at the end of the document as well as § 79.036(3).

TIER	POPULATION	SHARED REVENUE REDUCTION (as a percent of grant payments)
A	> 200,000	75 percent
B	50,000 to 200,000	20 percent
C	< 50,000	10 percent



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**30. Can Program grantees buy off the State of Wisconsin Department of Transportation's (WisDOT) Heavy Duty (HD) Bus Contract Schedule?**

Yes. The Program will not create contracts for the purchase of vehicles by grantees. Grantees are solely responsible for any procurement activities under an awarded grant. Such procurement activities must adhere to all applicable state and local public procurement and contracting laws.

**31. Are these funds subject to all the Federal procurement guidelines, like Buy America?**

No. However, project activities are subject to all applicable state and local public procurement and contracting laws.

**32. Could there be multiple years of bus procurements in the project plan?**

Yes. However, according to Section 5.5 (Project Timeline) of the Announcement, "All work must be completed by December 31, 2026."

**33. What are the scrapping requirements of vehicles anticipated to be replaced through this Program?**

As defined in the Environmental Mitigation Trust Agreement for State Beneficiaries, Appendix D-2, page 13, scrapping "shall mean to render inoperable and available for recycle by, at a minimum, cutting a 3-inch hole in the engine block for all engines and disabling of the chassis by cutting the vehicle's frame rails completely in half."<sup>2</sup>

Further, the Round 3 VW Transit Capital Assistance Grant Program Announcement ("Announcement") includes additional requirements in Section 7.1 (Reimbursement Requirements). Applicants should estimate scrapping costs based on requirements provided in the Announcement. However, please note DOA will reimburse based on actual expenses and only up to the amount estimated in the application.

**34. When must vehicles be scrapped?**

Scrapping shall occur within 90 calendar days of the grantee accepting delivery of the replacement bus(es) or before December 31, 2026, whichever occurs earlier. DOA must be able to certify, through physical inspection (if required by DOA) and documentation, that all scrapping requirements were met within the 90-day timeframe. An extension of the 90-day scrapping requirement may be granted by DOA for good cause. If scrapping requirements are not completed per the grant agreement, the grantee may forfeit funds dedicated to that specific project.

**35. By "All work must be completed by December 31, 2026", does that include not only receipt of the buses but the scrapping process as well?**

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<sup>2</sup> <https://www.epa.gov/sites/default/files/2017-10/documents/statebeneficiaries.pdf>



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Yes. In addition, Section 4.5 (Scrapping) of the Announcement requires that, “[s]crapping of any vehicle(s) shall occur within 90 days of the applicant accepting delivery of the replacement bus(es).”

#### **36. Can components of replaced vehicles, other than the chassis and engine, be retained or sold?**

Yes. However, replaced vehicles must be scrapped in strict accordance with Program terms. Components that are not scrapped may be salvaged. Examples of items that may be salvaged include tires, seats, communications equipment, or fareboxes. The Program will not pay for any expenses related to the removal, transfer, storage, refurbishment, reinstallation, or disposal of components that are salvaged. If salvaged components are sold, income requirements for other funding programs may apply.

#### **37. What is the grantee’s liability if a replacement bus crashes?**

The grantee, and not the State of Wisconsin, is fully liable for the total asset management (including insurance and liability) of a replacement bus. No additional grant funds are available to defray the cost of repair, replacement, maintenance, or administrative costs incurred as a result of a crash or damage to a bus purchased with grant funds through the Program. The shared revenue reduction component of the Program continues to apply even if a vehicle supported with grant funds is not in operation due to a crash.

#### **38. Will matching funds be required from the applicant?**

No.

#### **39. May DOA’s Transit Capital Assistance Grant Program (“Program”) funds be used as local matching funds (“local share”) for federal or state capital grants that finance bus replacements satisfying Program eligibility requirements? And if so, what unique requirements, if any, apply to such use of Program funds?**

Yes. DOA provides the following guidance:

- DOA reserves the right to negotiate match source and amount in any grant agreement resulting from a Program award.
- DOA will identify a milestone date or time period by which a grantee must have match funds secured or committed. Grantees will be required to provide evidence that match funds are secured or committed before that date or time period ends.
- DOA reserves the right to terminate grant agreements and reallocate award funds if match funds have not been secured or committed within the period provided in the grant agreement.
- Grantees may not incur costs before a grant agreement is fully executed. Incurred costs extend to commitments to make purchases of any kind as provided in an applicant’s agreement(s) with other funding sources.
- Transit Capital Grant Program funds may not be used to supplant local funds presently committed as match for non-Transit Capital Assistance Grant funding sources.



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- DOA shall bear no responsibility for conflicts between grant, match or fund requirements, such as, but not limited to, incompatibility of asset retirement restrictions, conflicting reporting requirements or incompatible procurement rules.

**40. Based on a possible funding arrangement of up to 50/50 between the FTA and the Program, how would the partial funding of a bus be viewed during the application review? Would it have a negative impact if the Program doesn't cover the full cost of the replacement bus? This process would not change the disposal process, we can still do a 1 for 1 replacement/scrap disposal. By proceeding in this manner, we would be able to leverage both Federal and State funding to acquire more vehicles and possibly lower emission technology, like electric vehicles and/or articulated buses.**

No specific evaluation criteria have been applied to applications proposing projects with partial funding. For further response, see answer to question 39.



**SHARED REVENUE REDUCTION  
EXAMPLE 1: TIER A POPULATION**

Population	945,416
Reduction % (based on population)	75%
Number of Payments	2
Total Payments	\$2,000,000
Total Shared Revenue Reduction	\$1,500,000

FY	Payment #	Grant Payment Received	SHARED REVENUE REDUCTION		
			Payment 1	Payment 2	Total
24					-
25	1	\$1,500,000			\$0
26	2	\$500,000	\$112,500		\$112,500
27			\$112,500	\$37,500	\$150,000
28			\$112,500	\$37,500	\$150,000
29			\$112,500	\$37,500	\$150,000
30			\$112,500	\$37,500	\$150,000
31			\$112,500	\$37,500	\$150,000
32			\$112,500	\$37,500	\$150,000
33			\$112,500	\$37,500	\$150,000
34			\$112,500	\$37,500	\$150,000
35			\$112,500	\$37,500	\$150,000
36				\$37,500	\$37,500
37					\$0
38					\$0
39					\$0
<b>Total</b>		<b>\$2,000,000</b>	<b>\$1,125,000</b>	<b>\$375,000</b>	<b>\$1,500,000</b>

**SHARED REVENUE REDUCTION  
EXAMPLE 2: TIER B POPULATION**

Population	100,000
Reduction % (based on population)	20%
Number of Payments	2
Total Payments	\$950,000
Total Shared Revenue Reduction	\$190,000

FY	Payment #	Grant Payment Received	SHARED REVENUE REDUCTION		
			Payment 1	Payment 2	Total
24					-
25	1	\$500,000			\$0
26			\$10,000		\$10,000
27	2	\$450,000	\$10,000		\$10,000
28			\$10,000	\$9,000	\$19,000
29			\$10,000	\$9,000	\$19,000
30			\$10,000	\$9,000	\$19,000
31			\$10,000	\$9,000	\$19,000
32			\$10,000	\$9,000	\$19,000
33			\$10,000	\$9,000	\$19,000
34			\$10,000	\$9,000	\$19,000
35			\$10,000	\$9,000	\$19,000
36				\$9,000	\$9,000
37				\$9,000	\$9,000
<b>Total</b>		<b>\$950,000</b>	<b>\$100,000</b>	<b>\$90,000</b>	<b>\$190,000</b>

**SHARED REVENUE REDUCTION  
EXAMPLE 3: TIER C POPULATION**

Population	30,000
Reduction % (based on population)	10%
Number of Payments	1
Total Payments	\$500,000
Total Shared Revenue Reduction	\$50,000

FY	Payment #	Grant Payment Received	SHARED REVENUE REDUCTION	
			Payment 1	Total
24				-
25	1	\$500,000		\$0
26			\$5,000	\$5,000
27			\$5,000	\$5,000
28			\$5,000	\$5,000
29			\$5,000	\$5,000
30			\$5,000	\$5,000
31			\$5,000	\$5,000
32			\$5,000	\$5,000
33			\$5,000	\$5,000
34			\$5,000	\$5,000
35			\$5,000	\$5,000
<b>Total</b>		<b>\$500,000</b>	<b>\$50,000</b>	<b>\$50,000</b>