



Questions and Answers

Transit Capital Assistance Grant Program

Deadline for questions: Friday, August 3, 2018

Q and A published: Wednesday, August 15, 2018

More information and this document available at:

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

Questions below were posed to DOA in writing by the August 3, 2018 deadline 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 submission deadline.

1. When will shared revenue reductions begin under this 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, 2020, the shared revenue reduction would commence in SFY 21 (July 1, 2020 to June 30, 2021).

2. Are Transit Commissions, Transportation Commissions, Transportation Authorities, or Public Corporations subject to the shared revenue reductions of the program?

No.

3. Are municipalities or counties that support an entity listed in Question 2 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.

4. 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 §79.035(7)(b), Wis. Stats. which states that reductions will occur for a period of ten (10) consecutive annual payments. The grant agreement will specify when shared revenue reductions will begin.

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

§79.035(7)(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.



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6. 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.

7. Is the reduction in shared revenues for a participating community 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.

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

8. 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.

9. What are the scrapping requirements?

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.”

Further, the VW Transit Capital Assistance Grant Program Announcement includes additional requirements in Section 7.1 (Reimbursement Requirements). DOA will provide further detailed scrapping requirements at a later date. 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.



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10. When must vehicles be scrapped?

Scrapping shall occur within 90 calendar days of the grantee accepting delivery of the replacement bus(es) or before June 30, 2025, 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.

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

The program requires that all replaced vehicles be “scrapped.” At a minimum, the engine and chassis of scrapped vehicles must be made available for recycle or disposal. Guidelines on disposition (including sale) of remaining components have not been established. However, provisions from other programs that may restrict vehicle disposal may apply (i.e., FTA or EPA grant funds).

12. Can large trucks, medium trucks, 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.

13. What is the grantee’s liability if a replacement bus crashes?

The grantee, and not the State, 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. 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.

14. Recent planned all-electric battery bus deployments in neighboring states (ex. Duluth MN, Chicago IL) will utilize fossil-fuel auxiliary engines to provide heat for passengers. These buses are not zero emission buses. They have two distinct power sources onboard just like hybrid electric transit buses in the market today. How will their tailpipe emissions be accounted for?

Applicants shall calculate emissions reductions of proposed projects by utilizing the US Environmental Protection (US EPA) Agency Diesel Emissions Quantifier (DEQ) tool. Applicants must include the NO_x benefit of the proposed project in the application. Applications should follow the US EPA instructions for completing calculations using the DEQ tool. The tool and instructions are available at <https://cfpub.epa.gov/quantifier/index.cfm?action=main.home>



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15. Wisconsin's electric grid is one of dirtiest in the U.S. How will electric grid emissions be addressed when calculating the NOx impact of all-electric buses?

Applicants shall calculate emissions reductions of proposed projects by utilizing the US Environmental Protection (US EPA) Agency Diesel Emissions Quantifier (DEQ) tool. Applicants must include the NOx benefit of the proposed project. Applications should follow the US EPA instructions for completing calculations using the DEQ tool. According to US EPA DEQ release notes dated May 31, 2018 "Running emission factors for onroad vehicles are now generated at the national level. The selection of a state no longer affects the calculations. (v. 6.1)". The tool and instructions are available at <https://cfpub.epa.gov/quantifier/index.cfm?action=main.home>

16. What vehicles and propulsion systems qualify for funding under the Transit Capital Assistance Program?

New diesel, alternate fuel and all-electric are eligible propulsion systems under this program. Please see Section 1.4 (Definitions) of the Announcement.

17. 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.

18. Are school buses an eligible vehicle under the Transit Capital Assistance Grant Program?

Vehicles eligible for replacement are defined in Section 1.4 (Definitions) of the Announcement.

19. Can alternative energy vehicles be purchased with grant funds?

New diesel, alternate fuel and all-electric are eligible propulsion systems under this program. Please see Section 1.4 (Definitions) of the Announcement.

20. I see that "connecting employees with employers" is one of the DOA's objectives. Will consideration be made re: Wisconsin content on a transit bus?

No.

21. 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.

SHARED REVENUE REDUCTION
EXAMPLE 1: TIER A POPULATION

Population	945,416
Reduction % (based on population)	75%
Number of Payments	5
Total Payments	\$5,875,000
Total Shared Revenue Reduction	\$4,406,250

FY	Payment #	Grant Payment Received	SHARED REVENUE REDUCTION					Total
			Payment 1	Payment 2	Payment 3	Payment 4	Payment 5	
19								-
20	1	\$1,500,000						\$0
21	2	\$500,000	\$112,500					\$112,500
22	3	\$1,400,000	\$112,500	\$37,500				\$150,000
23	4	\$1,000,000	\$112,500	\$37,500	\$105,000			\$255,000
24	5	\$1,475,000	\$112,500	\$37,500	\$105,000	\$75,000		\$330,000
25			\$112,500	\$37,500	\$105,000	\$75,000	\$110,625	\$440,625
26			\$112,500	\$37,500	\$105,000	\$75,000	\$110,625	\$440,625
27			\$112,500	\$37,500	\$105,000	\$75,000	\$110,625	\$440,625
28			\$112,500	\$37,500	\$105,000	\$75,000	\$110,625	\$440,625
29			\$112,500	\$37,500	\$105,000	\$75,000	\$110,625	\$440,625
30			\$112,500	\$37,500	\$105,000	\$75,000	\$110,625	\$440,625
31				\$37,500	\$105,000	\$75,000	\$110,625	\$328,125
32					\$105,000	\$75,000	\$110,625	\$290,625
33						\$75,000	\$110,625	\$185,625
34							\$110,625	\$110,625
Total		\$5,875,000	\$1,125,000	\$375,000	\$1,050,000	\$750,000	\$1,106,250	\$4,406,250

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
19					-
20	1	\$500,000			\$0
21			\$10,000		\$10,000
22	2	\$450,000	\$10,000		\$10,000
23			\$10,000	\$9,000	\$19,000
24			\$10,000	\$9,000	\$19,000
25			\$10,000	\$9,000	\$19,000
26			\$10,000	\$9,000	\$19,000
27			\$10,000	\$9,000	\$19,000
28			\$10,000	\$9,000	\$19,000
29			\$10,000	\$9,000	\$19,000
30			\$10,000	\$9,000	\$19,000
31				\$9,000	\$9,000
32				\$9,000	\$9,000
Total		\$950,000	\$100,000	\$90,000	\$190,000

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
19				-
20	1	\$500,000		\$0
21			\$5,000	\$5,000
22			\$5,000	\$5,000
23			\$5,000	\$5,000
24			\$5,000	\$5,000
25			\$5,000	\$5,000
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
Total		\$500,000	\$50,000	\$50,000