

**South Dakota Department of  
Agriculture and Natural  
Resources  
523 E Capitol  
Pierre, SD 57501**

**South Dakota Diesel Emission Reduction Act (DERA) &  
Volkswagen School Bus, Shuttle Bus, and Transit Bus  
Rebate Programs**

**Guidelines and Applications  
Round Fourteen**



**Application Deadline:**

***December 10, 2021 – 5:00 PM***

This program is funded through the United States  
Environmental Protection Agency State Clean Diesel Grant  
and the South Dakota Volkswagen (VW) Environmental  
Mitigation Trust

## Section 1 – Introduction

The primary goal of the South Dakota Clean Diesel Rebate Program is to reduce school children's exposure to fine particulate and smog-forming pollution; and the primary goal of South Dakota's VW Environmental Mitigation Trust is to facilitate the improvement and protection of the ambient air quality throughout South Dakota. The South Dakota Department of Agriculture and Natural Resources (DANR) administers these programs. The programs provide rebates to help purchase new buses that replace older in-use higher emitting diesel buses to reduce diesel particulate matter and smog-forming emissions.

DANR will provide rebates for the following:

- Replacement of in-use class 4-8 diesel school buses or class 5-8 diesel shuttle or transit buses Engine Model Year 2009 and older.

Program information will be posted on the Clean Diesel Grant Program website at <https://danr.sd.gov/Environment/AirQuality/CleanDieselProgram/default.aspx>. For additional information, please contact: **South Dakota's Clean Diesel Program** at 1-800-GET-DENR (1-800-438-3367) or [barb.regynski@state.sd.us](mailto:barb.regynski@state.sd.us).

## Section 2 – Background

While South Dakota's air quality is cleaner than many states and currently meets the federal National Ambient Air Quality Standards, reducing emissions from diesel engines is one of the most important air quality challenges facing the country. The South Dakota programs provide rebates to help public schools, non-public schools, state special schools, approved educational programs, shuttle or transit system providers, and school bus contractors purchase new buses to replace old, high-emitting, diesel buses.

Buses are a safe and effective way to transport children, the elderly, and others; but they emit pollution. According to the Environmental Protection Agency (EPA), exposure to diesel exhaust, even at low levels, is a health hazard that can aggravate respiratory problems such as asthma and bronchitis and possibly increase the risk of lung damage.

Children are especially vulnerable to the effects of diesel exhaust since their lungs are not yet fully developed, and they breathe twice as much air as adults per pound of body weight. Diesel fuel contains 40 chemicals listed as hazardous air pollutants under the federal Clean Air Act. You don't have to ride the bus to breathe in these fumes. The air quality in and around bus stops is compromised by idling buses during drop off and pick up, exposing not only the riders, but also those outside the bus to unhealthy diesel emissions.

Purchasing newer buses with better emissions controls is a health benefit to the passengers and to the environment by helping keep the air in South Dakota clean.

## Section 3 - Eligible Participants

South Dakota public schools, non-public schools, state special schools, other educational programs, shuttle or transit system providers, and school bus contractors that provide transportation services are eligible to participate.

## Section 4 - Eligible Projects

The eligibility criteria for existing buses to be replaced and receive a rebate are as follows:

- Diesel class 4-8 school buses or class 5-8 shuttle or transit buses with engine model years 2009 or older and still operational. The applicant must have owned and operated the bus during the two years prior to replacement and must have accumulated at least 7,000 miles/yr. The vehicle and engine must have at least three years of remaining life at time of replacement. The replacement bus must be of the same type and class.
- The bus being replaced must be scrapped or rendered permanently disabled within ninety (90) days of the replacement. Evidence of appropriate disposal (including colored digital photos of the engine tag showing serial number, engine family number, and engine model year, vehicle identification number (VIN), and of the destroyed engine block and cut frame rails or other structural components) is required for rebate to be made. Drilling a three inch hole in the engine block and disabling the chassis is the preferred scrapping method. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g. plow blades, shovels, seats, tires, etc.). If scrapped or salvaged vehicles/parts are sold, the income may be used to meet the cost-sharing or matching requirement of the award, including any mandatory or voluntary cost-share. Therefore, the amount of the award remains the same.

The eligibility criteria for **new replacement** buses are as follows:

- Diesel, clean alternative fueled (including gasoline), hybrid, or zero tailpipe emissions class 4-8 school or class 5-8 shuttle, or transit engine model year 2020 or newer. The replacement bus must be of the same type and class.
- Total rebate per replacement bus will be up to 25% of the purchase price of a 2020 engine model year or newer engine certified to EPA emission standards, 35% of the purchase price of a 2020 engine model year or newer engine certified to meet CARB's Low-NOx standards, or 45% of the purchase price of a zero tailpipe emissions bus. Please see the Low-NOx Engine Factsheet found at [www.epa.gov/dera/state](http://www.epa.gov/dera/state) for guidance on identifying engines certified to meet CARB's Optional Low NOx Standards.
- **The applicant should receive the new bus by August 31, 2022.**

## Section 5 – Funding Amounts

There will be approximately \$507,000 of new Diesel Emissions Reduction Act (DERA) funds, \$338,000 of new VW category 10 DERA funds, and additional VW category 2 bus funds available for replacing old buses in this round.

## Section 6 – Project Awards

Preference will be given to applications from public schools. Ranking will be based on the number of replacements received during previous rounds and then by age of the bus engine being replaced. No recipient will receive an additional bus until all applicants have received a bus.

Applications received prior to the deadline will be considered first and those received after the deadline will be considered for any remaining funds using the same criteria mentioned above.

On January 14, 2022, the list of selected applicants will be made available on the website. They will be emailed a rebate agreement. Selected applicants will enter into a written agreement with DANR and will submit a copy of their purchase order. Rebates will be issued upon submittal of a completed IRS W-9 Form, a Request for Reimbursement Form, evidence of final bus purchase price, a Certificate of Disposal Form, photographic evidence of disposal, and if requesting the 35% rebate, a copy of the engine certificate showing it meets CARB's Low-NOx Standards.

## Section 7 – Tentative Schedule

<b>Date</b>	<b>Activity</b>
November 1, 2021	Call for Round Fourteen Projects Opens
December 10, 2021	Call for Round Fourteen Projects Deadline
December 13, 2021 – January 7, 2022	Evaluate & Select Round Fourteen Projects
January 14, 2022	Post Round Fourteen Selected Projects List. Email rebate agreements to selected applicants.
January 2022 – April 2022	Recipients will order buses and email DANR copies of purchase orders
September 2022	Deadline for all invoices and paperwork to be submitted to DANR

## Section 8 – Program Application Process

The application and program participation process is as follows:

1. Program applications are attached to this document and are also available from the website at <https://danr.sd.gov/Environment/AirQuality/CleanDieselProgram/default.aspx>
2. Applications must be submitted to DANR by 5:00 PM, December 10, 2021, for initial consideration. Applications are to be submitted by email to [barb.regynski@state.sd.us](mailto:barb.regynski@state.sd.us) or by mail to:

Bus Rebate Programs  
SD DANR – AQ Program  
523 E Capitol  
Pierre, SD 57501

3. DANR will evaluate applications.
4. DANR will post selection list.
5. Selected applicants will be emailed rebate agreements.

## Section 9 – Program Requirements

Successful project applicants must enter into an agreement with DANR setting forth specific performance criteria to ensure compliance with statutory and audit requirements. Agreement preparation will begin immediately upon DANR selection of a project. The agreement will include further details on complying with program requirements. All services or work carried out under an agreement awarded as a result of this call for projects must be completed within the scope, time frames, and funding limitations specified by the agreement. Upon signature and execution of the agreement by DANR, a copy of the executed agreement will be returned to the applicant, at which time the project will be considered awarded.

### Replacement Bus Requirements

- Ordering of new buses may not occur prior to both parties signing the agreement. Rebates will be made on a reimbursement basis for eligible expenses incurred and paid by the recipient. A cost may not be considered incurred until the replacement bus has been received and accepted by the recipient.
- Program funds must only be used to purchase a bus that is equipped with essential or standard equipment.

- The applicant must submit a copy of the Purchase Order to DANR.
- The applicant must ensure that the replaced bus is permanently disabled or scrapped and maintain documentation on how the replaced bus was permanently disabled or scrapped.
- The applicant must provide DANR with an original Internal Revenue Service (IRS) Request for Taxpayer Identification Number and Certification Form W-9. A copy of the IRS Form W-9 can be downloaded at [www.irs.gov](http://www.irs.gov) or by calling 1-800-829-3676.
- The applicant submits a Request for Reimbursement Form, evidence of final bus purchase price, Certificate of Disposal Form, photographic evidence of disposal, and if requesting the 35% rebate, a copy of the engine certificate showing it meets CARB's Low-NOx Standards. DANR will review the information for compliance with all grant requirements.
- Rebate will be issued upon verification (documentation and/or DANR staff site visit).
- The applicant agrees that program criteria and requirements may be reviewed, as new information becomes available, and can be revised at the discretion of DANR.
- DANR maintains the right to monitor the project periodically.
- The applicant must maintain ownership of the replacement bus for three years after receipt of the rebate.

## **Section 10 - Verification Procedures**

Any applicant that receives Bus Replacement Rebate Program funds may be subject to verification of each program or project funded. The verification may be conducted by staff from DANR and/or EPA. Grant documentation, records, and referenced materials must be available for review during monitoring visits.

Upon the completion of verification, DANR will determine if the funds were used for the approved project and make the verification available to the applicant and to the public upon request.

If DANR determines that the funds were expended in a manner contrary to law or not in accordance with provisions, DANR will notify the applicant of the determination, and may, at its discretion, seek re-payment of funds misappropriated, spent for non-eligible activities, or otherwise inappropriately expended.

---

---

## APPLICATION PACKET CHECKLIST BUS REPLACEMENT

---

---

A complete application packet includes the following items:

- Completed **Application**.
- Copy of Department of Motor Vehicles **registration or title** for the bus to be replaced.
- Dated and itemized dealer **quote** for replacement bus.
- Applications must be submitted to DANR by 5:00 PM, December 10, 2021, for initial consideration for round Fourteen funding. Applications are to be submitted by email to [barb.regynski@state.sd.us](mailto:barb.regynski@state.sd.us) or by mail to:

Bus Rebate Programs  
SD DANR – AQ Program  
523 E Capitol  
Pierre, SD 57501

## BUS REPLACEMENT APPLICATION

I. APPLICANT INFORMATION			
1	a. Applicant Name:	b. DUNS Number:	
2	Applicant Address:		
3	a. City:	b. State:	c. Zip + 4:
4	a. Contact Name:	b. Contact Title:	
5	a. Contact Phone:	b. Contact Fax:	
6	Contact Email:		
7	<input type="checkbox"/> Public School, <input type="checkbox"/> Other School or Educational Program, <input type="checkbox"/> School Bus Contractor, or <input type="checkbox"/> Shuttle/Transit		
II. EXISTING BUS INFORMATION:			
1	Bus Storage Address:		
2	a. City:	b. County:	c. Zip Code:
3	Bus Type: <input type="checkbox"/> School Bus or <input type="checkbox"/> Transit Bus		
4	a. Bus Manufacturer:	a. Bus Model:	b. Bus Model Year:
5	Type of Fuel: <input type="checkbox"/> Diesel		
6	Estimated Annual Fuel Usage for this Bus (gallons):		
7	a. Cumulative Mileage:	b. Estimated Annual Mileage:	
8	Gross Vehicle Weight Rating (GVWR):		
9	Vehicle Identification Number (VIN):		
10	a. Engine Manufacturer:	b. Engine Model:	c. Engine Model Year:
11	Engine Serial Number:		
12	Estimated Remaining Vehicle Life (must have at least 3 years remaining):		
III. NEW REPLACEMENT BUS INFORMATION			
1	Bus Type: <input type="checkbox"/> School Bus or <input type="checkbox"/> Transit Bus		
2	a. New Bus Manufacturer:	a. New Bus Model:	b. New Bus Model Year:
3	New Bus Type of Fuel: <input type="checkbox"/> Diesel, <input type="checkbox"/> CNG, <input type="checkbox"/> LNG, <input type="checkbox"/> LPG/Propane, <input type="checkbox"/> zero tailpipe emissions, or <input type="checkbox"/> Gas		
4	Rebate: <input type="checkbox"/> 25%, <input type="checkbox"/> 35% if certified to meet CARB's Low-NOx Standards, or <input type="checkbox"/> 45% if zero tailpipe emissions		
5	Gross Vehicle Weight Rating (GVWR):		
6	a. Price of New Bus:		
7	a. Estimated Purchase Order Date:	b. Estimated Date of Bus Delivery:	
8	a. Engine Manufacturer:	b. Engine Model:	c. Engine Model Year:
IV. SCRAPPING COMPANY/DISMANTLER INFORMATION			
1	Describe Method of Disposal of School Bus:		
2	Scrapping Company/Dismantler Name:		
3	Contact Name:		
4	Address:		
5	a. City:	b. State:	c. Zip Code:
6	a. Phone:	b. Fax:	
7	Email:		



## BUS REPLACEMENT APPLICATION

### V. BUS MANUFACTURER/DEALER INFORMATION

1	Bus Manufacturer/Dealer:		
2	Contact Name:		
3	Address:		
4	a. City:	b. State:	c. Zip Code:
5	a. Phone:	b. Fax:	
6	Email:		

### VI. SCHOOL DISTRICT/ORGANIZATION CERTIFICATION

I certify that to the best of my knowledge the information contained in this application and in the supplemental material is correct and complete. I certify that the funding requested satisfies the eligibility requirements for this Program as represented in the Program Description and related materials. I certify that I understand that the funding under this Program is subject to restrictions and other conditions listed in the Program Description.

<input checked="" type="checkbox"/>	The applicant will use the funding under this Program for the specific purposes defined in the Program Description.
<input checked="" type="checkbox"/>	The applicant has received approval to apply and make use of the funding under this program.
<input checked="" type="checkbox"/>	The applicant is not currently debarred or suspended from receiving federal funding.
<input checked="" type="checkbox"/>	The existing bus is fully operational.
<input checked="" type="checkbox"/>	The existing bus has been owned and operated during the two years prior to application.
<input checked="" type="checkbox"/>	The existing bus has at least three years of remaining life at the time of application.
<input checked="" type="checkbox"/>	The existing bus has accumulated at least 7,000 miles/year during the two years prior to application.
<input checked="" type="checkbox"/>	The applicant agrees to complete scrappage of the bus being replaced.
<input checked="" type="checkbox"/>	The applicant certifies that all vendors will be selected in accordance with state public contracting laws as applicable (SDCL 5-18 A to D) and will follow 2 CFR §§200.318 General Procurement Standards through 200.326 Contract Provisions.

I authorize DANR to make any necessary inquiries to verify the information that I have presented. I acknowledge that the information in this application is not confidential and may be released as required by the Program.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:

Applications are to be submitted by email to [barb.regynski@state.sd.us](mailto:barb.regynski@state.sd.us) or by mail to:

Bus Rebate Programs  
 SD DANR – AQ Program  
 523 E Capitol  
 Pierre, SD 57501

## Request for Reimbursement Form

Name of Applicant: \_\_\_\_\_

Date new bus was delivered: \_\_\_\_\_

Engine Model Year of New Bus: \_\_\_\_\_

**Instructions:** Fill in the information below to summarize the Reimbursement Request.

### Reimbursement Summary

Final Purchase Price of Bus	\$
Rebate Amount (not to exceed awarded amount) = Final Purchase Price X percentage from award	\$

*Program Income from Salvage/Scrappage	\$
--	----

\*If scrapped or salvaged engines/vehicles are to be sold, program income requirements apply. Program income may be used to meet the cost-sharing or matching requirement of the award, including any mandatory or voluntary cost-share. The amount of the award remains the same.

- Please attach a completed IRS W-9 Form
- Please attach evidence of final bus purchase price such as a copy of the dealer invoice, receipt, or canceled check
- Please attach Certificate of Disposal Form and photos verifying disposal
- if requesting the 35% rebate, please attach a copy of the engine certificate showing it meets CARB's Low-NOx Standards.

Requests are to be submitted by email to [barb.regynski@state.sd.us](mailto:barb.regynski@state.sd.us) or by mail to:

Bus Rebate Programs  
SD DANR – AQ Program  
523 E Capitol  
Pierre, SD 57501

## Certificate of Disposal Form

EPA Grantee Name: SD Department of Agriculture and Natural Resources

EPA Grant No.: 95819202

Applicant Name: \_\_\_\_\_

Applicant Address: \_\_\_\_\_

### Old Bus/Chassis Information

Make:		Vehicle ID Number:	
Model:		Odometer Reading:	miles
Year:			

### Old Engine Information

Make:		Horsepower:	
Model:		ID or Serial No.:	
Year:			

Name of Dismantler: \_\_\_\_\_

Address of Dismantler: \_\_\_\_\_

Signature of Dismantler: \_\_\_\_\_ Date Bus Disabled: \_\_\_\_\_

---

---

Applicant Representative:

**Statement:** I certify that within 90 days of replacement, the old engine and chassis have been permanently disabled. Disabling the engine consists of cutting or punching a three inch by three inch (3" x 3") hole in the engine block. Disabling the chassis consists of cutting completely through the frame/frame rails on each side of the vehicle/equipment at a point located between the front and rear axles. Photos of the disabled engine/chassis that are required pursuant to the Terms and Conditions of the award agreement are attached to this Certificate of Disposal.

Representative Name: \_\_\_\_\_

Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Note: Documentation must include colored JPEG images of the following, with corresponding file names:

- |                            |                             |                                |                      |
|----------------------------|-----------------------------|--------------------------------|----------------------|
| 1) Side profile of vehicle | 3) Engine label             | 5) Engine block, prior to hole | 7) Others, as needed |
| 2) VIN                     | 4) Chassis rail cut in half | 6) Engine block, after hole    |                      |

## Examples of Bus Disposal Pictures

Photo #1: Side profile of bus being scrapped



Photo #2: VIN of the bus being scrapped

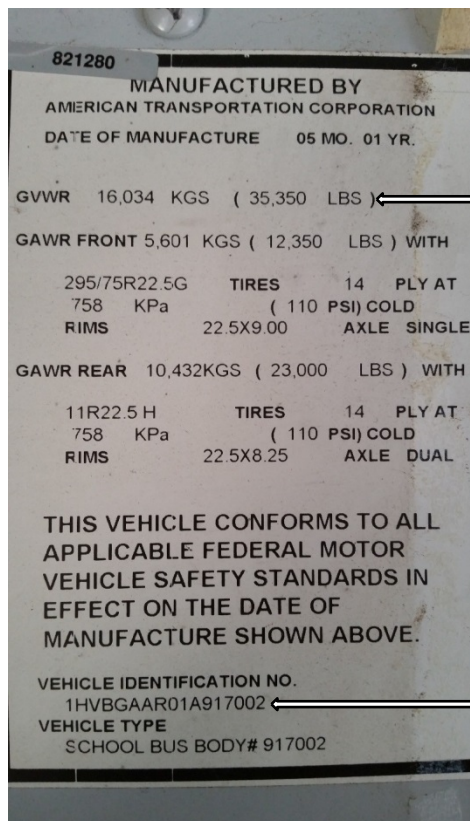


Photo #3: Engine tag with engine serial number and EPA engine family name

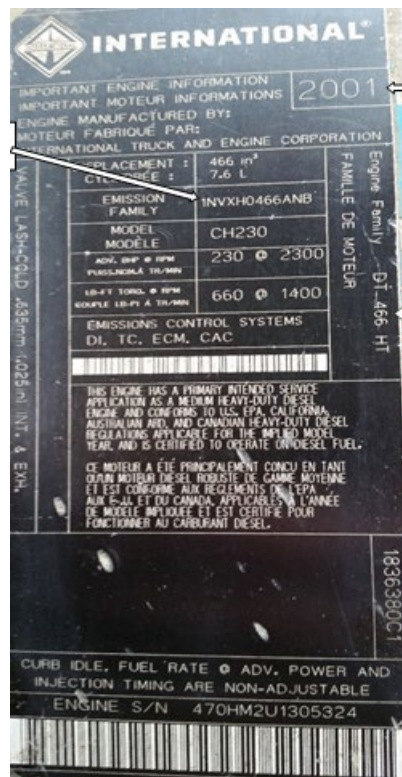


Photo #4: Chassis rail cut in half



Photo #5: Engine block prior to hole being drilled



Photo #6: Engine block after hole has been drilled

