



Millions of Dollars Available in All 50 States for Clean Transportation Funding

*Tips for Transit Agencies, School Districts & Others to Access
Volkswagen Settlement Funds*

Overview

In 2016, Volkswagen settled with federal authorities to pay \$14.7 billion for installing emissions cheating software in more than 500,000 vehicles in the U.S. The computer systems were designed to fake emissions test results, allowing vehicles to emit 15 to 40 times the legal limit of nitrogen oxide. While the majority of the settlement funds were allocated to consumers for vehicle buy-backs, upwards of \$3 billion was allocated to the Environmental Mitigation Trust to fund a range of clean transportation programs in each state.

Millions of dollars in each state are now being allocated toward [clean transportation solutions](#), such as electric charging infrastructure, electric transit buses, electric school buses, electric garbage trucks, and electric port or airport vehicles. Your agency or company may be eligible for funds.

This guide provides specific information about the Volkswagen (VW) settlement to potential applicants who can tailor their proposals to fit to their specific needs.

Settlement funding allows your agency to maximize the fuel and maintenance financial savings and environmental

benefits associated with vehicle electrification while addressing the higher upfront cost of electric vehicles. For context, [the Federal Low or No Emission Vehicle Program](#) (Low-No) is one of the largest sources of federal funding available for electric transit vehicles with an annual budget of \$84 million. The VW settlement -totalling billions- is a one-of-a-kind opportunity for your agency to accelerate electrification, fuel savings, and environmental and public health benefits at a fraction of the cost.

Why Electric Vehicles?

According to the federal settlement, the VW funds could be spent on “cleaner” vehicles powered by electricity, compressed natural gas, propane, or so-called “clean diesel.” However, research shows that the fuel type lowest in greenhouse gas emissions and health pollutants is electricity. Electric vehicles (EVs) have no tailpipe emissions, making them safer to communities burdened by air pollution. Low-income residents, children, the elderly, and people of color suffer disproportionately from health conditions such as asthma and heart disease, so EVs are a safer community choice. [EVs are cleaner in every state](#), even after factoring in the emissions associated with the dirtiest electricity sources such as coal and fracked gas. As we shift to more renewable sources of electricity like wind and solar, EVs become even cleaner over time.

EVs have lower fuel and maintenance costs, decreasing overall costs over the lifetime of most vehicle types. With new VW funds on the table for clean transportation, it's important they are spent on EVs, which are the only truly clean and innovative option.

How Funds Are Allocated

Each state is allocated a certain amount of funds based on how many faulty vehicles were sold in that state. It ranges from more than \$7 million in some states to more than \$380 million in California. In each state, a beneficiary agency has been designated as the administrator to allocate funds. These agencies are releasing their plans that indicate how they plan to spend the funds and what types of projects are eligible. Most states have a website with information about the guidelines. Many states have issued requests for proposals (RFPs) with specific deadlines and criteria for applicants and applications (see links at end of this document).

Designing Your Proposal

As long as the criteria established by the eligible mitigation actions outlined in your state's beneficiary mitigation plan are met, the funding allows your agency to design programs that best fit the needs of your community and agency. It also gives you the opportunity to boldly transition your community toward a cleaner, healthier, and more equitable transportation system.

A well-constructed application to a request for proposals (RFP) is essential to secure funding and maximize the impact of your grant allocations. The American Public Transit Association ([APTA](#)) and other organizations such as the Alternative Fuels Data Center ([AFDC](#)) provide resources outlining “best practices” for RFP processes which can help inform the way you structure your application (see “Helpful Resources” section below).

The overall structure of the RFP can be complicated, and it can be helpful to start by reviewing existing RFPs for similar projects.

- This [RFP](#) issued by Martha's Vineyard Transit Authority (VTA) in Massachusetts provides a condensed example of a request for proposal for an electric bus project funded by allocations from the VW settlement.
- Massachusetts also offers general guidance on the application for the state's [open solicitation grant program](#).
- This [example](#) from the Bay Area Air Quality Management District in San Francisco focuses on disadvantaged communities.
- This example from the [Connecticut Department of Energy and Environmental Protection](#) is one example of evaluation criteria used by a lead agency.

The resources section of this document includes links to each state's lead agency to help identify these state-specific characteristics. The following are some general tips to help shape your proposal. While these examples offer some insight into how an RFP may be structured, it is important to note each state is subject to specific goals.

Proposal Best Practices

Align goals with evaluation criteria. Clear goals will differentiate your proposal and increase its competitiveness. Your project should directly address the

specific objectives outlined by the lead agency to ensure that your project fits within the given scoring criteria.

Show your project is “shovel ready.” Communicate to the lead agency or funder that your project is “shovel ready” with clear timelines and progress indicators. Additionally, successful proposals will align funding with existing transportation priorities. Preliminary project budgets and grant management plans are important to include in your proposal.

Identify additional services required. Any activities or deliverables falling outside of your organization or business capacity will require external input. Project outlines should include plans to acquire these services.

Enlist co-applicants. Establishing relationships with manufacturers and contractors can strengthen your proposal. Information from potential contractors can be solicited in the form of a [request for information \(RFI\)](#). These relationships should be ongoing and clearly demonstrated in the application.

Involve relevant stakeholders. Actively engage constituencies such as labor, environmental and community groups in the application process. Incorporate feedback and appropriately address concerns through drafts and listening sessions. Buy-in from relevant stakeholders will strengthen your application by demonstrating the political, as well as technical, feasibility of your project.

Solicit letters of recommendation. Applicants will increase their chances of success with letters of recommendation from other stakeholders that may include impacted community groups, business leaders, and public interest organizations.

Leverage additional funding sources. Many proposals include cost-sharing as a scoring criteria. For some states (but not all), proposals that combine settlement funds with other funding sources (such as [DERA grants](#) or the [Federal Low-No Program](#)) or provide cost-sharing across multiple agencies have a stronger chance of being selected.

Helpful Resources

- **[Interactive Map with Links to State Agencies](#)** (Also see the table on page 4.)
- **Successful Applications:** This includes several successful proposals that won VW settlement money for clean transportation projects focused on vehicle electrification:
 - **[Racine, WI:](#)** 6 Battery Electric Buses (BEBs)
 - **[Nevada:](#)** Funding request for electric charging stations
 - **[Rhode Island:](#)** Funding for Electric Bus Fleet
 - **[New Jersey:](#)** List of all proposals to the competitive grant process
- **Sierra Club Fact Sheets:** The Sierra Club offers an array of fact sheets pertaining to different technologies to help frame your RFP.
- **APTA Resource Library:** This page contains resources ranging from industry statistics to policy developments.
 - [Bus RFP Contract Outline](#)
- **AFDC:** A resource hub managed by the Department of Energy that includes emissions comparisons.
 - [EVSE RFP Guidelines](#)
- **Electric School Buses:** Vermont Energy Investment Corporation features reports and research on the performance of for electric school buses and steps to deploy them in local school districts.
<https://www.veic.org/electric-school-buses>
- **VW Environmental Mitigation Trust:** The official site containing documents and information pertaining to the allocation of settlement resources.
- **VW Clearing House:** Helpful information pertaining to issues surrounding the VW settlement.

You can find information on your state’s RFP process on your lead agency’s website.

STATE	LEAD AGENCY
	American Indian Tribes
AL	Alabama Department of Economic and Community Affairs
AK	Alaska Energy Authority
AZ	Arizona Department of Administration
AR	Arkansas Department of Environmental Quality
CA	California Air Resources Board
CO	Colorado Department of Public Health and Environment
CT	Connecticut Department of Energy and Environmental Protection
DE	Delaware Department of Natural Resources & Environmental Control
DC	Washington, D.C. Department of Energy and Environment
FL	Florida Department of Environmental Protection
GA	Georgia Office of Planning and Budget
HI	Hawaii Department of Business, Economic Development, and Tourism
ID	Idaho Department of Environmental Quality
IL	Illinois Environmental Protection Agency
IN	Indiana Department of Environmental Management
IA	Iowa Department of Transportation
KS	Kansas Department of Health and Environment
KY	Kentucky Energy and Environmental Cabinet
LA	Louisiana Department of Environmental Quality
ME	Maine Department of Transportation
MD	Maryland Department of the Environment
MA	Massachusetts Department of Environmental Protection
MI	Michigan Department of Environmental Quality
MN	Minnesota Pollution Control Agency
MS	Mississippi Department of Environmental Quality
MO	Missouri Department of Natural Resources

MT	Montana Department of Environmental Quality
NE	Nebraska Department of Environmental Quality
NV	Nevada Division of Environmental Protection
NH	New Hampshire Office of Strategic Initiatives
NJ	New Jersey Department of Environmental Protection
NM	New Mexico Environmental Department
NY	New York State Department of Environmental Conservation
NC	North Carolina Department of Environmental Quality
ND	North Dakota Department of Health
OH	Ohio Environmental Protection Agency
OK	Oklahoma Department of Environmental Quality
OR	Oregon Department of Environmental Quality
PA	Pennsylvania Department of Environmental Protection
PR	Puerto Rico Environmental Quality Board
RI	Rhode Island Department of Environmental Management
SC	South Carolina Department of Insurance
SD	South Dakota Department of Environment and Natural Resources
TN	Tennessee Department of Environment and Conservation
TX	Texas Commission on Environmental Quality
UT	Utah Department of Environmental Quality
VT	Vermont Agency of Natural Resources
VA	Virginia Department of Environmental Quality
WA	Washington State Department of Ecology
WV	West Virginia Department of Transportation
WI	Wisconsin Department of Administration
WY	Wyoming Department of Environmental Quality

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