

BUDGET NARRATIVE

This budget narrative uses the following budget categories to break out costs associated with implementation of the proposed measures:

- **Personnel:** Direct costs for salaries and wages.
- **Fringe Benefits:** Allowances and services provided by the employer to personnel in addition to regular salaries and wages. These may include the cost of leave, employee insurance, pensions and unemployment, cell phone allowances, holiday bonuses, and similar benefits.
- **Travel:** Costs for transportation services, lodging, per diem, and similar personal expenses allowed under applicable travel policies for trips necessary to implement the proposal.
- **Equipment:** Costs for tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit used by personnel implementing the proposal. Equipment purchased by project participants is classified in the "Other" budget category as Participant Support Costs.
- **Supplies:** Costs for tangible personal property other than equipment with a per item acquisition cost of less than \$5,000 that are necessary to implement the proposal.
- **Contractual:** Costs associated with contracts to acquire property (including intellectual property) and services needed to carry out the proposal.
- **Other:** Direct costs that do not fit in any of the other budget categories, including participant support costs and subawards.
- **Indirect:** Costs incurred for a common or joint purpose that benefit more than the proposed project that is not readily divisible among cost objectives without efforts disproportionate to the results achieved. Examples include space costs, utilities, accounting services, human resources, etc.

An explanation of costs associated with each measure and a budget are presented below.

1. Budget Detail

The table on the next two pages details itemized costs associated with implementing this proposal. A spreadsheet version of this table has been included with this application.

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	Personnel						
	0.01 FTE SE-05 at \$167,095 (Executive approval and project selection)	\$1,671	\$1,721	\$1,773	\$1,826	\$1,881	\$8,871
	0.15 FTE GS-12 at \$82,760 (Direction and coordination of staff and consultant(s))	\$12,414	\$12,786	\$13,170	\$13,565	\$13,972	\$65,908
	0.2 FTE GS-10 at \$68,000 (Project staff management)	\$13,600	\$14,008	\$14,428	\$14,861	\$15,307	\$72,204
	0.3 FTE GS-09 at \$60,000 (Outreach and analysis staff)	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$95,564
	0.3 FTE GS-07 at \$56,000 (Grants management staff)	\$16,800	\$17,304	\$17,823	\$18,358	\$18,909	\$89,193
	TOTAL PERSONNEL	\$62,485	\$64,359	\$66,290	\$68,279	\$70,327	\$331,741
	Fringe Benefits						
	salary*36.27%	\$606	\$624	\$643	\$662	\$682	\$3,218
	salary*36.27%	\$4,503	\$4,638	\$4,777	\$4,920	\$5,068	\$23,905

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<i>salary*36.27%</i>	\$4,933	\$5,081	\$5,233	\$5,390	\$5,552	\$26,188
<i>salary*36.27%</i>	\$6,529	\$6,724	\$6,926	\$7,134	\$7,348	\$34,661
<i>salary*36.27%</i>	\$6,093	\$6,276	\$6,464	\$6,658	\$6,858	\$32,350
TOTAL FRINGE BENEFITS	\$10,041	\$10,343	\$10,653	\$10,972	\$11,302	\$120,322
Travel						
<i>Local Mileage: 100 mi * 4 times per year at \$0.54</i>	216	216	216	216	216	\$1,080
<i>Per Diem: 3 staff at \$60/day * 4 times per year</i>	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$7,200
<i>Hotel: 3 staff at \$120/night * 4 times per year</i>	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$7,200
TOTAL TRAVEL	\$3,096	\$3,096	\$3,096	\$3,096	\$3,096	\$15,480
Equipment						
<i>one laptop at \$2500 each</i>	\$2,500					\$2,500
TOTAL EQUIPMENT	\$2,500	\$0	\$0	\$0	\$0	\$2,500
Supplies						
<i>Office and related supplies</i>	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$7,500
TOTAL SUPPLIES	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$7,500
Contractual						
<i>Consulting associated with providing technical assistance, infrastructure and fleet needs</i>	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000

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	<i>evaluations, and grant writing assistance</i>						
	<i>Third-party administrator contract(s) for zero-tailpipe emissions infrastructure and diesel truck replacement competitions</i>	\$3,669,118	\$3,669,118	\$3,669,118	\$0	\$0	\$11,007,353
	<i>Workforce development contractor</i>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
	TOTAL CONTRACTUAL	\$5,069,118	\$5,069,118	\$5,069,118	\$1,400,000	\$1,400,000	\$18,007,353
	OTHER						
	<i>Subaward to OK DEQ</i>	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$650,000
	<i>Printing and publication fees</i>	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$20,000
	<i>Participant Support Costs</i>		\$62,375,000				\$62,375
	TOTAL OTHER	\$134,000	\$62,509,000	\$134,000	\$134,000	\$134,000	\$63,045,000
	TOTAL DIRECT	\$5,282,740	\$67,657,416	\$5,284,657	\$1,617,847	\$1,620,225	\$81,462,885

Indirect Costs	Indirect Costs						
	<i>salary * 65.8%</i>	\$41,115.10	\$42,348.55	\$43,619.01	\$44,927.58	\$46,275.40	\$218,286
							\$0
	TOTAL INDIRECT	\$41,115	\$42,349	\$43,619	\$44,928	\$46,275	\$218,286

TOTAL FUNDING		\$5,323,855	\$67,699,764	\$5,328,276	\$1,662,775	\$1,666,500	\$81,681,170 0
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2. Expenditure of Awarded Funds

E&E, as the lead agency, will expend and account for awarded funds in accordance with state laws and procedures for expending and accounting for the state's own funds. The financial management system for E&E complies with the requirements of 2 CFR 200.302(b). To ensure funds are expended in a timely manner and are within the period of performance, E&E will immediately enter into a subaward agreement with OK DEQ to facilitate disbursement of subaward funds in both states. Selected project sponsors will enter into a memorandum of agreement with E&E or OK DEQ. Disbursement of participant support costs will be contingent upon satisfying the terms of that agreement. These agreements will include controls by adhering to all applicable pass-through requirements for subrecipients in accordance with [EPA's Subaward Policy](#) and [EPA's General Term and Condition for Subawards](#). E&E will also track actual versus anticipated expenditures over the project lifecycle and implement a correction strategy early to alleviate fiscal problems that can become significant issues if not tended to in a timely manner. The semi-annual reports and final report will include a breakdown of expenditures associated with the implementation of this proposal.

3. Reasonableness of Cost

The narrative below details how each budget item/cost relates to the project narrative and specific emission reduction activities.

d. E&E Personnel and Fringe

Personnel	Role
Shane Khoury, Cabinet Secretary	Executive approval of all decisions made by E&E in implementing this grant and participation on the executive selection committee for projects funded under the infrastructure and class 8 truck replacement competitions
Andrea Hopkins, Associate Energy Administrator	Direction and coordination of staff and consultants involved with this proposal
Project Staff Manager	Managing day-to-day activities of project staff
Outreach and Analysis Staff	Public outreach, public meetings, LIRC engagement, technical assistance, and other support activities
Grants Management Staff	Management of grant budget, expenditures, and reporting

The fringe rate for E&E is 36.27% of salary.

e. E&E Travel

E&E anticipates up to four intrastate trips for community meetings, outreach, and technical assistance associated with this proposal.

f. E&E Equipment

E&E does not anticipate any direct expenditure by the agency on equipment from the implementation of this proposal.

g. E&E Supplies

E&E anticipates that minor office supply expenses will be incurred for staff use in implementing this proposal. Examples may include paper, ink and toner, pens, notebooks, boards and easels, folders, binders, tape, staples, and other general small and consumable items.

h. E&E Contractual

E&E will select a third-party administrator to perform the day-to-day implementation of the Clean Transportation Connection competitions E&E will enlist consulting services for additional support associated with providing technical assistance, zero-tailpipe emissions infrastructure and fleet needs evaluations, workforce development, and grant writing. Funds directed for disbursement for specific projects by the third-party administrator are listed as participant support costs in the “Other” budget category.

i. E&E Other

Participant support costs include incentives paid to sponsors of selected projects as outlined below:

- Clean Transportation Connection Infrastructure (Total Participant Support Costs: \$43,125,000)
 - Tulsa Area Clean Transportation Charging and Refueling Site: The Coalition will pay up to \$9,125,000 to defray the cost after state and federal tax credits of design, construction, equipment, and installation associated with installing two hydrogen refueling lanes and four 350 kW direct current fast chargers at a site within 1 mile of Highway 412 in the Tulsa area. If the Coalition chooses to allow the hydrogen and charging infrastructure to be deployed at separate sites, the incentive breakdown is as follows:
 - \$7,600,000 for hydrogen refueling and
 - \$1,525,000 for fast charging
 - Springdale Area Clean Transportation Charging and Refueling Site: The Coalition will pay up to \$17,000,000 to defray the cost after federal tax credits of design, construction, equipment, and installation associated with installing two hydrogen refueling lanes and four 350 kW direct current fast chargers at a site within 1 mile of Highway 412 in the Springdale area. If the Coalition chooses to allow the hydrogen and charging infrastructure to be deployed at separate sites, the incentive breakdown is as follows:
 - Up to \$13,900,000 for hydrogen refueling and

- Up to \$3,100,000 for fast charging
 - Central Arkansas Area Clean Transportation Charging and Refueling Site: The Coalition will pay up to \$17,000,000 to defray the cost after federal tax credits of design, construction, equipment, and installation associated with installing two hydrogen refueling lanes and four 350 kW direct current fast chargers at a site within 1 mile of Interstate 40 in Central Arkansas. If the Coalition chooses to allow the hydrogen and charging infrastructure to be deployed at separate sites, the incentive breakdown is as follows:
 - Up to \$13,900,000 for hydrogen refueling and
 - Up to \$3,100,000 for fast charging
 - These incentives cannot be used to meet cost-share requirements for other state or federal grants.
- Clean Transportation Connection Diesel Replacements (Total Participant Support Costs: \$10,500,000)
 - Up to \$385,000 per vehicle for replacing class 8 heavy-duty diesel trucks with a zero-tailpipe emissions equivalent.
 - Replaced diesels must be scrapped after receipt of the zero-tailpipe emissions equivalent as a condition of funding.
 - The incentive cannot be used to meet cost-share requirements for other state or federal grants.

A sub-award of \$650,000 to OK DEQ will support the following activities:

- Staffing and contractual costs necessary to fulfill the Coalition members roles and responsibilities under this proposal;
- Planning and implementation meetings, workshops, and convenings necessary to perform community and stakeholder outreach and education within Oklahoma;
- Modeling and analytical costs, including purchase or licensing of software, data, or tools;
- Studies, assessments, data collection, etc. needed to track, measure, and report actual accomplishments related to this measure;
- Evaluation and metrics-tracking activities;
- Training and staff capacity-building costs;
- Supplies (e.g., office supplies, software, printing, etc.);
- Incidental costs related to the above activities, including without limitation: travel, membership fees, and indirect costs; and
- Other allowable activities as necessary to fulfill the Coalition members' roles and responsibilities under this proposal.

j. E&E Indirect Costs

The indirect cost rate for E&E is 65.8% of salary.