

## 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. Metroplan's 25% fringe includes the cost of leave, employee insurance, retirement contributions, unemployment, 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. Subawards to governmental entities, nonprofits, and state institutions 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 the coalition member's jurisdiction;
  - 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.
- **Indirect:** Metroplan uses the following formula to calculate indirect costs:  
*Direct Costs, less distorting or other factors such as contracts and equipment*  
*(Indirect Rate x (Total Direct Cost – Distorting Factors) = Indirect Costs)*

Metroplan allocates expenses among its various programs and supporting services. Direct costs that are identifiable with a specific program or supporting service are charged to that program or service at the time the costs are incurred.

Indirect costs that benefit or support all programs or services are allocated to projects based on the ratio of total indirect costs to total direct costs. A new indirect cost allocation rate is established each year based upon the activity during the calendar year. Indirect costs are allocated to each project based upon this established rate.

The final calculated indirect cost rate was 62.3508% of direct program services costs (excluding interest, subcontractor and certain consulting fees, and budget items categorized as “other” in this proposal) for the year December 31, 2022. The 2022 rate of 62.3508% will be utilized as the provisional indirect cost rate for this proposal.

Metroplan’s indirect expenses include:

- Outside printing
- Repairs and maintenance
- Technology expenses
- Materials and supplies
- Equipment rental
- Postage
- Professional memberships
- Office rent
- Telephone
- Travel/training
- Insurance
- Professional services
- Public relations
- Depreciation and amortization
- Automobile expenses
- Legal notices
- Other operating expense

An explanation of costs associated with each measure and supporting efforts, including grant administration and workforce, and a consolidated budget are presented below. A breakdown of costs for each budget category for each measure is provided in the CPRG Implementation Grants Budget Table included with this proposal.

### 1. Green Networks

See the “Green Networks Budget” in the CPRG Implementation Grants Budget Table included with this proposal for itemized costs associated with each budget category.

- **Metroplan Personnel and Fringe:** Metroplan proposes to hire one full-time Energy Ambassador at a starting salary of \$75,000 per year to promote and provide technical assistance across all CPRG-funded projects in Central Arkansas. In the first two years of the grant, the Energy Ambassador will spend 20% of their time on the Green Networks measure, assisting governmental and nonprofit organizations pursuing land conservation and restoration goals. In the final three years of the grant once the bulk of pass-through funding has been awarded and projects have kicked off, the Energy Ambassador will focus 10% of their time on land conservation and restoration. An additional 10% of the Energy

Ambassador's time will be spent on assisting cities and counties implementing Central Arkansas Regional Greenway trail construction, which supports the goals of the Green Networks measure. However, this additional 10% will be funded through Metroplan's federal transportation planning program, not this grant proposal.

- **Metroplan Travel:** Travel costs for the Energy Ambassador are included in Metroplan's indirect cost rate.
- **Metroplan Equipment:** None
- **Metroplan Supplies:** Supply costs for the Energy Ambassador are included in Metroplan's indirect cost rate.
- **Metroplan Contractual:** None
- **Metroplan Other:**
  - **Participant support costs for the Green Networks measure include:**
    - Pass-through grants for bicycle-pedestrian infrastructure in Central Arkansas
    - Pass-through grants for land acquisition and conservation along Central Arkansas Regional Greenway alignments
    - Pass-through grants for land restoration and tree/vegetation planting in Central Arkansas
  - **Subawards for the Green Networks measure include:**
    - Subaward to City of Fort Smith for complete streets/alleyway conversion
    - Subaward to Trailblazers for e-bike rebate program administration and rebates in Central and Northwest Arkansas, and Fort Smith. Trailblazers, a nonprofit headquartered in northwest Arkansas, will execute and manage the e-bike incentive program including:
      - Designing the parameters of the program such as eligible participants, eligible purchases, and prioritized applicants and/or areas;
      - Maintaining records and compiling reports to satisfy federal grant requirements;
      - Procuring a contractor, in accordance with federal standards, to provide digital administration of the e-bike voucher application and award system;
      - Coordinating with local bicycle shops in Northwest Arkansas, Central Arkansas, and Fort Smith to encourage participation and connection with the contractor;
      - Organizing e-bike demonstrations and group rides to increase interest and teach safe e-bike operation;
      - Strategically promoting the program and elevating its visibility through targeted marketing, paid media, and compelling materials across many different channels; and
      - Leveraging existing partnerships with community organizations to advertise and market the program.
    - Subawards to the Cities of Fayetteville, Lowell, Rogers, and Springdale; the University of Arkansas; the Watershed Conservation Resource Center (WCRC); the Northwest Arkansas Land Trust (NWALT); and the Illinois River Watershed Partnership (IRWP) for restoration, preservation, and trail construction in Northwest Arkansas.

- **Metroplan Indirect Costs:** Metroplan’s indirect costs for the portion of the Energy Ambassador’s salary and fringe spent on the Green Networks measure equal \$40,679 over the 5-year grant performance period. The indirect costs include all travel, equipment, and supplies to support the Energy Ambassador’s activities.

## 2. Transportation Efficiency

See the “Transportation Efficiency Budget” tab in the CPRG Implementation Grants Budget Table included with this proposal for itemized costs associated with each budget category.

- **Metroplan Personnel and Fringe:** Metroplan proposes to hire one full-time Energy Ambassador at a starting salary of \$75,000 per year to promote and provide technical assistance across all CPRG-funded projects in Central Arkansas. Over the five years of the grant, the Energy Ambassador will spend 10% of their time on the Transportation Efficiency measure, assisting governmental and nonprofit organizations requesting CPRG participant support costs or other grant resources for fleet electrification, EV charging installation, and streetlight conversion to LED.
- **Metroplan Travel:** Travel costs for the Energy Ambassador are included in Metroplan’s indirect cost rate.
- **Metroplan Equipment:** None
- **Metroplan Supplies:** Supply costs for the Energy Ambassador are included in Metroplan’s indirect cost rate.
- **Metroplan Contractual:** None
- **Metroplan Other:**
  - **Participant support costs for the Transportation Efficiency measure include:**
    - Rebates to cities, counties, and nonprofits for the incremental cost of replacing light-duty fleet trucks with battery-electric trucks in Central Arkansas;
    - Rebates to cities, counties, and nonprofits for the purchase and installation of Level 2 EV charging stations in Central Arkansas; and
    - Stipends to cities and counties for the replacement of non-LED streetlights with LED fixtures in Central Arkansas.
  - **Subawards for the Transportation Efficiency measure include:** Subaward to City of Fort Smith for EV charging infrastructure installation (\$3,250,000).
- **Metroplan Indirect Costs:** Metroplan’s indirect costs for 10% of the Energy Ambassador’s salary and fringe for time spent on the Transportation Efficiency measure equal \$29,550 over the 5-year grant performance period. The indirect costs include all travel, equipment, and supplies to support the Energy Ambassador’s activities.

## 3. Building Efficiency

See the “Building Efficiency Budget” tab in the CPRG Implementation Grants Budget Table included with this proposal for itemized costs associated with each budget category.

- **Metroplan Personnel and Fringe:** Metroplan proposes to hire one full-time Energy Ambassador at a starting salary of \$75,000 per year to promote and provide technical assistance across all CPRG-funded projects in Central Arkansas. Over the five years of the grant, the Energy Ambassador will spend 50% of their time on the Building Efficiency measure, assisting local governments, nonprofits, commercial building owners, and residents to access funding and community resources for weatherization, building efficiency upgrades, and renewable energy implementation.

- **Metroplan Travel:** Travel costs for the Energy Ambassador are included in Metroplan's indirect cost rate.
- **Metroplan Equipment:** None
- **Metroplan Supplies:** Supply costs for the Energy Ambassador are included in Metroplan's indirect cost rate.
- **Metroplan Contractual:** None
- **Metroplan Other:**
  - **Participant support costs for the Building Efficiency measure include:** Stipends to public Energy Savings Performance Contracting (ESPC) participants in Central Arkansas to assist with start-up costs and/or reduce needed loan amounts. Stipends will be up to \$500,000 each for a total of \$3,500,000.
  - **Subawards for the Building Efficiency measure include:**
    - Subaward to the City of Fort Smith (\$2,100,000) to install an 850 kW DC solar array on the Fort Smith Housing Authority's Nelson Hall Homes public housing development.
    - Subaward to the LIT Bill and Hillary Clinton National Airport (\$7,750,000) for the construction of a well field to serve a geothermal HVAC system at the airport's Central Utility Plant. CPRG grant funds will contribute to the overall \$24,374,000 project cost before incentives and grants.
    - Subaward to the Arkansas Advanced Energy Foundation (\$3,500,000) for the creation and administration of a Central Arkansas-wide Commercial Property Assessed Clean Energy (CPACE) program and Revolving Loan Fund (RLF) to fund small and mid-sized loans to commercial building owners to implement efficiency upgrades.
- **Metroplan Indirect Costs:** Metroplan's indirect costs for 50% of the Energy Ambassador's salary and fringe spent on the Building Efficiency measure equal \$147,749 over the 5-year grant performance period. The indirect costs include all travel, equipment, and supplies to support the Energy Ambassador's activities.
- **Commercial Property Assessed Clean Energy Revolving Loan Fund (CPACE RLF) Program Income:** The project outputs and GHG emissions reduction outcomes reported in this proposal use the conservative assumption that all loans made through the RLF will be repaid with 0% interest. This approach would create program income of \$337,500 during the grant performance period (2025-2029), which is the figure reported in the "Program Income" section of the budget on grants.gov. If the RLF's final structure generates interest income, it will increase the number and size of projects that the RLF is able to fund in the long-term, thus increasing GHG emissions reductions beyond the anticipated amount quantified in this application.

#### 4. Workforce Development

See the "Workforce Development Budget" tab in the CPRG Implementation Grants Budget Table included with this proposal for itemized costs associated with each budget category.

- **Metroplan Personnel and Fringe:** Metroplan proposes to use 10% of the Energy Ambassador's time to support workforce development activities in partnership with the Arkansas Advanced Energy Foundation (AAEF). Throughout CPRG project implementation, the Energy Ambassador will

communicate workforce needs to AAEF and promote job, internship, and apprenticeship opportunities to the public, especially in LIDACs.

- **Metroplan Travel:** Travel costs for the Energy Ambassador are included in Metroplan's indirect cost rate.
- **Metroplan Equipment:** None
- **Metroplan Supplies:** Supply costs for the Energy Ambassador are included in Metroplan's indirect cost rate.
- **Metroplan Contractual:** None
- **Metroplan Other:** Workforce subawards include:
  - A subaward to the City of Fort Smith (\$750,000) will fund the hiring of a regional Energy Ambassador. The Energy Ambassador will spearhead energy efficiency projects, engage community members in sustainable practices, and implement initiatives aimed at reducing energy consumption and promoting renewable sources within the City. The Energy Ambassador will lead the charge in driving these projects forward, emphasizing Fort Smith's commitment to environmental stewardship and efficiency.
  - A subaward to the Arkansas Advanced Energy Foundation (AAEF) for workforce development (\$2,325,021) will include:
    - AAEF facilitation of workforce efforts
    - Curricula development
    - Training workshops
    - 10-week pre-apprenticeship program for 5 individuals
    - Apprenticeship administration costs
    - Stipends to apprentices used for support services or training
    - Stipends to organizations assisting with outreach to LIDAC residents
    - Marketing
    - Organization of and attendance at industry and career events
- **Metroplan Indirect Costs:** Metroplan's indirect costs for 10% of the Energy Ambassador's salary and fringe spent on workforce development activities equal \$29,550 over the 5-year grant performance period. The indirect costs include all travel, equipment, and supplies to support the Energy Ambassador's activities.

## 5. Grant Administration

See the "Grant Administration Budget" tab in the CPRG Implementation Grants Budget Table included with this proposal for itemized costs associated with each budget category.

- **Metroplan Personnel and Fringe:** Metroplan proposes to hire one full-time Grant Administrator at a starting salary of \$95,000 per year to manage, track, and report on all CPRG grant expenditures and implementation activities. The Grant Administrator will ensure that all subaward Memoranda of Agreement are executed and grant funds spent in compliance with state and federal regulations. They will draft qualification parameters and process applications for pass-through grants, rebates, and stipends.

In the first year of the grant, the Grant Administrator will spend 100% of their time on the CPRG grant, since most of the subawards and a large portion of the participant support costs will be processed in this timeframe. Each year thereafter, the Grant Administrator will shift a portion of their

time towards other Metroplan grant activities, with the non-CPRG portion of their position being paid for by other grants and/or Metroplan's general fund. The percentage of the Grant Administrator's time to be charged to the CPRG grant is as follows: Year 1: 100%; Year 2: 90%; Year 3: 80%; Years 4 and 5: 60%.

The total cost to CPRG for the Grant Administrator's salary, fringe, and indirect equals \$805,506. This sum provides for an annual salary of \$95,000, capable of retaining an employee experienced in federal grant regulations. Housing the Administrator at Metroplan provides full attention to the grant at a lower cost than retaining a third-party firm for grant administration.

- **Metroplan Travel:** Travel costs for the Grant Administrator are included in Metroplan's indirect cost rate.
- **Metroplan Equipment:** None
- **Metroplan Supplies:** Supply costs for the Grant Administrator are included in Metroplan's indirect cost rate.
- **Metroplan Contractual:** None
- **Metroplan Other:** None
- **Metroplan Indirect Costs:** Metroplan's indirect costs for the portion of the Grant Administrator's salary and fringe spent on CPRG grant administration equal \$309,354 over the 5-year grant performance period. The indirect costs include all travel, equipment, and supplies to support the Energy Ambassador's activities.

## 6. Consolidated Budget by Year

BUDGET BY YEAR						
CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
TOTAL PERSONNEL	\$158,000	\$154,440	\$142,771	\$127,109	\$132,194	\$714,515
TOTAL FRINGE BENEFITS	\$39,500	\$38,610	\$35,693	\$31,777	\$33,049	\$178,629
TOTAL TRAVEL	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CONTRACTUAL	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER	\$47,106,960	\$30,777,700	\$12,949,292	\$4,730,450	\$2,985,571	\$98,549,973
TOTAL DIRECT	\$47,304,460	\$30,970,750	\$13,127,756	\$4,889,337	\$3,150,814	\$99,443,117
TOTAL INDIRECT	\$123,143	\$120,368	\$111,274	\$99,067	\$103,030	\$556,882
<b>Total Funding</b>	<b>\$47,427,603</b>	<b>\$31,091,118</b>	<b>\$13,239,030</b>	<b>\$4,988,404</b>	<b>\$3,253,844</b>	<b>\$99,999,999</b>

## 7. Consolidated Budget by Project

BUDGET BY PROJECT		
Measure Name	Total Cost	% of Total
<i>Green Networks</i>	<i>\$68,485,874</i>	<i>68%</i>
<i>Transportation Efficiency</i>	<i>\$10,321,943</i>	<i>10%</i>
<i>Building Efficiency</i>	<i>\$17,234,713</i>	<i>17%</i>
<i>Workforce Development</i>	<i>\$3,151,964</i>	<i>3%</i>
<i>Grant Administration</i>	<i>\$805,506</i>	<i>1%</i>
<b>Total Funding</b>	<b>\$99,999,999</b>	<b>100%</b>

## 8. Expenditure of Awarded Funds

Metroplan will expend and account for awarded funds in accordance with state laws and procedures for expending and accounting for its own funds. The financial management system for Metroplan complies with the requirements of 2 CFR 200.302(b). An annual audit is also completed to confirm compliance with federal and state requirements. An independent third-party audit company also performs monthly/quarterly checks of Metroplan financial records.

Metroplan will enter into a subaward agreement with each coalition member prior to disbursement of subaward funds. These agreements will include all applicable pass-through requirements for subrecipients in accordance with EPA's Subaward Policy and EPA's General Term and Condition for Subawards.

Project funding will be managed through a reimbursement process. The project sponsor will be responsible for verifying the work is completed and to specs, making payment to the contractor, and then requesting reimbursement for funds expended. This can include partial invoices prior to the completion of the project. The coalition partners will complete visual inspections prior to reimbursement of project costs.

Should an organization be unable to afford the upfront cost of the project, Metroplan will include in its funding agreement with the partner a process for dispensing upfront award sums and documenting payment of project invoices for Metroplan's audit and grant reporting purposes.

The semi-annual reports and final report will include a breakdown of expenditures associated with implementation of this proposal.