



The State of New Hampshire
Department of Environmental Services

FIS 10 044

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Robert R. Scott, Commissioner

December 20, 2018

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

[Signature]
Approved by Fiscal Committee Date *12/21/19*

REQUESTED ACTION

Pursuant to RSA 14:30-a:VI, authorize the Department of Environmental Services (NHDES) to accept and expend \$138,064 from the State of New Hampshire's Volkswagen (VW) Mitigation Trust, through the Office of Strategic Initiatives, for assistance in administering grant programs for the Volkswagen funds, effective upon Fiscal Committee and Governor and Council approval through June 30, 2019. Funding is to be budgeted as follows:

OEP Clean Cities
03-44-44-443010-59250000
FY2019

Class	Budget Category	Current Budget	Requested Action	Revised Budget
Income				
009-40xxxx	OEP Clean Cities	(\$41,936)	(\$138,064)	(\$180,000)
Expenditures				
020-500200	Current Expense	\$300	\$106	\$406
040-500800	Indirect Costs	\$542	\$5,306	\$5,848
041-500801	Audit Fund Set Aside	\$400	\$0	\$400
042-500620	Additional Fringe Benefits	\$732	\$6,620	\$7,352
050-500109	Personal Service Temp	\$7,324	\$88,261	\$95,585
060-500601	Benefits	\$4,638	\$37,771	\$42,409
073-500580	Grants Non Federal	\$23,000	\$0	\$23,000
102-500731	Contracts for Program Services	\$5,000	\$0	\$5,000
TOTAL		\$41,936	\$138,064	\$180,000

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court, and
His Excellency, Governor Christopher T. Sununu
and the Honorable Council

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EXPLANATION

Funding in the amount of \$540,000 will be provided to NHDES for administrative support in the planning and implementation of diesel emission reduction projects utilizing VW Environmental Mitigation Trust funds. The purpose of this request is to budget funds for the balance of state fiscal year 2019 from the VW settlement received after the closing of the previous budget cycle. The timing of the funds did not allow for the addition of these funds to the account during the last budget cycle. The balance of the \$540,000 is included in the Fiscal Year 2020/2021 Operating Budget Request.

DES is requesting authorization to accept and expend \$138,064 in VW Settlement funds and to budget these funds as follows:

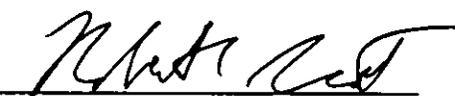
Class 020 *Current Expense* – Funds will be increased to cover material expenses associated with implementing the program.

Classes 040, 041, 042, 060 *Indirect Cost, Audit Fund Set Aside, Additional Fringe, and Benefits* – Funds in each class respectively, are necessary since there are personnel costs and these classes are based on a percentage of personnel costs.

Class 050 *Personal Service Temp* – The funds in class 050 will be used for existing staff positions. These funds will be used to supplant funding of the following positions, which are currently budgeted.

Position #	Title	Account (03-44-44)	Funding	Amount
40509	Supervisor VII	443010-5308-010	100% Other	\$26,297
43245	Mobile Sources Section Grant Manager	443010-5308-010	100% Other	\$17,667
43246	Program Specialist IV	443010-5308-010	100% Other	\$24,324
13059	Administrator IV	443010-9000-010	100% Federal	\$19,973
TOTAL				\$88,261

In the event that Federal and VW funds become no longer available, General funds will not be requested to support this program. We respectfully request your approval.


Robert R. Scott, Commissioner

FISCAL SITUATION
DEPARTMENT OF ENVIRONMENTAL SERVICES
OEP Clean Cities
03-44-44-443010-59250000
FY 2019

Total Award	540,000
Less Expenditures thru 6/30/18	<u>0</u>
Remaining Authorization to Budget	540,000
Less Current FY19 Budget Authorization	<u>41,936</u>
Total Available for Budgeting	498,064
REQUESTED ACTION	<u>138,064</u>
Available to Budget at a later date	\$360,000

Grant Award Number	Award Amount	Expenses to 6/30/2018	Balance
OSI VW SETTLEMENT FUNDS	540,000	0	540,000.00
TOTAL	<u>540,000</u>	<u>0</u>	<u>540,000.00</u>



CHRISTOPHER T. SUNUNU
GOVERNOR

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Becky Ocker

DIVISION OF PLANNING
DIVISION OF ENERGY
www.nh.gov/osi

October 17, 2018

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His Excellency, Governor Christopher T. Sununu,
And the Honorable Council
State House
Concord, New Hampshire 03301

APPROVED G & C

DATE 10/31/2018

ITEM # 50

REQUESTED ACTION

Authorize the Office of Strategic Initiatives (OSI) to enter into a Memorandum of Agreement (MOA) with the NH Department of Environmental Services (NHDES), (Vendor Code – 177894 B001), Concord, NH, in the amount of \$540,000 for administrative support in the planning and implementation of diesel emission reduction projects utilizing Volkswagen Environmental Mitigation Trust (Trust) funds, effective upon Governor & Executive Council approval, through June 30, 2021. 100% Volkswagen Funds.

EXPLANATION

OSI requests approval of this MOA, in an amount not to exceed \$540,000, to support NHDES' undertaking of administrative activities related to the solicitation, selection and implementation of projects utilizing funds from the Trust. The Office of Strategic Initiatives will not be holding any of the Volkswagen Environmental Mitigation Trust funds in its accounts. All funds will be transferred from Wilmington Trust to NHDES directly. Under the terms of the MOA, NHDES will provide input to OSI on content and format of information for OSI's Trust webpage, make recommendations to OSI regarding the type and timing of project solicitations under the terms of the Trust, evaluate and verify to OSI whether projects submitted for funding meet the requirements as set forth in the Trust, and assist OSI in project selection and development of contracts. NHDES may utilize up to \$5,000 for education and outreach materials and other initiatives, with prior approval from OSI.

These projects will be administered by NHDES. In the event Volkswagen Funds are no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

Jared Chicoine
Director
Officer of Strategic Initiatives

G&C 10/31/18

**MEMORANDUM OF AGREEMENT
BETWEEN
OFFICE OF STRATEGIC INITIATIVES
AND
DEPARTMENT OF ENVIRONMENTAL SERVICES**

This Memorandum of Agreement (MOA) describes activities that have been agreed to between the New Hampshire Office of Strategic Initiatives (OSI) and the Department of Environmental Services (NHDES) to utilize funding provided through the Volkswagen Environmental Mitigation Trust Agreement for State Beneficiaries (Trust) to reduce emissions of nitrogen oxides. The project completion date is June 30, 2021.

For the purposes of this MOA, OSI and NHDES agree as follows:

1. OSI and NHDES shall assign appropriate staff to oversee the implementation of this MOA.
2. The OSI website shall serve as the portal for all information required to be made public under the terms of the Trust. NHDES shall provide input to OSI related to the content and format of information included on the OSI Trust webpage and NHDES will provide a link to that information from their homepage and other appropriate pages.
3. NHDES shall make recommendations to OSI as the type and timing of requests for proposals (RFP) under the terms of the Trust.
4. NHDES shall, in consultation with OSI, draft RFPs for approval by OSI including information on project selection criteria and evaluation methods, which OSI shall release via their website.
5. OSI and NHDES shall individually and collaboratively seek and utilize opportunities to disseminate information about availability of funding under the Trust.
6. NHDES shall be responsible for receiving project applications in response to the release of RFPs, verifying to OSI whether projects submitted for funding meet the requirements as set forth in the Trust, conducting analyses of the estimated emissions benefits of project proposals, and assisting OSI in the project selection process.
7. OSI and NHDES shall seek opportunities for collaboration with outside funding to leverage available Trust funds.
8. NHDES shall submit a detailed Project Implementation Agreement (Agreement) for approval by OSI within thirty (30) days of Governor and Council approval of this MOA. The Agreement shall include:
 - a. The type of and timing for release of Request for Proposals for Trust funds, including a description of education and outreach plans regarding availability of funding;
 - b. A description of the project selection process for each RFP, including project eligibility determination, project application form, evaluation criteria, project scoring criteria, and methodology for estimating air quality benefits of a proposed project;

- c. The level(s) of matching funds that must be provided for each type of project, including those for government and non-government Eligible Mitigation Actions;
 - d. A description of reporting requirements to which grant recipients shall be subject; and
 - e. A description of how funding will be dispersed to grant recipients.
9. NHDES shall resubmit the Project Implementation Agreement (Agreement) annually to OSI at the beginning of each fiscal year for reevaluation.
10. OSI shall respond to the proposed Project Implementation Agreement within thirty (30) days of receipt and shall either approve the Agreement or recommend changes. Subsequent submittals and approvals shall be subject to a fifteen (15) day time period.
11. OSI shall serve as the lead agency and be responsible for all financial disbursements from New Hampshire's Trust account, including payment of administrative costs to NHDES and payment to project recipients, except as noted in Item 12 below.
12. OSI and NHDES shall collaboratively determine annually, or more often as needed, how much Trust funding will be provided as voluntary non-federal match for the New Hampshire State Clean Diesel program under the EPA Diesel Emission Reduction Act (DERA). Such agreement shall be prior to the deadline for submittal of the state's draft DERA program plan.
13. NHDES shall be the lead agency for the New Hampshire State Clean Diesel program. The voluntary non-federal match for the DERA program agreed to in Item 11 above shall be transferred to NHDES to be administered as part of the State Clean Diesel Program under a separate Memorandum of Agreement. NHDES shall provide OSI all necessary data pursuant to use of Trust funds under the DERA Option for reporting to the Trustee.
14. PROJECT COST: Administrative costs, not to exceed one hundred seventy-five thousand dollars (\$175,000) annually, may be used for salary and benefits for NHDES work under this MOA. NHDES may claim and will be reimbursed for expenses incurred on the development of the State's Beneficiary Environmental Mitigation Plan in FY 2019 since February 2018, if it is in accordance with the Trust rules. NHDES may utilize up to \$5,000 dollars of additional Trust administrative funds for costs associated with education and outreach materials as approved by OSI.
15. REPORTING: NHDES shall submit quarterly reports to OSI within thirty (30) days of the close of each quarter that include:
 - a. The number and type of projects applied for in the previous quarter;
 - b. The number and type of projects approved in the previous quarter;
 - c. Details of projects that have been funded including project proponent, vehicles/engines/equipment repowered and/or replaced and funding amount;
 - d. Steps NHDES has taken to inform eligible entities of funding availability;
 - e. A description of any outreach and education conducted by NHDES in the previous quarter to promote funding availability;
 - f. The calculated emission savings from the projects that have been funded to date; and
 - g. An accounting of the staff and number of hours of each that conducted administrative functions for this project as describe above in the previous quarter.

16. INVOICING: NHDES will submit detailed invoices and related backup documentation within thirty (30) days following the close of each fiscal quarter.
17. TERMINATION: Either party may terminate this MOA upon providing written notice to the other, thirty (30) days prior to termination. Upon termination, NHDES will be paid for all work completed prior to termination.
18. DURATION: The project duration extends from the date of approval by Governor and Council through June 30, 2021 for program activities, invoicing and program year closeout, unless terminated by either party, or extended in writing by subsequent agreement of the parties and acceptance by Governor and Council.

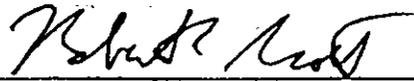
IN WITNESS WHEREOF, the respective parties have hereunto set their hands on the dates indicated.



Jared Chicoine, Director
NH Office of Strategic Initiatives

9/14/18

Date

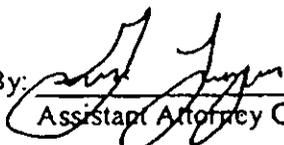


Robert R. Scott, Commissioner
NH Department of Environmental Services

9-19-18

Date

OFFICE OF THE ATTORNEY GENERAL

By: 

Assistant Attorney General

Date: October 16, 2018

I hereby certify that the foregoing agreement was approved by the Governor and Council of the State of New Hampshire at their meeting on _____.

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____