Local Infrastructure Hub: Module 5: Demystifying Capital Stacks and Budgeting
March 28, 2023
Your hosts today

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Director, Witt O'Brien's

- 25+ years of experience in program development, management, and implementation for the public sector and non-profits
- 15+ years managing grant programs for the public sector and philanthropic organizations across Arizona
- Supported the Arizona Governor's Office of Strategic Planning and Budgeting in response to the COVID-19 pandemic

Keiona Miller
Course Deliverer and Facilitator, NLC

- Instructor and Director at Jackson State University for 14 years
- Served as Corporate Trainer at WorldCom for 7 Years
- Langevin Trained Trainer
- M.A. in History from Jackson State University
Expected learning outcomes for Module 5

Upon successful completion of this module, city teams will be able to:

✓ Understand the fundamentals of capital stacks with respect to eligibility for federal funding, including knowing possible local match requirements or limitations and allowable uses.
✓ Apply this knowledge to developing a draft project budget for their application, with matching sources and potential new sources of funding.
Demystifying Capital Stacks and Budgeting
Charging and Fueling Infrastructure (CFI) Grant Program

- Besides those project or programmatic pieces, the majority of grants will require a budget and budget narrative.
  - A high level budget is usually captured by the federal program by the Standard Form (SF) 424 family, specifically:
    - SF-424A - Non-construction
      - SF-424B - Assurances for Non-Construction Programs
    - SF-424C - Construction
      - SF-424D - Assurances for Construction Programs
    - Also, the totals will be entered into the SF-424, section 18, Estimated Funding
  - The budget narrative is really a budget justification showing the math behind the stated budget categories in your SF-424 and providing context to the stated figures including your match/cost share.
Charging and Fueling Infrastructure (CFI) Grant Program

● Grant Program Parameters for the Corridor Grants
   1. What are the eligible uses or allowable costs with the federal funding?
      ■ Alternative Fuel Corridor Grants
         ● Minimum/maximum award amounts: $1M/No Maximum
            ○ Eligible costs:
              ■ Contracting with a private entity for acquisition and installation of eligible infrastructure.
              ● First 5 years of operations and maintenance costs associated with installed eligible infrastructure.
              ■ Acquisition and installation of traffic control devices located in the right-of-way to provide directional information to eligible infrastructure included in the project.
Charging and Fueling Infrastructure (CFI) Grant Program

● Grant Program Parameters for the Community Grants
  1. What are the eligible uses or allowable costs with the federal funding?
     ■ **Community Charging and Fueling Program Grants**
       ● Minimum/maximum award amounts: $500K/$15M
         ○ Eligible costs:
           ■ Acquisition and installation of eligible infrastructure.
           ■ Development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities.
           ■ Educational and community engagement activities to promote zero-emission vehicle adoption/usage and its infrastructure.
             ● Up to 5% of award amount
Charging and Fueling Infrastructure (CFI) Grant Program

- Additional parameters to consider:
  
  2. **Is there a match or cost share requirement?**
     - From the NOFO/NOFA page 19, “[a]wardees must provide at least 20 percent of the total project cost (not 20 percent of the Federal share) as a matching share.”
     - So, a 20% match/cost share for applicants

  3. **Are applicants allowed to apply their negotiated indirect cost rates or the de minimis rate to the project/budget?**
     - De minimis being up to 10%

  4. **Your project timeline vs. the grant performance period/period of performance**
     - **Federal FY22** awards will need to obligate funding by September 30, 2025 and expend it by September 30, 2030.
     - **Federal FY23** awards will need to obligate funding by September 30, 2026 and expend it by September 30, 2031.
Charging and Fueling Infrastructure (CFI) Grant Program

- Within your budget, you should account for every possible cost associated with your project
  - Use the SF-424s to guide your budget formation

<table>
<thead>
<tr>
<th>SF-424A</th>
<th>SF-424C</th>
</tr>
</thead>
<tbody>
<tr>
<td>○ Personnel</td>
<td>○ Administrative and Legal Expenses</td>
</tr>
<tr>
<td>○ Travel</td>
<td>○ Relocation Expenses and Payments</td>
</tr>
<tr>
<td>○ Equipment</td>
<td>○ Architectural and Engineering Fees</td>
</tr>
<tr>
<td>○ Supplies</td>
<td>○ Other Architectural and Engineering Fees</td>
</tr>
<tr>
<td>○ Contractual</td>
<td>○ Project Inspection Fees</td>
</tr>
<tr>
<td>○ Construction (non-Earthwork)</td>
<td>○ Site Work</td>
</tr>
<tr>
<td>○ Other</td>
<td>○ Demolition and Removal</td>
</tr>
<tr>
<td>○ Indirect Costs</td>
<td>○ Construction</td>
</tr>
<tr>
<td></td>
<td>○ Equipment</td>
</tr>
<tr>
<td></td>
<td>○ Miscellaneous</td>
</tr>
<tr>
<td></td>
<td>○ Indirect Costs</td>
</tr>
</tbody>
</table>
Charging and Fueling Infrastructure (CFI) Grant Program

- Detailed project budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Cost Source (operational budget, other grant funding, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EV Charging Station Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.g., Two ChargePoint dual port, networked chargers</td>
<td>$</td>
<td>17,000.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$</td>
<td>17,000.00</td>
</tr>
<tr>
<td><strong>Installation Parts and Labor</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permits</td>
<td>$</td>
<td>400.00</td>
</tr>
<tr>
<td>Trenching/boring work and labor</td>
<td>$</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Electrical conduit parts and labor</td>
<td>$</td>
<td>2,400.00</td>
</tr>
<tr>
<td>Poured foundation parts and labor</td>
<td>$</td>
<td>800.00</td>
</tr>
<tr>
<td>Traffic protection parts and labor (if needed)</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Other electrical system upgrades/additions (e.g., panel and circuitry, meter, etc.)</td>
<td>$</td>
<td>1,000.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$</td>
<td>5,600.00</td>
</tr>
<tr>
<td><strong>Other Project Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.g., Landscaping, signage, parking space painting</td>
<td>$</td>
<td>200.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$</td>
<td>200.00</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>$</td>
<td>22,800.00</td>
</tr>
</tbody>
</table>
Required Forms for Your Application

- SF-424A for Non-Construction Programs
Required Forms for Your Application

- SF-424A (continued)
Required Forms for Your Application

- SF-424C for Construction Programs
Required Forms for Your Application

- **SF-424**
  - Federal - the amount that you are asking for in the application
  - Applicant - your match/cost share contribution
  - State - any state funding provided as match/cost share
  - Local - another municipality's match/cost share contribution
  - Other - 3rd party match/cost share contribution
  - Program Income - N/A
Matching Requirements
What is your municipality considering for its match/cost share?
Matching Requirements

- Match/cost share
  - Total project costs x 80% = federal share
  - Total project costs x 20% = applicant share

- Match/cost share considerations:
  - Other federal grant programs
  - Do both programs allow for the usage of their funding for match/cost share, CFI and the other grant program?
    - US Treasury’s State and Local Fiscal Recovery Fund (SLFRF)
      - Final Rule FAQ 4.6, “generally, yes, if using funds available under the revenue loss eligible use category, and no, if using funds under any other eligible use category,” except in some specific cases
    - Laying conduit for broadband, already performed a NEPA possibly, exposed trench, etc.
      - Leverage that work and funding for this project, both match/cost share but also to expedite the project timeline
Examples and Resources to Support Matching

○ **State programs**
  ■ Federal funding pass-through
    ● [US Department of Energy’s State Energy Program (SEP)](https://www.energy.gov)
  ■ Related general fund programs and/or match/cost share fund that non-state entities can utilize e.g., [Database of State Incentives for Renewable & Efficiency (DSIRE)](https://dsireusa.org) and [State of Colorado](https://www.colorado.gov)

○ **Local**
  ■ Federal funding pass-through
    ● [US Department of Energy’s Energy Efficiency and Conservation Block Grant](https://eeblockgrant.energy.gov)
  ■ Related fees, taxes, utility fund, etc.

○ **Other resources**
  ■ 3rd party contribution
    ● Credit for previous charging infrastructure that is being removed
    ● Engagement space provided by a nonprofit e.g., [Clean Cities Coalition](https://www.cleancitiescoalition.org)
Budget Narratives
Charging and Fueling Infrastructure (CFI) Grant Program

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Name</th>
<th>Annual Salary/Rate</th>
<th>Level of Effort</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>EV Infrastructure Coordinator</td>
<td>Jane Doe</td>
<td>$85,000</td>
<td>50%</td>
<td>$42,500</td>
</tr>
<tr>
<td>Policy Analyst</td>
<td>Jane Smith</td>
<td>$85,000</td>
<td>75%</td>
<td>$63,750</td>
</tr>
<tr>
<td>Grants Management Analyst</td>
<td>Joe Smith</td>
<td>$60,000</td>
<td>25%</td>
<td>$15,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$121,250</strong></td>
</tr>
</tbody>
</table>

**NARRATIVE JUSTIFICATION:** The table above contains the top 3 executives being funded either partially or fully for this project. No other personal has been projected for funding by these grant funds. The stated “Annual Salary/Rate” for each position is normal and complimentary to the stated job duties and roles within the grant and normal [Insert Local Government Name] policies (human resource or otherwise).

Electric Vehicle Infrastructure Coordinator (.50 FTE)

Jane Doe will be responsible for the overall project scope and implementation of statewide strategy. All team members will report to Aaron.

Policy Analyst (.75 FTE)

Grants Management Analyst (.25 FTE)

In this role, Joe Smith will be the day-to-day grants administrator ensuring compliance with the terms and requirements of the grant award. Joe will be responsible for ensuring that all related certifications and assurances are complied with along with all programmatic reporting including financial and progress reports.

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Annual Salary/Rate</th>
<th>Level of Effort</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>
Tools and Templates
Tools and Templates for Module 5: Demystifying Capital Stacks and Budgeting

The following resources can help **strengthen core components** of your grant application:

- SF-424 Excel Spreadsheet
- Simplified Project Budget Excel Spreadsheet
- Budget Narrative/Justification Word Template
- USDOT EV Infrastructure Project Planning Checklist
- USDOT Charging Forward: A toolkit for planning and funding rural electric mobility infrastructure
- USDOT Rural EV Infrastructure Funding Matrix
- USDOT EV Charging Financial Analysis Tool
  - Provides financial analysis of owning and operating EV charging stations