



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
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<http://www.epa.gov/region08>

Ref: 8P-SA

State Environmental Directors:

Enclosed is the EPA Region VIII Compendium of Guidance for preparing or amending Performance Partnership Agreements (PPAs) for FFY 2007. Where new guidance has not been issued, previous guidance is still in effect. This is in accordance with 40CFR Part 35, which indicates that grant applicants should base their applications on guidance "in place at the time the application is being prepared." The 2007 Compendium is provided on the enclosed CD-ROM and is available at <http://www.epa.gov/region08/coop.html>. It is being sent as the official "Guidance of Record".

The President's Budget for EPA for 2007 has directed one significant change that impacts PPAs and the agreements for a number of categorical grants. It says in part, "EPA will develop a standardized template that all states will use to develop and submit their state grant agreements. This new template will include clear linkages to EPA's *Strategic Plan* and long-term and annual goals, as well as consistent requirements for regular performance reporting."

To meet this requirement, EPA National Program Managers (NPMs) with the assistance of ECOS have developed templates which must be appended to the workplans for the affected program grants. Each categorical grant has its own template section, which is included in the NPM's grant guidance. Each template section uses the same format with the same columns. For categorical grants, the template section for that grant must be attached to the workplan. For PPGs, the template section for each grant included in the PPG must be attached. The template must be attached or appended to the workplan before the region (or NPM) can award FY 2007 grant funds to the state. EPA's national guidance on the use of the templates with a list of the grants for which they must be used is included in the Compendium. Please contact your State Planning Manager with any questions you have.

We anticipate that we will also need to negotiate at least minor revisions to the existing Agreements, due to other modifications in national and regional guidance and updated joint priorities. Please note that we continue to expect that your commitments to maintain base programs, report on program performance measures, maintain national data bases, and prepare or update quality assurance plans, as appropriate will be included in the Agreements

The Priority Planning and Resource Allocation (PPRA) process document that was created by the joint State/EPA work group in FY 2005 is included in the Compendium. It provides the schedule of significant milestones for negotiating and completing PPAs by September 30th, as well as milestones for the balance of the annual cycle.

Questions regarding specific program guidance, please contact the individual EPA program Director.
Questions about the Compendium can be directed to Dale Murphy at 303-312-6126.

Sincerely,

/s/ *John O. Hidinger*

John O. Hidinger

State Partnerships & Sustainable Practices Program