

**NCEI State Innovation Grant (SIG)
FY08 Pre-competition Meeting Summary**

This meeting summary contains two components of the pre-competition workshops, including: 1) the date, EPA Region, and States that participated, and 2) a compilation of the questions that were asked during these sessions.

Wednesday, September 26, 2007, Participants:

EPA Headquarters	Several EPA Regions	Mississippi
Georgia	Missouri	Alabama
Florida		

Monday, October 1, 2007, Participants:

EPA Headquarters	Several EPA Regions	Oklahoma
Arkansas	Louisiana	Texas

Thursday, October 4, 2007, Participants:

EPA Headquarters	Several EPA Regions	Idaho
Tennessee	Kentucky	Michigan
Maine	Georgia	Ohio
Louisiana	Colorado	Mississippi
New Mexico (University)		

Friday, October 12, 2007, Participants:

EPA Headquarters	Indiana	Mississippi
South Carolina	Utah	Arizona (Pima County)

General Agenda:

- I. Introductions
- II. General Overview (including theme or possible subject areas, states re-delegation of authority, team approaches, eligibility, policy on sub-contracting, policy on environmental results, data collection)
- III. Questions and Answers
- IV. Meeting Wrap-up

Questions and Answers (Q&A):

The Q&As are organized in broad categories (theme or possible subject areas, states re-delegation of authority, team approaches, eligibility, policy on sub-contracting, policy on environmental results, data collection, general) and then topically according to the words in bold.

THEME OR POSSIBLE SUBJECT AREAS

Q1: The preliminary announcement indicated that you may be seeking proposals with **performance track** (PT) incentives. What types of projects would you be looking for with reference to Performance Track?

A1: Under the general subject of innovation in permitting, EPA hopes that States will propose projects that expand participation in performance-based, beyond-compliance programs such as Performance Track. As Environmental Management Systems (**EMSs**) are a principal component of the Performance Track program, we see this as an opportunity to increase the number of facilities that develop and implement EMSs. We are also interested in how EMSs may play a role in, or become specific components of any package of incentives offered to facilities performing beyond-compliance, e.g., a flexible air permits. Additionally, we are interested in how states might make connections between EMSs and any other incentives offered to encourage facilities to exceed compliance standards, which will hopefully expand participation in Performance Track and State performance-based programs.

Q2: Are there visible **results** from the State Innovation Grants program?

A2: Yes, are beginning to see results from projects that received awards in our first and second competitions. The work from ERP projects in particular is very data-rich. Results for most projects are generally not apparent in the first year, so it can appear to be an intensive, drawn-out process. After a few years, states can see a great change in trends for compliance and participation. There is concrete data for the states that have been involved for longer periods of time, but the newer practitioners are still in the early stages of data collection. More information on the ERP program can be found at: www.epa.gov/permits.

Q3: If an award were given to a state to develop a sector-specific ERP project in the past, can that same state or another state apply for a grant to **ramp up** the project on a broader scale?

A3: States could receive a 2nd grant for the expansion of an ERP program to include other sectors, but would not be provided to sustain an innovation that had been tested under a previous grant. Due to specific language that we include in the solicitation, the awards from this program are not intended to be continuation grants. Our hope is that after realizing environmental benefits, process efficiencies, and cost savings, the states would have the additional resources (or take the initiative to pursue) needed to sustain the project or program.

We would be interested in seeing another state take on a project and scale it up. Of even more interest would be taking the lessons learned from one project and applying them to a whole new sector. We are looking for diffusion of lessons learned, particularly in sectors that have not been focused on by regulators, but have a significant environmental impact. Some sectors may not have a lot of emphasis being put upon them, but may be ripe for innovation in many states.

Q4: Are there any **areas of focus** that the EPA would like to see based upon work that is already being done?

A4: No. For this particular grant, we wouldn't want to limit work to any specific area. We would like to see, however, an ERP, PT, or EMS in a sector that has not been previously used. For example, in the 2007 competition several states submitted innovative proposals (ERP and PT) related to stormwater management. On the other hand, depending upon the size of the state and the resources, as well as past experience, states can build upon lessons learned by other past grant recipients or other state projects.

Q5: Can states design a proposal that contains components from both **ERP and EMS, ERP and PT, or other combination projects** ?

A5: Yes. In the 2007 competition, Washington proposed a combined ERP and state leadership program (PT) for the autobody sector. In the 2004 competition, Wisconsin proposed both ERP and EMS components for the printing sector: EMS for large facilities, ERP for small facilities.

Q6: Would EPA consider a proposal that extends the ERP model beyond a single sector (e.g., autobody repair) to a **multi-sector approach** that addresses several sources of a problem (e.g., the many sectors in the surface coating industry such as autobody repair, body fabrication, etc.

A6: Yes, in fact in the 2007 round we did make an award for a state (Maine) with exactly that approach for applying ERP to storm water management.

Q7: Could a State Innovation Grant be used for an innovation project related to **Clean Air Act Title V Operating Permits**? Because these programs are funded through statutorily allowed fees is there any problem using grant money for an innovation project?

A7: State Innovation Grant funds can be used to pilot test innovation in Title V permit programs. Since the grant funds would not be used to pay the permit fee, or used to support the general operation of the program, but rather the special innovation

project operation, there is no prohibition on using the Grant Program funds in this way.

TEAM APPROACHES

Q8: Can states submit **team proposals**?

A8: Yes, the Preliminary Notice of Intent to Conduct a 2008 Competition (FRL-8468-6, 72 FR 52558-52561, September 14, 2007) states that we will be accepting team proposals. EPA will accept one team proposal (multi-state, multi-agency, state-tribe) in addition to an individual state proposal. One award will be made per project, so the proposal would need to identify one state to receive the award.

Q9: What **types of partnerships** would EPA consider as teaming relationships for the purpose of evaluating a pre-proposal?

A9: Certainly joint projects (although only one state can receive a grant and it in turn would establish a sub-award relationships with other agencies) with environmental regulatory agencies in other states would be good examples, or with agencies in their own states that have primary permitting responsibility through a re-delegation of authority. Other relationships might include a collaboration between a state environmental agency and other local or municipal government organizations regardless of whether or not they are a permitting agency (e.g., local planning agencies on issues related to smart growth and water infrastructure). State agencies have also partnered with colleges and universities (e.g., to develop training and compliance tools and present the training to stakeholders).

ELIGIBILITY

Q10: Do **interstate organizations, Regional organizations, or Roundtable working groups** qualify for the SIG ? Is a cooperative venture possible? Can several states within a region apply for a grant ?

A10: Interstate organizations or Regional organizations could not be the sole applicant or recipient for a State Innovation Grant. The states can partner with interstate organizations, regional organizations or roundtable groups, but a state would need to be the primary applicant (e.g., submitting the proposal via grants.gov). Even if a regional or municipal agency has received re-delegated authority for environmental permits, we request that either the state environmental regulatory agency be recognized as the administrator and lead agency, or the agency that has received re-delegated authority would need to submit a letter of support from the

principal state environmental regulatory agency in addition to their proposal. The state agency must be an active participant on the team to champion the project and ensure broad applicability within their state. This would be considered as a team approach.

Q11: Can a **state and city** submit a team proposal?

A11: Yes, these entities can partner with states, but we prefer that the State be the lead Agency unless these other agencies can demonstrate delegated authority for environmental permits. Only States can be the recipient of this grants program.

EPA POLICY ON SUB-CONTRACTING

Q12: Are **universities or consultants** eligible to submit a proposal on behalf of a state?

A12: No, the team proposal would need to be submitted by the state. Universities or consultants can be considered as a partner, or part of the team. Depending upon the type and level of their involvement, (e.g., providing goods or services), the proposal would need to identify them as a sub-award (grant) or sub-contract.

EPA POLICY ON ENVIRONMENTAL RESULTS

Q13: Can you provide guidance on the selection of **Performance Measures** ?

A13: Yes, general guidance is posted on the website. However, due to competition restrictions, we are unable to provide specific comments to the applicant on the actual proposals. We can discuss general questions related to projects and provide general comments while the competition is open. We are unable to review one proposal without availing the opportunity to all interested participants, otherwise it could be perceived that one has received an unfair advantage over another.

Q14: Do applicants need to include a **logic model** in their proposals?

A14: While a logic model is not required to be submitted with the pre-proposal, we believe that going through the process would enhance an applicant's ability to clearly and concisely describe their project.

A logic model is a tool that enables the grant reviewer to quickly follow the proposed sequence. It promotes logical thinking and reduces the possibility of misunderstanding the objectives for a proposal. General information about logic

models and examples are contained in the Performance Measurement link at www.epa.gov/innovation/stategrants/.

Once finalists have been chosen, EPA will work with those states to develop or revise their logic models and performance measures for inclusion with their final proposal.

Q15: Will there be **support** to help develop performance measures during the pre-proposal to final proposal development stage?

A15: Yes, after selection of grant recipients and closure of the competition process EPA can provide direct assistance to grant recipients, and may be able to offer contractual support.

Applicants can also account for or include a line item in the grant proposal for performance measurement development, but you cannot pre-spend the grant money prior to the actual award.

DATA COLLECTION

Q16: How do you define the **quality of data**?

A16: Data quality is usually defined in terms of Precision, Accuracy, Representativeness, and Completeness. For any project one of the first steps would be to determine your data quality objectives - this is driven by the project goals and the selection of appropriate measures of performance. For instance, if the project goal is the reduction of pollutant or emission discharge by 10%, then the monitoring methods you choose would have to be able to detect, with confidence, a change (reduction) of 10% from a baseline measurement. So, the indicator, methods and frequency of measurement would have to provide sufficient precision, accuracy, representativeness, and completeness of data to allow acceptable statistical confidence in the difference between the baseline and outcome measurement. Guidance on quality assurance is available on the internet at www.epa.gov/innovation/stategrants/.

Q17: If a state wins a grant, will they be required to generate **reports** with performance measures?

A17: Yes. Reporting is required on a quarterly basis and should focus on specific performance measurement milestones in accordance with the Quality Assurance Project Plan (QAPP). Completion and approval of the final QAPP is required prior to collection of baseline data. Progress reports are our primary mechanism to determine if the grant recipient is fulfilling their obligations. The progress

report should contain information on: 1) the rate of expenditure versus progress on the project, 2) actual accomplishments, 3) problems encountered during the performance period, which may interfere with meeting program/project objectives. 4) proposed remedy's, 5) information on equipment purchased during the reporting period, and 6) any other information requested through terms and conditions. A final technical report will also be required.

Q18: Will performance measurement and quality assurance **training** be offered ?

A18: In the past we have sponsored a comprehensive grants workshop only for those chosen as finalists due to available resources. It is something we'd like to offer to everyone and have occasionally offered invitational trainings.

In the meantime, special training opportunities may be available to everyone through various vendors for a fee. For additional performance measurement or program evaluation opportunities, see the internet at <http://www.epa.gov/evaluate/training.htm>. For guidance or training opportunities related to quality assurance, see several resources listed on the internet at <http://www.epa.gov/quality>.

GENERAL

Q19: When will the **solicitation** be released?

A19: The projected date for the publication of the solicitation is early November 2007. We will strive to provide the most up-to-date information regarding publication of the solicitation on our State Innovation Grant website. In addition, a notification will also be sent out to all EPA Regions and States (point-of-contact) prior to the release of the solicitation. For those States and Territories that are interested in participating in this year's competition, or those who may have designated a new person, the Preliminary Notice requested that they provide their point of contact information to EPA by October 15. If specific contact information was submitted in prior years, EPA will send information to that person, unless requested not to.

The official notice will be posted on <http://fedgrants.gov>, and a copy of the solicitation will also be available on <http://www.epa.gov/innovation/stategrants>.

Q20: What is the general **process & schedule**?

A20: In an effort to minimize any potential administrative burden and to expedite the award process, we are using a two-phased approach: 1) initial or pre-proposal, and 2) final proposal. State environmental regulatory agencies will have

approximately 45 days to submit their pre-proposal. Upon receipt of the pre-proposals, they will be reviewed and evaluated at both the EPA Region and Headquarters. The process for evaluation will take approximately 60 days.

EPA will make an announcement regarding which States pre-proposals have been selected as winners for this year's competition. EPA will host one or two workshops for States with pre-proposals that have been selected for further consideration. The purpose of these workshops will be to inform the States of EPA grants policies, including the requirement for explicit measures of environmental outcomes, and to facilitate the timely completion of their final project proposals. These workshops may be held in one or two locations within a one month period (30-day). The selected States will be asked to prepare a more detailed final proposal, and will be given approximately six to eight weeks to develop and submit their final proposal package (including an application for Federal assistance).

In general, the grant process beginning from the solicitation phase to the award phase can take from six to nine months. Looking from another perspective, on average it can take three to six months beginning from the notification by EPA of the State's selection to receipt of the award by the State. The timing of the final award to the State is contingent upon the State's successful completion of a satisfactorily-detailed, full final proposal and application package (including an Application for Federal Assistance - SF-424).

Q21: Can you give a time frame for **open discussion** between potential applicants and EPA?

A21: Until the time of publication of the solicitation (official competition), we will be able to discuss and offer general guidance on any question or issues you may have.

Q22: What is the time from selection of a proposal to the actual **awarding of monies**.

A22: The **overall process** can take 3-6 months, depending upon final proposal development. The timing is contingent upon the successful completion of a satisfactorily-detailed full final proposal and application package (including an application for Federal Assistance, SF 424).

Q23: Is there a time length for the **project duration**?

A23: The average project lasts 1-4 years. If you are unsure of your proposed project duration, applicants are encouraged to err on the side of a longer time frame

(within a four year period). It is easier to terminate a project early than to get an extension, even when no additional money is being sought from us.

Q24: How much **money** will be awarded?

A24: Last year the grants averaged \$200,000. The ceiling was \$250,000 with some smaller and some receiving the limit. We will probably make awards ranging from \$50,000-\$250,000.
