



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

March 21, 2005

MEMORANDUM

SUBJECT: Environmental Results Grant Requirement for Drinking Water State Revolving Fund (DWSRF) Capitalization Grants and Set-asides

TO: EPA DWSRF Regional Coordinators
Regions I - X

FROM: Stephen F. Heare, Director /s/
Drinking Water Protection Division

Introduction

On November 30, 2004, the Environmental Protection Agency (EPA) issued EPA Order Classification Number 5700.7, Environmental Results under EPA Assistance Agreements, which went into effect on January 1, 2005. The Order applies to all EPA grants and grant programs, including the DWSRF, and all funding packages / funding recommendations submitted to the Grants Management Office after January 1, 2005. A copy of this Order is attached (See attachment 1).

The Order requires EPA Program Offices to: 1) link proposed grants to the Agency's Strategic Plan/GPRA architecture; 2) ensure that well-defined outputs and, to the maximum extent practicable, well-defined outcomes are addressed in grant work plans and funding recommendations; and 3) ensure that progress in achieving agreed-upon outputs and outcomes is adequately addressed at least annually in recipient progress reports and advanced monitoring activities.

For the DWSRF, this means that Regional Project Officers will need to determine how they will comply with the above requirements for both the loan Fund and set-aside components of capitalization grants. This memorandum provides information that will assist Regional Project Officers to understand what is required to comply with the Order.

Definitions

The Order defines outputs as environmental activities or efforts, and associated work products related to an environmental goal or objective, that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative, but must be measurable during an assistance agreement funding period. An example of this is the number of binding commitments or loan agreements in a State's Intended Use Plan.

Outcomes are the result, effect or consequence that will occur from carrying out an

environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement funding period. An example of this is improved compliance with drinking water requirements.

Project Officer Responsibilities

Project Officers, in negotiating a work plan, must ensure that work plans contain well-defined outputs, and to the maximum extent practicable, well-defined outcomes, that link to the Strategic Plan goals and objectives. Examples of DWSRF relevant outputs and outcomes can be found in the program menus attached (See attachment 2).

The attached menus demonstrate the linkage between Strategic Plan goals, objectives and subobjectives, to which all DWSRF grants are linked, and sample outputs and outcomes for loan Fund and set-aside activities. These menus may be used by Project Officers to negotiate with grant recipients to ensure that well-defined outputs and, to the maximum extent practicable, well-defined outcomes are included in a State's Intended Use Plan and set-aside work plans.

Project Officers must also provide a description of how the program/project fits within EPA's Strategic Plan / GPRA architecture in the funding recommendation. Sample language for this step is attached (See attachment 3).

Lastly, the Project Officer must assure that Annual/Biennial Reports from recipients address progress toward agreed-upon outputs and outcomes, including satisfactory explanations as to why outputs and outcomes were not achieved (if necessary). A program-specific term and condition for reporting under the DWSRF program has been approved by the Director of Office of Grants and Debarment and is attached (See attachment 3).

If a Project Officer wishes, you may share the program menus with the States. A sample letter to transmit the program menus to States has been included (See attachment 4).

Conclusion

Thank you in advance for your assistance in complying with the Environmental Results Order. We look forward to working with you to demonstrate the environmental benefits our programs and grant recipients strive for and achieve. If you have any questions please contact me, or Howard Rubin of my staff, at (202) 564-2051.

Attachments

Cc: EPA Regional Grant Management Officers - Region I - X
Howard Corcoran, OGD
Peggy Anthony, OGD
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Classification No.: 5700.7

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Review Date: 01/01/2007

Environmental Results under EPA Assistance Agreements

1. PURPOSE.

This Order establishes Environmental Protection Agency (EPA) policy for addressing environmental results under EPA assistance agreements, including grants and cooperative agreements.

2. BACKGROUND.

The mission of EPA is to protect human health and the environment. To help carry out its mission, EPA awards approximately one-half of its budget annually in assistance agreements to State, Tribal, local government, educational institution, and non-profit partners. Goal 5 of EPA's Grants Management Plan (GMP), "Support Identifying and Achieving Environmental Outcomes," explicitly recognizes the importance of linking assistance agreements to the Agency's performance goals and includes specific objectives to ensure that assistance agreement solicitations, work plans, and decision memoranda discuss anticipated environmental results and how they will be measured.

Goal 5 was developed, in part, to address criticism of EPA for failing to consider, at the pre-award stage, how proposed assistance agreements will contribute to achieving the Agency's strategic goals. For example, in 2001, the Government Accountability Office concluded that EPA programs treated the Agency's strategic goals under the Government Performance Results Act (GPRA) as a clerical tool for categorizing grants after funds had been awarded as opposed to a guide for selecting which grants to award. In audit reports issued in 2002 and 2003, the Office of the Inspector General found that many of the work plans it reviewed focused on short-term procedural results and/or lacked negotiated environmental outcomes. The Office of Management and Budget has expressed similar concerns in its Program Assessment Rating Tool reviews of EPA grant programs. Further, in hearings before the House Transportation and Infrastructure Committee and Senate Environment and Public Works Committee, Congress has questioned whether Agency grants are achieving environmental benefits for the taxpayer.

This Order is intended to implement GMP Goal 5 objectives by ensuring that EPA assistance agreements are results-oriented and aligned with the Agency's strategic goals.

3. EFFECTIVE DATE.

Except as may be specified below, this Order applies to all non-competitive funding packages/funding recommendations submitted to the Grants Management Offices after January 1, 2005, all competitive assistance agreements resulting from competitive funding announcements issued after January 1, 2005, and competitive funding announcements issued after January 1, 2005.

4. POLICY.

It is EPA policy, to the maximum extent practicable, to: 1) link proposed assistance agreements to the Agency's Strategic Plan/GPRA architecture; 2) ensure that outputs and outcomes are appropriately addressed in assistance agreement competitive funding announcements, work plans and performance reports; and 3) consider how the results from completed assistance agreement projects contribute to the Agency's programmatic goals and objectives.

5. DEFINITIONS.

a. The term "outcome" means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement funding period.

b. The term "output" means an environmental activity, effort, and/or associated work products related to an environmental goal or objective, that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period.

6. COMPETITIVE FUNDING ANNOUNCEMENTS.

a. Section I of all competitive funding announcements for assistance agreements must (1) describe the linkage between the work intended to be accomplished under the assistance agreement and EPA's Strategic Plan/GPRA Architecture, and (2) contain a concise discussion of any expected outputs and outcomes.

b. All competitive funding announcements for assistance agreements must include ranking criteria for evaluating the applicant's plan for tracking and measuring its progress toward achieving the expected outputs and outcomes identified in Section I of the announcement.

- c. All competitive funding announcements for assistance agreements issued after January 1, 2006, must include ranking criteria for evaluating the applicant's past performance in reporting on outputs and outcomes.
- d. EPA's Grants Competition Advocate may issue such guidance as may be necessary to implement the requirements of this Section, including guidance on the evaluation of applicants under paragraph c. that lack past performance history.

7. ASSISTANCE AGREEMENT WORK PLANS.

- a. Program offices, in negotiating an assistance agreement work plan, must ensure that the work plan contains well-defined outputs and, to the maximum extent practicable, well-defined outcomes. For State and Tribal assistance agreements under 40 C.F.R. Part 35, Subparts A and B, program offices may satisfy this requirement by ensuring compliance with 40 C.F.R. §§35.107 (State and local government work plans) and 35.507 (Tribal work plans).
- b. Prior to approving an assistance agreement work plan, program offices must ensure that they can link the workplan to EPA's Strategic Plan/GPRA architecture as required by Section 8 of this Order.
- c. Appendix A of this Order provides guidance on outputs and outcomes and linking work plans to EPA's Strategic Plan/GPRA architecture.

8. ASSISTANCE AGREEMENT FUNDING PACKAGES.

- a. Program offices must include in the funding package/funding recommendation for a proposed assistance agreement a description of how the program/project fits within the Agency's Strategic Plan/GPRA architecture. The description must identify all applicable EPA strategic goal(s), objective(s), and where available, sub-objective(s), consistent with the appropriate Program Results Code(s).
- b. The description must also contain an assurance from the program office that: (1) it has reviewed the assistance agreement work plan; and (2) the work plan meets the requirements of Section 7(a) of this Order.
- c. Except for State and Tribal assistance agreements under 40 C.F.R. Part 35, Subparts A and B, award officials must include in assistance agreements the applicable term and condition on recipient performance reporting specified in Appendix B of this Order, or a program-specific term and condition approved by the Director of the Office of Grants and Debarment.

9. RECIPIENT PERFORMANCE REPORTING AND EPA REVIEW.

- a. Program offices must assure that interim and final performance reports submitted by recipients under 40 C.F.R. §§30.51 and 30.71, and interim and final construction and non-construction grant performance reports submitted by recipients under §§31.40 and 31.50 (i.e., Monitoring and Reporting Program Performance and Closeout, respectively), adequately address progress in achieving agreed-upon outputs and outcomes. This includes ensuring that performance reports provide a satisfactory explanation of why outcomes or outputs were not achieved.
- b. For State and Tribal program grants under 40 C.F.R. Part 35, Subparts A and B, program offices may satisfy the requirements of this Section by ensuring compliance with 40 C.F.R. §§ 35.115 and 35.515 (Evaluation of Performance).
- c. Program offices must review recipient performance reports to determine whether the recipient achieved the outputs and outcomes contained in the assistance agreement work plan and document this review in the official project file.

10. ADVANCED MONITORING.

In conducting advanced monitoring under EPA Order 5700.6 (Policy on Compliance, Review and Monitoring), program offices must assess the recipient's progress in achieving the outputs and outcomes set forth in the assistance agreement work plan. In accordance with guidance issued by the Director of the Grants Administration Division, program offices must record the results of this assessment in the Grantee Compliance Database.

11. REVIEW AND REPORTING OF RESULTS INFORMATION.

- a. Program offices must report on significant results information from completed assistance agreements through reporting processes established by the National Program Manager.
- b. National Program Managers must report significant results information from completed assistance agreements as part of the Agency's Annual Report process and in their internal evaluation systems.
- c. The Office of Grants and Debarment will convene an Agency-wide work group in Fiscal Year 2005 to examine existing EPA systems for collecting results information from assistance agreements and identify ways to better integrate those systems. This Order will be revised as appropriate to reflect the results of the work group. Pending completion of the work group process, program offices must retain, at a minimum, paper copies of final performance reports from completed assistance agreements.

12. OFFICE OF GRANTS AND DEBARMENT REVIEWS.

The Office of Grants and Debarment will assess compliance with the requirements of this Order through its Comprehensive Grants Management Reviews.

13. COMPLIANCE WITH THE FEDERAL GRANT AND COOPERATIVE AGREEMENT ACT AND THE PAPERWORK REDUCTION ACT.

a. Nothing in this Order authorizes EPA to treat assistance agreements like contracts. Under the Federal Grant and Cooperative Agreement Act, and associated EPA Order 5700.1, the principal purpose of any proposed EPA assistance agreement must be, unless otherwise provided by statute, to support a recipient in carrying out a public purpose authorized by EPA's statutory authorities, as opposed to providing goods or services for the direct benefit or use of EPA or the Federal Government.

b. When implementing this Order, EPA officials must comply with the applicable provisions of the Paperwork Reduction Act of 1995.

14. ROLES AND RESPONSIBILITIES.

a. Program offices and National Program Managers must ensure that: (1) competitive funding announcements, work plans, funding packages/funding recommendations, and performance reports comply with the requirements of this Order; and (2) that the results of assistance agreements are reviewed and reported in accordance with the requirements of this Order.

b. Grants Management Offices will return funding packages/funding recommendations that do not meet the requirements of sections 8(a) and (b) of this Order.

c. Award officials are responsible for including in assistance agreements the applicable term and condition described in section 8(c) of this Order.

d. The Director, Grants Administration Division, will issue guidance for the use of the Grantee Compliance Database under Section 10 of this Order.

e. The Director, Office of Grants and Debarment, will chair the Agency-wide work group under Section 11(c) of this Order.

15. WAIVERS.

a. In response to requests submitted by approval officials, the Director, Office of Grants and Debarment, may grant individual or class waivers from the non-statutory requirements of this Order, except for requirements under Section 6, where compliance would be impracticable or otherwise not in the public interest.

Approved: 11/30/2004

b. In response to requests submitted by approval officials, EPA's Grant Competition Advocate may grant individual or class waivers from the ranking criteria described in Section 6 of this Order if the Program office can demonstrate that such criteria are inappropriate for a particular competition or program.

16. SUPERSESSION AND REVIEW.

This Order supersedes Grants Policy Issuance 04-02, "Interim Policy on Environmental Results." The Office of Grants and Debarment will review this Order within two years of its effective date, taking into account the findings of the work group established under Section 11(c).

APPENDIX A

GUIDANCE ON COMPLYING WITH EPA ORDER 5700.7

Introduction

Each fiscal year, EPA awards, on average, \$4 billion in assistance agreements (including grants and cooperative agreements), over half the Agency's budget. This funding represents a key mechanism by which EPA's national program managers, in partnership with States, local governments, Indian Tribes, educational institutions, and non-profit organizations, deliver environmental protection to the public. Assistance agreements cover a wide array of activities, including support for authorized and delegated programs, clean water and safe drinking water infrastructure, Superfund clean-ups, research and development, and educating the public on the Agency's voluntary programs. EPA has an obligation to manage its assistance agreements for results in furtherance of the five goals in the Agency's Strategic Plan.

Congress, the Government Accountability Office and the Office of Management and Budget (OMB) have expressed concerns that EPA assistance agreements are not results-oriented and aligned with the Agency's strategic goals and objectives. EPA Order 5700.7 addresses these concerns in two ways. First, it requires EPA assistance programs to focus not only on outputs (i.e., the activities and/or associated work products performed or conducted by an assistance agreement recipient during the funding period), but also on outcomes (i.e., the results, effects, or consequences of a recipient's activities). Second, it requires program offices to link proposed assistance agreements to the Agency's Strategic Plan/GPRA Architecture and consider how the results of completed assistance agreements contribute to the achievement of the Agency's mission.

The purpose of this Appendix is to provide guidance to program offices in implementing the Order. The Order affects the assistance agreement process starting from the issuance of competitive funding announcements to program office review of final performance reports. It also affects how EPA reports on the results from completed assistance agreements. Further, it prescribes a term and condition on performance reporting which must be included in assistance agreements, if applicable.

A. Understanding the Strategic Plan/GPRA Architecture

EPA's *2003 Strategic Plan* sets out 5 long-term goals for the next 5 years. Each of these five goals is supported by a series of objectives and sub-objectives that identify, as precisely as possible, what environmental outcomes or results the Agency seeks to achieve within a defined time frame using resources expected to be available. The objectives and sub-objectives established in EPA's Strategic Plan are part of the "GPRA architecture" that is used to measure the Agency's progress in meeting its strategic goals.

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As noted above, EPA assistance agreements fund a broad range of activities designed to help achieve the Agency's strategic goals. Some of these activities will produce results that have a direct, quantitative or immediate impact on the environment. Others will generate results that are best expressed in terms other than environmental change. In evaluating proposed assistance agreements, it is therefore important for project officers to understand the purpose and nature of the activity being funded and its relationship to, and role in furthering, the Agency's strategic goals. This understanding can provide insight on the types of outputs and outcomes that are appropriate for a particular assistance agreement work plan.

_____As an initial matter, project officers should work closely with EPA strategic planning and performance results staff within their respective program offices to develop a clear understanding of program priorities and how these are reflected in the Strategic Plan/GPRA Architecture. There are a number of resources available to help project officers understand the Strategic Plan/GPRA Architecture. These include the EPA Strategic Plan itself, National Program Guidance, Regional Plans, the Program Project Description Book and a Strategic Plan/Program Results Code Crosswalk.

The EPA Strategic Plan can be found at: <http://www.epa.gov/ocfo/plan/2003sp.pdf>.

The EPA Program Project Description Book outlines, among other things, the purpose, statutory goals, objectives of, and the legal authority for, all of EPA's assistance agreement programs. It can be found at <http://intranet.epa.gov/ocfo/budget/architecture.htm>.

National Program Guidance describes multi-year strategies for each environmental program in order to accomplish goals set out in EPA's Strategic Plan. The Guidance can be found at: <http://www.epa.gov/ocfopage/npmguidance/index.htm>. EPA's National Program Managers issue this Guidance to EPA's 10 regional offices that help implement the 5 major environmental programs: air, water, solid waste and emergency response, pollution prevention and toxic substances, and enforcement and compliance assurance programs. This web site also includes national guidance issued by the Office of Congressional and Intergovernmental Relations on Performance Partnerships.

Regional Plans, found at <http://www.epa.gov/ocfopage/regionplans/regionalplans2.htm>, ensure that regional offices have "road maps" outlining their contributions toward achievement of the Agency's goals. Regional Plans: (1) provide a strong basis and rationale for Regional actions, including activities undertaken in partnership with States and Tribes; (2) focus on geographic problems and regional/state priorities; (3) directly support achievement of the Agency's Strategic Plan; and (4) provide a sound foundation for, and reduce the transaction costs of, developing operational plans.

The Strategic Plan/Program Results Code Crosswalk is attached to this Appendix. The Crosswalk summarizes the strategic goals, objectives, sub-objectives, and the Program Results Codes (PRCs) for every EPA assistance agreement program.

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In addition to these resources, beginning in January 2005, the electronic Funding Recommendation of the Integrated Grant Management System will include enhancements linked to EPA's PRC budget architecture which program offices may use to help determine the linkage of proposed assistance agreements to the Strategic Plan/GPRA Architecture. This will ensure that the Strategic Plan linkage and PRC(s) for a proposed assistance agreement are consistent.

An example of Strategic Plan linkages and PRCs for a Performance Partnership Grant is provided on the next page.

NJ PPG Prog.	PRC #	Goal	Objective	Sub-objective	NPM	Program/ Project
CAA §105 Radon	101A04E 102A05E	Goal 1: Clean Air and Global Climate Change	Objective 1.1: Healthier Outdoor Air PRC # 101A04E	Sub-objective 1.1.1: More People Breathing Cleaner Air	A	04- Categorical Grants: State and Local Air Quality Management
				Sub-objective 1.1.2: Reduced Risk from Toxic Air Pollutants		
			Objective 1.2: Healthier Indoor Air PRC # 102A05E	Sub-objective: None	A	05- Categorical Grants: Radon
PWSS UIC CWA §319(h) CWA §104b3 CWA §106	201B03E 201B08E 202B01E 202B02E 202B06E	Goal 2: Clean and Safe Water	Objective 2.1: Protect Human Health PRC # 201B03E PRC # 201B08E	Sub-objective 2.1.1: Water Safe To Drink	B	03-Categorical Grants: Public Water Systems Supervision
					B	08-Categorical Grants: Underground Injection Control
			Objective 2.2: Protect Water Quality PRC # 202B01E PRC # 202B02E PRC # 202B06E	Sub-objective 2.2.1: Improve Water Quality on a Watershed Basis	B	01-Categorical Grants: Nonpoint Source (Section 319)
					B	02-Categorical Grants: Water Quality Cooperative Agreements
					B	06-Categorical Grants: Pollution Control (Section 106)
RCRA (prog.) UST RCRA (correct. action)	301D11E 301D16E 302D11E	Goal 3: Land Preservation and Restoration	Objective 3.1: Preserve Land PRC # 301D11E PRC # 301D16E	Sub-objective 3.1.1: Reduce Waste Generation and Increase Recycling	D	11-Categorical Grants: Hazardous Waste Financial Assistance
				Sub-objective 3.1.2: Manage Hazardous Wastes and Petroleum Products Properly	D	16 - Categorical Grants: Underground Storage Tanks
			Objective 3.2: Restore Land PRC # 302D11E	Sub-objective 3.2.2: Clean Up and Reuse Contaminated Land	D	11- Categorical Grants: Hazardous Waste Financial Assistance
Pesticide (Certif.)	401C09E	Goal 4: Healthy Communities and Ecosystems	Objective 4.1: Chemical, Organism, and Pesticide Risks PRC # 401C09E	Sub-objective 4.1.1: Reduce Exposure to Toxic Pesticides	C	09- Categorical Grants: Pesticides Program Implementation
Pesticide (enforcement)	501E12E	Goal 5: Compliance and Environmental Stewardship	Objective 5.1: Improve Compliance PRC # 501E12E	Sub-objective 5.1.3: Monitoring and Enforcement	E	12- Categorical Grants: Pesticides Enforcement

NPM:
A = Office of Air and Radiation (OAR) E = Office of Enforcement and Compliance Assurance (OECA)
B = Office of Water (OW)
C = Office of Prevention, Pesticides and Toxic Substances (OPPTS)
D = Office of Solid Waste and Emergency Response (OSWER)

B. Outputs and Outcomes - General Principles

Section 5 of the Order defines “outcome” as “the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement funding period.”

Section 5 of the Order defines “output” as “an environmental activity, effort, and/or associated work products related to an environmental goal and objective, that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period.” Outputs reflect the products and services provided by the recipient, but do not, by themselves, measure the programmatic or environmental results of an assistance agreement.

There are two major types of outcomes - end outcomes and intermediate outcomes. End outcomes are the desired end or ultimate results of a project or program. They represent results that lead to environmental/public health improvement. A change in water quality and resultant change in human health or environmental impacts are examples of end outcomes.

Intermediate outcomes are outcomes that are expected to lead to end outcomes but are not themselves “ends.” Given that the end outcomes of an assistance agreement may not occur until after the assistance agreement funding period, intermediate outcomes realized during the funding period are an important way to measure progress in achieving end outcomes. For example, for an air pollution program assistance agreement, reductions in pollution emissions may be viewed as an intermediate outcome to measure progress toward meeting or contributing to end outcomes of improved ambient air quality and reduced mortality from air pollution.

While the Order promotes outcome-oriented work plans, it also recognizes that in certain instances, the nature of the activity itself may necessitate the use of outputs. For example, some basic research programs may be limited to reporting directly on outputs, such as the conclusions reached, and may not be able to identify outcomes.

The relationship between outputs and outcomes is illustrated by the following example.

- I. **Assistance agreement for an outreach program to building code officials on radon-resistant building techniques:** Outputs would include development of a model building code manual and training sessions on the benefits of radon-resistant construction. Intermediate outcomes would be the enactment of local building codes and the actual construction of radon-resistant houses. This would contribute to an end outcome of improved indoor air quality. See Final Audit Report: Surveys, Studies, Investigations and Special Purpose Grants, Report Number 2002-P-0005 at page six.

Other examples of outputs and outcomes for specific types of assistance agreements are provided in Section D of this guidance.

C. Competitive Funding Announcements (Section 6)

Section 6 of the Order requires program offices to explain in competitive funding announcements how proposed assistance agreements will be aligned with EPA's strategic goals and objectives and the results anticipated by the Agency. Specific requirements for competitive funding announcements include:

1. A description in Section I of the announcement of the linkage between the work to be accomplished and EPA's Strategic Plan/GPRA Architecture (where possible, down to the sub-objective level);
- A concise discussion in Section I of the announcement of the expected outcomes/outputs to be accomplished under the agreement; and
- Ranking criteria for evaluating an applicant's plan for tracking and measuring its progress toward achieving the expected outcomes/outputs identified in Section I of the announcement.

These requirements apply to competitive funding announcements issued after January 1, 2005

The Order also requires competitive funding announcements to include ranking criteria for evaluating an applicant's past performance in reporting on outputs and outcomes. These criteria should focus on an applicant's past performance in filing timely progress and final technical reports that adequately document the achievement of expected outputs and outcomes or satisfactorily explain why the expected outputs and outcomes were not achieved. Ordinarily, an applicant will be evaluated based on its past performance in reporting on outputs and outcomes under previous Federal assistance agreements. If applicants do not have such past performance information, they may be evaluated on past performance in reporting on outputs and outcomes under previous non-Federal assistance agreements.

The Order delays the effective date of this requirement until January 1, 2006, to allow potential applicants time to develop a relevant record of past performance if one does not currently exist. EPA's Grants Competition Advocate will issue guidance on how to evaluate applicants that have no past performance history.

D. Outputs and Outcomes in Assistance Agreement Workplans (Section 7)

Section 7 of the Order directs program offices, when negotiating assistance agreement workplans, to ensure that the workplans contain not only well-defined outputs, but also, to the maximum extent practicable, well-defined outcomes. This process is already required for State and Tribal workplans under 40 C.F.R. Part 35 Subparts A and B, and Section 7 extends it to other types of assistance agreements.

Examples of workplan outputs and outcomes for particular types of assistance agreements include:

- **Research and Development, Studies, Surveys, Investigations and Experiments:** Outputs: Number of experiments or samples, number of reports or publications. Outcomes: Advancement in knowledge on the effects of pollution as reflected in a peer reviewed, scientific journal article.
- **Training and Outreach:** Outputs: Number of training sessions, number of persons trained. Outcomes: Increase in knowledge as demonstrated by pre- and post-training surveys.
- **State/Tribal:** Outputs: Number of permits issued. Outcomes: Improvement in environmental quality (e.g. improved air or water quality); Increase in number of areas attaining national ambient air quality standards.
- **Compliance and Enforcement:** Outputs: Number of inspections or enforcement actions. Outcomes: Increase in number of facilities that reduce emissions or other pollutants; amount of emissions, pollutants, or risks reduced.
- **Special Projects and Demonstrations:** Outputs: Number of diesel school buses under demonstration project replaced or retrofitted with new emission control technology. Outcomes: Reduction in tons of emissions from demonstration project.

In negotiating assistance agreement work plans, the Office of Enforcement and Compliance Assurance has supplemented traditional outputs such as site visits, workshops, mailed outreach material, hotlines, phone calls, meetings and training sessions with outcomes. Examples of outcomes in these work plans include:

Changes in awareness or understanding of regulations or compliance:

- A. Change in number of facilities whose understanding of environmental regulations has improved as measured by pre- and post tests at workshops.
- Change in number of facilities whose understanding of environmental regulations has improved, as indicated by verbal or written responses to surveys.

Behavioral Changes (regulatory and non-regulatory environmental management changes):

- Change in number of facilities making environmental management changes because of the compliance assistance received (e.g., self-audits, development of an environmental management system).

E. Examples of Acceptable Descriptions In Assistance Agreements Funding Packages (Section 8)

EPA assistance agreements are intended to support activities of the Agency's governmental (State, Local and Tribal governments) and non-governmental (educational institutions and non-profit organizations) partners that advance EPA's mission. Section 8 of the Order recognizes this principle by requiring program offices to describe in assistance agreement funding packages how a proposed assistance agreement is linked to the Agency's Strategic Plan/GPRA Architecture. Although the Order does not require recipient workplans to mirror the Strategic Plan/GPRA Architecture, program offices must be able to demonstrate the linkage between a work plan and the Architecture before an award can be made.

In developing descriptions under Section 8, a project officer must list all applicable EPA strategic goals and objectives and, where available, sub-objectives. The project officer must ensure that the PRC(s) listed on the commitment notice is consistent with the selected strategic goals, objectives and sub-objectives. The Strategic Plan/Program Results Code Crosswalk attached to this Appendix is a helpful resource for identifying the appropriate PRC(s). In addition, the description must contain an assurance that the program office has reviewed the assistance agreement work plan and that the work plan includes well-defined outputs and, to the maximum extent practicable, well-defined outcomes. For programs using the Integrated Grants Management System (IGMS), the description should be included in the electronic funding recommendation. For Headquarters programs awaiting IGMS deployment, the description should be contained in the assistance agreement decision memorandum.

The following are examples of acceptable descriptions under Section 8 of the Order for major types of assistance agreements:

Single Goal Project Assistance Agreements

- *This project supports Goal 2 (Clean and Safe Water), Objective 2 (Protect Water Quality), Sub-objective 1 (Improve Water Quality on a Watershed Basis). Specifically, the recipient will undertake a study of nonpoint source pollution in a watershed in support of a comprehensive watershed-based approach to protecting and restoring water resources. The PRC assigned to the funding for this project is consistent with that strategic goal/objective/sub-objective. The **[name of Headquarters office/division]** in the Office of Water has reviewed the work plan for this project and determined that it contains well-defined outputs, and to the maximum extent practicable, well-defined outcomes.*
- *This project supports Goal 1 (Clean Air and Global Climate Change), Objective 1.1 (Healthier Outdoor Air), Sub-objective 1.1.1 (More People Breathing Clean Air). Specifically, under EPA's School Bus USA Assistance Program, the recipient will retrofit all buses newer than the 1995 model year with certified diesel retrofit technology and use diesel fuel with 30 parts per million sulfur. The PRC assigned to the funding for this project is consistent with the strategic goal/objective. The **[name of Headquarters office/division]** in the Office of Air and Radiation has reviewed the work plan for this project and determined that it contains well-defined outputs, and to the maximum extent practicable, well-defined outcomes.*

Multi - Goal Program Assistance Agreements

- *This Performance Partnership Grant (PPG) supports the following EPA strategic goals and objectives: Goal 1 (Clean Air and Climate Change), Objective 1.1 (Healthier Outdoor Air), Sub-objectives 1.1.1 (More People Breathing Clean Air) and 1.1.2 (Reduced Risk From Toxic Air Pollutants), and Goal 2 (Clean and Safe Water), Objective 2.1 (Protect Human Health), Sub-objective 2.1.1 (Water Safe to Drink). Specifically, the recipient will carry out a State program of environmental management which will monitor, abate, and control air and water pollution by carrying out activities in accordance with the work plan of the grant and the requirements of the Clean Air and Safe Drinking Water Acts. The PRCs assigned to the funding for this project are consistent with these strategic goals/objectives/sub-objectives. The **[name of Regional office/division]** has reviewed the work plan for this PPG and determined that it contains well-defined outputs, and to the maximum extent practicable, well-defined outcomes.*

Tribal Assistance Agreement

- *This project supports Goal 1 (Clean Air and Global Climate Change), Objective 1.1 (Healthier Outdoor Air), Sub-objectives 1.1.1 (More People Breathing Clean Air) and 1.1.2 (Reduced Risk from Toxic Air Pollutants) as well as Goal 5 (Compliance and Environmental Stewardship), Objective 5.3 (Build Tribal Capacity). In completing this project, the Tribe will identify and investigate air pollution sources within Tribal lands and prepare possible remediation plans. The PRCs assigned to the funding for this project are consistent with these strategic goals/objectives/sub-objectives. The **[name of Regional office/division]** has reviewed the work plan for this agreement and determined that it contains well-defined outputs, and to the maximum extent practicable, well-defined outcomes.*

Research Assistance Agreement

- *This project supports Goal 4 (Healthy Communities and Ecosystems), Objective 4.5 (Enhance Science and Research), Sub-objective 4.5.2 (Conduct Relevant Research). The overall goal of the proposed project is to quantify key atmospheric transformations that impact the fate of mercury in transport from sources to receptor sites. In particular, the chemical and physical controls on gas/particle partitioning and deposition of mercury (Hg) to the earth's surface will be determined. The PRC assigned to the funding for this project is consistent with these strategic goals/objectives/sub-objectives. The **[name of Research Center/Laboratory]** in the Office of Research and Development has reviewed the work plan for this agreement and determined that it contains well-defined outputs, and to the maximum extent practicable, well-defined outcomes.*

Outreach Assistance Agreement

- *This project supports Goal 4 (Healthy Communities and Ecosystems), Objective 4.2 (Healthy Communities), Sub-objective 4.2.1 (Sustain and Restore Community Health). In this project, the grantee will use existing data to identify and target communities at risk, will work to facilitate access to safe housing for families with children, and will promote lead poisoning prevention through screening, education, and outreach. The PRC assigned to the funding for this project is*

consistent with these strategic goals/objectives/sub-objectives. The [name of Regional office/division] has reviewed the work plan for this agreement and has determined that it contains well-defined outputs, and to the maximum extent practicable, well-defined outcomes.

Training Assistance Agreement

- *This project supports Goal 5 (Compliance and Environmental Stewardship), Objective 5.1 (Improve Compliance), Sub-objective 5.1.3 (Monitoring and Enforcement). The overall goal of this project is to develop and maintain effective enforcement training for State, local and Tribal government enforcement personnel in the western region of the U.S. Specifically, the recipient will: 1) communicate with State, local and Tribal personnel in the western region to determine training needs; 2) develop training courses to meet the identified needs; and 3) conduct the training courses. The PRC assigned to the funding for this project is consistent with these strategic goals/objectives/sub-objectives. The [name of office/division] in the Office of Enforcement and Compliance Assurance has reviewed the work plan for this agreement and determined that it contains well-defined outputs, and to the maximum extent practicable, well-defined outcomes.*

F. EPA Review of Recipient Performance Reports (Sections 8 and 9)

Section 8 directs EPA award officials to include a special condition in all assistance agreements, except for State and Tribal assistance agreements under 40 C.F.R. Part 35 Subparts A and B, requiring performance reports to provide a comparison of actual accomplishments to agreed-upon outputs/outcomes. Award officials must use the special condition outlined in Appendix B of the Order or a program-specific condition approved by the Director, Office of Grants and Debarment. A similar special condition is not required for State and Tribal assistance agreements under 40 C.F.R. Part 35 Subparts A and B, which have their own regulatory process for performance evaluation.

Section 9 of the Order establishes requirements for program office review of construction and non-construction interim and final recipient performance reports for progress in achieving outputs and outcomes contained in assistance agreement work plans. Under 40 C.F.R. Parts 30 and 31, EPA may require recipients to submit performance/progress reports as frequently as quarterly but no less frequently than annually. These regulations also require recipients to provide the Agency with an acceptable final performance report at the end of a project. Performance reporting for State Revolving Fund capitalization grants is governed by regulations at 40 C.F.R. Part 35 Subparts K and L. While performance reports are one way for the Agency to obtain information on a recipient's progress toward achievement of agreed-upon outputs and outcomes, program offices may also conduct mid-year and end-of-year reviews to evaluate recipient performance.

The review of recipient performance reports is largely the responsibility of the EPA project officer. Under Section 9, the project officer must review interim and final performance reports to determine whether they adequately address the achievement of agreed-upon outputs/outcomes, including providing a satisfactory explanation for insufficient progress or a failure to meet planned accomplishments. This review must be documented in the official project file. If a report does not adequately address the achievement of outputs/outcomes, the project officer should seek further explanation from the recipient and require appropriate corrective action.

For State and Tribal program grants under 40 C.F.R. Part 35 Subparts A and B, Section 9 incorporates existing regulatory requirements for evaluating a recipient's success in achieving agreed-upon outputs and outcomes (see 40 C.F.R. §§ 35.115 and 35.515). These requirements include a joint evaluation of recipient performance by the recipient and EPA that provides, among other things, a discussion of accomplishments measured against work plan commitments.

In reviewing performance reports, project officers should recognize that it may be difficult for recipients, in some cases, to demonstrate that their assistance agreements have achieved agreed-upon outcomes. For example, there may be long lag times before the environmental results of an assistance agreement become apparent. Similarly, even where desired results are observed, it may be hard to link those results to the assistance agreement due to the impact of external variables (e.g., activities of other agencies or individuals). EPA's Grant Environmental Results Workgroup will be developing further guidance on these issues.

G. Advanced Monitoring (Section 10)

Section 10 of the Order directs program offices, when conducting on-site reviews or desk reviews under EPA Order 5700.6, *Policy on Compliance, Review and Monitoring*, to include an assessment of the recipient's progress in achieving the outputs and outcomes set forth in the assistance agreement work plan. If the assessment reveals significant problems in meeting agreed-upon outputs/outcomes, the project officer must require the recipient to develop and implement an appropriate corrective action plan. The results of the assessment must be documented in the Grantee Compliance Database in a format determined by the Director of the Grants Administration Division.

H. Reporting of Results Information (Section 11)

National Program Manager Reporting Processes

The Order requires program offices to report significant results information from completed assistance agreements through reporting processes established by the National Program Managers (NPM). The Order does not define 'significant' result. While it is reasonable to assume that a result from an assistance agreement demonstrating a change in environmental or public health condition is significant, the term is relative to the circumstances affecting it. Programmatic outputs, intermediate outcomes or public health impacts could all be significant results depending upon when they occur in the life span of an effort to protect and improve the environment and public health.

In collaboration with their partners, Regions and NPMs are developing a single coordinated process for establishing regional annual performance commitments. To complement this process and facilitate the negotiation between Regions and NPMs, the Office of the Chief Financial Officer initiated in July 2004 an electronic Annual Commitment System (ACS) which will record and report the draft targets and final annual performance commitments. The system will capture the smallest number of agreed-upon measures and indicators necessary to ensure national and regional accountability for results. The process of developing and reaching agreement on annual commitments over the course of the summer allows time for EPA regions to engage with States and Tribes before draft commitments become final in September. This streamlined process will replace the former Memoranda of Agreement process.

Complementing the ACS are ongoing Agency reporting processes and systems that will continue to capture important results information. These NPM reporting processes involve, among other things, information systems that capture environmental and programmatic data, including results information produced, in part, through activities funded under assistance agreements. This might include the documentation of findings from independent research projects, input of environmental monitoring data, milestone tracking on required elements to implement an environmental program, monitoring of source compliance behavior, etc. The information is usually entered into the systems by recipients or by the Regional Offices. Examples of existing NPM-specific reporting processes and systems are STORET (OW's STORage and RETrieval System), PCS (OECA's Water Permit Compliance System), and FREDS (OAR/OAQPS's Findings and Required Elements Data System).

Section 11 of the Order establishes an Agency-wide workgroup to identify ways to better integrate these systems to permit more efficient collection of results information from assistance agreements. Pending completion of the workgroup process, program offices must ensure that Agency decision-makers have access to assistance agreement results information by retaining, at a minimum, paper copies of final recipient performance reports.

Annual Reporting Process/Internal Evaluation Systems

Section 11 also requires NPMs to report on significant results information from completed assistance agreements as part of the Agency's Annual Report process and in their internal evaluation systems. The Annual Report describes the Agency's progress toward meeting the Annual Performance Goals and Measures established in EPA's Annual Plan. The Annual Report can be found at: <http://www.epa.gov/ocfo/finstatement/apr.htm>

The Annual Report describes annual performance goals, annual performance measures for each goal in the Agency's Strategic Plan, the Agency's performance in meeting the annual performance goals, as well as specific budget and fiscal information. Given that the impacts of EPA actions and those of its recipient partners are often intertwined, annual progress will usually be described in the aggregate.

In evaluating the contribution of assistance agreements to meeting the Agency's goals, it is important to note that investments from assistance agreements in one year often may not produce environmental results until several years hence. NPMs will need to establish effective internal evaluation systems to allow them to identify assistance agreement results information that can be considered for the Annual Report. At a minimum, these systems should involve periodic assessments by NPMs and the Regional offices/field locations of the status of ongoing assistance agreement programs, including an evaluation of findings in final performance reports for successful projects.

I. Compliance with Federal Grant and Cooperative Agreement Act and the Paperwork Reduction Act (Section 13)

Nothing in the Order authorizes EPA to treat assistance agreements like contracts. To comply with the Federal Grant and Cooperative Agreement Act, the Agency may not use assistance agreements for its direct use and benefit. Please refer to EPA Order 5700.1 for details.

Approved: 11/30/2004

The Paperwork Reduction Act of 1995 requires EPA to obtain OMB approval before conducting or sponsoring a collection of information that uses identical questions to solicit information from ten or more persons in a twelve-month period, unless the collection is exempt under the PRA statute or OMB regulations. The PRA applies to any collection of information conducted by the recipient of a cooperative agreement. The PRA applies to a collection of information under a grant if either one of the following conditions applies: the Agency has specifically requested the collection, or the terms and conditions of the grant require EPA to approve the collection or collection procedures. In addition, EPA may be considered the sponsor if it exercises control over a survey, publicly endorses the survey or gives the appearance of sponsoring the survey.

The PRA may also apply when EPA staff obtain environmental results information under this Order. The PRA applies to identical questions in any form or format, including paper, oral, electronic, or other media. For example, the PRA applies if EPA staff collect information using forms, questionnaires, surveys, e-mails, telephone calls, or other interview techniques. If a collection of information may be subject to the PRA, staff should determine whether there is an existing OMB clearance that covers it. If there is not an existing clearance, staff should determine whether they must obtain OMB approval before conducting the information. EPA is working with OMB to explore ways to streamline the PRA process for assistance agreements.

Goal (1st digit)

Objective 2 nd & 3 rd digits	Sub-objective	NPM 4 th digit	Program/ Project 5 th & 6 th digits	PRC #	Activity 7 th digit	RPIO 8 th & 9 th digits
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Goal 1: Clean Air and Global Climate Change

Objective 1.1: Healthier Outdoor Air	Sub-objective 1.1.1: More People Breathing Cleaner Air	A	04- Categorical Grants: State & Local Air Quality Manage.	101A04_	D, E	AT, HZ, PM
		A	17- Categorical Grants: Tribal Air Quality Management	101A17_	D, E	
		A	45 - Clean Air Allowance Trading Programs	101A45_	B, C, D, E	
		A	59 - Federal Support for Air Quality Management	101A59_	B, C, D, E	
		A	61 - Federal Vehicle & Fuels Standards & Certification	101A61_	B, C, D, E	
		A	71 - Homeland Security: Critical Infrastructure Protection	101A71_	B, C	
		L	85 - International Capacity Building	101L85C	C	
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	101_51_	A, B, C, D, E		
	Sub-objective 1.1.2: Reduced Risk from Toxic Air Pollutants	A	04- Categorical Grants: State & Local Air Quality Manag.	101A04_	D, E	
		A	17- Categorical Grants: Tribal Air Quality Management	101A17_	D, E	
		A	58 - Federal Stationary Source Regulations	101A58_	B, C, D, E	
		A	60 - Federal Support for Air Toxics Programs	101A60_	B, C, D, E	
		A	61 - Federal Vehicle & Fuels Standards & Certification	101A61_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	101_51_	A, B, C, D, E	
Objective 1.2: Healthier Indoor Air	Sub-objective : None.	A	05- Categorical Grants: Radon	102A05_	D, E	
		A	74 - Indoor Air: Asthma Program	102A74_	B, C, D, E	
		A	75 - Indoor Air: Environmental Tobacco Smoke Program	102A75_	B, C, D, E	
		A	76 - Indoor Air: Radon Program	102A76_	B, C, D	
		A	77- Indoor Air: Schools & Workplace Programs	102A77_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	102_51_	A, B, C, D, E	
Objective 1.3: Protect the Ozone Layer	Sub-objective : None.	A	C4 - Stratospheric Ozone: Domestic Programs	103AC4_	B, C, D, E	
		A	C5 - Stratospheric Ozone: Multilateral Fund	103AC5_	D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	103_51_	A, B, C, D, E	
Objective 1.4: Radiation	Sub-objective 1.4.1: Enhance Radiation Protection	A	72 - Homeland Security: Preparedness, Response, & Recovery	104A72_	B, C, D, E	
		A	97 - Radiation: Protection	104A97_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	104_51_	A, B, C, D, E	
	Sub-objective 1.4.2: Maintain Emergency Response Readiness	A	98 - Radiation: Response Preparedness	104A98_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	104_51_	A, B, C, D, E	
Objective 1.5: Reduce Greenhouse Gas Intensity	Sub-objective : None.	A	46 - Climate Protection Program	105A46_	B, C, D, E	
		L	46 - Climate Protection Program	105L46C	C	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	105_51_	A, B, C, D, E	
Objective 1.6: Enhance Science and Research	Sub-objective 1.6.1: Provide Science to Support Air Programs	A	45 - Clean Air Allowance Trading Programs	106A45_	B, C, D, E	
		A	46 - Climate Protection Program	106A46_	B, C, D, E	
		A	59 - Federal Support for Air Quality Management	106A59_	B, C, D, E	
		A	60 - Federal Support for Air Toxic Programs	106A60_	B, C, D, E	
		A	97 - Radiation: Protection	106A97_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	106_51_	A, B, C, D, E	
	Sub-objective 1.6.2: Conduct Air Pollution Research	F	A5 - Research: Air Toxics	106FA5_	A, D, E	
		F	B4 - Research: Particular Matter	106FB4_	A, D, E	
		F	B9 - Research: Tropospheric Ozone	106FB9_	A, D, E	
A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	106_51_	A, B, C, D, E			

Goal (1st digit)

Objective 2 nd & 3 rd digits	Sub-objective	NPM 4 th digit	Program/ Project 5 th & 6 th digits	PRC #	Activity 7 th digit	RPIO 8 th & 9 th digits
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Goal 2: Clean and Safe Water

Objective 2.1: Protect Human Health	Sub-objective 2.1.1: Water Safe To Drink	B	03-Categorical Grants: Public Water Systems Supervision	201B03E	E	
		B	08-Categorical Grants: Underground Injection Control	201B08_	C, E	
		B	25 - Categorical Grants: Homeland Security	201B25_	C, E	
		B	53 - Drinking Water Programs	201B53_	B, C, D, E	26, 27, 28, 29, 30, 31, 44, 45
		B	71 - Homeland Security: Critical Infrastructure Prot.	201B71_	B, C	
		B	81 - Infrastructure Assistance: Drinking Water SRF	201B81E	C, D, E	
		B	83 - Infrastructure Assistance: Puerto Rico	201B83E	E	
		C	09-Categorical Grants: Pesticides Program Implementation	201C09_	C, D, E	
		C	92 - Pesticides: Field Programs	201C92_	B, C, D, E	
	L	85 - International Capacity Building	201L85C	C		
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	201_51_	A, B, C, D, E		
	Sub-objective 2.1.2: Fish and Shellfish Safe to Eat	B	42 - Beach/ Fish Programs	201B42_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	201_51_	A, B, C, D, E	
Sub-objective 2.1.3: Water Safe for Swimming		B	23-Categorical Grants: Beaches Protection	201B23E	E	
	B	42 - Beach/ Fish Programs	201B42_	B, C, D, E		
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	201_51_	A, B, C, D, E		
Objective 2.2: Protect Water Quality	Sub-objective 2.2.1: Improve Water Quality on a Watershed Basis	B	01-Categorical Grants: Nonpoint Source (Section 319)	202B01E	E	
		B	02 Categorical Grants: Water Quality Cooper. Agreement	202B02_	D, E	
		B	06-Categorical Grants: Pollution Control (Section 106)	202B06E	C, D, E	
		B	28 - Categorical Grant: Wastewater Operator Training	202B28E	E	
		B	80 - Infrastructure Assistance: Clean Water SRF	202B80_	C, E	
		B	78 - Infrastructure Assistance: Alaska Native Villages	202B78E	E	
		B	D4 - Surface Water Protection	202BD4_	B, C, D, E	13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 35, 36, 37, 38, 39, 40, 41, 42, 43
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	202_51_	A, B, C, D, E		
	Sub-objective 2.2.2: Improve Coastal and Ocean Waters	B	88 - Marine Pollution	202B88_	B, C, D, E	
L		85 - International Capacity Building	202L85B	B		
A, B, C, D, E, F, H, M		51 - Congressionally Mandated Projects	202_51_	A, B, C, D, E		
Objective 2.3: Enhance Science and Research	Sub-objective 2.3.1: Apply the Best Available Science	B	D4 - Surface Water Protection	203BD4_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	203_51_	A, B, C, D, E	
	Sub-objective 2.3.2: Conduct Leading-Edge Research	F	A7 - Research: Drinking Water	203FA7_	A, D, E	
		F	C1 - Research: Water Quality	203FC1_	A, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	203_51_	A, B, C, D, E	

Goal (1st digit)

Objective 2 nd & 3 rd digits	Sub-objective	NPM 4 th digit	Program/ Project 5 th & 6 th digits	PRC #	Activity 7 th digit	RPIO 8 th & 9 th digits
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Goal 3: Land Preservation and Restoration

Objective 3.1: Preserve Land	Sub-objective 3.1.1: Reduce Waste Generation and Increase Recycling	D	11-Categorical Grants: Hazardous Waste Financial Assistance	301D11_	C, D, E	
		D	A1 - RCRA: Waste Minimization Management	301DA1_	B, C, D, E	
		D	A2 - RCRA: Waste Minimization & Recycling	301DA2_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	301_51_	A, B, C, D, E	
	Sub-objective 3.1.2: Manage Hazardous Wastes and Petroleum Products Properly	D	11-Categorical Grants: Hazardous Waste Financial Assistance	301D11_	C, D, E	
		D	16- Categorical Grants: Underground Storage Tanks	301D16_	C, D, E	
		D	86 - LUST/UST	301D86_	C, D, E	
		E	48 - Compliance Assistance & Centers	301E48_	B, C, D, E	
		D	A1 - RCRA: Waste Minimization Management	301DA1_	C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	301_51_	A, B, C, D, E	
Objective 3.2: Restore Land	Sub-objective 3.2.1: Prepare for and Respond to Accidental and Intentional Releases	E	44 - Civil Enforcement	302E44_	B, C, D, E	
		E	48 - Compliance Assistance & Centers	302E48_	B, C, D, E	
		D	72 -Homeland Security: Preparedness, Response, & Recovery	302D72_	B, C, D, E	
		D	91 - Oil Spill: Prevention, Preparedness & Response	302D91_	B, C, D, E	
		D	C6 - Superfund Emergency Response & Removal	302DC6_	B, C, D, E	
		D	C8 - Superfund: EPA Emergency Preparedness	302DC8_	B, C, D, E	
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	302_51_	A, B, C, D, E		
	Sub-objective 3.2.2: Clean Up and Reuse Contaminated Land	D	11-Categorical Grants: Hazardous Waste Financial Assistance	302D11_	C, D, E	
		D	41 - Base Realignment and Closure (BRAC)	302D41_	C, D, E	B4
		D	86 - LUST/UST	302D86_	C, D, E	
		D	87 - LUST Cooperative Agreements	302D87E	C, D, E	
		D	99 - RCRA Corrective Action	302D99_	B, C, D, E	
		D	C9 - Superfund: Federal Facilities	302DC9_	C, D, E	
		D	D2 - Superfund: Remedial	302DD2_	C, D, E	
		D	D3 - Superfund: Support to Other Federal Agencies	302DD3_	C, D, E	
		E	44 - Civil Enforcement	302E44_	B, C, D, E	
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	302_51_	A, B, C, D, E		
	Sub-objective 3.2.3: Maximize Potentially Responsible Party Participation at Superfund Sites	E	C7 - Superfund: Enforcement	302EC7_	B, C, D, E	
E		H2-D1 - Superfund: Federal Facilities Enforcement TAGs	302EH2_	B, C, D, E		
J		C7 - Superfund: Enforcement	302JC7C	C		
A, B, C, D, E, F, H, M		51 - Congressionally Mandated Projects	302_51_	A, B, C, D, E		
Objective 3.3: Enhance Science and Research	Sub-objective 3.3.1: Provide Science to Preserve and Remediate Land	D	D2 - Superfund: Remedial	303DD2_	C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	303_51_	A, B, C, D, E	
	Sub-objective 3.3.2: Conduct Research to Support Land Activities	F	B3 - Research: Land Preservation and Restoration	303FB3_	A, D, E	
		F	B7 - Research: Superfund Innovative Tech. Evaluation (SITE) Program	303FB7_	A, D, E	
A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	303_51_	A, B, C, D, E			

Goal (1st digit)

Objective 2 nd & 3 rd digits	Sub-objective	NPM 4 th digit	Program/ Project 5 th & 6 th digits	PRC #	Activity 7 th digit	RPIO 8 th & 9 th digits
Goal 4: Healthy Communities and Ecosystems						
Objective 4.1: Chemical, Organism, and Pesticide Risks	Sub-objective 4.1.1: Reduce Exposure to Toxic Pesticides	C	09- Categorical Grants: Pesticides Program Implementation	401C09_	C, D, E	
		C	92 - Pesticides: Field Programs	401C92_	B, C, D, E	
		C	94 - Pesticides: Review/Registration of Existing Pesticides	401C94_	B, C, D, E	
		L	96 - POPs Implementation	401L96C	C	
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	401_51_	A, B, C, D,		
	Sub-objective 4.1.2: License Pesticides Meeting Safety Standards	C	72 - Homeland Security: Preparedness, Response, & Recovery	401C72_	B, C, D, E	
		C	93 - Pesticides: Registration of New Pesticides	401C93_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	401_51_	A, B, C, D, E	
	Sub-objective 4.1.3: Reduce Chemical and Biological Risks	C	10- Categorical Grants: Lead	401C10_	C, D, E	
		L	47 - Commission for Environmental Cooperation	401L47_	C, D	
		C	72 - Homeland Security: Preparedness, Response, & Recovery	401C72_	B, C, D, E	
		C	D5 - Toxic Substances: Chemical Risk Management	401CD5_	B, C, D, E	
		C	D6 - Toxic Substances: Chemical Risk Review& Reduction	401CD6_	B, C, D, E	
		C	D7 - Toxic Substances: Lead Risk Reduction Program	401CD7_	B, C, D, E	
		H	D8 - Toxics Release Inventory/ Right -to-Know	401HD8C	C, D	
		L	85 - International Capacity Building	401L85C	C	
		L	96 - POPs Implementation	401L96C	C	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	401_51_	A, B, C, D, E	
	Sub-objective 4.1.4: Reduce Risks at Facilities.	D	C3 - State and Local Prevention and Preparedness	401DC3_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	401_51_	A, B, C, D, E	
Objective 4.2: Communities	Sub-objective 4.2.1: Sustain Community Health	L	47 - Commission for Environmental Cooperation	402L47_	C, D	
		L	56 - Environment and Trade	402L56C	C	
		M	A4 - Regulatory Innovation	402MA4_	B, D, E	
		M	E6 - Children and Other Sensitive Populations	402ME6_	B, D, E	
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	402_51_	A, B, C, D, E		
	Sub-objective 4.2.2: Restore Community Health	E	57 - Environmental Justice	402E57_	B, C, D, E	
		A, B, C, D	68 - Geographic Programs: Other	402_68_	B, C, D, E	
		M	G3 - Regional Geographic Initiatives	402MG3_	S, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	402_51_	A, B, C, D, E	
	Sub-objective 4.2.3: Assess and Clean Up Brownfields	D	24- Categorical Grants: Brownfields (Non-competitive grants for 128(a) State and Tribal Response Program)	402D24E	E	
		D	43 - Brownfields	402D43_	C, D, E	
		E	43 - Brownfields	402E43_	B, C, D, E	
		M	43 - Brownfields	402M43_	B, C, D, E	
		D	79 - Infrastructure Assistance: Brownfields Projects [Includes competitive grants (assessments, job training, revolving loan funds (RLF) and cleanup); research, technical assistance, and training; and other associated program support costs.]	402D79_	D, E	BP
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	402_51_	A, B, C, D, E	
	Sub-objective 4.2.4: Sustain and Restore U.S.- Mexico Border Ecosystems	B	82 - Infrastructure Assistance: Mexico Border	402B82_	D, E	
L		E1 - U.S. - Mexico Border	402LE1C	C		
A, B, C, D, E, F, H, M		51 - Congressionally Mandated Projects	402_51_	A, B, C, D, E		

Goal (1st digit)

Objective 2 nd & 3 rd digits	Sub-objective	NPM 4 th digit	Program/ Project 5 th & 6 th digits	PRC #	Activity 7 th digit	RPIO 8 th & 9 th digits
Objective 4.3: Ecosystems	Sub-objective 4.3.1: Protect and Restore Ecosystems	B	26 - Categorical Grants: Targeted Watershed	403B26_	D, E	
		B	66 - Geographic Program: Lake Champlain	403B66_	B, C, D, E	
		B	67 - Geographic Program: Long Island Sound	403B67_	B, C, D, E	
		B	68 - Geographic Program: Other	403B68_	B, C, D, E	32, 33, 34
		B	89 - National Estuary Program/Coastal Watersheds	403B89_	B, C, D, E	
		M	G3 - Regional Geographical Initiatives	403MG3_	S, D, E	
	A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	403_51_	A, B, C, D, E		
	Sub-objective 4.3.2: Increase Wetlands	B	07 - Categorical Grants: Wetlands Program Development	403B07_	D, E	
		B	E2 - Wetlands	403BE2_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	403_51_	A, B, C, D, E	
	Sub-objective 4.3.3: Improve the Health of Great Lakes Ecosystems	B	64 - Geographic Program: Great Lakes	403B64_	B, C, D, E	
		B	69 - Great Lakes Legacy Act	403B69_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	403_51_	A, B, C, D, E	
	Sub-objective 4.3.4: Improve the Aquatic Health of the Chesapeake Bay	B	63 - Geographic Program: Chesapeake Bay	403B63_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	403_51_	A, B, C, D, E	
	Sub-objective 4.3.5: Improve the Aquatic Health of the Gulf of Mexico	B	65 - Geographic Program: Gulf of Mexico	403B65_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	403_51_	A, B, C, D, E	
	Objective 4.5: Enhance Science and Research	Sub-objective 4.5.1: Apply the Best Available Science	C	54 - Endocrine Disruptors	405C54_	B, C, D, E
C			C2 - Science Policy & Biotechnology	405CC2_	B, C, D, E	
A, B, C, D, E, F, H, M			51 - Congressionally Mandated Projects	405_51_	A, B, C, D, E	
Sub-objective 4.5.2: Conduct Relevant Research		F	72 - Homeland Security: Preparedness, Response, & Recovery	405F72_	A, C, D, E	
		F	84 - Human Health Risk Assessments (formerly IRIS)	405F84_	A, D, E	
		F	A6 - Research: Computational Toxicology	405FA6_	A, D, E	
		F	A8 - Research: Endocrine Disruptors	405FA8_	A, D, E	
		F	B1 - Research: Global Change	405FB1_	A, D, E	
		F	B2 - Research: Human Health & Ecosystems	405FB2_	A, D, E	
		F	B5 - Research: Pesticides & Toxics	405FB5_	A, D, E	
F	B8 - Research: Fellowships	405FB8D	D			
A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	405_51_	A, B, C, D, E			

Goal (1st digit)

Objective 2 nd & 3 rd digits	Sub-objective	NPM 4 th digit	Program/ Project 5 th & 6 th digits	PRC #	Activity 7 th digit	RPIO 8 th & 9 th digits
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Goal 5: Compliance and Environmental Stewardship

Objective 5.1: Improve Compliance	Sub-objective 5.1.1: Compliance Assistance	E	19- Categorical Grants: Sector Program	501E19_	B, C, D, E	
		E	48 - Compliance Assistance & Centers	501E48_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	501_51_	A, B, C, D, E	
	Sub-objective 5.1.2: Compliance Incentives	E	49 - Compliance Incentives	501E49_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	501_51_	A, B, C, D, E	
		E	12- Categorical Grants: Pesticides Enforcement	501E12_	B, C, D, E	
	Sub-objective 5.1.3: Monitoring and Enforcement	E	14- Categorical Grants: Toxic Substances Enforcement Compliance	501E14_	B, C, D, E	
		E	44 - Civil Enforcement	501E44_	B, C, D, E	
		E	50 - Compliance Monitoring	501E50_	B, C, D, E	
		E	52 - Criminal Enforcement	501E52_	B, C, D, E	
		E	55 - Enforcement Training	501E55_	B, C, D, E	
		E	71 - Homeland Security: Critical Infrastructure Prot.	501E71_	B, C, D, E	
		E	85 - International Capacity Building	501E85_	B, C, D, E	
E		E8 - Congressional, Intergovernmental, External Relations	501EE8_	B, C, D, E		
E		F8 - IT/Data Management	501EF8_	C, R		
A, B, C, D, E, F, H, M		51 - Congressionally Mandated Projects	501_51_	A, B, C, D, E		
Objective 5.2: Improve Environmental Performance through Pollution Prevention and Innovation	Sub-objective 5.2.1: Prevent Pollution and Promote Environmental Stewardship by Government and the Public	E	90 - NEPA Implementation	502E90_	B, C, D, E	
		C	95 - Pollution Prevention Program	502C95_	B, C, D, E	
		M	E9 - Environmental Education	502ME9_	C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	502_51_	A, B, C, D, E	
	Sub-objective 5.2.2: Prevent Pollution and Promote Environmental Stewardship by Business	C	13 - Categorical Grants: Pollution Prevention	502C13_	D, E	
		C	95 - Pollution Prevention Program	502C95_	B, C, D, E	
		D	A2 - RCRA: Waste Minimization & Recycling	502DA2_	B, C, D	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	502_51_	A, B, C, D, E	
	Sub-objective 5.2.3: Business and Community Innovation	M	A4 - Regulatory Innovation	502MA4_	B, C, D, E, S	
		M	G9 - Small Business Ombudsman	502MG9_	B, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	502_51_	A, B, C, D, E	
	Sub-objective 5.2.4: Environmental Policy Innovation	H	21- Categorical Grants: Environmental Information	502H21E	E	
		M	A4 - Regulatory Innovation	502MA4_	B, C, D, E, S	
A, B, C, D, E, F, H, M		51 - Congressionally Mandated Projects	502_51_	A, B, C, D, E		
Objective 5.3: Build Tribal Capacity	Sub-objective : None.	B	15- Categorical Grants: Tribal General Assistance Prog	503B15_	D, E	
		B	D9 - Tribal - Capacity Building	503BD9_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	503_51_	A, B, C, D, E	
Objective 5.4: Enhance Science and Research	Sub-objective 5.4.1: Strengthening Science	E	62 - Forensics Support	504E62_	B, C, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	504_51_	A, B, C, D, E	
	Sub-objective 5.4.2: Conducting Research	F	A9 - Research: Environmental Technology Verification	504FA9_	A, D, E	
		F	B6 - Research: Pollution Prevention	504FB6_	A, D, E	
		A, B, C, D, E, F, H, M	51 - Congressionally Mandated Projects	504_51_	A, B, C, D, E	

Goal (1st digit)

Objective 2 nd & 3 rd digits	Sub-objective	NPM 4 th digit	Program/ Project 5 th & 6 th digits	PRC #	Activity 7 th digit	RPIO 8 th & 9 th digits
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Goal Z: Enabling Support Program

Objective 2 nd & 3 rd digits	Sub-objective	NPM 4 th digit	Program/ Project 5 th & 6 th digits	PRC #	Activity 7 th digit	RPIO 8 th & 9 th digits
ZZ: Enabling Support Program	Sub-objective Z: Enabling Support Program	H, M	70 - Homeland Security: Communication and Information	ZZZ_70_	R, S	
		A	73 -Homeland Security: Protection of EPA Personnel and Infrastructure	ZZZA73C	C	
		D	73 -Homeland Security: Protection of EPA Personnel and Infrastructure	ZZZD73C	C	
		G	73 -Homeland Security: Protection of EPA Personnel and Infrastructure	ZZZG73L	L	
		L	73 -Homeland Security: Protection of EPA Personnel and Infrastructure	ZZZL73E	E	
		G	F2 - Facilities Infrastructure and Operations	ZZZGF2L	L	1, 2, 3
		G	F3 - Acquisition Management	ZZZGF3L	L	
		G	F5 - Human Resources Management	ZZZGF5Q	Q	
		G	G7 - Financial Assistance/IAG Management	ZZZGG7L	L	
		H	F1 - Exchange Network	ZZZHF1R	R	
		H	F6 - Information Security	ZZZHF6R	R	
		H	F8 - IT/ Data Management	ZZZHF8R	R	
		J	E5 - Central Planning, Budgeting and Finance	ZZZJE5_	D, E, M, N, P, S	
		M	E3 - Administrative Law	ZZZME3T	T	
		M	E7 - Civil Rights/Title VI Compliance	ZZZME7Q	Q	
		M	E8 - Congressional, Intergovernmental, External Relations	ZZZME8S	S	
		M	G4 - Regional Science and Technology	ZZZMG4L	L	
		M	G5 - Science Advisory Board	ZZZMG5S	S	
		M	G6 - Small Minority Business Assistance	ZZZMG6S	S	
		M	H9 - Regulatory/Economic Management & Analysis	ZZZMH9	B, D, E	
N	E4 - Alternative Dispute Resolution (ADR)	ZZZNE4T	T			
N	F9 - Legal Advice: Environmental Programs	ZZZNF9T	T			
N	G1 - Legal Advice: Support Program	ZZZNG1T	T			
P	G2 - Audits, Evaluations, and Investigations	ZZZPG2N	N			

Goal # (1st digit)	Objective # (2nd and 3rd digits)	NPM (4th digit)	Program/Project (5th & 6th digits)	Activity Code (7th digit)	RPIO Activity Code (8th & 9th digit)
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NPM:	Activities
A = Office of Air and Radiation (OAR) B = Office of Water (OW) C = Office of Prevention, Pesticides and Toxic Substances (OPPTS) D = Office of Solid Waste and Emergency Response (OSWER) E = Office of Enforcement and Compliance Assurance (OECA) F = Office of Research and Development (ORD) G = Office of Administration and Resources Management (OARM) H = Office of Environmental Information (OEI) J = Office of the Chief Financial Officer (OCFO) L = Office of International Affairs (OIA) M = Office of the Administrator (AO) N = Office of General Counsel (OGC) P = Office of Inspector General (OIG)	A = Research & Development B = Regulation/Policy Development C = Environmental Program Implementation D = Financial Assistance to Non-Governmental Organizations E = Financial Transfer to Governmental Organizations L = Administrative Management M = Planning and Resources Management N = Control and Oversight P = Financial Management Q = Human Resources Management R = Information Lifecycle Management S = Executive Leadership T = Legal Services

RPIO Activity Code	RPIO Activity Title	NPM	RPIO
01	Agency Rent/ Direct Lease (HQ)	OARM	16
02	Utilities (HQ, RT)	OARM	16
03	Security (HQ, RT)	OARM	16
AT	Air Toxic Monitoring	OAR	27 + RTs
B4	BRAC	OSWER	75 + RTs
BP	Brownfields Petroleum	OSWER	75 + RTs
HZ	Regional Planning - HAPS	OAR	27 + RTs
PM	Particulate Matter 2.5 monitoring	OAR	27 + RTs
13	Water Sustainable Infrastructure Management	OW	30
14	Water Sustainable Communities Assistance	OW	30
15	Water State/Regional Permits	OW	30
16	Water Urban Wet Weather	OW	30
17	Water Infrastructure Grants Management	OW	30
18	Water Industrial/ Rural	OW	30
19	Water Building State/ Tribal Capacity	OW	30
20	Water Quality Criteria/Standards	OW	30
21	Water Industrial Pollution Control	OW	30
22	Water TMDLs/ Watersheds	OW	30
23	Water TMDL State Support	OW	30
24	Water Quality Monitoring/ Assessment Data Management	OW	30
25	Nonpoint Source Pollution Control	OW	30
26	DW Implementation	OW	30
27	DW Small Systems	OW	30
28	DW Regulations	OW	30
29	DW Regulatory Tools & Treatment Tech	OW	30
30	DW Source Water Protection	OW	30
31	Underground Injection Control	OW	30
32	Water Lake Ponchartrain	OW	30
33	Water Pacific Northwest	OW	30
34	Water South Florida	OW	30
35	Water National Program Management	OW	30
36	Water Tribal Support	OW	30
37	Water Tribal Grants Management	OW	30
38	Water Tribal NPDES General Permit	OW	30
39	Water Tribal NPDES/ Urban Wet Weather	OW	30
40	Water Tribal NPDES Industrial/ Rural	OW	30
41	Water Tribal Support to Water Quality Standards Program	OW	30
42	Water Tribal Watershed Framework	OW	30
43	Water Tribal Water Monitoring/Assessment	OW	30
44	Water Tribal Management DW-SRF	OW	30
45	Water Tribal Capacity Building/ PWSS & UIC	OW	30

APPENDIX B

RECIPIENT PERFORMANCE REPORTING

Recipients subject to 40 C.F.R. Part 30

Performance Reports

In accordance with 40 C.F.R. § 30.51 (d), the recipient agrees to include in performance reports submitted under this agreement brief information on each of the following areas: 1) a comparison of actual accomplishments with the anticipated outputs/outcomes specified in the assistance agreement work plan; 2) reasons why anticipated outputs/outcomes were not met; and 3) other pertinent information, including, when appropriate, analysis and explanation of cost overruns or high unit costs.

In accordance with 40 C.F.R. § 30.51 (f), the recipient agrees that it will notify EPA of problems, delays, or adverse conditions which materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan.

Recipients subject to 40 C.F.R. Part 31 (other than recipients of State or Tribal Program grants under 40 C.F.R. Parts 35 Subparts A or B)

Performance Reports

In accordance with 40 C.F.R. §31.40, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement workplan for the period; 2) the reasons for slippage if established outputs/outcomes were not met; and 3) additional pertinent information, including, when appropriate, analysis and information of cost overruns or high unit costs.

In accordance with 40 C.F.R. § 31.40 (d), the recipient agrees to inform EPA as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan.

Attachment 2 Sample Program Menu

GRANT PROGRAM: *Drinking Water State Revolving Fund (DWSRF)*

CFDA: 66.468

STRATEGIC PLAN OBJECTIVE 2.1: PROTECT HUMAN HEALTH - Protect human health by reducing exposure to contaminants in drinking water (including protecting source waters), in fish and shellfish, and in recreational waters.

Subobjective 2.1.1: Water Safe to Drink - By 2008, 95% of the population served by community water systems will receive drinking water that meets all applicable health-based drinking-water standards through effective treatment and source water protection.

NATIONAL REPORTABLE OUTPUTS/OUTCOMES (PAMS) FOR DWSRF:

- G** The annual percentage of assistance agreements to bring entities into compliance.
- G** Fund utilization rate [cumulative loan agreement dollars to the cumulative funds available for projects] for the DWSRF.
- G** Return on Federal Investment [cumulative dollar amount of assistance disbursements to projects divided by cumulative federal outlays for projects].
- G** The cumulative number of project completions.

OUTPUTS/OUTCOMES TO ACHIEVE SUBOBJECTIVE(S):

Note: The following outputs/outcomes are options for grantees to consider including in their work plans. They can be modified and augmented as necessary to suit the particular needs and circumstances of the grantee.

SAMPLE ANTICIPATED OUTPUTS/ACTIVITIES:

- G** Number of binding commitments.
- G** Number of loan agreements.
- G** Number, dollar amounts, and/or population served of projects financed.
- G** Through FY ____, our fund utilization rate was [calculate percentage], which is lower than the national average. In the coming year we intend to increase our pace to [calculate percentage]. (PAM).
- G** Through FY ____, the rate at which projects progressed as measured by disbursements as a percent of assistance provided or project completions as a percent of projects starts.

SAMPLE ANTICIPATED OUTCOMES (SHORT-TERM/LONG-TERM):

- G** Number of projects initiating operation resulting in improved compliance.
- G** Improved compliance for systems receiving DWSRF assistance.

Attachment 2 Sample Program Menu

GRANT PROGRAM: *Drinking Water State Revolving Fund (DWSRF)*

CFDA: 66.468 - Set-Asides

STRATEGIC PLAN OBJECTIVE 2.1: PROTECT HUMAN HEALTH - Protect human health by reducing exposure to contaminants in drinking water (including protecting source waters), in fish and shellfish, and in recreational waters.

Subobjective 2.1.1: Water Safe to Drink - By 2008, 95% of the population served by community water systems will receive drinking water that meets all applicable health-based drinking-water standards through effective treatment and source water protection.

NATIONAL REPORTABLE OUTPUTS/OUTCOMES (PAMS) FOR DWSRF:

- G** The annual percentage of assistance agreements to bring entities into compliance.
- G** Fund utilization rate [cumulative loan agreement dollars to the cumulative funds available for projects] for the DWSRF.
- G** Return on Federal Investment [cumulative dollar amount of assistance disbursements to projects divided by cumulative federal outlays for projects].
- G** The cumulative number of project completions.

OUTPUTS/OUTCOMES TO ACHIEVE SUBOBJECTIVE(S):

Note: The following outputs/outcomes are options for grantees to consider including in their work plans. They can be modified and augmented as necessary to suit the particular needs and circumstances of the grantee.

SAMPLE ANTICIPATED OUTPUTS/ACTIVITIES:

Small System Technical Assistance

- G** Number of systems receiving training.
- G** Number of systems receiving on-site technical assistance.

State Program Management

- G** Data management system developed/maintained
- G** State required updates to primacy established

Source Water Protection Program

- G** Develop inventory of potential contaminant sources
- G** Study of water systems susceptibility to contamination

Operator Certification Program

- G** Number of operator training courses held
- G** Development of "Training the trainer" courses

Capacity Development

- G** Development of communications strategy with stakeholder and customers.
- G** Development of system strategic plan

SAMPLE ANTICIPATED OUTCOMES (SHORT-TERM/LONG-TERM):

Small System Technical Assistance

- G Improved operational and/or financial efficiency
- G Improved compliance for systems receiving Small Systems Technical Assistance.

State Program Management

- G Attainment of primacy for new rules
- G Improved data quality - Demonstrated through data verification

Source Water Protection Program

- G Number of systems with reduced treatment expense
- G Improved compliance tied to a source water protection program

Operator Certification Program

- G Improved system compliance tied to improved operator performance
- G Improvement certification pass/fail rate

Capacity Development

- G Improved customer and stakeholder satisfaction
- G Improved efficiency through consolidation or partnering

Attachment 3

Sample Compliance Language for Funding Package

This grant supports Goal 2 (Clean and Safe Water), Objective 1 (Protect Human Health), Sub-objective 1 (Water Safe to Drink). Specifically, the recipient will establish a revolving loan fund to make low cost loans and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with Safe Drinking Water Act requirements. The PRC assigned to the funding for this project is consistent with that Strategic goal/objective/sub-objective. The [Name of Regional office/division] has reviewed the work plan for this grant and determined it contains well-defined outputs, and to the maximum extent practicable, well defined outcome.

Grant Condition

Recipients Subject to 40 CFR Part 35, Subparts K and L (Clean Water and Drinking Water State Revolving Fund Programs)

In accordance with 40 CFR § 31.40 and 40 CFR §35.3165 or §35.3570, as applicable, the recipient agrees to provide in its Annual or Biennial Report, or in its Annual Reviews, as applicable, information regarding environmental results in the following areas: 1) achievement of the outputs and outcomes established in the Intended Use Plan and set-aside workplans; 2) the reasons for delays if established outputs or outcomes were not met; and 3) any additional pertinent information on environmental results.

Attachment 4
DWSRF Environmental Result Grant Requirement - Sample Letter to States

Mr/Ms. [Name]
[Title]
[Office]
[Address]
[City] [State] [zip code]

RE: Environmental Results Grant Requirement for EPA Grants - Drinking Water State Revolving Fund

Introduction

On November 30, 2004, the Environmental Protection Agency (EPA) EPA Order Classification Number 5700.7, Environmental Results under EPA Assistance Agreements, which went into effect on January 1, 2005. The Order applies to all EPA grants and grant programs, including the DWSRF, and all Funding Packages / Funding Recommendations submitted to the Grants Management Office after January 1, 2005.

The Order stipulates that EPA Project Officers ensure that well defined outputs, and to the maximum extent practicable, well defined outcomes, that are linked to the goals and objectives of the EPA's 2003 Strategic Plan, are addressed in grant work plans. Specifically, Project Officers must ensure that all grants describe the linkage of the work to be completed to the Agency's Strategic Plan/Government Performance Results Act (GPRA) architecture, and certify that outputs, and to the maximum extent practicable, outcomes are included in announcements, work plans, and annual performance reports. Project Officers must also consider how the results from completed grant projects contribute to the Agency's goals and objectives.

For the Drinking Water State Revolving Fund (DWSRF), this means that capitalization grants and their set-aside components will need to determine how they meet the above requirements and have a Project Officer certify this in the Integrated Grants Management System and grant file. Much of the information needed to meet these requirements can be found in existing DWSRF program documents.

Definitions

The Order defines outputs as environmental activities or efforts, and associated work products related to an environmental goal or objective, that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative, but must be measurable during an assistance agreement funding period. An example of this is the number of binding commitments or loan agreements in a State's Intended Use Plan.

Outcomes are the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement funding period. An example of this is improved compliance with drinking water requirements.

Program Menus

One of the key tools the program offices will use to make this determination is a program menu. For the DWSRF, we have generated sample program menus for the capitalization and set-aside portions of the grant. We are sharing these sample menus with States to help communicate examples of typical outputs and outcomes we will be looking for in grant applications. Although States are not required to make use of these menus, State programs might wish to use these as a guide for work plan development or may even submit a menu with their application. Please note that these are merely sample menus and can be modified to fit the needs and goals of your DWSRF program should you choose to use them.

Conclusion

We look forward to working with you to demonstrate the environmental benefits your program strives for and achieves. If you have any questions please contact [**Contact Name**] at [**Phone number**].

Sincerely

[**Name**]

Enclosures