Program Background

The U.S. Department of Transportation's (DOT), Pipeline and Hazardous Materials Safety Administration's (PHMSA), Hazardous Materials Grant Program (the program) administers theHazardous Materials Emergency Preparedness (HMEP) Grant. The program is funded by registration fees collected from hazardous materials (hazmat) shippers and carriers who offer for transportation or transport certain hazmat in intrastate, interstate, or foreign commerce in accordance with 49 CFR Part 107, Subpart G. These fees fund training and planning grants, monitoring and technical assistance, curriculum development, and staffing costs.

The HMEP grant program, as mandated by 49 U.S.C. 5101 et seq., provides Federal financial and technical assistance to States, Territories, and Indian Tribes to "develop, improve, and carry out emergency plans" within the National Response System and the Emergency Planning and Community Right-To-Know Act of 1986 (EPCRA, Title III), 42 U.S.C. 11001 et seq. The program is designed to allow grantees flexibility in implementing training and planning programs that address differing needs for each location based on demographics, emergency response capability, commodity flow studies, and hazard analysis. States have the ability to target specific training needs and planning activities using these funds.

Program Review

In August 2010, PHMSA initiated a program evaluation and assessment to identify ways to improve administration of HMEP grants. The assessment revealed opportunities for improvement and recommendations for consideration in the following areas:

◆ PHMSA management approach and processes
◆ Regulations, guidance, and award terms and conditions
◆ Training and technical assistance
◆ Management information.

In March 2011, PHMSA launched the following comprehensive action plan to address and enhance several key areas of policy, operations, and support as part of PHMSA's commitment to improving the HMEP Grant Program's effectiveness and processes. These improvement efforts establish greater accountability of operations, oversight of grantees including reevaluating of types of data collected from grantees, and improved efficiencies ensuring that the program: 1) develops and implements effective standard operating procedures; 2) has appropriate levels of staff and support resources; 3) leverages on-line information technology management systems; and 4) standardizes grantee applications, reports, and review processes. The Grant Program is working to complete all the Action Plan items noted below and review all available information to implement effective solutions that enhance program efficacy.

#	Description of Finding	Action	Tasks (Action Items)	Challenge(s)	Status
1	Lack of clear internal and external guidance on allowable uses of grant funds (courses, equipment)	Develop Clear and comprehensive guidance for expenditures	Create a list of Eligible/Ineligible Expenses for **internal and external** reference	• Must gain buy-in from Grant Program staff • Must gain concurrence from PHC leadership	Complete
2	Grantee administrative requirements not clear/not well articulated	Develop Clear Grantee (**external**) guidance documents and increase outreach efforts to better educate grantees	• Create Eligible/Ineligible Lists • Create Regulation Quick Reference Guide • Improve Guidance Document	Changing grantee culture of little program oversight to well educated and highly compliant grantee	• Complete • Complete • Complete
3	Inconsistencies in completeness of grantee files	Develop Clear and comprehensive SOPs for (**internal**) grant administration, to include file preparation and maintenance	• Compile existing SOPs and develop new SOPs, as needed to fully document the entire grant management life-cycle		• In Process
4	Lack of adequate oversight of grantee performance	• Develop clear program performance measures • Develop Clear and comprehensive SOPs for (**internal**) grant administration, to include measuring performance and site visit protocols	• Develop (**external**) performance measures that act as true indicators of risky grantees and inefficient uses of grant funds • Develop SOP for Site Visit protocols that ensure best use of grant staff time and other limited program resources • Perform Site Visits • Enforce Quarterly Reporting Requirement to stave off on-going grantee problems (will be reiterated in the Guidance Document)	• Getting staff adequately trained on all grant management processes • Changing grantee expectation of limited program oversight to active partnership between grantee and grantor	• Complete • In Process • Complete • Complete

#	Description of Finding	Action	Tasks (Action Items)	Challenge(s)	Status
5	Vague proposals included in application	Enhance application to require more specific information in proposed planning and training activities	Update/Improve Guidance Document to include: • Clear grant administrative requirements • Proposed Activity Template • Quarterly/Final Report Template	• Requires time-consuming OMB Approval • Grants.gov and GrantSolutions may preclude the use of PHMSA-specific forms	• Complete[1] • In-process
6	Grantees utilize multiple funding sources (DHS/FEMA, EPA) without clear separation	Develop Clear Grantee (**external**) guidance documents and increase outreach efforts to better educate grantees on the proper use of HMEP Grant funds AND Enhance reporting requirements to gain only HMEP related data	• Develop outreach plan to include participation in webinars, industry events, and the development of promotional materials and other informational materials • Improve Guidance Document • Develop Quarterly/Final Report Template designed to exclude non-HMEP activity	Changing grantee culture of little program oversight to well educated and highly compliant grantee population	• Complete • Complete • In Process
7	Numbers Trained (as noted on Report to Congress) are unclear	Enhance final report template require more specific information on actual planning and training activities performed with HMEP Grant funds	• Improve Guidance Document to prepare grantee for accurate reporting • Develop Quarterly/Final Report Template to exclude non-HMEP activity	• Requires timely OMB Approval • Grants.gov and GrantSolutions may preclude the use of PHMSA-specific reports	• In Process • In Process
8	Failure to manage grants in accordance with "federal norms": 1) App Review 2) Awarding	Develop Clear and comprehensive SOPs for (**internal**) grant administration, to include the entire grant lifecycle	• Compile existing SOPs and develop new SOPs, as needed to fully document the entire grant management life-cycle		• In Process

---

[1] A sample application was provided to grantees to serve as a reference when developing their respective 2011-2012 HMEP Grant Applications. The release of the Sample Application was coupled with a webinar that offered technical assistance in developing complete and accurate proposals. This allowed for the expedient release of information in time for the new (2011-2012) grant cycle, as the final application revision will be contingent upon several program administration decisions and subject to the formal OMB concurrence process. The revised Grant Application has an anticipated release date of April 2013.

#	Description of Finding	Action	Tasks (Action Items)	Challenge(s)	Status
	3) Admin/Oversight 4) Close-out 5) Compliance		• Create Regulation Quick Reference Guide to afford easy access to all relevant regulatory documents • Develop internal training plan to ensure all grant staff are prepared to oversee the administration of HMEP grants • Perform Site Visits • Develop performance measures that act a true indicators of risky grantees and inefficient uses of grant funds • Establish Compliance Protocol, via the Terms & Conditions, that enables the program to impose consequences on non-compliant grantees		• Complete • Complete • Complete • Complete • Complete
9	Regulations do not align with assurance documents or grantee submissions/practices	Update regulations to ensure relevance and to accurately align with program intent, practices	• Update HMEP, HMIT and SPSTG regulations, as necessary	Time consuming process involving internal OHMS interested parties and OMB	• To Begin Feb '12

DELIVERABLES*

Finding(s)	Item/Activity	Due Date (2011)	Status
1,2	Eligible/Ineligible List (Allowable/Unallowable)	December 31st	COMPLETE
2,8	Regulation Quick Reference Guide	March 15th	COMPLETE
8	Internal Training Plan	March 28th	COMPLETE
6	Outreach Plan	March 28th	COMPLETE
2,5,6,7	Guidance Document[2]	April 15th	COMPLETE
7	Quarterly Reporting Requirement (in '11 Award T&Cs)	April 15th	COMPLETE
5	Proposed Activity Template[2]	April 15th	COMPLETE
4,8	Perform Site Visits	April 15th	COMPLETE
3,4,8	Standard Operating Procedures (full grant cycle)	March 2012	IN-PROCESS
8	Compliance Protocol[3]	June 3rd	COMPLETE
5,6,7	Quarterly/Final Report Template	February 2012	IN-PROCESS
4,8	Performance Measures	December 16th	COMPLETE
9	Regulations	May 2012	TO BEGIN FEB '12

*NOTE: Deliverables will be prepared by Grant Program Personnel, by listed due date, in DRAFT form for additional review and concurrency by PHMSA Leadership.

---

[2] A sample application was provided, including a model for presenting proposed activities, to grantees to serve as a reference when developing their respective 2011-2012 HMEP Grant Applications. The release of the Sample Application was coupled with a webinar that offered technical assistance in developing complete and accurate proposals. This allowed for the expedient release of information in time for the new (2011-2012) grant cycle, as the final application revision will be contingent upon several program administration decisions and subject to the formal OMB concurrence process. The revised Grant Application has an anticipated release date of April 2013.

[3] Compliance protocol is outlined in the Notice of Grant Award Terms and Conditions.