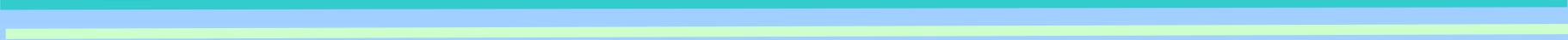


US EPA ARCHIVE DOCUMENT



Overview of Best Practices Guide for Performance Partnership Grants with States

U.S. Environmental Protection Agency
Office of Congressional and Intergovernmental Relations

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Scope of the Guide

The Guide is divided into four main sections:

- **Essentials of PPGs**
 - ❖ 11 Questions
- **Planning and Developing PPGs**
 - ❖ 2 Questions
- **PPG Workplans**
 - ❖ 3 Questions
- **Elements of Accountability**
 - ❖ 8 Questions

Reasons for Revising and Purpose of the Guide

The Guide was revised in order to:

- Rewrite it in plain English, clarify confusing text and make it more readable and user-friendly.
- Make it a more practical “how-to” manual and quick reference tool for PPG-related rules, regulations and grant policies.

Using a Q&A format, the guide:

- Explains how PPGs can help in achieving agreed-upon environmental and program goals and objectives.
- Highlights key regulations, policies and procedures for developing and managing PPGs.
- Provides examples, information and resources.

I. Essentials of PPGs

Q. What are PPGs and why were they created?

- A PPG is a grant that combines multiple environmental program categorical grants and gives states greater flexibility to direct resources to pressing environmental needs and allows for easier funding efforts that cut across program boundaries.
- States wanted greater flexibility in managing and using EPA grant funds, so in 1995 and 1997 EPA asked Congress for new authority to accomplish this which was granted.
- The Guide contains list of grants eligible for inclusion in PPGs.

I. Essentials of PPGs (Cont'd)

Q. What entities are eligible to receive PPGs?

- PPGs may be awarded to all state agencies and interstate agencies that are eligible to receive funds pursuant to more than one categorical environmental program grant authority.

Q. What regulations govern PPGs and what activities are eligible for funding under PPGs?

- 40 CFR 35, Subpart A—State and Local Assistance, and 40 CFR 31, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- PPG funds can be used to carry out any activity that is allowable under at least one of the environmental program grants being combined in the PPG. The more program grants that are included in the PPG, the greater the range of the activities that can be funded with the PPG.

I. Essentials of PPGs (Cont'd)

Q. How is the state's match amount for a PPG determined?

- The match or minimum cost share amount for a PPG is the sum of the non-federal cost share required under each of the environmental program grants included in the PPG.
- Recipients should calculate a single, composite minimum cost share based on the match or maintenance of effort requirements of the categorical grants included in the PPG.
- The Guide contains a table listing match requirements for grants eligible for inclusion in a PPG.

I. Essentials of PPGs (Cont'd)

Q. How do the PPG regulations support flexible approaches to achieving environmental results?

- States can reduce the administrative burden of grant management through streamlined paperwork and accounting procedures (e.g., submission of one application package and consolidated federal financial reports).
- Maximizing the use of available resources — distributing funds included in a PPG to projects or activities that cut across program boundaries can be a significant benefit.
- The Regional Administrator is the decision-official regarding requests for flexibility in state grants.
 - If a state's proposal deviates significantly from an NPM's guidance, the Regional Administrator must consult with the appropriate NPM before agreeing to the state's proposal.

I. Essentials of PPGs (Cont'd)

Q. What steps should be taken to ensure prompt resolution of issues that could delay award of a PPG and what is EPA's process for resolving issues between an NPM and a region?

- Appropriate elevation is the key to achieving timely resolution of issues that arise within a region or between a region and a state. It is critical that both state and EPA staff elevate issues up their respective management chains when necessary.
- OCIR should be notified if a PPG-related disagreement between EPA offices remains unresolved. (The Guide describes in detail OCIR's dispute resolution process).
- If an NPM and a Regional Administrator are unable to resolve a PPG-related issue within a reasonable time frame, the offices should contact OCIR to begin a process to achieve resolution of the issue.

I. Essentials of PPGs (Cont'd)

Q. What is the relationship between PPAs and PPGs?

- A PPA set out joint priorities, goals and objectives and workplan components and commitments; can serve as PPG workplan; provides strategic underpinning for PPGs.

Q. How are competitive grants managed in PPGs?

- The Guide lists PPG-eligible grants that are awarded competitively; discusses management challenges, EPA's grant competition policy and integrating competitive grants into PPGs.

Q. How do grants become eligible for inclusion in a PPG?

- The Administrator has the authority to add, delete, or change the programs eligible for PPGs if a new grant program is authorized in the appropriate line item for multi-media and single media pollution control and abatement in EPA's STAG appropriations account.

II. Planning and Developing PPGs

Q. What is the general planning cycle for development of PPGs?

- The schedule for developing PPG work plans will vary by state depending on the grant budget period in the award agreement. In many cases, the planning cycle is on a federal fiscal year basis.

- The Guide contains a generic timeline, listing major PPG negotiation milestones, for developing a PPG workplan and grant application.

Q. How do elements of NPM guidance affect PPGs?

- NPM guidance is a key component of the PPG workplan process. NPMs are expected to reflect regional and state priorities and needs in developing their national guidances.
 - NPM guidance will be issued every 2 years beginning in FY 2016.

II. Planning and Developing PPGs (Cont'd)

- EPA regions and states are required to consider NPM guidance when they develop grant workplans.
 - Work plans should reflect any jointly identified priorities as well as state-specific environmental and programmatic needs.

- The regulations provide flexibility for states to propose grant workplans that differ from the goals, objectives and measures in NPM guidance.

- If a state proposes a workplan that is significantly different from the NPM guidance, the Regional Administrator must consult with the affected NPM or NPMs before agreeing to the workplan.

III. PPG Workplans

Q. What should be included in a PPG workplan?

- PPG workplans are subject to the same requirements as any other grant work plan and must include:
 - The components to be funded;
 - The estimated work years and funding amounts for each component;
 - The workplan commitments;
 - A performance evaluation process and reporting schedule;
 - Roles and responsibilities.

- They must also include:
 - Essential Element 1—EPA Strategic Plan Goal
 - Essential Element 2—EPA Strategic Plan Objective
 - Essential Element 3—Workplan Commitments Plus Time Frame

III. PPG Workplans (Cont'd)

Q. How can PPG workplan components be organized to provide flexibility?

- A workplan component is “a negotiated set or group of work plan commitments established in the grant agreement. A workplan may have one or more work plan components.”

- States have options for organizing PPG workplan components. Workplans can be multi-year. The best option for a given state and region depends on the circumstances.

- States have adopted multi-media workplan components in their PPGs under categories such as permits, monitoring, inspections and enforcement.
 - Other states organize the workplan components by using the individual program grants included in the PPG such as air, water or waste.

III. PPG Workplans (Cont'd)

Q. Can a PPG be awarded if some programs have not yet reached agreement on the workplan?

- Yes, the regulations allow the Regional Administrator to conditionally approve an application thus allowing a grant to be made on the condition that certain changes are made to the workplan or application.
- It is EPA's policy to award continuing environmental grant funds as soon as possible after funds are available to distribute.
- Once the issues have been resolved, the workplan must be amended to reflect the changes. An amendment is required in either situation – addressing conditional approval or adding a program into a PPG after it has been awarded

IV. Elements of Accountability and Performance

Q. How is performance assessed in PPGs?

- Assessment of performance in PPGs is based on:
 - Reviewing annual, semi-annual and/or quarterly performance reports;
 - Completing a joint evaluation or review process;
 - Reviewing required financial records.

- States are held accountable for achieving the outputs and outcomes agreed to in the negotiated work plan.

- States with PPGs continue to report information into national data systems and submit any other reports required by law or regulation. It is important for EPA to review reports and provide timely feedback.

IV. Elements of Accountability and Performance (Cont'd)

Q. How do the various Grants Policy Issuances (GPIs) and other policies apply to PPGs?

- **GPI-09-01** on burden reduction codifies and summarizes actions EPA has taken to address major grant-related issues identified under the Agency's State Reporting Burden Reduction Initiative.
 - One section applies to the reporting frequency of each program included in a PPG.
- **GPI-12-06** on grant timeliness is designed to promote timely and efficient award/utilization of grant funds. Major provisions include:
 - A goal to obligate all grant funds in the first year of availability;
 - A new evaluation factor and provisions for anticipatory announcements for grant competitions;
 - State grant streamlining principles and requirements for negotiating outlay strategies;
 - Additional limits on project period extensions.

IV. Elements of Accountability and Performance (Cont'd)

- **GPI-11-01** on unliquidated obligations (ULOs) addresses concerns about the necessity of internal controls to identify and de-obligate unneeded assistance agreement funds, or to prevent unwarranted accumulations of ULOs.
 - ULO means the unexpended balance remaining from the amount of federal funds EPA obligated to an agreement (or the amount the recipient of the agreement has not “drawn down”).
 - The policy includes limits on project periods, development of indicators to assess the effectiveness of funds utilization, requirements for work plan milestones and delivery dates, and “sufficient progress” terms and conditions.
- **GPI-11-03** on State Grant Workplans and Progress Reports is designed to:
 - Enhance accountability for achieving grant performance objectives;
 - Ensure that state grants are aligned with EPA’s Strategic Plan;
 - Provide for more consistent performance reporting.
 - Requires that workplans and progress reports include three Essential Elements:
 - EPA Strategic Plan Goal; EPA Strategic Plan Objective; Workplan Commitments Plus Time Frame

IV. Elements of Accountability and Performance (Cont'd)

➤ **EPA's Environmental Results Order:**

- Links proposed assistance agreements to EPA's Strategic Plan.
- Project officers, through certification in the funding recommendation, ensure that outputs and outcomes are appropriately addressed in work plans, solicitations and performance reports.
- Project officers must also consider how the results from completed assistance agreement projects contribute to the Agency's goals and objectives.

IV. Elements of Accountability and Performance (Cont'd)

Q. Who within EPA and the states may be involved in developing a PPG?

- EPA regional and state senior managers; EPA and state strategic planners; EPA regional and state program directors, managers and staff; PPG project officers and state PPG leads; grants specialists and financial analysts.

Q. What responsibilities do states have with regard to PPGs?

- States are responsible for ensuring that unique state legal requirements are factored into the PPG process.
- A state's use of grant funds must be consistent with its appropriations authorities, applicable fiscal procedures, federal regulatory requirements and federal grant management procedures.

V. Conclusion

EPA's commitment to a new era of partnerships and continued implementation of NEPPS principles is reflected in the Partnerships Cross-Agency Strategy in the FY 2014-2018 EPA Strategic Plan which places an emphasis on advancing NEPPS and jointly pursuing E-Enterprise as ways to strengthen and improve the partnership.

EPA is also committed to developing a specific PPG GPI to provide a framework for promoting and encouraging the increased use of PPGs.

- The proposed GPI will:
 - Organize, assemble and summarize all existing PPG policies into one document;
 - Provide for easy access and reference;
 - Foster consistent implementation of PPG policies in general; and
 - Commit EPA to developing an on-line training course.