

US EPA ARCHIVE DOCUMENT

Application for Federal Assistance SF-424

Version 02

\* 1. Type of Submission:

- ☐ Preapplication  
☐ Application  
☒ Changed/Corrected Application

\* 2. Type of Application:

- ☒ New  
☐ Continuation  
☐ Revision

\* If Revision, select appropriate letter(s):

\* Other (Specify)

\* 3. Date Received:

12/10/2008

4. Applicant Identifier:

5a. Federal Entity Identifier:

\* 5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

\* a. Legal Name:

Wisconsin Department of Natural Resources

\* b. Employer/Taxpayer Identification Number (EIN/TIN):

39-6006436

\* c. Organizational DUNS:

809611247

d. Address:

\* Street1:

101 S Webster St

Street2:

\* City:

Madison

County:

\* State:

WI: Wisconsin

Province:

\* Country:

USA: UNITED STATES

\* Zip / Postal Code:

53702

e. Organizational Unit:

Department Name:

WI Dept of Natural Resources

Division Name:

Air & Waste

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

Ms.

\* First Name:

Sheralynn

Middle Name:

\* Last Name:

Stach

Suffix:

Title:

Organizational Affiliation:

\* Telephone Number:

608-264-6292

Fax Number:

\* Email:

Sheralynn.Stach@wisconsin.gov

Application for Federal Assistance SF-424

Version 02

9. Type of Applicant 1: Select Applicant Type:

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

\* 10. Name of Federal Agency:

Environmental Protection Agency

11. Catalog of Federal Domestic Assistance Number:

66.940

CFDA Title:

Environmental Policy and State Innovation Grants

\* 12. Funding Opportunity Number:

EPA-OPEI-NCEI-09-01

\* Title:

2009 State Innovation Grant Program ACTION: Request for Initial Proposals (RFIP)

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

\* 15. Descriptive Title of Applicant's Project:

Develop an ERP to implement the area source rule 40 CFR 63 Subpart 6H as it affects autobody refinishing shops and measure the changes in environmental performance that result.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

\* a. Start Date:

\* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="350,000.00"/>
* b. Applicant	<input type="text" value="50,847.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="400,847.00"/>

\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E.O. 12372.

\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

☐ Yes ☒ No

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☒ \*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:


\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)

Prescribed by OMB Circular A-102

  
Secretary's Signature for  
Grants.gov Submittal

8/6/09  
Date

## BUDGET INFORMATION - Non-Construction Programs

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		\$0	\$0	\$350,000	\$50,847	\$400,847
2.						
3.						
4.						
5. Totals		\$0	\$0	\$350,000	\$50,847	\$400,847
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories		GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
		(1)	(2)	(3)	(4)	
a. Personnel				\$1,613		\$1,613
b. Fringe Benefits				\$782		\$782
c. Travel				\$0		\$0
d. Equipment				\$0		\$0
e. Supplies				\$0		\$0
f. Contractual				\$398,125		\$398,125
g. Construction				\$0		\$0
h. Other				\$0		\$0
i. Total Direct Charges (sum of 6a-6h)				\$400,520		\$400,520
j. Indirect Charges				\$327		\$327
k. TOTALS (sum of 6i and 6j)		\$	\$	\$400,847	\$	\$400,847
7. Program Income		\$	\$	\$	\$	\$

## SECTION C - NON-FEDERAL RESOURCES

(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.				\$
9.				\$
10.				\$
11.				\$
12. Total (SUM OF LINES 8-11)				\$

## SECTION D - FORECASTED CASH NEEDS

	Total for 1 <sup>st</sup> Year	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
13. Federal					
14. Non-Federal					
15. TOTAL (sum of lines 13 and 14)					

## SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program	FUTURE FUNDING PERIODS (years)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16.	\$	\$	\$	\$
17.				
18.				
19.				
20. TOTAL (sum of lines 16-19)	\$	\$	\$	\$

## SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:	22. Indirect Charges: (Salary + Fringe Benefits) x 13.67 %
23. Remarks:	

## INSTRUCTIONS FOR THE SF-424A

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. Send comment regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0044), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

### General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Sections A, B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

### Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a single Federal grant program (Federal Domestic Assistance Catalog number) and not requiring a functional or activity breakdown, enter on Line 1 under Column (a) the Catalog program title and the Catalog number in Column (b).

For applications pertaining to a single program requiring budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the Catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the Catalog program title on each line in Column (a) and the respective Catalog number on each line in Column (b).

For applications pertaining to multiple programs where one or more programs require a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

### Lines 1-4, Columns (c) through (g)

For new applications, leave Column (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

For continuing grant program applications, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

For supplemental grants and changes to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).

**Line 5** - Show the totals for all columns used.

### Section B Budget Categories

In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

**Line 6a-i** - Show the totals of Lines 6a to 6h in each column.

**Line 6j** - Show the amount of indirect cost.

**Line 6k** - Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 6. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.



## INSTRUCTIONS FOR THE SF-424A (continued)

**Line 7** - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the Federal grantor agency in determining the total amount of the grant.

### Section C. Non-Federal Resources

**Lines 8-11** Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

**Column (a)** - Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

**Column (b)** - Enter the contributions to be made by the applicant.

**Column (c)** - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

**Column (d)** - Enter the amount of cash and in-kind contributions to be made from all other sources.

**Column (e)** - Enter totals of Columns (b), (c), and (d).

**Line 12** - Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f), Section A.

### Section D. Forecasted Cash Needs

**Line 13** - Enter the amount of cash needed by quarter from the grantor agency during the first year.

**Line 14** - Enter the amount of cash from all other sources needed by quarter during the first year.

**Line 15** - Enter the totals of amounts on Lines 13 and 14.

### Section E. Budget Estimates of Federal Funds Needed for Balance of the Project

**Lines 16-19** - Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

**Line 20** - Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

### Section F. Other Budget Information

**Line 21** - Use this space to explain amounts for individual direct object class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

**Line 22** - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

**Line 23** - Provide any other explanations or comments deemed necessary.



**ASSURANCES - NON-CONSTRUCTION PROGRAMS**

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.




**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM=s Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally-assisted construction subagreement.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in flood plains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) Related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance will Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) Pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) Which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE 
APPLICANT ORGANIZATION  Wisconsin Department of Natural Resources	DATE SUBMITTED  



## KEY CONTACTS FORM

**Authorized Representative:** *Original awards and amendments will be sent to this individual for review and acceptance, unless otherwise indicated.*

Name: Mr. Matthew J. Frank  
 Title: Secretary  
 Complete Address: 101 S. Webster Street, AD/8  
Madison, WI 53702  
 Phone Number: 608-266-2121

**Payee:** *Individual authorized to accept payments.*

Name: Ms. Terri Burns  
 Title: Grant Accountant  
 Mail Address: PO Box 7921, FN/2  
Madison, WI 53707-7921  
 Phone Number: 608-267-7667

**Administrative Contact:** *Individual from Sponsored Program Office to contact concerning administrative matters (i.e., indirect cost rate computation, rebudgeting requests etc.)*

Name: Ms. Sheralynn Stach  
 Title: Chief, Management Section  
 Mail Address: PO Box 7921, AM/7  
Madison, WI 53707-7921  
 Phone Number: 608-264-6292  
 FAX Number: 608-267-0560  
 E-Mail Address: [Sheralynn.Stach@wisconsin.gov](mailto:Sheralynn.Stach@wisconsin.gov)

**Principal Investigator:** *Individual responsible for the technical completion of the proposed work.*

Name: Mr. Bill Baumann  
 Title: Chief, Compliance & Enforcement Section  
 Mail Address: PO Box 7921, AM/7  
Madison, WI 53707-7921  
 Phone Number: 608-267-7542  
 FAX Number: 608-267-0560  
 E-Mail Address: [William.Baumann@wisconsin.gov](mailto:William.Baumann@wisconsin.gov)  
 Web URL: \_\_\_\_\_



## ADDITIONAL KEY CONTACTS

(Use as many sheets as needed.)

**Major Co-Investigators:** *Individual responsible for the completion of major portions of the proposed work.*

Name: Ms. Renee Lesjak Bashel

Title: \_\_\_\_\_

Mailing Address: WI Dept of Commerce, Small Business Clean Air Assistance Program,  
PO Box 7970, Madison, WI 53707

Phone Number: 608-264-6153

FAX Number: 608-264-6151

E-Mail Address: [Renee.Bashel@wisconsin.gov](mailto:Renee.Bashel@wisconsin.gov)

Web URL: \_\_\_\_\_

**Major Co-Investigators:** *Individual responsible for the completion of major portions of the proposed work.*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

FAX Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Web URL: \_\_\_\_\_

**Major Co-Investigators:** *Individual responsible for the completion of major portions of the proposed work.*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

FAX Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Web URL: \_\_\_\_\_



United States Environmental Protection Agency  
Washington, Dc 20460

FORM Approved  
OMB No. 2090-0014  
Expires 4-30-99

Preaward Compliance Review Report For All  
Applicants Requesting Federal Financial Assistance

NOTE: Read instructions on reverse side before completing form.

I. A. Applicant (Name, City, State) WI Department of Natural Resources Madison, WI	B. Recipient (Name, City, State) Same as 1A	C. EPA Project No.
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II. Brief description of proposed project, program or activity.

All EPA Grant Programs

III. Are any civil rights lawsuits or complaints pending against applicant and/or recipient? If "yes", list those complaints and the disposition of each complaint.

☒ Yes ☐ No

See attached list

IV. Have any civil rights compliance reviews of the applicant and/or recipient been conducted by any Federal agency during the two years prior to this application for activities which would receive EPA assistance? If "yes", list those compliance reviews and status of each review.

☐ Yes ☒ No

V. Is any other Federal financial assistance being applied for or is any other Federal financial assistance being applied to any portion of this project, program or activity? If "Yes", list the other Federal Agency(s), describe the associated work and the dollar amount of assistance.

☐ Yes ☒ No

VI. If entire community under the applicant's jurisdiction is not served under the existing facilities/services, or will not be served under the proposed plan, give reasons why.

VII. Population Characteristics	Number of People
1. A. Population of Entire Service Area	5,363,675
B. Minority Population of Entire Service Area	593,818
2. A. Population Currently Being Served	5,363,675
B. Minority Population Currently Being Served	593,818
3. A. Population to be Served by Project, Program or Activity	5,363,675
B. Minority Population to be Served by Project, Program or Activity	593,818
4. A. Population to Remain Without Service	0
B. Minority Population to Remain Without Service	0

VIII. Will all new facilities or alterations to existing facilities financed by these funds be designed and constructed to be readily accessible to and usable by handicapped persons? If "No", explain how a regulatory exception (40 CFR 7.70) applies.

☒ Yes ☐ No

IX. Give the schedule for future projects, programs or activities (or of future plans), by which service will be provided to all beneficiaries within applicant's jurisdiction. If there is no schedule, explain why.

*[Signature]*

X. I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law.

A. Signature of Authorized Official <i>[Signature]</i>	B. Title of Authorized Official Secretary, Deputy	C. Date 9.8.08
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FOR THE U.S. ENVIRONMENTAL PROTECTION AGENCY

<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Authorized EPA Official	Date
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The following civil rights complaints are pending against the Department of Natural Resources:

**██████████ v. State of Wisconsin DNR**

Wisconsin Department of Workforce Development, Equal Rights Division Case No. CR200800057.  
US Equal Employment Opportunity Commission Case No. 26G200800488C.

Complaint of age and gender discrimination in job selection action. **Status:** Equal Rights Division has issued an Initial Determination of No Probable Cause of Discrimination. Appellant has timely appealed, and a hearing on the issue of probable cause is set for October 14, 2008 in Shell Lake, WI.

**██████████ v. Wisconsin Department of Natural Resources**

Wisconsin Department of Workforce Development, Equal Rights Division Case No. CR200802001.

Complaint of disability discrimination in a hiring decision. **Status:** Companion filing by Mr. Altmann of same claim before the US Equal Employment Opportunity Commission [EEOC] has been dismissed.

**██████████ v. Wisconsin Department of Natural Resources**

Wisconsin Department of Workforce Development, Equal Rights Division Case No. CR200801999.

Complaint of disability discrimination in a hiring decision. **Status:** Companion filing by Mr. Brody of same claim before the US Equal Employment Opportunity Commission [EEOC] has been dismissed upon withdrawal at his request. Equal Rights Division has sent complainant a letter informing him the matter will be dismissed on August 28, 2008 unless Mr. Brody requests an investigation.

**██████████ v. State of Wisconsin DNR**

Wisconsin Department of Workforce Development, Equal Rights Division Case No. CR200702091.  
US Equal Employment Opportunity Commission Case No. 26G200701628C.

Complaint of discrimination based on disability and previous filing of a complaint. **Status:** Equal Rights Division issued an Initial Determination of No Probable Cause of Discrimination. Complainant timely appealed, and the matter is before an Administrative Law Judge who is considering a motion to dismiss by WDNR. No hearing on the issue of probable cause has therefore been scheduled. EEOC is deferring to Equal Rights Division in investigating the allegation and is taking no action at present.

[continued]

**██████████ v. State of Wisconsin DNR**

**Wisconsin Department of Workforce Development, Equal Rights Division Case No. CR200702720.**

Complaint of retaliation in violation of Wisconsin's state whistleblower law. **Status:** Equal Rights Division issued an Initial Determination of No Probable Cause of Retaliation. Complainant filed timely appeal, and the Department's motion for dismissal has been granted in part, but one claim survives for which a hearing on the issue of probable cause will be scheduled.

**██████████ v. State of Wisconsin DNR**

**Wisconsin Department of Workforce Development, Equal Rights Division Case No. CR200801689.**

**US Equal Employment Opportunity Commission Case No. 26G200801225C.**

Complaint of discrimination based on disability in a personnel matter. **Status:** Equal Rights Division is investigating and has not yet issued an Initial Determination.

**██████████ v. State of Wisconsin DNR**

**Wisconsin Department of Workforce Development, Equal Rights Division Case No. CR200801797.**

**US Equal Employment Opportunity Commission Case No. 26G200801275C.**

Complaint of discrimination based on disability in a personnel matter. **Status:** Equal Rights Division is investigating and has not yet issued an Initial Determination.

*Updated August 19, 2008 by Dan Graff, HR Attorney*



## PROJECT SUMMARY

**Title:**

Region 5 States Environmental Results Program for Autobody Refinishing Shops

**Applicant:**

Wisconsin Department of Natural Resources  
Bureau of Air Management  
PO Box 7921  
Madison, WI 53707-7921

**Project Leads:**Commerce

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**Total Project Cost:**

Requested from EPA:	\$350,000
Leveraged, Non-Federally Funded Staff Time:	\$50,847
Total Budget:	\$400,847

**Project Period: October 1, 2009 – September 30, 2012**

**Statutory Authority and Flexibility:** None.

**Certification of State Agency Support:** The Region 5 multi-state project is fully supported by the following state agencies: WDNR, Indiana Department of Environmental Management, Minnesota Pollution Control Agency, Michigan Department of Environmental Quality and the Ohio Environmental Protection Agency. The Illinois Environmental Protection Agency has indicated support for participation of their SBEAP on the outreach and education phase of the project. Support letters are attached separately in Appendix A.

### Detailed Itemized Budget

The proposed budget includes funds to contract with the Wisconsin Department of Commerce (Commerce) and support the Small Business Clean Air Assistance Program (SBCAAP) as the project lead for this proposal in direct partnership with the Wisconsin Department of Natural Resources (WDNR) Bureau of Air Management. This contract would follow existing funding practices by which the SBCAAP is currently funded 100% through the WDNR Air Program Title V fees to conduct small business compliance assistance activities. The following table details how the Commerce Contractual funding will be dispersed.

State leverage is based on the following commitments: WDNR project lead will coordinate development and reporting with the SBCAAP project lead; SBCAAP will both lead the project and provide staff time for ERP development and site visits. Indirect rate for WDNR personnel is based on the WDNR memo in Attachment 1.

Category of funding	Total Project Costs	Proposed State Leverage Funds	EPA Funding
WDNR Personnel & Fringe	2,395	2,395	0
WDNR Indirect	327	327	
Contractual: WI Dept of Commerce Total (details in shaded table below)	398,125	48,125	350,000
Travel	0	0	0
Capital Equipment	0	0	0
Supplies	0	0	0
Others	0	0	0
<b>Total Direct Costs</b>	<b>400,520</b>	<b>50,520</b>	<b>350,000</b>
<b>Total Indirect Costs</b>	<b>327</b>	<b>327</b>	<b>0</b>
<b>TOTAL COSTS</b>	<b>400,847</b>	<b>50,847</b>	<b>350,000</b>

<i>Details on WI Dept of Commerce Contractual:</i>	Total Project Costs	Proposed State Leverage Funds	EPA Funding
• <i>Personnel</i>	48,125	48,125	0
• <i>LTE salary &amp; fringe</i>	52,700		52,700
• <i>LTE indirect (13.8%)</i>	7,300		7,300
• <i>Contractor for IL site visits</i>	25,000		25,000
• <i>Contractor for ERP Performance Analyzer upgrades</i>	20,000		20,000
• <i>Partner organizations (MOU)</i>	182,000		182,000
○ <i>provide data quality training; data compilation and management; data analysis and compile results for final report</i>	(150,000)		(150,000)
○ <i>coordinate Consortium meeting and other training logistics; reimbursement for travel and meeting costs</i>	(32,000)		(32,000)
• <i>Supplies</i>			
○ <i>JMP software</i>	2,000		2,000
○ <i>printing and mailing of materials</i>	60,000		60,000
○ <i>online self-cert development</i>	1,000		1,000

## Project Narrative

### Project Abstract

To reduce emissions of air toxics, state environmental agencies and EPA regional offices must work together to implement dozens of new area source NESHAPs. Thousands of sources previously under limited regulation are now affected by these regulations, but states have limited funding available for implementation. Therefore, a cost effective implementation solution is needed. The Environmental Results Program (ERP) approach offers such a solution. State small business environmental assistance programs (SBEAPs) are experts at providing effective compliance assistance on limited budgets. The Wisconsin Department of Natural Resources and the Wisconsin Small Business Clean Air Assistance Program (SBCAAP, one of the SBEAPs) will partner with other state SBEAPs in Region 5 and propose using ERP to implement the area source rule 40 CFR part 63 Subpart HHHHHH (subpart 6H) as it affects autobody refinishing shops and measure the changes in environmental performance that result. While the primary focus of this project will be compliance with subpart 6H, as feasible we also will provide education and collect data on compliance and best practices in other regulated environmental impact areas, energy efficiency and pollution prevention.

### Problem Statement

New federal rules to reduce air toxic emissions affect thousands of very small sources that previously had little or no formal regulation by state or federal environmental agencies. Needed emissions reductions will not be achieved without an effort to help small sources understand and comply with the requirements in the rule. States lack sufficient resources to implement and enforce the new rules. An Environmental Results Program is a more efficient and cost effective method than a traditional permitting and compliance system to reach small businesses and improve their compliance and environmental performance.

### Project Objectives

The objective of the Region 5 States ERP for Autobody Refinishing Shops project is to use the ERP structure to implement a portion of subpart 6H affecting autobody refinishing shops and in doing so, determine the impact of direct compliance assistance, self-assessment and certification, and random-sample site visits or inspections in lieu of traditional permitting and enforcement inspections. Use of plain-language materials to explain the requirements and how to determine if compliance was achieved, as a self-assessment checklist does, is believed by many to be more effective in achieving a positive change in the behavior of a small business than by solely providing them with a permit document written in legal terms with no further explanation until a compliance inspector shows up on their doorstep. Following the ERP design, conducting random sample baseline visits as well as compliance inspections following the compliance assistance phase will measure whether we have achieved the outcome of improving environmental performance of the shops affected by the new area source rule.

### Methodology or Technical Approach

The WDNR and SBCAAP will partner with Region 5 state SBEAPs, other assistance staff and EPA Region 5 Air Program staff to develop an ERP for the autobody refinishing sector affected by the subpart 6H area source NESHAP, which will include compliance assistance, self-certification, and statistical analysis of baseline and post-certification measurement of

performance. Four of the six Region 5 states have strong experience leading and/or participating in the development and implementation of an ERP, which greatly improves our chances of success on the proposed project. We will also partner with NEWMOA (Northeast Waste Management Officials Association) to gain access to their expertise in developing and conducting training on data collection, data management and analysis in a multistate project (Common Measures), and planning and managing logistics of multiple States ERP Consortium meetings.

The Region 5 ERP for autobody shops will develop in the following phases.

Phase One: The first step is to compile and refine the universe of sources in the project. State SBEAPs will compile their best autobody refinishing universe and decide which areas in their state will be selected for the urban focus; the regional urban universe will be used to select a random sample for the baseline visits to be conducted by SBEAPs in all but Illinois. As soon as possible, a university program that has historically conducted compliance assistance visits on behalf of the IL SBEAP will be brought on board through a contract to conduct the baseline visits in Illinois. WI Dept of Commerce will develop a memorandum of understanding between each state SBEAP as well as NEWMOA to outline expectations for each entity's role in the project and how expenses will be reimbursed.

EPA Region 5 has stated that urban areas will be their priority in implementation of the area source rules, since they are developed under the EPA Urban Air Toxics Strategy. In addition, an urban area focus will make the best use of time and travel expenses, as well as to achieve the biggest gains on public health impact from the environmental performance improvements and improve the chances of reduced air toxics and collateral emissions (e.g., VOCs) in environmental justice areas. Assessing impact on environmental justice areas is also a regional and USEPA priority.

At the same time as the universe is refined, the inspection checklist will be developed through discussions among state SBEAPs and EPA regional staff who are interested in participating. WDNR and other state regulatory programs may also participate in checklist development as they see fit or are able to given limited funding for area source work.

Upgrades to the ERP Performance Analyzer should be reviewed in this phase. SBCAAP, NEWMOA staff, and a software contractor should conduct an analysis to determine what upgrades are necessary to allow us to easily use the software in our future data analysis steps.

Phase Two: State SBEAPs and consultants will conduct the baseline site visits. Prior to beginning that effort, all project field staff (2 to 3 per participating state and Region 5) conducting the baseline site visits as well as follow-up compliance inspections will be trained together to ensure common understanding of the measures and statistical principles for data gathering are followed. NEWMOA will develop and conduct the training on data quality and collection techniques for the project field staff. State SBEAPs will assist in developing training on the environmental regulations for project field staff, depending on their program's expertise.

Phase Three: Following completion of the baseline site visits, the participating states will submit site visit data directly to SBCAAP in such a manner as to preserve confidentiality (as required within each state) for all facilities visited. Analysis of baseline site visit data will reveal strengths and weaknesses which will inform the outreach effort, including final material development. NEWMOA will assist SBCAAP in compiling and analyzing the data from baseline site visits to determine if there are particular areas where we should focus during the training and outreach phase. We will need to have upgrades to the ERP Performance Analyzer completed at this stage to take advantage of its utility and time savings for conducting this analysis.

SBEAPs along with EPA staff and other stakeholders will then develop common materials for the compliance assistance phase of the ERP. There are a number of tools previously created by a number of SBEAPs for the autobody sector that can be leveraged to help us create the ERP materials. Workshops will be conducted throughout the six Region 5 states to help the autobody refinishing shops understand the rule requirements and how to implement other efficiency and best management practices.

Phase Four: A self-certification checklist that also meets the needs of the Notification of Compliance Status for subpart 6H will be provided to all shops. These will be due on the compliance deadline in subpart 6H. Region 5 EPA staff will provide any necessary follow up on non-submittals of the Notification of Compliance Status, as needed.

Phase Five: The compliance program in the Air Branch at EPA Region 5 has agreed to conduct the compliance inspections following the self-certification phase. EPA commitment to this effort was outlined in a e-mail from Cheryl Newton, Acting Division Director, Air and Radiation, USEPA Region 5, to state air directors on September 24, 2008, stating "EPA's Air Enforcement and Compliance Assurance Branch has agreed to support the ERP pilot by conducting all post compliance inspections of the sampled facilities in the Region." The same universe established for the baselines will be used for the EPA random sample for inspecting facilities.

Phase Six: Following completion of the compliance inspections, SBCAAP in concert with NEWMOA staff will compile all data, conduct a statistical analysis, and write the final report.

#### *Key Milestones*

Federal fiscal year 2010	
Fall 2009 (Oct-Dec)	<ol style="list-style-type: none"> <li>1. Develop and submit QAPP</li> <li>2. Identify universe of facilities</li> <li>3. Select contractor for IL baseline visits</li> <li>4. Complete MOU between WI Dept of Commerce and other state SBEAPs and NEWMOA</li> <li>5. Develop site visit checklist, protocol and training, data management process</li> <li>6. Conduct site visit training</li> <li>7. Begin baseline site visits</li> </ol>

Winter 2010 (Jan-Mar)	8. Quarterly Report 9. Finish baseline site visits (majority before JAN. 11, 2010: Initial notification for existing sources) 10. Data management and analysis for baseline 11. In partnership with associations, develop outreach materials to publicize the project
Spring 2010 (Apr-Jun)	12. Quarterly Report 13. Mail self-certification and workbook to urban universe 14. Respond to requests for assistance on phone or site
Summer 2010 (Jul-Sep)	15. Quarterly Report 16. Conduct workshops and other education
Federal fiscal year 2011	
Fall 2010 (Oct-Dec)	17. Quarterly Report 18. Help EPA develop post-certification inspection and data management protocol
Winter 2011 (Jan-Mar)	19. Quarterly Report 20. Finish development of post-certification inspection protocol and data routines; Begin processing cert data (certs due: MAR. 11, 2011: Compliance notification/date)
Spring 2011 (Apr-Jun)	21. Quarterly Report 22. Final cert data processing; Begin post-cert inspections; design transition to Region 5
Summer 2011 (Jul-Sept)	23. Quarterly Report 24. Finish post-cert inspections
Federal Fiscal Year 2012	
Fall 2011- Winter 2012 (Oct-Mar)	25. Quarterly Report 26. Finalize post-cert data and analysis 27. Create vehicle for annual (or other periodic) submittals and data management between state/fed
Spring – Summer 2012 (Apr – Sept)	28. Finalize project report.

#### *Addressing Evaluation Criteria*

This final proposal includes all content submitted with the pre-proposal that was accepted by USEPA. Additional information has been provided in sections on the Detailed Budget and Transferability to address gaps in the pre-proposal.

One very important piece to the regional project has been resolved in the last few months. All six states have committed to participate in the project (two states had still been in the process of gaining internal support at the time of pre-proposal).

This proposal will support the USEPA Strategic Goals in the following ways:

- Goal 1, Sub-Objective 1.1.2: *Healthier Outdoor Air, reducing emissions of air toxics.* By focusing on implementation of the NESHAP for Area Sources of Paint Stripping and Miscellaneous Surface Coating, 40 CFR part 63 subpart HHHHHH (subpart 6H), the project will assist in ensuring reduction of air toxics throughout the region as



opposed to the potential results without the project. Lacking additional funding, states are not planning to take delegation for the area source rules. Ordinarily the SBEAPs would provide some level of outreach on the requirements, as dictated by the individual states' program priorities. The proposed project will ensure widespread outreach concerning the requirements across the Region 5 states. Without outreach, there will be very limited and inconsistent application of the practices outlined in the rule among shops. Improved application of the practices will reduce air toxics throughout the six states.

- Goal 5, Sub-objective 5.1.1: *compliance assistance, reducing environmental risks in all areas including those with environmental justice concerns.* State SBEAPs have been providing compliance assistance to small businesses for over 15 years. Because they often have a measure of confidentiality, they have gained the trust and credibility that allows small business owners a level of comfort in accepting assistance from the programs even though they reside in state agencies. The SBEAPs provide their assistance throughout their respective states. In developing an early partnership with Region 5 EPA staff, they have agreed to focus the baseline and follow-up measurement in the larger urban areas. Compliance assistance will still be available state-wide, but by focusing the ERP presence of state and EPA staff in urban areas we hope to drive additional reduction of the environmental impact of the shops in the areas with the environmental justice (EJ) concerns. A preliminary review of the proposed urban samples from all states indicates that many of the urban counties identified as being included in the sample contain US EPA Environmental Justice areas of concern or areas of higher concern. Where possible, following the two data collection phases, the project will identify the number of shops sampled that were located in areas of concern.

Also related to Goal 5 above is the side benefit of reduced VOCs due to implementation of the NESHAP, and the ultimate effect of reducing ozone levels. US EPA, within its rule development documents has estimated a reduction of nearly 20,000 tons per year of VOCs across the nation. If these reductions are achieved, Region 5 states should see improved ozone levels given their own state as well as out-state transport contributions.

- Goal 5, sub-objective 5.2.1 and 5.2.2: *prevent pollution, promote environmental stewardship; promote improved environmental performance through project with sector-based and performance-based focus, conducted largely by providing direct assistance to small businesses.* In addition to the key indicators driven by the area source rule requirements, we also will consider as many indicators as possible that will address pollution prevention, energy and/or water efficiency measures and other best practices we may find and individual states may choose to include. Considering other best practices can help lead shops to improve their overall environmental performance and thereby achieve a higher level of environmental stewardship. Our ongoing collaboration with associations and firms representing the autobody refinishing industry will undoubtedly lead those groups to encourage wider environmental protection and stewardship approaches during and after the project.



We will convey pollution prevention, efficiency and best practices through the usual compliance assistance techniques SBEAPs are well known for: plain-language materials, comprehensive workshops, measurement of knowledge gained and overall usefulness of the assistance provided. Through ERP, we will focus on performance by producing data on performance changes and related environmental results.

### *Transferability*

The Commerce project lead and other state SBEAP and assistance staff expect to provide information on the results of this project through as many avenues as are made available to us. In addition to routine discussion on States ERP Consortium monthly and workgroup conference calls, we would propose sessions at the annual National SBO/SBEAP Conference, the Environmental Summit, the ECOS spring or fall meetings, EPA's Innovation Action Council, NACAA and other media programs' national conferences (where we include data collection beyond the NESHAP), and as many States ERP Consortium face-to-face meetings as can be arranged over the next few years. There may also be opportunities to visit ERP learning states, to introduce a multi-state concept to other states and regions considering a similar project.

There has been a mixed response from states accepting delegation authority for the area source NESHAPs. This project can demonstrate a potential tool for EPA Regional Offices to implement regulations affecting a large number of small sources located in one or more states in their region. The project will create a template of developed materials, process, and targeted outreach efforts that can be transferable to similar implementation scenarios.

In addition, the project may result in development of compliance assistance tools for the shops that differ from what is available in other states. We will follow our normal process of sharing tools from this project and look for other avenues as well.

- Any compliance assistance tools created by SBEAPs are shared nation-wide through the Small Business Environmental Home Page (<http://www.smallbiz-enviroweb.org/default.aspx>) through a variety of web pages within the site.
- Individual SBEAPs will share tools and information internally to help state regulatory agencies understand how they might use a similar process in other programs.

The States ERP Consortium has arranged a way to share ERP tools through EPA's Environmental Science Connector. Any ERP related tools developed under this project will be posted on the Environmental Science Connector so that other ERP states may borrow them. Another tool that may be of assistance to other ERP states would be a guide on how to develop a multi-state or multi-agency ERP. We will undertake development of a document (flowchart, timeline, etc.) that will assist other states or Regions attempting a similar project.

A number of ERP states have been unable to use the ERP Performance Analyzer (originally developed by MassDEP) because the system still had some gaps in usability – one primary reason it wasn't used for the Printer ERP was the need to hand enter all the questions and responses. A goal of this project is to enhance the ERP Performance Analyzer for easier data entry. The results of this enhancement will be designed for use by as many other states as possible. Contractor funding will be set aside to address these needs.

### *Collaboration or Partnerships*

This project will leverage the ERP Common Measures for autobody shops already developed in a previous multi-state/EPA partnership project, but results may differ slightly due to variations in regulations in Region 5 compared to the Common Measures states. The project will share ERP results data with the States ERP Consortium and EPA for national ERP results reporting. All six states in Region 5 are committed to participating in the project development and outreach; 5 of the states will provide staff for baseline site visits.

In contrast to previous and current multi-state ERP projects which have had states conducting independent state-by-state ERPs using a common core of topics and indicators, this project proposes to pool autobody facilities across several states into a single universe from which a random sample is chosen. In this way, the sector can be assessed using about 140 site visits total versus over 600 visits if an ERP were conducted by six individual states. This lowers the burden on individual states and on EPA during long-term implementation and is a revolutionary application of ERP, which is now emerging as a viable alternative to facility-by-facility conventional permitting/inspection routines. We have consulted ERP experts under EPA contract in preliminary design of the project, and they have supported our planned distribution of site visits to individual states in the region. Given the scope of data management a six state project implies, we plan to include NEWMOA as a partner in this project. NEWMOA's experience with the Common Measures data compilation and analysis is ideal for our project as the Common Measures project involved ten states as full participants as well as two or three others included as learning states.

### *Public Involvement*

To facilitate involvement by anyone interested in the ERP project, we plan to post all public information on the Department of Commerce SBCAAP website and other state SBEAP websites where possible. This is a simple avenue to distribute information and can be accessed at any time.

We also plan to work closely with the trade associations in each state to ensure that member shops are provided outreach materials in a timely manner and kept up-to-date on the status and goals of the project. Industry specific business licensing mailings can also be an avenue to get information out to all shops in states that have such licenses.

Other avenues for public involvement would be through the use of press releases and providing articles to media outlets to inform autobody shops that may not be reached through the trade associations. These venues would also inform the general public.

### Outcomes and Measures

While the primary focus will be compliance with subpart 6H, we also will provide education and collect data on best practices in energy efficiency and pollution prevention. To achieve that goal we will produce the following outputs and measure the following outcomes.

### *Environmental Outputs*

The expected environmental outputs from this project will include not only the standard products expected for a State Innovation Grant (progress reports, statistical methodology and quality

assurance plan) but will also include a number of other products. During development of the ERP a process for gaining stakeholder involvement and input will be laid out. The SBEAPs and Region 5 staff will coordinate outreach and developing the universe through a series of teleconferences.

For the ERP we will create the following documents: facility self-assessment checklist and accompanying detailed workbook, materials and documentation associated with workshops/training sessions to explain environmental requirements to the shops, and possible on-line tutorial to assist facilities with completion of self-assessment. To compare these compliance assistance tools and demonstrate their benefits over the traditional permitting and enforcement system for a small business sector such as autobody shops, we will review how this industry is approached in other states and/or regions and address the findings in our final report. We will also consider conducting an evaluation of the industry perception of our compliance assistance effort, through a survey or similar tool, at the end of the project to guide future use of ERP with not only this industry but also similar small business groups.

#### *Environmental Outcomes*

The project will use the following measures as a starting point for discussions of what is reasonable and achievable to measure in a shop visit. Beyond those measures directly related to the requirements in subpart 6H, additional measures may be included based on consensus of the partnering agencies. The measures listed are for the most part taken from the Common Measures project for autobody refinishing shops. We hope to retain as much similarity as possible, to be able to make correlations between our project and others using the Common Measures for autobody refinishing. Where possible, the measures are compared to the outcomes listed in the Logic Model by their number: ST=short term, I=intermediate, LT=long term. Where long-term outcomes are identified, we are uncertain whether the data collecting within just two to three years will be sufficient to show progress. Other outcomes in the Logic Model not identified here are considered side benefits to the project that cannot be directly measured through the ERP format.

Because many of the new requirements are not currently applied by states or are applied but only in non-attainment areas, we can expect to see definite improvements on the control and training measures. The extent of improvement will be hard to predict, since the rule has been effective for over a year at the time of this proposal and it is uncertain whether shops will learn about the rule through other means and implement the requirements prior to baseline measurements.

The partnering agencies have agreed to collect data on the elements of subpart 6H. Through discussions taking place in the summer of 2009, the group plans to have a complete list of additional measures that will be included in the baseline and post-certification data collection phases. The group plans to complete their negotiations and provide their list to EPA Region 5 compliance and enforcement chief by the end of July, 2009. Then the group will work with EPA Region 5 to come up with the final list by the end of August, 2009. The outcome measures will be finalized as part of the QAPP.

#### **Practices Associated with subpart 6H (ST-1, I-1)**

- % using HVLP or equivalent high transfer efficiency technology (I-2)

- % with high transfer efficiency painting training in place **(I-3)**
- % with different components of training **(I-3)**
- % using hands-on or classroom-only training **(I-3)**
- Rate of documentation of training
- % at which all spray-applied coatings used in enclosed booth or prep station
- % of booths/stations fitted with particle filters **(I-2)**
- % of booths/stations fitted with filter/system achieving 98% capture **(I-2)**
- % where spray gun cleaning is done with enclosed or non-atomizing washers
- % maintaining MSDS or formulation records for all solvents/coatings use
- % maintaining records of the amount/content of coatings containing Cr, Pb, Cd, Ni, Mn
- % using paint strippers containing Methylene Chloride **(I-4, I-5)**
- % keeping records to document annual MeCl usage
- Average and range of MeCL used **(I-4, I-5)**
- Percent of MeCL users with written MeCl minimization plan
- % maintaining records of the amount/content of coatings containing VOC and HAP

### **Other Practices Under Discussion**

#### **POSSIBLE AIR PRACTICES**

- Average throughput (vehicles painted) per year **(I-5)**
- Average and range of coatings used (and HAP content) **(I-4, I-5)**
- % using dustless vacuum or overhead capture equipment **(I-8)**
- % keeping shop doors closed to avoid releasing sanding dust **(I-8)**
- % meeting applicable state requirements **(ST-2)**

#### **POSSIBLE AIR RECORD KEEPING:**

- Average and range of VOC and HAP content (% by weight) **(I-4, I-5)**
- Average and range of listed metals content (% by weight) **(I-4, I-5)**

#### **POSSIBLE HAZARDOUS WASTE (I-8)**

- Average and range of maximum amount of RCRA waste the facility generates in a month
- Numbers of facilities in generator classes (CESQG or VSQG, SQG, LQG)

#### **POSSIBLE INDUSTRIAL WASTERWATER INDICATORS (I-8)**

- % of facilities discharging IWW to surface water
- % of facilities discharging IWW to a storm, sanitary or combined sewer system

#### **POSSIBLE POLLUTION PREVENTION-ENERGY EFFICIENCY INDICATORS (I-8)**

- % of facilities taking one or more actions to conserve water the past three years (distribution across menu of possible actions)
- % of facilities taking one or more actions to conserve energy over the past three years (distribution across menu of possible actions)
- % of facilities taking one or more actions to reduce toxics the past three years (distribution across menu of possible actions)

### OTHE POSSIBLE OUTCOMES (from the States ERP Consortium's Core Measures)

In presenting data on baseline performance of the sector, post-ERP performance and changes between the two, WI will present the data in the format set forth in the "Template for Reporting Core ERP Measures", Appendix C to "The States ERP Consortium Guide to Reporting ERP Results," April 2009, to the extent possible given the measures included after final discussion between the states and Region 5 EPA. Many of those are included here:

#### **Self-Certification (ST-3)**

- Final certification rate
- Rate of "high-concern" discrepancies with regard to facility certifications on indicators
- Rate of self-disclosed noncompliance
- Rate of return-to-compliance (RTC) plan submission (if RTCs used)
- Rate of self-disclosing facilities submitting one or more return-to-compliance plans (if RTCs used)

#### **Performance/Compliance Rates (I-1, I-5, LT-1)**

- Summary of performance changes for each indicator (if follow-up inspection data is available from Region 5 before project's end)
- Aggregate achievement rate for all indicators
- Achievement rate across all compliance-related measures (commonly called a traditional compliance rate)
- Average facility score for all indicators
- Distribution of facility scores for all indicators
- Average facility score for compliance-related indicators
- Distribution of facility scores for compliance-related indicators
- Average facility score for all compliance-related measures
- Distribution of facility scores for all compliance-related measures

#### **Impact Changes (I-5, LT-2)**

- Rate of managing/controlling certain environmental aspects
- Level of group emissions/waste/discharges/chemical usage related to certain environmental aspects
- Relationship of project activity and typical impact (and changes if follow-up inspection data is available from Region 5 before project's end) on environmental justice areas

The outcomes under Impact Changes are probably the hardest to measure, and depend on the ability to capture accurate information about emissions/waste generation, etc. We will investigate the use of an emissions modeling approach to estimate reductions of VOCs and particulate matter, and possibly estimating reductions in materials usage and organic HAPs. One tool we will investigate is the DfE's Emissions Reductions Calculator for the Auto Refinishing Industry (May 2008). Another resource that is available is the baseline emissions and emissions reduction estimates prepared during rule development for the Motor Vehicle and Mobile Refinishing NESHAP. We need to investigate the pros and cons of each, and depending on which one best meets our needs we will then design questions to capture the necessary information.



### *Outcomes linked with Funding*

The project milestones (shown previously in the Key Milestones table) have been organized by calendar year quarters beginning from the projected start date of October 1, 2009. Quarterly reports will include expenses for that specific quarter, as seen in examples from New York and Narragansett Bay ERP projects.

### **Past Performance**

The WI Department of Natural Resources (WDNR) Bureau of Air Management was awarded a State Innovation Grant for a project titled "Improved Environmental Results and Increased Regulatory Flexibility in Air Permitting for the Printing Sector Using EMS and ERP." All quarterly reports required for that project are up to date. The final report deadline has been extended in order to allow data compilation to be completed.

The WDNR Bureau of Cooperative Environmental Assistance received a State Innovation Grant for a project titled "Use of Whole Farm EMS as a Supplement to CAFO Permits for the Dairy Sector." WDNR has submitted quarterly reports due to US EPA in a timely fashion. Feedback on the quarterly reports from US EPA has been positive in areas of content and structure. WDNR anticipates it will satisfy the timeline outlined in the reporting schedule by the end of 2009.

### **Logic Model**

See Attachment 2.

### **Reporting Requirements**

Quarterly progress reports and a detailed final project report will be submitted in a timely fashion according to the schedule/deadlines established by EPA after approval of the award. Quarterly reports will track completion of project milestones, expenditures of funds, important outcomes and unexpected problems or issues, and summarize technical progress. All data collected will be shared with EPA for the purpose of assessment on a regional and/or national level. Reports will be provided electronically to both the EPA designated grant Project Officer (PO) for the award and to NCEI simultaneously. The final report will be completed no later than ninety calendar days following the completion of the project period. The final report will include: a complete overview/summary of all of the activities conducted within the grant project period; any and all data and results; and an explanation of any impediments and how they were addressed.

The final report will include information provided in the format set forth in the "Template for Reporting Core ERP Descriptors," Appendix B to "The States ERP Consortium Guide to Reporting ERP Results," April 2009, to the extent possible given the data collected during the project.

### **Key Personnel**

William Baumann, at the WDNR, is the Compliance & Enforcement Section Chief within the Air Management Program. This section is responsible for programmatic implementation of EPA MACT standards, including promulgation of MACT standards into state administrative code. Staff in Mr. Baumann's section are responsible for leading the WDNR statewide MACT Team, and staff in his section also assisted with the baseline inspections for the printer ERP project. Mr.

Baumann has made presentations at several recent NACAA annual Enforcement and Compliance workshops on the topics of state funding impacts of GACT implementation, and Wisconsin's experience with the printer ERP.

Renee Lesjak Bashel, at the WI Department of Commerce Small Business Assistance Program, has been conducting compliance assistance activities for small businesses with a focus on air pollution regulations for nine years. Ms. Bashel was an Air Management Engineer for the WDNR Bureau of Air Management for eight years prior. As Chair of the Technical Subcommittee for the SBEAP's National Steering Committee, she has been working closely with USEPA OAQPS rule writers on multiple area source rules and in the process worked with members of the subcommittee to provide input and comment on three area source rules since 2007. In partnership with WDNR, Renee has led their SIG printer ERP project since 2004.



## Attachment 1

### WDNR Indirect Rate Memo

DATE: June 26, 2008

FILE REF: 9310

TO: Bureau Directors  
Grant Project Officers

FROM: Dale Hutter

SUBJECT: Indirect Rate for FY2009

As you and your staff prepare new federal and other outside funding applications with budget periods Beginning July 1, 2008 or later, you must include a budget category for indirect costs as follows:

FY2008 Rate	Base	Applicable To
13.67%	of Salaries and Fringe Benefits	All Grants and Contracts Contracts

The rate was negotiated with, and approved by the U.S. Department of the Interior and applies to all Grants (including contracts, cooperative agreements, etc.) which come to the DNR from federal and other Outside funding sources. At their request, we have one rate for all grants.

Please note the following:

1. The effective date for the above rate is July 1, 2008. New grant applications effective as of this date or later must include the above-approved indirect rate for state fiscal year 2009.
2. Grants that have already been applied for or awarded can be amended if the dollar amount in indirect funding is significant.
3. On active grants, effective July 1, 2008, the above indirect rate will be used to calculate the indirect reimbursement.

If you like, you may obtain a more detailed explanation or a copy of the indirect proposal by contacting Dale Hutter (608) 266-0638.

cc: Vance Rayburn - AD/8  
Joe Polasek - MB/8  
Management Accountants - FN/2  
Grant Accountants - FN/2

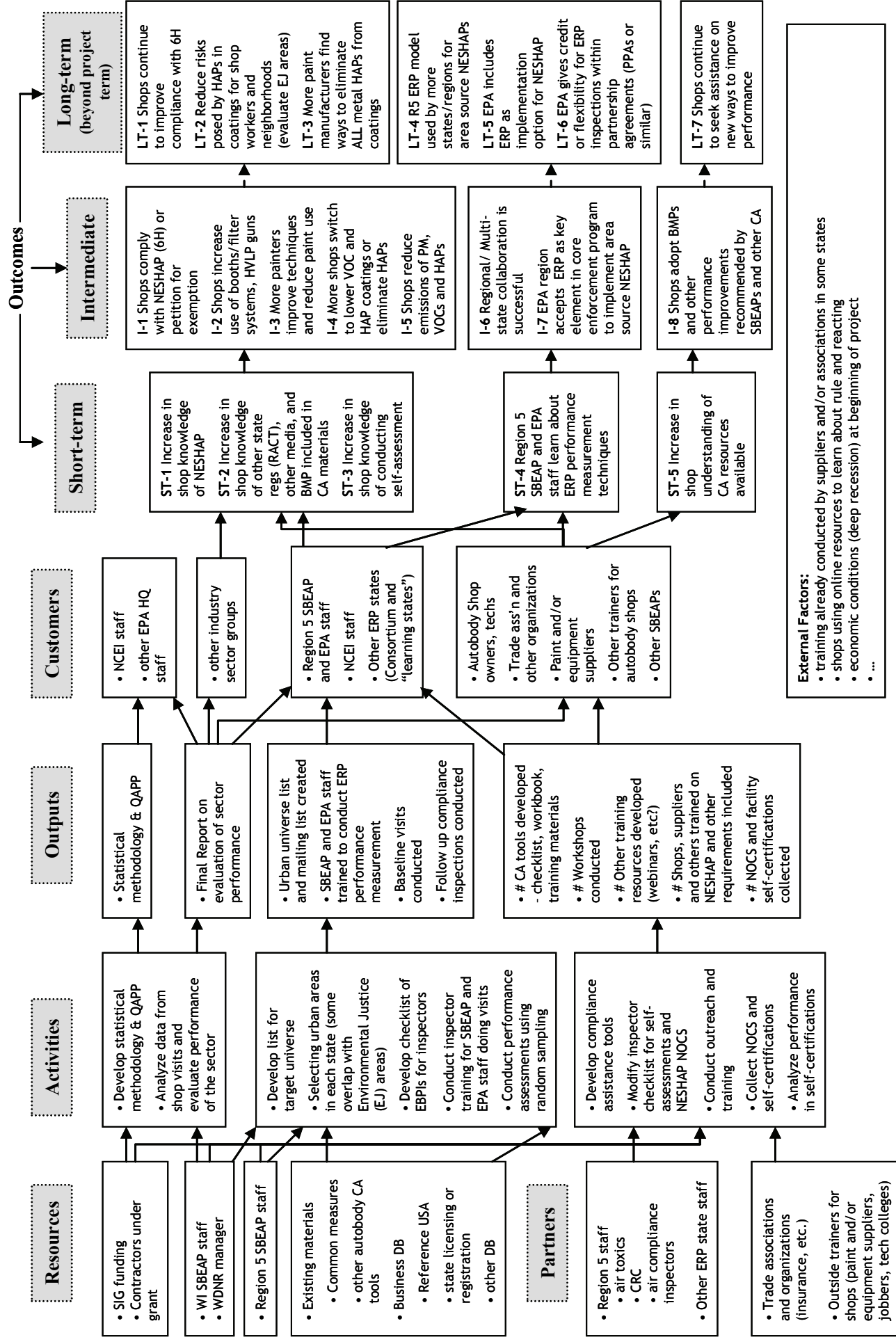
## Attachment 2

### Logic Model

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## Region 5 ERP for Autobody Refinishing Shops

**Program/Project Goal:** Use the ERP structure to implement a portion of subpart 6H affecting autobody refinishing shops and in doing so, determine the impact of direct compliance assistance, self-assessment and certification, and random-sample site visits or inspections in lieu of traditional permitting and enforcement inspections



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## Appendix A

### State Support Letters





JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



STEVEN E. CHESTER  
DIRECTOR

December 1, 2008

U.S. Environmental Protection Agency  
National Center for Environmental Innovation  
State Innovation Grant Program  
1200 Pennsylvania Avenue, Northwest  
Mail Code 1807T  
Washington, DC 20460

Dear Sir or Madam:

This letter is to confirm my support for the Michigan Department of Environmental Quality's (MDEQ's) involvement in the proposed Region 5 States' Environmental Results Program (ERP) project supporting the initial implementation phases for the Paint Stripping and Miscellaneous Surface Coating area source NESHAP (40 CFR Part 63, Subpart HHHHHH) within the autobody refinishing sector.

The MDEQ has a great deal of interest in adopting innovative tools such as the ERP, which offer cost-effective means of attaining environmental results. We believe the ERP's integration of compliance assistance, self-certification, and statistical analysis of baseline and post-certification measurement of performance will produce environmental improvement, as well as enhance data on the compliance and performance status of the autobody refinishing industry.

I have been briefed on the project and am in full support of the participation by the MDEQ's Environmental Assistance Program. Finally, I will support any necessary agreements among the participating states and the U.S. Environmental Protection Agency (U.S. EPA) Region 5 as long as they preserve any and all working relationships and agreements that are in place within our state government.

We appreciate the opportunity to participate in this State Innovation Grant, and look forward to a successful partnership with other states and the U.S. EPA through this proposed project.

Sincerely,

Steven E. Chester  
Director  
517-373-7917

cc: Mr. Jim Sygo, Deputy Director, MDEQ  
Ms. JoAnn Merrick, Chief of Staff, MDEQ  
Ms. Amy A. Butler, MDEQ  
Mr. James Ostrowski, MDEQ



# Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, MN 55155-4194 | 651-296-6300 | 800-657-3864 | 651-282-5332 TTY | [www.pca.state.mn.us](http://www.pca.state.mn.us)

December 3, 2008

State Innovation Grant Program  
National Center for Environmental Innovation  
Office of the Administrator  
U.S. Environmental Protection Agency (MC 1807T)  
1200 Pennsylvania Avenue Northwest  
Washington, DC 20460

Dear Sir or Madam:

This letter is to confirm my support for the Minnesota Pollution Control Agency's (MPCA) involvement throughout the proposed Region 5 States Environmental Results Program (ERP) for auto body refinishing shops. The project is an innovative way to support the initial phases of implementing the Paint Stripping and Miscellaneous Surface Coating area source National Emission Standards for Hazardous Air Pollutant Sources (NESHAPS) (40 CFR pt. 63, subp. HHHHHH). Although the MPCA will not seek delegation of the NESHAP, we are happy to partner with our peer states and Region 5 to address this new federal regulation which will affect so many small facilities.

We have a great deal of interest in adopting new tools such as ERP which offer cost-effective means of attaining environmental results. The MPCA has been using ERP's integration of compliance assistance, self-certification, and statistical analysis of baseline and post-certification data with our dairy industry. That experience leads us to believe ERP will produce and document environmental compliance and performance improvement in the auto body refinishing industry.

I am in full support of the participation by our Prevention and Assistance Division in all aspects of the program. Finally, I will support any necessary agreements among the participating states and U.S. Environmental Protection Agency (EPA) Region 5 as long as they preserve any and all working relationships and agreements that are in place within our state government.

We appreciate the opportunity to participate in this State Innovation Grant Program proposal, and look forward to a successful partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Eger".

Paul Eger  
Deputy Commissioner

PE/AI:rlr



## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

*Mitchell E. Daniels Jr.*  
Governor

*Thomas W. Easterly*  
Commissioner

100 North Senate Avenue  
Indianapolis, Indiana 46204  
(317) 232-8603  
Toll Free (800) 451-6027  
[www.idem.IN.gov](http://www.idem.IN.gov)

December 10, 2008

State Innovation Grant Program  
National Center for Environmental Innovation  
U.S. Environmental Protection Agency  
Washington, DC

Dear Sir or Madam:

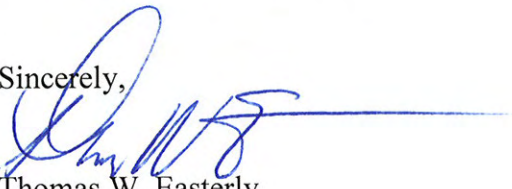
This letter is to confirm my support for the involvement of the Indiana Department of Environmental Management's Compliance & Technical Assistance Program (CTAP) throughout the proposed Region 5 States Environmental Results Program (ERP) project to support the initial phases of implementing the Paint Stripping and Miscellaneous Surface Coating area source NESHAP (40 CFR part 63 Subpart HHHHHH) with the autobody refinishing sector.

We have a great deal of interest in adopting innovative tools such as ERP which offer cost-effective means of attaining environmental results. We believe ERP's integration of compliance assistance, self-certification, and statistical analysis of baseline and post-certification measurement of performance will produce environmental improvement and enhanced data on the compliance and performance status of the autobody refinishing industry.

I have been briefed on the project and am in full support of the participation by CTAP in the following aspects: developing outreach materials including a self assessment checklist, participating in site visit training, conducting baseline site visits, and conducting workshops.

Finally, I will support any necessary agreements among the participating states and EPA Region 5 as long as they preserve any and all working relationships and agreements that are in place within our state government.

We appreciate the opportunity to participate in this State Innovation Grant, and look forward to a successful partnership with other states and EPA through this proposed project.

Sincerely,  
  
Thomas W. Easterly  
Commissioner



State of Ohio Environmental Protection Agency

STREET ADDRESS:

Lazarus Government Center  
50 W. Town St., Suite 700  
Columbus, Ohio 43215

TELE: (614) 644-3020 FAX: (614) 644-3184  
www.epa.state.oh.us

MAILING ADDRESS:

P.O. Box 1049  
Columbus, OH 43216-1049

March 24, 2009

Sherri Walker  
State Innovation Grants Program  
Office of Policy, Economics and Innovation  
National Center for Environmental Innovation (1807T)  
US Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

RE: Region 5 States ERP - State Innovation Grant: Number: GRANT10098318

Dear Ms. Walker:

This letter is written in response to Region V's interest in pursuing a State Innovation Grant for a proposed Environmental Results Program (ERP) project related to outreach and compliance with the Paint Stripping and Miscellaneous Surface Coating area source NESHAP (40 CFR part 63 Subpart HHHHHH) for the auto body refinishing sector.

Ohio EPA's Office of Compliance Assistance and Pollution Prevention supports the use of innovative, cost-effective approaches such as an ERP to achieve compliance-related goals. We believe ERP's integration of compliance assistance, self-certification and statistical analysis of baseline and post-certification measurement of performance can produce environmental improvement. In addition, such initiatives can yield important data on the compliance and performance status of the auto body refinishing industry.

I have been briefed by my staff here on the project and our Office of Compliance Assistance and Pollution Prevention intends to work in partnership with other Region V states on this project. The project team appreciates the opportunity for consideration of State Innovation Grant funding to support the objectives of the project. If you need any further information, feel free to contact me at (614) 644-2782.

Sincerely,

Laurie Stevenson, Ohio EPA  
Deputy Director, Business Relations

cc: Rick Carleski, OCAPP

Ted Strickland, Governor  
Lee Fisher, Lieutenant Governor  
Chris Korleski, Director



## ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 - (217) 782-3397  
JAMES R. THOMPSON CENTER, 100 WEST RANDOLPH, SUITE 11-300, CHICAGO, IL 60601 - (312) 814-6026

DOUGLAS P. SCOTT, DIRECTOR

217/782-3397  
217/782-9143 (TDD)

May 7, 2009

State Innovation Grant Program  
National Center for Environmental Innovation  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

RE: Support for States Environmental Results Program Project

Dear Sir or Madam:

The Illinois Environmental Protection Agency (Illinois EPA) would like to confirm our support for the Region V States Environmental Results Program (ERP) project, in particularly for the education and outreach activities. This project is designed to support the initial phases of implementing the Paint Stripping and Miscellaneous Surface Coating area source NESHAP (40 CFR part 63 Subpart HHHHHH) with the autobody refinishing sector.

The Illinois EPA currently funds and works with the Illinois Small Business Environmental Assistance Program (SBEAP) housed at the Illinois Department of Commerce and Economic Opportunity to provide substantial environmental assistance to Illinois' small business community. The Illinois EPA, in cooperation with the Illinois SBEAP, commits to work with Region V and other involved states in a coordinated manner on this project. The Illinois EPA believes that such projects are especially well-suited to provide valuable assistance to Illinois' small businesses in better understanding and meeting their compliance obligations.

Note that the Illinois EPA has concerns with any parties other than the Illinois EPA conducting compliance inspections and/or enforcement actions. We believe these activities are best accomplished by the State's through their existing air programs which are experienced in, and designed for, such tasks. In Illinois, inspection, compliance and enforcement actions are performed by the Illinois EPA's field operations staff, compliance section, and division of legal counsel. Federal funding to support compliance inspections and enforcement of the numerous existing and new Area Source NESHAPS should be considered for these existing state resources to compensate for the associated additional burden being placed on the states.

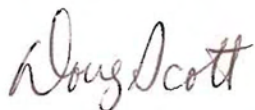
ROCKFORD - 4302 North Main Street, Rockford, IL 61103 - (815) 987-7760 • DES PLAINES - 9511 W. Harrison St., Des Plaines, IL 60016 - (847) 294-4000  
ELGIN - 595 South State, Elgin, IL 60123 - (847) 608-3131 • PEORIA - 5415 N. University St., Peoria, IL 61614 - (309) 693-5463  
BUREAU OF LAND - PEORIA - 7620 N. University St., Peoria, IL 61614 - (309) 693-5462 • CHAMPAIGN - 2125 South First Street, Champaign, IL 61820 - (217) 278-5800  
SPRINGFIELD - 4500 S. Sixth Street Rd., Springfield, IL 62706 - (217) 786-6892 • COLLINSVILLE - 2009 Mall Street, Collinsville, IL 62234 - (618) 346-5120  
MARION - 2309 W. Main St., Suite 116, Marion, IL 62959 - (618) 993-7200

PRINTED ON RECYCLED PAPER



The Illinois EPA commits to participating in innovative tools such as ERP, especially in regards to programs targeting outreach and educational efforts to the regulated community. We appreciate the opportunity to participate in this State Innovation Grant, and look forward to a successful partnership with other states and USEPA in this project.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Doug Scott", written in a cursive style.

Douglas P. Scott  
Director



## LOBBYING AND LITIGATION CERTIFICATE\*

I hereby certify that none of these funds have been used to engage in the lobbying of the Federal Government or in litigation against the United States unless authorized under existing law.

  
 Chief Executive Officer

Assistance Agreement Number(s)\*\*  
 Annual Certification

9-8-08  
 Date

\*Complete this form pursuant to the 2001 Department of Veterans Affairs and Housing and Urban Development, and Independent Appropriations Acts, Public Law 106-277, Section 424 and 2000 Department of Veterans Affairs and Housing and Urban Development, and Independent Appropriations Acts, Public Law 106-74, Section 426 and any other subsequent Appropriation Act requirements.

\*\*If certifying for more than one grant number and more space is needed, please list additional numbers in the space provided below:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Please mail this form to your Grant Specialist. DO NOT send this information to the Office of Management & Budget.

Burden Statement - The annual public reporting and record keeping burden for this collection of information is estimated to average 5 minutes per respondent. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR Part 9 and 48 CFR Chapter 15.

Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Regulatory Information Division, U.S. Environmental Protection Agency (2137), 401 M. St., S.W. Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Officer for EPA. Include the EPA ICR number and OMB control number in any correspondence.



**State And Local Department/Agency  
Indirect Cost Negotiation Agreement**

EIN: 39-6006436

**Organization:**

State of Wisconsin  
Department of Natural Resources  
P.O. Box 7921  
Madison, Wisconsin 53707-7921

**Date:** June 16, 2008

**Report No(s) :** 08-A-567

**Filing Ref.:**  
Last Negotiation Agreement  
dated May 30, 2007

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 225 (OMB Circular A-87) applies, subject to the limitations in Section II.A. of this agreement. The rate is negotiated by the U.S. Department of the Interior, National Business Center, and the subject organization in accordance with the authority contained in 2 CFR 225.

**Section I: Rate**

Type	Effective Period		Rate*	Locations	Applicable To
	From	To			
Fixed Carryforward	07/01/08	06/30/09	13.67%	All	All Programs

**\*Base:** Total direct salaries and wages, including fringe benefits.

**Treatment of fringe benefits:** Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

**Section II: General**

Page 1 of 2

**A. Limitations:** Use of the rate contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

**B. Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

**C. Changes:** The rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in organizational structure, or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowance.

**D. Fixed Carryforward Rate:** The fixed carryforward rate is based on an estimate of the costs that will be incurred during the period for which the rate applies. When the actual costs for such periods have been determined, an adjustment will be made to the rate for future periods, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.

**E. Agency Notification:** Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.

**F. Record Keeping:** Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.

**G. Reimbursement Ceilings:** Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.

**H. Use of Other Rates:** If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rate in this agreement, the grantee/contractor should credit such costs to the affected programs, and the approved rate should be used to identify the maximum amount of indirect cost allocable to these programs.

**I. Central Service Costs:** Where central service costs are estimated for the calculation of indirect cost rates, adjustments will be made to reflect the difference between provisional and final amounts.

**J. Other:**

1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.

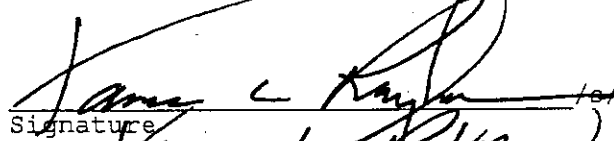
2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.

3. New indirect cost proposals are necessary to obtain approved indirect cost rates for future fiscal or calendar years. The proposals are due in our office 6 months prior to the beginning of the year to which the proposed rates will apply.

**Section III: Acceptance**

Listed below are the signatures of acceptance for this agreement:

By the State Department/Agency:

  
Signature

Name (Type or Print)

ADMINISTRATOR of CAES  
Title

Date

6/11/08

By the Cognizant Federal Government  
Agency:

  
Signature

Name

Indirect Cost Coordinator  
Indirect Cost Services

Title

U.S. Department of the Interior

National Business Center  
Agency

Date June 16, 2008

Negotiated by Kent Simons

Telephone (916) 566-7111