

US EPA ARCHIVE DOCUMENT

**NCEI State Innovation Grant (SIG)  
FY09 Pre-competition Meeting Summary**

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

**Thursday, July 24, 2008, Participants:**

EPA Headquarters	EPA Region 1	Rhode Island
Maine	Vermont	

**Tuesday, July 29, 2008, Participants:**

EPA Headquarters	EPA Region 2	EPA Region 6
New York	Oklahoma	

**Wednesday, July 30, 2008, Participants:**

EPA Headquarters	EPA Region 3	EPA Region 8
Virginia		

**Thursday, July 31, 2008, Participants:**

EPA Headquarters	EPA Region 4	EPA Region 7
Florida	Iowa	Missouri
Nebraska	North Carolina	South Carolina
Tennessee		

**Wednesday, August 6, 2008, Participants:**

EPA Headquarters	EPA Region 5	Arkansas
Indiana	Oklahoma	Wisconsin

**Monday, August 11, 2008, Participants:**

EPA Headquarters	EPA Region 10	Arizona
California	Colorado	Hawaii
Idaho	Utah	Washington

**Tuesday, August 12, 2008, Participants:**

EPA Headquarters	EPA Region 9	

**General Agenda:**

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

### Questions and Answers (Q&A):

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

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#### THEME OR POSSIBLE SUBJECT AREAS

- Q1: Although not mentioned as a strategic topic on the State Innovation Grant website, can **Administrative Lean** potentially be an area explored by State Innovation Grants?
- A1: Some of the reasons that Administrative Lean has not been included as a strategic topic for State Innovation Grant competitions in the past relate to concerns over transferability of Administrative lean projects to other states. Our experience seems to indicate that the differences between states in the type of administrative procedures used are significant enough to limit the broader utility of a demonstration project. Also, because the scale of Administrative Lean projects is generally small (e.g., streamlining of a single permitting process), the State Innovation Grant Program, which is seeking to stimulate broad-scale innovation, is not a good vehicle for funding Administrative Lean projects.

Although we do not currently consider Administrative Lean appropriate for this program, we welcome state feedback on this topic.

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- Q2: Is the discussion during these informational sessions limited to questions only on the existing State Innovation Grant program framework, or may we ask questions related to potential **new topic areas** not explored before?
- A2: While we will try to address any question during these informational sessions, we will not be able to say outright if a new topic area would be an acceptable alternative in this competition. Ideas suggested here will need to be vetted with NCEI and potentially other EPA management. If a state is proposing a new topic area that is significantly different from areas mentioned in the pre-notice, it would be helpful to EPA if the interested party could provide feedback to the agency through written comment. The comment should identify the topic area of a suggested innovation and describe how the project will help address regional or national environmental priorities. State Agencies are asked to send an e-mail describing their area of interest to the State Innovation Grant program so the staff can determine whether it could fit in with the program. Such a paragraph would be due by the close of the comment period noted in the pre-notice (August 15, 2008).

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Q3: In past years there has been some leeway in terms of the **theme and subject area**. Are you allowing states to expand beyond Environmental Management Systems (EMS), Environmental Results Program (ERP) model, or Performance Track (PT) as part of their proposed projects?

A3: “Theme” and “Subject Areas” are two different terms, but it seems that some people are using them interchangeably. Since the beginning of the State Innovation Grant program, the theme has remained the same, “Innovation in Permitting”. For this grant program, EPA has used “subject areas” or “topic areas” interchangeably when referring to EMS, ERP, or PT. Without granting regulatory flexibility that would be contrary to existing laws, we have also maintained an interest in supporting applicants implementation of an EMS while exploring possible alternatives to permitting especially where they believe that they may be able to demonstrate environmental protection with better environmental outcomes. In some cases, the ERP model is based upon reaching out to small businesses that may not currently fall within regulatory jurisdiction, but whose sector may be faced with pending federal regulatory changes that would require their compliance through a general permit within the next few years.

Our awards reflect that we have liberally interpreted some of the specific topic area boundaries. Last year, EMS in particular, was broadened to include “other integrated or multimedia strategies”. We also broadened the PT area to include interest in PT-like programs at the sector-level (rather than facility-specific), or an integration of performance track with an “on-ramp” approach for small business sectors. One topic area where we have been less flexible is in ERP. When we see proposals that are “ERP-light,” we do not see them as meeting the evaluation criteria (e.g. having an ERP without statistical based analysis is not acceptable).

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Q4: Over the years this program has always been focused on permitting. In some cases states are trying to address problems beyond permitting issues. Is it possible to take a State Innovation Grant beyond permitting if the state sees a different area for improvement **outside the realm of permitting**?

A4: The State Innovation Grant program has been focused strategically in promoting innovation in permitting. We have interpreted innovation in permitting liberally in the past to include projects that strengthened permitting programs by connecting voluntary efforts by permitted entities to go toward superior environmental performance or where voluntary efforts such as the adoption of a voluntary Environmental Results Program improved overall compliance with a general permit.

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- Q5: With regard to permitting, what **type of permitting** are you referring to – federal only or would you consider state permitting?
- A5: We have historically focused on environmental permitting programs under federal authorities. Last year, New Hampshire received a grant for a project that would among other things, try to integrate permitting processes for federal, state, and local agencies. We will remain focused on federal regulation, particularly where permitting programs are delegated to state regulatory agencies. We remain interested in the benefits that can be derived for state and local permitting through innovation in federal permit programs.
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## TEAM APPROACHES

- Q6: Can we submit a **team proposal**?
- A6: Yes, the Preliminary Notice of Intent to Conduct a 2009 Competition (FRL-8696-1, 73 FR 42802-42806, July 23, 2008) states that we will be accepting team proposals from eligible applicants. EPA will accept one team proposal in addition to an individual state proposal from eligible applicants.

States are encouraged to partner with other states and American Indian tribes to address cross-boundary issues, to encourage collaborative environmental partnering within industrial sectors or in certain topical areas (e.g., agriculture), and to create networks for peer-mentoring. Agencies are also encouraged to partner with other governmental agencies or non-governmental organizations within the State (or outside of their state) that have complementary environmental mandates or symbiotic interests (e.g., energy, agriculture, natural resources management, transportation, public health). One award will be made per project, so the proposal would need to identify one eligible applicant to receive the award.

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- Q7: Does an agency group with re-delegated authority have to apply for the grant through the state agency or can it apply on its own ?
- A7: The agency with delegated authority can submit a pre-proposal directly to EPA. We will encourage these agencies with re-delegations however to include the principal agency with the original delegation from EPA as part of the team.
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- Q8: The state agency is not actively engaged in our work, and does not provide oversight on our projects. When the state is not remotely interested in our work, is the state really required to be a team member ?
- A8: It will be much more difficult to demonstrate that the potential project reflects a national or state and regional priority without the state-level agency's participation. Additionally, since one of EPA's principal considerations in awarding these grants is the ultimate transferability of the projects to other states, an agency with a re-delegated authority for a permit program would have an exceptionally high threshold to overcome to demonstrate broader applicability without the strong endorsement and supportive involvement of the principal state regulatory agency/ agencies.
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## ELIGIBILITY

- Q9: Can **anyone** submit a proposal?
- A9: No. As we've described in the Catalogue of Federal Domestic Assistance (CFDA 66.940) announcement for the program, and also in our preliminary notice of intent to conduct a 2009 competition (FRL-8696-1, 73 FR 42802-42806, July 23, 2008), we will be accepting pre-proposals only from eligible applicants, which are the state environmental agencies with the primary delegations from EPA for environmental permitting programs. If a state has re-delegated its permitting authority to other state agencies (e.g., a regional water or air quality management board), these agencies are also eligible to submit a pre-proposal. However, since NCEI will accept only one individual pre-proposal from a state and one teaming proposal, it will be essential that state agencies coordinate their efforts prior to submittal of an individual pre-proposal. Only one award will be made per project, so the pre-proposal would need to identify one eligible applicant to receive the award.
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- Q10: What is meant by **Re-delegation of Authority**?

- A10: Last year, EPA clarified the eligibility definition in the solicitation to include regional, county, or municipal agencies with re-delegated permitting authority for federal environmental permitting programs, or sub-delegated authorities for environmental permitting programs by their state agency.

For example, last year a team pre-proposal was submitted by the Narragansett Bay Commission. Narragansett Bay Commission was eligible to compete because they had received re-delegated authority from Rhode Island Department of Environmental Management for the pre-treatment permitting component for the state National Pollutant Discharge Elimination System (NPDES) program.

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Q11: Is there anything you are requiring from an agency to **prove that it really has re-delegated authority**?

A11: We do not require formal documentation to be submitted at time of pre-proposal, but we do expect the applicant to provide a brief 1-2 sentence description explaining their delegated authority.

If the pre-proposal is selected, EPA would then require documentation at the time of the final proposal submittal. The documentation would need to substantiate the applicant's delegated authority identifying from whom it comes, and for which specific environmental permitting program. The applicant could choose one of several approaches to provide documentation of their authority: 1) submit a photocopy as an attachment to their application package, 2) provide a website link, 3) include a description as part of their background in their final workplan, or 4) stated in a Letter of Support submitted by the state agency.

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Q12: In our state, we have a commerce agency that has control over the Underground Storage Tank program. Is it acceptable for a state agency that is not the state's primary environmental agency to apply for a State Innovation Grant?

A12: Yes. We understand that delegation of EPA's federal authorities does not always occur cleanly within one state agency. Oklahoma actually brought this to our attention last year, highlighting the fact that often a state's primary environmental agency will re-delegate some of its authorities to other state, regional, or municipal agencies in the state. To address this issue, we provided eligibility for any agency with either delegated or re-delegated environmental permitting authority, to apply for a State Innovation Grant. In 2008 we selected a project in which the Rhode Island Department of Environmental Management had re-delegated its authority to the Narragansett Bay Commission. We are very interested in these smaller agencies and commissions with re-delegated authority because they are closer to running things on the ground. However, we would expect the primary state environmental agency to be involved in the project; as an active team member, or otherwise maintaining a level of oversight to promote EPA's vision for large-scale transferability for broad environmental protection across states and geographic regions. (See A6 through A12).

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Q13: Does it impact a state's eligibility for a grant if there is currently an **ongoing State Innovation Grant project** in that state?

A13: No. While we look for geographic diversity with the State Innovation Grant program, the transferability and innovation of the proposed project takes precedent. The program will not rule out a state that is in the process of



implementing a previous grant. There are a number of states such as Rhode Island and Indiana that have received grants in the competitions more than once.

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Q14: You mention **tribes** in your overview description of EPA's Innovation Strategy. Will this particular State Innovation Grant solicitation be open only to states or are tribes included as well?

A14: While the Innovation Strategy was meant to strengthen EPA's innovation partnership with both States and tribes, we do not currently have the funding available to open the State Innovation Grant Program up to tribes. We do however encourage states to partner with American Indian tribal environmental agencies, and others, on projects for the State Innovation Grant competition. Programs that involve such issues as energy, water, natural resources, public health, and transportation have great transferability potential for tribes.

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Q15: Our state has hordes of state environmental agencies, many with federally-delegated authority. We also blend some state programs along with the federally delegated programs. For example, the EPA delegated oilfield UIC program is a part of the agency which also handles the state regulated permitting and inspection of all oil and gas related wells drilled in the state. The technical permitting section permits all wells under both state oversight and UIC.

If we put in an innovative permitting, testing and activity tracking system for all wells, we will of necessity be "mixing" actions that improve the federally delegated UIC program with those that primarily improve the state authority oil & gas program. Since your innovation grants are aimed at programs and agencies that have federally delegated authority, does a blended program like ours qualify?

A15: We don't see any problem with this at this level of description. Of key interest to the proposal evaluation panels will be the ultimate transferability of the innovation to other states. If the innovation you want to test provides better results by improving program integration between the State and federal components of the regulatory program this would be generally useful and of interest to the program. To the extent that a pre-proposal appears to be finely sculpted for a unique circumstance in your state and not more broadly adaptable by other states, it is likely that this will be problematic for receiving a favorable evaluation/ high score.

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## EPA POLICY ON SUB-CONTRACTING

Q16: What is the EPA's policy on **sub-contracting**? Can states include a contractor in their teams? How would they address non-profit groups or universities in their proposals?

A16: Requirements under EPA policy call for making distinction between contractor (one who provides goods or services such as training and website management) and sub-grantees (those that provide ongoing help with a project such as statistical design that assesses the project). States should present the role that the sub-grantees will have as a partnership in their pre-proposals.

While states are allowed to sub-contract as part of their State Innovation Grant project, they cannot specify which contractor they will use in their projects because the nature of government grants requires fair competition among the contractors.

In terms of using non-profits, universities, or municipalities as additional sources of information and resources, states can establish these as sub-grantees because such relationships constitute partnerships rather than a relationship where a contractor is paid to provide goods and services. A sub-grantee is not required to be competed.

Q17: Our state is thinking of working with an interstate group which considers issues pertinent to several member states with same-sector activities. Representatives to this group are appointed by their state governors. They have a permanent staff that works on related technical and educational issues from having an inspector certification program to setting up relevant training sessions to holding several meetings a year where problems or innovations in one state are shared and discussed with representatives from other states.

Is this type of group a valid partner for us, even though it is not a state agency with any delegated authority from EPA? Could a sub-grantee be an **interstate agency**?

A17: It would be essential for the interstate group to be a not-for-profit entity to be acceptable in a sub-grant role for a project if it were to be funded by EPA. EPA's concern is that federal grant money can not be used for lobbying activities. A critical question to ask is how is the group incorporated - as a 501(c)(3) or a (c)(5), or (c)(6)? A C6 organization is a lobbying organization and could not participate without an extensive management and oversight plan to isolate federal money from lobbying activity. A C5 - principally an educational entity may also have a lobbying function and while its generally a minor function of such an organization, care would still need to be taken to prohibit use of federal grant funds for any lobbying activity. As long as it is not-for-profit and it is not a

lobbying organization the answer would be yes. If it is a lobbying organization, a number of extra steps would need to be taken to make sure that it is not providing any lobbying function.

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## EPA POLICY ON ENVIRONMENTAL RESULTS

Q18: What is EPA's policy on **environmental results**?

A18: The agency's obligation is to ensure that work funded through our assistance agreements furthers EPA's mission and achieves environmental benefits for the taxpayer. EPA Order 5700.7 requires EPA to demonstrate environmental results for assistance agreements that have been issued. Recipients will be required to address the requirement established in the EPA Order to demonstrate and document environmental results. This policy includes provisions to improve accountability for environmental programs and performance at three key stages of the assistance process: Competitive Funding Announcements, Work Plan Development (containing anticipated outputs & outcomes), and Performance Reporting. A copy of EPA's Policy on Environmental Results may be found at [www.epa.gov/innovation/stategrants/](http://www.epa.gov/innovation/stategrants/).

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Q19: What is **Performance Reporting**?

A19: Performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner. Performance management tools include logic models, performance measurement and program evaluation.

A logic model is a tool/framework that helps identify the program/project resources, activities, outputs customers, and outcomes. Performance measurement helps you understand *what* level of performance is achieved by the program/project. Program Evaluation helps you understand and explain *why* you're seeing the program/project results.

EPA policy 5700.7 requires all EPA's Competitive Funding Announcements (e.g., solicitation) to identify requirements for all applicants to provide plan for tracking and measuring results. The solicitation will include ranking criteria for evaluating applicant's plan for tracking and measuring progress toward achieving expected outputs & outcomes. In the workplan development phase (final proposal), the identification of performance measures and logic model are critical components. After the award has been made, applicants are required to submit quarterly progress reports to address progress by comparing actual accomplishments to outputs and outcomes established in their assistance agreement work plans. A final report is also required upon completion of the project.

General information about logic models and examples are contained in the Performance Measures link at [www.epa.gov/innovation/stategrants/](http://www.epa.gov/innovation/stategrants/).

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Q20: Is it an issue if a state cannot necessarily quantify **project measurements until after the grant period is over**?

A20: EPA recognizes that some projects may not be able to demonstrate improvements to the environment (third order outcome) during the grant period; however, we believe that applicants can identify metrics for primary outcomes (changes in attitude or knowledge), or secondary outcomes reflecting changes in behavior (e.g., improved compliance rates) that may work well as surrogates for the third and fourth outcomes. In these cases, we expect the states will continue to monitor the progress of the project even after over the grant project is complete. We hope that states would continue to provide information to EPA on outcomes beyond the grant period.

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Q21: Are you going to require the **logic model** as part of the pre-proposal?

A21: It probably won't be required although we may look for a way to provide incentive for states to provide a logic model for their projects – perhaps as an addendum to the pre-proposal that would be exempt from the page limits on the project narrative. We think that logic models submitted with pre-proposals help our evaluation panels with their assessment – “one picture is worth a thousand words”.

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## DATA COLLECTION

Q22: What are the **requirements for Quality Assurance** for projects that seek to coordinate and aggregate data collected by third parties?

A22: Every project funded by a State Innovation Grant will be required to prepare a Quality Assurance Project Plan (QAPP) that identifies data quality objectives and data collection methods. The QAPP governs how much and what kind of data and information will be collected in a project to measure environmental outcomes and document the implementation of the project. When preparing a QAPP, you must first determine if you're collecting original data or secondary data. You need to be careful in using secondary data because it is often difficult to characterize data quality or understand the limitations imposed on analysis by the use of data of unknown or indefinable quality (e.g., precision, accuracy, representativeness and completeness). You can address this issue by taking steps to identify what quality assurance processes were used, including identification of the data quality indicators. In the absence of data quality information, sometimes a previous peer review of those data or analysis using those data can reveal

information about the limitations of the data set. If no previous characterization is available, you must make every effort to qualify the data and to describe the limits on your analysis that will be imposed by using those data. A QAPP is required 60 days after the grant has been awarded. Examples of QAPPs for different projects may be found on the State Innovation Grant website at (<http://www.epa.gov/innovation/stategrants/training.htm>) under the “training” link.

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Q23: How are you defining the term “data”?

A23: Data are any primary or secondary information you collect to serve as a metric. You must establish what the data quality parameters are and how you will assess the accuracy, precision, etc. of that data. A QAPP is not required at the time of pre-proposal. Applicants that are selected in the competition based upon their pre-proposal are invited to attend a 1-2 day State Innovation Grant workshop where extensive examples and background on performance measurement and on the development of project work plans and the Quality Assurance Project Plan, and data collection are presented.

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Q24: For the pre-proposals, how specific does a state need to be about its **data collection and reporting** methods?

A24: We recognize that it is sometimes difficult to identify specific measures in a pre-proposal that is both conceptual and brief. We do ask for an indication of the types of measures that might be used to assess project outcomes but, for the most part refinement of the measures will happen in a final proposal/ workplan and in the projects Quality Assurance project Plan. If your project is selected and you are asked to prepare a final workplan, the State Innovation Grant program has ways to assist states during its workshop.

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Q25: If a company is importing data to a particular state agency, is that **primary or secondary data**?

A25: Primary data are new and original data that are collected for your project. Secondary data may include such things as summary reports on compliance, or ambient air or water quality monitoring prepared by other programs within a state agency. Summaries of compliance or monitoring data from individual facilities or groups of facilities should be considered secondary data because they are derivative. Facilities may provide primary data (e.g., compliance monitoring data for stacks and outfalls) that may be used by the state for these projects but, a Quality Assurance Project Plan will needed to define the metrics, data quality objectives and statistical sampling design for primary data, or the steps taken to characterize the limitations of secondary data used for analysis and interpretation.

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## GENERAL

Q26: When will the **solicitation** be released?

A26: The projected date for the publication of the solicitation is late September or early October 2008. We expect that the competition will be open for 45-60 days, closing prior to the end of the calendar year. We will strive to provide the most up-to-date information regarding publication of the solicitation on our State Innovation Grant website. In addition, an e-mail will be sent out to all EPA Regions and States (point-of-contact) notifying them about the release of the solicitation. For those states and territories that are interested in participating in this year's competition, or those who may have designated a new person, the Preliminary Notice requested that they provide their point of contact information to EPA by August 15. If specific contact information was submitted in prior years, EPA will send information to that person, unless requested not to.

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

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Q27: Can you give a time frame for **open discussion** between potential applicants and EPA?

A27: Until the time of publication of the solicitation (official competition), EPA will be able to discuss and offer general guidance on any question or issues you may have.

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Q28: If a State missed the call on the day that was designated for its region, can it participate in a call on another day?

A28: If you were unable to participate on a previously scheduled call with other States in your geographic area and EPA Region, you are welcome to participate in any of our other calls. The schedule for those upcoming calls is posted on our website at [www.epa.gov/innovation/stategrants/](http://www.epa.gov/innovation/stategrants/). All calls are on Eastern Time. For the benefit of those who miss the call(s), we will be posting all questions and answers from our pre-competition informational calls on our website <http://www.epa.gov/innovation/stategrants/>.

The call-in number and access code for the remainder of our conference calls is:  
Call-in No. 1-866-299-3188, Conference Code 202-566-2203

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