

US EPA ARCHIVE DOCUMENT

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**U.S. Environmental Protection Agency**

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**State Innovation Pilot Grant Program; Notice**

**U.S. ENVIRONMENTAL PROTECTION AGENCY**

**State Innovation Pilot Grant Program**

**AGENCY:** U.S. Environmental Protection Agency (EPA).

**ACTION:** Solicitation of proposals for 2002.

**CDFA TITLE AND NUMBER:** This solicitation for a pilot grant program is offered under the Catalogue of Federal Domestic Assistance Number 66.606, covering Surveys, Studies, Investigations and Special Purpose Grants.

**ELIGIBLE APPLICANTS:** Only the States, the District of Columbia and the US Territories are eligible for this 2002 pilot grant program. It is EPA's intention to expand this pilot program to include innovation by American Indian Tribes, if funding becomes available in FY 2003.

**DISPUTES:** Disputes over awards will be resolved in accordance with 40 CFR 31.F.

**COMPLIANCE WITH EXECUTIVE ORDER 12372:** Final successful applicants will be required to contact affected state, regional, and local governments as required under E.O. 12372.

**REJECT OR AWARD RIGHT:** The US EPA reserves the right to make no awards under this solicitation.

## GRANTS OR COOPERATIVE AGREEMENTS AND THE SUBSTANTIVE FEDERAL

**INVOLVEMENT:** EPA may award a grant or cooperative agreement depending upon the nature or the proposal. If the award takes the form of a cooperative agreement, the nature of Federal involvement will be negotiated with the recipient.

### 1. SUMMARY.

**1.1 Overview.** The U.S. Environmental Protection Agency (EPA) is soliciting proposals for a pilot grant program to support innovation by State environmental regulatory agencies - the “State Innovation Pilot Grant Program.” In April 2002, EPA issued its plan for future innovation efforts, published as *Innovating for Better Environmental Results: A Strategy to Guide the Next Generation of Innovation at EPA* (EPA 100-R-02-002; <http://www.epa.gov/opei/strategy>). The Agency’s *Strategy* presents a framework for innovation consisting of four major elements:

- (1) Strengthen EPA’s innovation partnerships with States and Tribes;
- (2) Focus on priority environmental areas:
  - Reduce greenhouse gases
  - Reduce smog
  - Restore and maintain water quality
  - Reduce the cost of water and wastewater infrastructure;
- (3) Diversify environmental protection tools and approaches:
  - Information resources and technology
  - Environmental technology
  - Incentives
  - Environmental Management Systems
  - Results-based goals and measures;
- (4) Foster a more “innovation-friendly” organizational culture and systems.

This pilot grant program strengthens EPA's partnership with States by assisting State innovation that addresses the priority environmental areas targeted in –and uses the tools highlighted in– the *Strategy*. EPA would like to help States build on previous experience and undertake bigger, bolder and more strategic projects which test new models for “next generation” environmental protection and promise better environmental results.

This initial pilot program will focus on the use of incentives in environmental permitting programs. (For details, see Section 3, “2002 Project Category for the State Innovation Pilot Grant.”) Contingent upon Congressional approval of a re-programming request, EPA anticipates approximately \$500,000.00 in total will be available for State innovation pilot assistance for 2002. This pilot fund will support approximately three to seven projects that can produce results in two to three years.

With this 2002 pilot program, EPA is exploring the use of grants and cooperative agreements to support innovation at the State level. If funding is available in future years, EPA will expand this program to pursue innovation related to other issues and to include innovation by American Indian Tribes. EPA also is soliciting comments on the State innovation pilot grant program's overall design.

This solicitation includes the following:

- a pre-proposal checklist to help States prepare effective applications (Attachment 1);
- background information on the State Innovation Pilot Grant Program;

- the process for preparing and submitting proposals;
- a description of the 2002 program;
- the State Innovation Pilot Grant Program selection criteria;
- a description of the selection and award process;
- a list of Definitions for purposes of this solicitation (Attachment 2).

**1.2. Timeline for Proposals.** This pilot program will use a two-phased proposal process. The first phase calls for development of brief (no more than 6 pages) pre-proposals. The period for submission of pre-proposals for the first phase of the 2002 competition will begin on July 19, 2002. States may submit phase-one pre-proposals electronically, no later than 4:30 PM EDT on August 19, 2002. As an alternative, States may mail pre-proposals to EPA, postmarked by the U.S. Postal Service no later than August 19, 2002. For courier delivery, State pre-proposals should arrive at EPA Headquarters and at EPA regional offices, no later than noon August 20, 2002. (See, Section 2.5 for addresses for mail and courier service. Note that the courier address is different than the postal address for EPA Headquarters.)

States with pre-proposals selected for further consideration will be asked to prepare a more detailed proposal by the end of September 2002, and will be given four (4) weeks to develop and submit the more detailed, phase-two proposal (including an application for Federal assistance).

## 2. PREPARING AND SUBMITTING PROPOSALS

**2. 1. Submission of Proposals.** The two-phased process for the 2002 solicitation is designed to expedite the proposal and award process for the three to seven grants that EPA anticipates awarding. For the 2002 process, each State agency may submit only one proposal. The pre-proposal package submitted by a State should consist of no more than six (6) pages total, including a summary page, four (4) pages (single-spaced) of narrative, and a preliminary budget proposal.

EPA strongly encourages States to make electronic pre-proposal submissions, as an attachment to e-mail, sent simultaneously to the designated EPA Regional and HQ OPEI points of contact. Electronic submittals (including a preliminary budget) should be presented in Word Perfect (TM) or MS Word (TM) format. As an alternative, States choosing to mail pre-proposals should provide an original and two (2) copies of their entire pre-proposal package to the EPA Regional representative for the appropriate State (listed below), and a single copy of the entire pre-proposal package to the EPA Office of Policy, Economics and Innovation (OPEI) contact listed below. Please also include a diskette with a hard-copy, pre-proposal mailing. An acknowledgment of receipt for your proposal will be sent by OPEI within two weeks from the postmark date. Receipt of electronic (email) proposals will be acknowledged by a return email notification from OPEI.

Pre-proposals will be ranked by the Regions for States within those Regions (e.g., Region 2 will rank pre-proposals for NY, NJ, PR, VI) using the Program Criteria, Section 6. Regional rankings will be submitted to OPEI as part of the phase-one evaluation process. States with pre-proposals identified by

EPA as finalists will be asked to prepare and submit a full, phase-two proposal package which will include narrative proposal (including plans for public participation), budget, and an application for Federal assistance with all appropriate certifications and representations (<http://www.epa.gov/seahome/grants/src/msieopen.htm>). Further instructions on submittal of the phase-two, final application package will be included with the (second) solicitation following evaluation of the pre-proposals. EPA expects to announce final selections in November 2002, and to complete the full grant award process, including grant workplan negotiations between the States and the EPA Regions by December 2002.

**2.2. Preparing the State Innovation Pilot Grant Proposal.** Applicants should refer to the pre-proposal checklist to facilitate preparation of an application (see, Attachment 1). The entire pre-proposal application should not exceed six (6) pages in length.

1. Please do not use covers, binders or folders;
2. Pre-proposals may be submitted electronically through e-mail, as instructed above; as an alternative, pre-proposals (in hard copy) should be submitted on 8 ½ x 11" paper (single-spaced) (hard-copy submittals should include a diskette);
3. Use no smaller than 10-point type and have one inch page margins all around.

The project pre-proposal should contain the following in the given order:

**2.2.1. Project Summary Information Page.** (Recommended length: one (1) page of the total six (6) pages.) The summary page should include:



**2.2.1.A. Applicant Information**

- Project title and location;
- Name of applicant State agency (For multi-State and multi-governmental agency pre-proposals, one State lead should be listed as the main contact. A multi-state project counts as the one and only pre-proposal for each State involved in the project.);
- Name of project contact, address, telephone and fax numbers, and e-mail address;
- Indicate if the project is being executed in cooperation with or funded by another Federal program; if so, please identify the program;
- Indicate whether, and what types, of regulatory flexibility (from the Federal government) potentially may be needed to implement the project;
- Indicate by affirmation that the Commissioner (or Secretary or Administrator, as appropriate) or senior deputy of the State agency supports the project.

**2.2.1.B. Summary Budget Information**

- Dollar amount requested from EPA;
- Dollar amount of voluntary leverage funding offered by the State;
- Dollar amount of total project budget.

**2.2.2. Pre-proposal Project Narrative.** (Recommended length: four (4) pages of the total six (6) pages. *Where a pre-proposal narrative exceeds three pages, additional pages may not be considered.*) In an introductory paragraph, briefly describe how the project builds on the concepts in the *Innovation Strategy* by addressing the following:

- How does this project demonstrate “bigger, bolder” innovation, and what vision do you have for the overall impact of the project?
- What are the goals and objectives of the project, and what is the plan to measure and evaluate the project’s expected results?

**2.2.2.A. Project Schedule and TimeFrame.** As part of the pre-proposal narrative, identify timelines for tasks, milestones, outcomes, and products, and identify key activities necessary for project completion. Identify the proposed project start date (the exact date will be negotiated with EPA if your project is selected) and duration. Project durations of one to three years will be permitted under the 2002 competition for the State Innovation Pilot Grant Program.

**2.2.2.B. Meeting Program Criteria Requirements.** As part of the pre-proposal narrative, address the program criteria factor-by-factor. The specific criteria are found in Section 6, “Program Criteria.” Include any criteria subheadings and refer specifically to the criteria in organizing your responses. Definitions of some of the key terms included in the criteria are provided in Attachment 2.

**2.2.3. Proposal Budget.** (Recommended length: one (1) page of the total six (6) pages.) Be sure to review Section 7, “Funding Range,” before preparing your budget. Prepare a proposed budget showing expected costs by major categories (personnel, travel, supplies, rent, subcontracts, etc.). States may offer a voluntary “leverage” in their budget - a contribution of partial state funding or other resources (no matching funds are required but states may provide any level of voluntary “leverage” funding which

may be considered; see, Section 8, “Description of the Selection and Award Process”) as part of the qualitative selection factors.

See the sample budget summary format provided below:

	<u>Total Project Costs</u>	<u>Proposed State Leverage Funds</u>	<u>EPA Funding</u>
Staff Salaries and Benefits	\$41,000	\$5,000	\$36,000
Travel	\$7,000		\$7,000
Supplies	\$4,000		\$4,000
Service Contract	<u>\$8,000</u>	<u>\$7,000</u>	<u>\$1,000</u>
TOTAL:	\$60,000	\$12,000	\$48,000

**2.3. Submission of Comments.** EPA also is requesting comments on the overall content and design of the 2002 Pilot Program to guide decisions about how a State innovation grant program might be designed for the future. Please send comments to Gerald Filbin at EPA Headquarters in Washington, DC via letter, fax, or e-mail by September 30, 2002 (see, “For Further Information,” Section 2.4, for specifics). Your comments will be used to help EPA make further improvements in the program if the project proceeds beyond a pilot in subsequent funding years.

**2.4. For Further Information.** For questions about responding to this solicitation, contact Gerald Filbin, Office of Policy, Economics and Innovation, Office of the Administrator, U.S. EPA (MC 1807T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Please submit all questions in writing by email ([filbin.gerald@epa.gov](mailto:filbin.gerald@epa.gov)) or fax [(202) 566-2220], and EPA will respond in writing. All questions and EPA responses will be posted on the EPA website at [www.epa.gov/projextxl/2002state.htm](http://www.epa.gov/projextxl/2002state.htm).

**2.5 Contacts for Pre-proposal Submittal.** Please submit pre-proposals to the appropriate Regional and Headquarters contacts.

**Anne Leiby**  
US EPA Region I  
1 Congress Street, Suite 1100, RSP  
Boston, MA 02114-2023  
(617) 918-1076  
leiby.anne@epa.gov  
States: ME, NH, VT, MA, CT, RI

**Jennifer Thatcher**  
US EPA Region 2  
290 Broadway, 26th Floor  
New York, NY 10007-1866  
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States & Territories: NY, NJ, PR, VI

**Chris Menen**  
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1650 Arch Street (3CB00)  
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menen.chris@epa.gov  
States: DE, DC, MD, PA, VA, WV

**Bernie Hayes**  
US EPA Region 4, OPM  
61 Forsyth Street, SW  
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hayes.bernie@epa.gov  
States: AL, FL, GA, KY, MS, NC, SC, TN

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**States: KS, MO, NE, IA**

**Julie Anderson**  
US EPA Region 9  
75 Hawthorne Street (SPE-1)  
San Francisco, CA 94105  
(415) 947-4260  
anderson.julie@epa.gov  
States & Territories: CA, NV, AZ, HI, AS, GU

**States: CO, MT, ND, SD, UT, WY**

**Bill Glasser**  
US EPA Region 10  
1200 Sixth Avenue (ENF-T)  
Seattle, WA 98101  
206-553-7215  
glasser.william@epa.gov  
States: AK, ID, OR, WA

**Headquarters Office:**

**Gerald Filbin**  
Office of Policy, Economics and Innovation  
Office of the Administrator  
US EPA, MC 1807T  
1200 Pennsylvania Ave., NW  
Washington, D.C. 20460  
(202) 566-2182  
(202) 566-2220 FAX  
filbin.gerald@epa.gov

**For Messenger delivery only:**

**Gerald Filbin**  
US EPA  
EPA West Building, room 4119  
1301 Constitution Ave., NW  
Washington, DC 20004

### 3. 2002 PROJECT CATEGORY FOR THE STATE INNOVATION PILOT GRANT.

In order to expedite the funding of State Innovation Pilot Grant projects in accordance with EPA's *Innovation Strategy* and given the limited funds available, EPA has defined a specific topic for the 2002 competition. Specifically, EPA is looking to support State proposals that involve **innovative environmental permitting** activities (including alternatives to permitting) related to one of the *Innovation Strategy* priority environmental areas (see Section 6.1) AND that test **permitting incentives** to:

- (1) motivate "beyond-compliance" environmental performance; or
- (2) move whole sectors toward improved environmental performance.

For example, a State could adopt an Environmental Results Program-approach (like the one developed by Massachusetts) that improves performance for a small business-dominated sector that targets a priority environmental area (e.g., reducing greenhouse gases) and encourages pollution prevention.

Alternative mechanisms to permitting, such as self-certification or licensing, also fall within the purview of this solicitation. Other opportunities exist, such as seeking to increase the use of permitting incentives (e.g., expedited processing, permit extensions, multi-media permits) in a State's environmental programs or encouraging the use of environmental management systems within a tiered permitting structure for environmental leaders in a voluntary program.

Moreover, permitting incentives should support innovation that leads to better and measurable environmental results. A proposal can seek to achieve this in a variety of ways, such as:

- operational permit flexibility that supports faster change and new ideas resulting in improved environmental performance;
- expediting regulatory or administrative processes, such as providing single agency contacts that facilitate more efficient and effective permit approval and renewal;
- developing tiered permits that target facility needs and records;
- implementing or expanding ERP-like programs that target sectors, providing improved environmental performance across each sector; or
- instituting comprehensive, multi-media permits that consider a facility's entire environmental impact and emphasize pollution prevention.

Proposals for permitting incentives can incorporate several concepts in one package – and proposals that do include several factors will be considered favorably. Projects should propose to test these incentives in federally-delegated/authorized programs or state programs (voluntary or regulatory), while working within the current statutory framework.

#### **4. STATUTORY AUTHORITY.**

EPA expects to award State Innovation Pilot Grants under the following six grant authorities: Clean Air Act section 103(b)(3); Clean Water Act section 104 (b)(3); Resource Conservation and Recovery Act section 8001; Toxics Substances Control Act section 10; Federal Insecticide, Fungicide, and Rodenticide Act section 20; and Safe Drinking Water Act sections 1442(a) and (c).

## 5. THRESHOLD FACTORS

In addition to the Program Criteria listed in section 6, applicant's projects must meet the following two important threshold factors to be considered for funding. EPA should be able to determine from the pre-proposal whether the project meets these threshold criteria.

**5.1. Threshold Factor #1.** A project must consist of *activities* authorized under one or more of the six EPA grant authorities cited in Section 4. Most of the statutes authorize grants for the following activities: “*research, investigations, experiments, training, demonstrations, surveys and studies.*” These *activities* relate generally to the gathering or transferring of information or advancing the state of knowledge. Grant proposals should emphasize this “learning” concept, as opposed to “fixing” an environmental problem via a well-established method. The project's activities must advance the state of knowledge or transfer information. The statutory term “demonstration” can encompass the first use of a new innovation, or the application elsewhere of a previously-used innovation. The term “research” may include the application of established practices when they contribute to “learning” about an environmental concept or problem.

**5.2. Threshold Factor #2.** In order to be funded, a project's *focus* generally must be included among the ones that are specified in the statutes cited in Section 4. For most of the statutes, a project must address the causes, effects, extent, prevention, reduction, and elimination of air, water, or solid/hazardous waste pollution, or, in the case of grants under the Toxic Substances Control Act or the Federal Insecticide, Fungicide and Rodenticide Act, to “carrying out the purposes of the Act.” While the



purpose of the State Innovation Pilot Grant Program will be to promote innovative approaches to environmental protection, the overarching concern or principal focus must be on the statutory purpose of the applicable grant authority, in most cases “to prevent or control pollution.” In light of this, proposals relating to other topics which are sometimes included within the term “environment” such as recreation, conservation, restoration, protection of wildlife habitats, etc., should describe the relationship of these topics to the statutorily required purpose of pollution prevention and/or control. Proposals with an integrated, multi-media (multi-statute) approach are encouraged. For assistance in understanding statutory authorities under which EPA is providing these grants, please contact the EPA representative listed elsewhere in this notice.

## **6. PROGRAM CRITERIA.**

As referenced in the “Summary,” Section 1, the selection criteria for the State Innovation Pilot Grant Program advance the goals and priorities of the *Innovation Strategy* and draw from lessons EPA and States have learned from previous innovation initiatives. Building on that premise, all State proposals should address the criteria described in detail below. EPA will evaluate and rank the proposals based on the criteria. (After reading the criteria below, States interested in submitting a proposal should review the *Innovation Strategy* at <http://www.epa.gov/opei/strategy>. An interested State should also see: Section 4, Statutory Authority; Section 5, Threshold Factors; and Section 8, Description of the Selection and Award Process.) The following four criteria and associated points will be used by EPA to evaluate State proposals.

**6. 1. Target Priority Environmental Areas.**

25 points

The proposal should address one or more of the following priority environmental areas:

- reducing greenhouse gases;
- reducing smog;
- improving water quality (including addressing nonpoint source pollution, e.g., agriculture, silvaculture, stormwater runoff);
- reducing the cost of drinking water or wastewater infrastructure.

A State may also address the above areas in the context of a multi-media (including a wider scope of environmental issues, such as, groundwater protection, waste or toxics management) or a cross-jurisdictional (e.g., multi-State) proposal. A State agency may choose to collaborate on a project proposal with other government organizations (e.g., regional, local or other state agencies) responsible for areas of environmental protection or regulation. EPA will consider favorably such multi-media, multi-State, or multi-agency proposals. (Please note that a multi-State project counts as the one and only submittal for each State involved in the project.)

**6. 2. Use of Incentives as a Tool.**

25 points

The proposal should either test a new innovative incentive or expand on the use of an innovative incentive that improves environmental protection. The proposal should identify what permitting programs or activities are involved in the project. The proposal should also specifically address the following questions:

- 6.2.1. How does the proposed tool or approach differ from current methods (i.e., “uniqueness”)?
- 6.2.2. How does the project build on “lessons learned” from prior innovation projects (not limited to the proposing State’s own experience)?
- 6.2.3. How will the State develop and apply the innovative tool in a way that will effectively demonstrate success?

### **6.3. Transferring Innovation.**

25 points

The proposal should describe how the innovation potentially could be replicated or more broadly applied by the proposing State, another State, or EPA. To address this issue, the proposal should answer the following questions:

- 6.3.1. What is the potential for significant environmental improvement using the proposed tool/approach?
- 6.3.2. What is the potential for widespread application or use of the tool/approach as a model for “next generation” environmental protection?
- 6.3.3. How will the application of this innovation be used to promote organizational system change, or develop a culture of innovative environmental problem-solving as a “way of doing business” within the State or more broadly?

### **6.4. Guaranteeing Measures and Accountability.**

25 points

The proposal should establish goals for the innovation and indicators to measure progress toward meeting these goals. Projects should have clear objectives, requirements and performance indicators in order to allow EPA and the public to evaluate the success of the project. The proposal should incorporate baseline and final outcome measures transparently and provide a commitment from the sponsor to track and measure results. The State should identify how to make information about the project, including performance data, available to stakeholders in a form that is easily accessible and understandable. The State should be clear about the timeframe within which results will be achievable. The proposal should also specifically address the following questions:

- 6.4.1.** What is the plan for measuring and evaluating how well the project meets its goals and objectives? (Goal and objective measures should be both qualitative and quantitative and should assess the project's measurable benefits.)
- 6.4.2.** What are the achievable short-term (within two to three years) results to be obtained through this innovation?
- 6.4.3.** What are the achievable long-term results to be obtained through this innovation?

## **7. FUNDING RANGE.**

EPA anticipates that three to seven proposals will be funded for 2002. The acceptable range for proposed project budgets will be \$50,000.00 to \$250,000.00. No matching funds are required, but States may offer voluntary "leverage" funding which may be considered (see, Section 8, "Description of the Selection and Award Process") as part of the qualitative selection factors.

**7.1. Duration.** Funded projects are expected to be structured for a period of one to three years.

**7.2. What Costs Can Be Paid?** Even though a proposal may involve an eligible applicant, eligible activity, and eligible purpose, grant funds cannot necessarily pay for all of the costs which the recipient might incur in the course of carrying out the project. Allowable costs, including those paid for by matching funds, are determined by reference to EPA regulations cited below and to OMB Circulars A-87, "Cost Principles for State, Local, and Indian Tribal Governments." Generally, costs which are allowable include salaries, equipment, supplies, training, rental of office space, etc., as long as these are "necessary and reasonable." Entertainment costs are an example of unallowable costs.

**7.3. FOIA, CBI, and Enforcement Screening.** Applicants should be aware that proposals submitted under this or any other EPA grant program are subject to the Freedom of Information Act (FOIA). This means that anyone can request and receive copies of all the information submitted in your grant proposal. If your application contains any Confidential Business Information (CBI), be sure to highlight it so the confidentiality can be protected in the event of a FOIA request.

## **8. DESCRIPTION OF THE SELECTION AND AWARD PROCESS**

EPA will select State recipients of the 2002 State Innovation Pilot Grants through a national competition.

The competition will be conducted using a two-phased process.

**8.1. Phase 1 Pre-Proposal Process.** In phase one, EPA is soliciting short “pre-proposals” and preliminary budgets from all fifty-five States and territorial entities. All pre-proposals submitted by States and territorial entities will be evaluated by the respective EPA Region and ranked according to the Program Criteria, Section 6. The Regions will forward their rankings to EPA Headquarters for review by an Agency panel who will make recommendations for selection of finalists to the decision official, EPA’s Associate Administrator for Policy, Economics and Innovation. In identifying State finalists, EPA will consider the Program Criteria and may consider **qualitative selection factors**, such as:

- o geographic diversity,
- o project diversity,
- o project cost,
- o amount of State voluntary leveraging funds (if present),
- o feasibility (likelihood of project success within the proposed budget and timeframe),
- o multi-media, multi-State, or multi-governmental agency project, and
- o institutional readiness and commitment (existing capacity or infrastructure within the State that supports the development and implementation of the project, including factors such as people, knowledge, skills, partnerships, and previous innovation experience).

**8.2. Phase 2 Final Proposals and Awards.** States selected as finalists will be asked to submit a more detailed proposal, budget, and an Application for Domestic Federal Assistance. EPA expects to solicit final proposals and budgets from three to seven States by the end of September 2002. States will be given four weeks to complete and submit the final proposal and application package. Final proposal

packages will be submitted to the EPA Office of Policy, Economics and Innovation in compliance with requirements that will be transmitted with the solicitation for the final proposal process. EPA expects to complete the full grant award process, including final evaluations, budget, and workplan negotiations and award to a sub-group of the three to seven State finalists in December 2002.

Although the selections will be made nationally, State Innovation Pilot Grants will be awarded and managed by the respective EPA Regional Office. States selected to receive Innovation Pilot Grants will be contacted by the appropriate EPA Regional Office with the decision about their awards. The EPA Regional Contact will provide each State finalist with any necessary information and will be available to answer any questions.

**8.3. Applicable Grant Regulations.** 40 CFR part 31 for assistance to State governments.

**8.4 Paperwork Reduction Act.** The information collection provisions in this document for solicitation of proposals are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. in a generic Information Collection Request titled Generic Administrative Requirements for Assistance Programs (ICR No. 938.06 and OMB Approval No. 2030-0020). A copy of the Information Collection Request (ICR No. 938.06) may be obtained from Monica Lewis in the Office of Environmental Information, EPA, 1200 Pennsylvania Ave., NW (Mail Code 2822T), Washington, DC 20460 or by calling (202) 566-1678. EPA is not requiring that States collect information as that term is defined by 5 CFR 1320.3(c) to qualify for funding under this solicitation. EPA

will not be substantially involved in these projects, and the Agency will not be involved in approving the type of information collected or the State's information collection procedures.



## Attachment 1      Pre-Proposal Checklist for State Innovation Pilot Grant Program

- 1. Project Category** (Section 3, p.13)  
**G** Read “2002 Project Category for the State Innovation Pilot Grant” re: permitting innovation.
- 2. Summary Page** (1 page) (Section 2.2.1, p.7)  
**•Summary Information** (Section 2.2.1.A, p.7)  
**G** Project title and location.  
**G** State agency applicant (multi-state projects count as the one and only project for each State involved); contact name, phone and fax numbers, email, address.  
**G** Indicate if the project is being executed in cooperation with or funded by another federal or EPA program and, if so, identify the program.  
**G** Indicate if and what types of regulatory flexibility (from a federal requirement) are potentially needed to implement the project.  
**G** Indicate by affirmation that the Commissioner (or Secretary or Administrator, as appropriate) or senior deputy of the State agency supports the project.  
**•Summary Budget Information** (Section 2.2.1.B, p.8)  
**G** Dollar amount requested from EPA.  
**G** Dollar amount of voluntary leverage funding offered by the State.  
**G** Dollar amount of total project budget.
- 3. Pre-proposal narrative** (no more than four (4) pages)  
**G** **Introductory paragraph** (one paragraph). (Section 2.2.2, p.8).  
**G** **Project Schedule and Timeframe** (Section 2.2.2.A, p.8).  
**G** **Program Criteria.** (Sections 2.2.2.B, 6; pp.9,16).  
**•Target Priority Environmental Areas (Section 6.1).**  
**•Use of Incentives as a Tool (Section 6.2).**  
**•Transferring Innovation (Section 6.3).**  
**•Guaranteeing Measures and Accountability (Section 6.4).**
- 4. Proposal Budget** (1 page) (Section 2.2.3, p.9)  
**G** Review Section 7, “Funding Range” before preparing your budget.  
**G** Show expected costs by major categories.  
**G** Include how state funds will be spent and what the sources of those funds are.
- 5. Threshold Factors** (Section 5, p.15)  
**G** These should be ascertainable in pre-proposal, not individually addressed.
- 6. Qualitative Selection Factors.** (Section 8.1, p.20)  
 In addition to the Program Criteria, EPA may consider other factors in selecting pre-proposals, such as geographic diversity; project diversity; project cost; amount of State voluntary leveraging funds; feasibility; multi-media, multi-State, or multi-governmental agency projects; institutional readiness and commitment; and the amount of federal funding available.

7. **Total Pre-proposal Page Limit:** 6 pages

## Attachment 2

### Definitions.

**Environmental Innovation** - The integration of alternative regulatory and non-regulatory strategies that promise better environmental and public health protection than that provided through existing regulatory approaches.

**Regulatory Flexibility** - Providing alternatives to proscribed regulatory requirements for a regulated facility that will provide for superior environmental performance, cost savings, and expedited regulatory permitting and review.

**Environmental Management Systems (EMS)** - A continual cycle of planing, implementing, reviewing and improving the processes and actions that an organization undertakes to meet its business and environmental goals. Most EMSs are built on the "Plan, Do, Check, Act" model.

**Environmental Results Programs (ERP)** - An innovative environmental management approach that promotes performance improvement by regulated facilities through development of industry-wide performance standards as an alternative to regulation (for more information on an ERP in action see: <http://www.epa.gov/ProjectXL/massdep/100698.pdf>).

**Performance-based Programs** - Environmental management programs that shift the focus of environmental permitting toward the measurement and assurance of performance by providing the regulated facility flexibility in how they meet performance standards.

**Pollution Prevention** - Any practice that (1) reduces the amount of any hazardous substance, pollutant or contaminant entering any waste stream or released into the environment (including fugitive emissions) prior to recycling, treatment or disposal, and (2) reduces the hazards associated with such substances, pollutants or contaminants; and (3) other practices that reduce or eliminate the creation of pollutants through increased efficiency in the use of raw materials, energy, water or other resources; or (4) protection of natural resources by conservation.