NCEI State Innovation Grant (SIG)
FY04-05 Pre-competition Workshops
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, October 28, 2004, Participants:

EPA Headquarters	EPA Region 3	EPA Region 10
Washington	Virginia	West Virginia

Monday, November 1, 2004, Participants:

EPA Headquarters	EPA Region 2	EPA Region 6
Arkansas	New York	Oklahoma
Pennsylvania	Texas	

Monday, November 8, 2004, Participants:

EPA Headquarters	EPA Region 5	EPA Region 9
Arizona	California	Michigan
Minnesota	Nevada	Ohio

Tuesday, November 9, 2004, Participants:

EPA Headquarters	EPA Region 1	EPA Region 7
Connecticut	Maine	Massachusetts
Missouri	Nebraska	Rhode Island
Vermont		

Monday, November 15, 2004, Participants:

EPA Headquarters	EPA Region 4	EPA Region 8
Alabama	Louisiana	North Carolina
Wyoming		

Monday, November 22, 2004, Participants:

EPA Headquarters	EPA Region 4	Missouri
Nevada		

General Agenda:

I. Introductions
II. General Overview
III. Performance Measurement
IV. Environmental Management Systems (EMS)
V. Environmental Results Programs (ERP)

VI. Questions and Answers
VII. Meeting Wrap-up

Note: Supporting documents for all presentations can be found on the State Innovation Grants website: www.epa.gov/innovation/stategrants

Contact Information:

All questions regarding the State Innovation Grant program can be directed through Sherri Walker, 202-566-2186, walker.sherri@epa.gov, and she will disseminate them to the appropriate individual.

Questions and Answers (Q&A):

The Q&As are organized in broad categories (general, performance measurement, ERP, & EMS) and then topically according to the words in bold.

GENERAL (sub-headings include information, schedule/timeline, interested applicants, proposals, budget/funding, award)

GENERAL – Information

Q1: What is the **web address** for information on the State Innovation Grant program?

A1: http://www.epa.gov/innovation/stategrants

GENERAL – Schedule/Timeline

Q2: When will the **solicitation** be released?

A2: The projected date for the publication of the solicitation is **early-February 2005**. We will strive to provide the most up-to-date information regarding publication of the solicitation on our State Innovation Grant website. In addition, a notification will also be sent out to all EPA Regions and States (point-of-contact) prior to 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 November 12. 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.

Q3: What is the general **process** & **schedule**?

A3: In an effort to minimize any potential administrative burden and to expedite the award process, we are using a two-phased approach: 1) initial or pre-proposal, and 2) final proposal. State environmental regulatory agencies will have approximately 60 days to submit their pre-proposal. Upon receipt of the pre-proposals, they will be reviewed and evaluated at both the EPA Region and Headquarters. The process for evaluation will take approximately 60 days, including 1-2 weeks for discussions of Best and Final proposal (for clarification only, not negotiation of terms).

EPA will make an announcement regarding which States pre-proposals have been selected as winners for this year's competition. EPA will host one or two workshops for States with pre-proposals that have been selected for further consideration. The purpose of these workshops will be to inform the States of EPA grants policies, including the requirement for explicit measures of environmental outcomes, and to facilitate the timely completion of their final project proposals. These workshops may be held in one or two locations within a one month period (30-day). The selected States will be asked to prepare a more detailed final proposal, and will be given approximately six to eight weeks to develop and submit their final proposal package (including an application for Federal assistance).

In general, the grant process beginning from the solicitation phase to the award phase can take from six to nine months. Looking from another perspective, on average it can take three to six months beginning from the notification by EPA of the State's selection to receipt of the award by the State. The timing of the final award to the State is contingent upon the State's successful completion of a satisfactorily-detailed, full final proposal and application package (including an Application for Federal Assistance - SF-424).

Q4: Can you give a time frame for **open discussion** between potential applicants and EPA?

A4: Until the time of publication of the solicitation (official competition), we will be able to discuss and offer general guidance on any question or issues you may have.

Q5: What is the time from selection of a proposal to the actual **awarding of monies**.

A5: The **overall process** can take 3-6 months, depending upon final proposal development. The timing is contingent upon the successful completion of a satisfactorily-detailed full final proposal and application package (including an application for Federal Assistance, SF 424).

GENERAL --- Interested Applicants

Q6: Can states submit **joint proposals**?

A6: Yes, the Preliminary Notice dated October 13, states that we are accepting shared proposals. To encourage this, EPA will accept a joint proposal (multi-state, multi-agency, state-tribe) in addition to an individual state proposal.

Q7: If a state received a SIG award in the past, are they eligible to apply for a new grant?

A7: Yes. The solicitation notice will lay out the selection criteria for the grants. All other things being equal, if the decision comes down to a first time winner and **previous winner**, we would probably select a first timer to allow for greater geographic diversity. There is no rule that will disqualify a previous winner -- especially if they have a superior proposal, a new award may be possible.

Q8: Is a **cooperative venture** possible? Can an entire region apply for a grant and use the EPA regional office as the grant administrator?

A8: No, the SIG competitive process is for states only. The EPA Region will be the awarding official, so it is not possible for them to directly administer the grant. However, joint proposals are possible (see *joint proposal* question). We can make individual awards to states on a joint project or provide contracting assistance.

Q9: Do **interstate organizations** or **Regional organizations** qualify for the SIG ?

A9: Interstate organizations or Regional organizations could not be the sole applicant or recipient for a State Innovation Grant. The states can partner with interstate organizations or regional organizations, but the state must be the lead agency. This would be considered as a team approach, or joint proposal.

Q10: Can a **state and city** submit a joint proposal?

A10: Yes, States can partner with cities, but the State must be the lead Agency since only States can be the recipient of this grants program.

GENERAL – Proposals

Q11: The federal register announcement states that if funds are available from **other sources**, those proposals will be given lower priority in the SIG selection process. Please elaborate.

A11: Because the State Innovation Grant program has limited funds, we want to avoid overlap with assistance projects funded by other EPA programs and will be unlikely to fund projects that are better directed to other programs. In reviewing a pre-proposal, if we recognize that EPA has another grant program for which the pre-proposal may be better suited, we may recommend that the applicant consider applying to another grant program that lines up best with their goals (http://fedgrants.gov/Applicants/EPA/index.html). For example, if there is already a grants program for watersheds and TMDLs, our State Innovation Grant program may not favorably consider a proposal unless it takes a new innovative spin on the TMDL process.

Q12: Are there any **areas of focus** that the EPA would like to see based upon work that is already being done?

A12: No. For this particular grant, we wouldn't want to limit work to any specific area. We would like to see, however, an EMS or ERP in a sector that has not been previously used. However, depending upon the size of the state and the resources, as well as past experience, states can build upon lessons learned by other past grant recipients or other state projects.

Q13: What is the **pre-proposal versus** the **Request For Initial Proposal (RFIP)**?

A13: The RFIP is published in the federal register. It is the agency's official solicitation document released to the public and to potentially interested parties. The pre-proposal is submitted by interested applicants to EPA in response to the RFIP.

Q14: How long should the pre-proposals be in **length**?

A14: They should be 5-7 pages with an additional page outlining the proposed budget.

Q15: Can states design a proposal that contains components from both **ERP and EMS**?

A15: Yes. In the 2003 competition, Wisconsin proposed both ERP and EMS components for the printing sector: EMS for large facilities, ERP for small facilities.

Q16: Are there **technology** exclusions?

A16: Due to funding limitations and other grant programs better suited to environmental technology development, the SIG program will not be funding grants that develop a new environmental technology.

Q17: Is there a time length for the **project duration**?

A17: The average project lasts 1-3 years. If you are unsure of your proposed project duration, applicants are encouraged to err on the side of a longer time frame (within a three year period). It is easier to terminate a project early than to get an extension, even when no additional money is being sought from us.

Q18: What is meant by '**going beyond compliance**'?

A18: One of the objectives of applying innovation to environmental regulatory programs is the achievement of better results, improved efficiency and reduced cost. Participants often find that efficiency and cost savings are linked to less waste and improved environmental performance and that by looking at their business management model in the context of continuous process improvement, they are actually able to do better than just being in compliance (as required by federal or state law). Thus, pollution prevention translates into better profitability and there is an incentive, beyond being a good environmental steward, to going beyond compliance.

GENERAL – Budget/Funding

Q19: If there is already a contractor working on a particular issue for EPA Headquarters that an EPA grant is funding, will the headquarters work already be (continue to be) accounted for by EPA or will the burden move to the grant recipient?

A19: We do not want **duplication of effort**. We will be cognizant of complimentary work and will work with the states to adjust workplans as needed. In addition, we would encourage interested applicants look to on the SIG website to explore the successful proposals from previously approved States. This approach may enable an applicant to build from another's lessons that they have learned, and potentially complement one another's work – rather than to re-create preliminary efforts.

Q20: How much **money** will be awarded?

A20: The average grant in the first year was $100,000. Last year they averaged $125,000. The ceiling was $200,000 with some smaller and some receiving the limit. This year we hope to raise the ceiling to $250,000 and will probably make awards ranging from $50,000-$250,000.

GENERAL -- Award

Q21: How many proposals and **winners** have you had each year?

A21: The first year we had 29 proposals and funded six projects. Last year we had 25 proposals and funded nine of them.

Q22: Will the grants come with **conditions**?

A22: Yes. All federal grants come with standard "administrative" terms and conditions. In addition, the awards from our past two competitions were made with three main "program" conditions: 1) project evaluation, 2) reporting, and 3) Quality Assurance Project Plan (QAPP). First, EPA may require the recipient to provide cooperation and assistance to EPA and its contractors to design and conduct a project evaluation. Second, the recipient will be required to provide quarterly reports, as well as a final report, to EPA on achievement of milestones, overall progress, and level of expenditures. Third, submittal and approval of a QAPP will be required; however, the QAPP is not required for the pre-proposal. It is only required to be submitted with the final proposal after the selection has been made.

Q23: If a state wins a grant, will they be required to generate **reports** with performance measures in addition to the QAPP?

A23: Yes. Completion and approval of the final Quality Assurance Project Plan (QAPP) is required prior to collection of baseline data. Progress reports are our primary mechanism to determine if the grant recipient is fulfilling their obligations. Reporting is required on a quarterly basis and should focus on specific performance measurement milestones in accordance with the QAPP. The progress report should contain information on: 1) the rate of expenditure versus progress on the project, 2) actual accomplishments, 3) problems encountered during the performance period, which may interfere with meeting program/project objectives. 4) proposed remedy's, 5) information on equipment purchased during the reporting period, and 6) any other information requested through terms and conditions.

GENERAL – Miscellaneous

Q24: Is the SIG program similar to the EPA-State partnerships (e.g., National Environmental Performance Partnership System -- **NEPPS or performance partnerships**) ?

A24: There is no direct connection between NEPPS and the State Innovation Grant program. Through NEPPS, a planning and priority-setting process, EPA and State officials discuss environmental strategies and program implementation and agree on priorities, goals, and tools for measuring progress (in Performance Partnership Agreements, PPA). Associated with NEPPS, States can apply for funding through Performance Partnership Grants (PPGs).

The SIG is a separate, unrelated funding opportunity for States: the SIG program goals are to provide seed money to help States develop strategic innovations aimed at systemic change. States have many successful innovation activities underway but need resource assistance to invest in strategic innovation that will accomplish large-scale change. Through the SIG program, we encourage States to include within their project proposal shared project priorities as they are reflected in their PPAs.

Q25: Can this approach be used for **state excellence** programs?

A25: Yes, that would probably be valuable.

Q26: Rhode Island has taken small state **ERP**s far, but has the Office of Underground Storage Tanks thought of taking a **TurboTax approach** to state access?

A26: An electronic workbook is being developed. It may not be as elegant as TurboTax but will soon be available to all states. If your focus is on UST, this should make it easier to customize a UST ERP workbook, depending upon a facility's equipment.

PERFORMANCE MEASUREMENT

Q27: In developing the pre-proposal (initial proposal), is there an individual who can be sought out to give specific guidance on the selection of **Performance Measures** based upon the contents of the proposal materials?

A27: No. Due to competition restrictions, we are unable to review the actual pre-proposals. However, we can discuss general questions related to projects and

performance measures. We are unable to review one proposal without availing the opportunity to all interested participants, otherwise it could be perceived that one has received an unfair advantage over another.

Q28: Do people need to include a **logic model** in their proposals?

A28: While a logic model is not required to be submitted with the pre-proposal, we believe that going through the process would enhance an applicant's ability to clearly and concisely describe their project.

A logic model is a tool that enables the grant reviewer to quickly follow the proposed sequence. It promotes logical thinking and reduces the possibility of misunderstanding the objectives for a proposal. General information about logic models and examples are contained in the Performance Measurement link at www.epa.gov/innovation/stategrants/.

Once finalists have been chosen, EPA will work with those states to develop or revise their logic models and performance measures for inclusion with their final proposal.

Q29: How do you define the **quality of data**?

A29: Data quality is usually defined in terms of Precision, Accuracy, Representativeness, and Completeness. For any project one of the first steps would be to determine your data quality objectives - this is driven by the project goals and the selection of appropriate measures of performance. For instance, if the project goal is the reduction of pollutant or emission discharge by 10%, then the monitoring methods you choose would have to be able to detect, with confidence, a change (reduction) of 10% from a baseline measurement. So, the indicator, methods and frequency of measurement would have to provide sufficient precision, accuracy, representativeness, and completeness of data to allow acceptable statistical confidence in the difference between the baseline and outcome measurement. Guidance on quality assurance is available on the internet at www.epa.gov/innovation/stategrants/.

Q30: Will there be performance measurement and quality assurance **training** for non-grant recipients?

A30: In the past we have sponsored special trainings only for those chosen as finalists due to available resources. It is something we'd like to offer to everyone and have occasionally offered invitational trainings.

In the meantime, other training opportunities may be available to everyone through various vendors for a fee. For additional performance measurement or program evaluation opportunities, see the internet at http://www.epa.gov/evaluate/training.htm. For guidance or training opportunities related to quality assurance, see several resources listed on the internet at http://www.epa.gov/quality.

Q31: Will there be **support** to help develop performance measures during the pre-proposal to final proposal development stage?

A31: Yes, after selection of grant recipients and closure of the competition process EPA can provide direct assistance to grant recipients, and may be able to offer contractual support.

Applicants can also account for or include a line item in the grant proposal for performance measurement development, but you cannot pre-spend the grant money prior to the actual award.

Environmental Management Systems

Q32: This solicitation will also allow participation of proposals with new **performance track** (PT) incentives. What types of projects would you be looking for with reference to Performance Track?

A32: Under the general subject of innovation in permitting, EPA hopes that States will propose projects that expand participation in performance-based, beyond-compliance programs such as Performance Track. As Environmental Management Systems (**EMS**s) are a principal component of the Performance Track program, we see this as an opportunity to increase the number of facilities that develop and implement EMSs. We are also interested in how EMSs may play a role in, or become specific components of any package of incentives offered to facilities performing beyond-compliance, e.g., a flexible permit. Additionally, we are interested in how states might make connections between EMSs and any other incentives offered to encourage facilities to exceed compliance standards, which will hopefully expand participation in Performance Track and State performance-based programs.

Q33: Where can I learn more about **EMS**?

A33: EPA's Strategy for Determining the Role of EMSs in Regulatory Programs (EMS Strategy) dated April 2004 is posted on the SIG website, and at http://www.epa.gov/ems. The EMS Strategy contains samples of potential EMS in permitting or regulations projects in the appendix. The samples provided in the

EMS Strategy are not all-inclusive, so the agency may be especially receptive to EMS cutting-edge projects that have not yet been explored. Look on the SIG website to review the successful EMS proposals from states selected to receive previous grants.

General information regarding EMSs, including EPA's Position Statement on EMS, can be found at epa.gov/ems.

EPA has a conference call on the third Wednesday of every month to discuss current EMS in permitting issues with the states. To join the call, send an e-mail to Beth Termini at termini.beth@epa.gov.

Q34: Is EPA looking for only **voluntary EMS** programs?

A34: No, we will consider EMS proposals for both voluntary and required participation projects.

Environmental Results Program

Q35: What is the connection between **ERP and permitting** ?

A35: Massachusetts originally developed their innovative Environmental Results Program (ERP) as an alternative to a State permitting program; however, not all states are replacing permitting programs with ERP. There are two types of programs: mandatory and voluntary. More information on the ERP program can be found at www.epa.gov/permits.

Q36: If a small state such as Rhode Island has developed an ERP project in the past, can another state apply for a grant to **ramp up** the project on a broader scale?

A36: Yes. We would be interested in seeing a larger state take on a project and scale it up. Of even more interest would be taking the lessons learned from one project and applying them to a whole new sector.

We are looking for diffusion of lessons learned, particularly in sectors that have not been focused on by regulators, but have a significant environmental impact. Some sectors such as Underground Storage Tanks do not have a lot of emphasis being put upon them and are ripe for innovation in many states.

Q37: In the **ERP** program, is there data on how industries feel about the program?

A37: ERP is a very effective model because it puts all businesses, regardless of size, on an equal playing field. It makes sure everyone is aware of and following all regulations. So far there has been great feedback anecdotally. There is specific feedback from industry (both trade associations and individual facilities) supportive of ERP. In addition to leveling the playing field, ERP promotes personal accountability for environmental results.

Q38: Are there visible **results** to the ERP program?

A38: Yes, the work is very data-rich. Results are generally not apparent in the first year, so it can appear to be an intensive, drawn-out process. After a few years, states can see a great change in trends for compliance and participation. There is concrete data for the states that have been involved for longer periods of time, but the newer practitioners are still in the early stages of data collection. For example, Massachusetts Department of Environmental Protection has extensive data available covering implementation of ERP since 1997. Rhode Island and Florida have data on their initial year of implementation. More information on the ERP program can be found at: www.epa.gov/permits.

Q39: Are there any **voluntary ERP programs**?

A39: Yes, there are currently 8 states with voluntary ERP programs: DE, DC, GA, MD, ME, MI, MN, & RI.

See the Environmental Results Program (ERP) State Activities link on the SIG website for additional ERP project update information about activities, including which States have ERP programs, which sectors are covered by existing ERPs, components of each States ERP program, identification of current implementation stage/tiering status, and contact information.