

Date Signed: January 24, 1980

MEMORANDUM

SUBJECT: Use of Grant Funds for Data Management Activities

FROM: Victor J. Kimm (signed by Victor J. Kimm)
Deputy Assistant Administrator for Drinking Water (WH-550)

TO: Region I-X Water Supply Branch Chiefs

I. Background

In anticipation of the passage of the Safe Drinking Water Act (SDWA), the Office of Drinking Water (ODW) initiated a study to plan for the information systems necessary for the successful implementation of the Act. One of the results of that study was a recommendation that EPA develop a State-oriented data management system.

As a result of the feasibility study, ODW initiated the development of the Model State Information Systems (MSIS). MSIS had one primary purpose, i.e., to provide common data management functions, consistent with the program. This was accomplished by providing capabilities for maintaining public water supply inventory information, perform a consistent and cost effective determination of compliance of water supplies against applicable Regulations, maintaining information on enforcement actions and variances and exemptions, and submitting the information required in the annual report.

MSIS operates on large scale computers manufactured by Henle, IBM and UNIVAC. The IBM version operates at the EPA's Washington Computer Center (WCC), and is available both to EPA Regions and to States choosing to use WCC as their State designated computer center.

II. OMB Circular A-90

The Office of Management and Budget (OMB) Circular A-90 outlines government policies with regard to the installation of computers and the use of computer programs within the States. The basic policy is that the Federal government cannot require a State to install or use specific computers or computer programs.

NOTE: MSIS has been superseded by FRDS 2.0.

On the other hand, OMB Circular A-90 also prohibits the use of Federal grant funds by States for developing computer programs when such computer programs already exist and have been offered to the States by the Federal government. The purpose of such a provisions, of course, is to prevent public monies from being expended when such a capability is already available to a State government.

An opinion was sought from the Office of General Counsel (OGC) on whether MSIS fell within the provisions of OMB Circular A-90. It is the opinion of OGC that MSIS does indeed fall within OBM circular a-90. For your convenience, I am attaching a copy of their response.

III. Guidance

To carry out the OGC opinion, it is very important that all proposed grant requests for data management funds be carefully reviewed for conformance with OMB Circular A-90. Failure to perform a thorough review could result in States having to return such monies upon audit.

Generally, data management funds can be used for activities which include:

1. Computer resources - This usually encompasses direct charges for use of a State's designated computer center. Such charges usually include computer time, data storages, computer supplies (e.g., computer paper, disk packs, computer tapes), etc.
2. Data preparation - charges in this category usually results from activities required to prepare information onto a computer readable media. This may be accomplished by keypunching, key entry, etc.
3. Personnel - Charges for personnel (e.g., computer systems analyst, computer programmers) can only be used for the development of reports from stem or for development and implementation of capabilities not in MSIS. New capabilities might supplement or extend capabilities not in MSIS.
4. Computer Equipment - These typically might include data terminals which communicate with State's designated computer centers.
5. Miscellaneous - Charges in this category might include data communications modems, data communication charges from a public utility, etc.

During the grant negotiations with our individual Starts, close attention must be paid to this area. During the headquarters Regional evaluation the request for data management funds from your States will be carefully reviewed. Those expenditures which are at variance with OMB circular A-90 will be indicated.

Headquarters Computer systems Staff and Drinking Water Branch personnel are available to work with you in reviewing a State's proposed expenditure. I recommend that you take advantage of this opportunity prior to approving such expenditures by calling Tom Martin at (426-9805) or Jim Manwaring at (472-4152).