

**THE U.S. EPA'S OVERVIEW TO THE
FY 2016-2017 NATIONAL PROGRAM MANAGER (NPM) GUIDANCES**

I. PURPOSE

This overview introduces the EPA's new two-year process for developing NPM Guidances. This document should be reviewed in conjunction with the FY 2016-2017 NPM Guidances to gain understanding of the EPA's FY 2016-2017 environmental priorities and implementation strategies.

II. NEW TWO-YEAR NPM GUIDANCE PROCESS

Beginning with FY 2016-2017, the EPA is implementing a new two-year cycle for the NPM Guidance process, developed collaboratively with state partners and input from the American Indian Environmental Office to reflect tribal interests. The EPA initiated this effort to advance a [New Era of State, Local, Tribal, and International Partnerships](#), a cross-agency strategy in the [FY 2014-2018 EPA Strategic Plan](#) (see Table 1 below). The new process reflects four key changes:

- 1) Earlier and more meaningful state and tribal engagement in joint priority-setting to identify the most important areas of work for protecting the environment and human health;
- 2) Clear and transparent support for flexibility within the NPM Guidances, including guidelines for seeking approval where flexibility is requested;
- 3) Better alignment of NPM Guidances and Grant Guidances to minimize workload for regions, states and tribes; and
- 4) Earlier and more meaningful state and tribal engagement in commitment-setting, which is aligned with grant work planning to the extent possible.

By way of background, the NPM Guidances set forth the strategies and actions the EPA and its state and tribal partners will undertake to protect human health and the environment over the next two years. The NPM and Grant Guidances help carry out the [FY 2014-2018 EPA Strategic Plan](#) and annual budget by providing operational direction to EPA regions, states and tribes on implementing environmental and human health protection programs. Taken together, the NPM Guidances serve as a national framework for the regions to use as they tailor their approaches and strategies for engaging with states and tribes through the National Environmental Performance Partnership System (NEPPS) and grant workplan negotiations.

Table 1: EPA's FY 2014 - 2018 EPA Strategic Plan

Strategic Goals	Cross-Agency Strategies
1. Addressing Climate Change and Improving Air Quality	1. Working Toward a Sustainable Future
2. Protecting America's Waters	2. Working to Make a Visible Difference in Communities
3. Cleaning Up Communities and Advancing Sustainable Development	3. Launching a New Era of State, Tribal, Local, and International Partnerships
4. Ensuring the Safety of Chemicals and Preventing Pollution	4. Embracing EPA as a High-Performing Organization
5. Protecting Human Health and the Environment by Enforcing Laws and Assuring Compliance	

III. EARLIER AND MORE MEANINGFUL ENGAGEMENT WITH STATES AND TRIBES

A key change for development of the FY 2016-2017 NPM Guidances is earlier and more meaningful engagement with states and tribes on joint priority-setting. This coordinated effort now occurs during a consistent timeframe to inform NPM Guidance development. From June – October 2014, the EPA engaged collaboratively with states and tribes to identify the most important areas of focus for protecting the environment and human health through in-person meetings, emails, letters, calls, and coordination among offices. In addition, the EPA sent consultation notification letters to all federally recognized tribes providing an opportunity to submit early input and consult on the draft FY 2016-2017 NPM Guidances. Summaries of these efforts are available on the NPM Guidance website: <http://www2.epa.gov/planandbudget/national-program-manager-guidances>.

As part of this change, the draft FY 2016-2017 NPM Guidances describe how the results of early engagement informed their development. Each NPM Guidance addresses the early engagement effort in the Introduction and, in some cases, provides further detail in the “Explanation of Key Changes Appendix” on the specific changes made to national areas of focus, program-specific guidance, activities and/or measures in response to state and tribal input. For example, the EPA’s Office of Solid Waste and Emergency Response NPM Guidance added language specifying that the EPA will work with states to prioritize funding for small and rural communities without the capacity to compete successfully or manage a competitive assessment grant. In another example, the EPA’s Office of Chemical Safety and Pollution Prevention’s NPM Guidance expanded activities in the Lead Risk Reduction national area of focus to emphasize EPA, state and tribal collaboration in Risk Reduction Program authorization.

In addition to engagement on joint priority-setting, the EPA also will seek earlier and more meaningful dialogue with states and tribes on establishing annual commitments for tracking achievement of environmental results. Beginning in March 2015, the EPA will engage with states and tribes to solicit their input to inform development of draft FY 2016 regional commitments. Draft regional commitments should reflect input from states and tribes, as appropriate, and form the basis for negotiations with the program offices. To the extent possible, the EPA will align the early engagement on commitment-setting with grant workplan negotiations. Engagement with states and tribes will continue through the summer to reach agreement on final performance commitments.

IV. PURSUING FLEXIBILITY WITHIN THE NPM GUIDANCES

Complementing the early engagement with states and tribes, this overview and the FY 2016-2017 NPM Guidances affirm support for the EPA, states, and tribes to pursue flexibilities that advance the most important environmental and human health work, as appropriate, and to the extent possible. The EPA recognizes the importance of working collaboratively with states and tribes to streamline workload and leverage resources to meet efficiently and effectively the collective mission to protect human health and the environment. In that regard, the NPM Guidances reflect the following:

- Language affirming and articulating the intent to address flexibility issues within identified parameters and using available agency processes (e.g., Grant Guidances; NEPPS, including PPAs/PPGs; etc.).
- General language that refers to program-specific flexibilities found in the NPM Guidances (e.g., Introduction, sections on National Areas of Focus and Program-Specific Guidance).
- General guidelines for seeking approval for flexibilities (including how to address situations where NPM-specific policies/strategies impact grant negotiations) and elevating issues, as needed, as well as references to more specific information in each of the NPM Guidances on approaches to seek approval for flexibilities and elevate issues, as needed.
- Examples of NPM-specific flexibilities, as appropriate.

Each NPM Guidance affirms and articulates the support for states and tribes to address flexibility issues as they relate to work planning and describes the general process for addressing issues or concerns. For example, the EPA's Office of Air and Radiation NPM Guidance encourages flexibility and tailoring of work expectations and resource allocations to address local issue areas. In addition, the EPA's Office of Enforcement and Compliance Assurance (OECA) NPM Guidance provides the general guidelines and process that states and tribes should pursue if resources are insufficient to implement fully its activities. OECA's NPM Guidance also highlights its compliance monitoring strategies, an expanded set of tools for addressing local pollution and compliance, which were revised in FY 2014 to provide increased flexibility to the EPA and state agencies. The EPA's Office of Water NPM Guidance also describes its work with each state to evaluate and set programmatic and performance goals to maximize water quality improvement and achieve state and EPA regional priorities across Clean Water Act programs.

V. EPA-STATES E-ENTERPRISE FOR THE ENVIRONMENT

The E-Enterprise for the Environment (E-Enterprise) strategy is EPA's preeminent joint governance initiative. Through this strategy, EPA, states and tribes are collaboratively streamlining and applying advanced technology across agencies and programs to make business processes more efficient and effective. These efforts will enhance services to the regulated community and public and improved environmental results.¹ The E-Enterprise FY 2015 Annual Action Plan² for EPA's Partnerships Cross-Agency Strategy³ calls for identifying activities in FY 2016 grant workplans, NEPPS agreements, and processes, projects, and/or programs that will be aligned with E-Enterprise goals.⁴ NPMs and Regions are also encouraged to provide flexibility to states and tribes, including any tradeoffs in workload in exchange for potential lasting improvements that make business processes more efficient.

VI. CONSIDERATIONS FOR GRANTS MANAGEMENT

A. Pursuing Flexibilities through the National Environmental Performance Partnership System

The National Environmental Performance Partnership System (NEPPS), now in its 20th year, supports strong and effective working relationships with states and tribes through a partnership model centered on achieving programmatic, financial, and management flexibility. Coupled with strong accountability mechanisms, NEPPS jointly strives to ensure achievement of environmental and human health outcomes. NEPPS provides a process and tools for states and tribes to pursue both programmatic and administrative flexibilities in identifying and implementing environmental priorities through state grant agreements with the EPA. Longer-term planning documents, such as Performance Partnership Agreements (PPAs), Tribal Environmental Agreements (TEAs), and EPA-Tribal Environmental Plans (ETEPs), can serve as strategic negotiated plans under NEPPS - articulating joint goals and priorities, key activities, roles, and responsibilities. PPAs are often combined with and provide the strategic umbrella for Performance Partnership Grants (PPGs), which enable states and tribes to combine up to 19 categorical environmental program grants into a single blended grant agreement with one consolidated workplan and budget. PPGs offer savings

¹ General E-Enterprise information is at: <http://www2.epa.gov/e-enterprise> and <http://www.exchangenetwork.net/e-enterprise/>.

² See "A New Era of State, Local, Tribal, and International Partnerships: Fiscal Year 2015 Annual Action Plan at: <http://www2.epa.gov/sites/production/files/2015-02/documents/partnerships-action-plan-fy15.pdf>.

³ The Cross-Agency Strategies are part of *FY 2014-2018 EPA Strategic Plan*, available at: <http://www2.epa.gov/planandbudget/fy-2015-cross-agency-strategies-action-plans>.

⁴ See "About E-Enterprise for the Environment" at: <http://www2.epa.gov/e-enterprise/about-e-enterprise-environment>.

on administrative costs as well as the ability to shift resources to address priorities and cross-cutting efforts that may be challenging to support through individual categorical grants.

As described earlier, the FY 2016-2017 NPM Guidances include new features that support Performance Partnerships with states and tribes, such as identifying areas where flexibilities can be sought and providing additional guidance for seeking approval; instituting a process for early engagement among partners around issues that are NPM-specific and across programs; and establishing alignment with the EPA’s various programmatic Grant Guidances.

B. Utilization of Multi-Year Grant Workplans

The EPA is making the use of multi-year grant workplans an agency priority to achieve better alignment with NPM and programmatic Grant Guidances and increase administrative efficiency. Multi-year grant workplans have been used in varying degrees by EPA regions, states, and tribes and provide additional benefits over annual workplans for managing continuing environmental program grants and, in particular, those with a project component. Multi-year grant workplans broaden the planning horizon and allow for better alignment with the new two-year NPM Guidances, thus providing a greater ability to plan strategically and address and respond to changing conditions during the term of the grant. In addition, longer project periods increase administrative efficiency by reducing the number of grant applications required and help ensure financial stability during periods of federal and state budget uncertainty, especially when using multi-year PPGs, which include funds for multiple years and grant programs.

The Office of Grants and Debarment issued amended Grants Policy Issuance 12-06, “Timely Obligation, Award and Expenditure of EPA Grant Funds,” to encourage the use of multi-year grant workplans. The State Grants Subgroup of the ECOS-EPA Partnership and Performance Workgroup will review and address implementation considerations around multi-year grant workplans, and the Office of Grants and Debarment will provide additional guidance, as needed.

C. Alignment of NPM and Grant Guidances

Better alignment of the NPM and Grant Guidances helps streamline and facilitate the grant work planning process and potentially reduces workload for EPA regions, states, and tribes. The EPA is now issuing select Grant Guidances on a two-year cycle to coincide with the FY 2016-2017 NPM Guidances (see Table 2 below).

Table 2: Grant Guidances Identified for Alignment

NPM	Grant Guidance
OAR	State/Local Air Grant Program (CAA Sec. 103, 105, 106)
OAR	Tribal Air Grant Program (CAA Sec. 103, 105)
OAR	State Indoor Radon Grant Program (TSCA Sec. 10 and 306)
OAR	Diesel Emission Reduction Act Program (DERA)
OW	Water Pollution Control (CWA Sec. 106)
OW	Public Water System Supervision (PWSS) (SDWA Sec. 1443(a))
OW	Underground Injection Control (SDWA 1443(b))
OW	Drinking Water State Revolving Fund (DWSRF)
OCSPP	TSCA Section 404(g) Lead-Based Paint Programs State, Territory, District of Columbia, Tribal and Federal Grant Guidance
OECA	Toxic Substances Compliance Monitoring Cooperative Agreement Program Grant Guidance (TSCA Sec. 28 & 404)
OCSPP/OECA	Joint OPP/OECA FIFRA Cooperative Agreement Guidance (FIFRA Sec. 23(a)(1) and (2) (which was already issued for FY 2015-2017)

OSWER is also working to organize and coordinate the issuance of draft and final programmatic guidance, including Grants Guidances, to coincide to the extent possible with state, tribal, and regional planning processes.

D. Ensuring Compliance with Title VI

Ensuring compliance with Title VI of the Civil Rights Act of 1964 is an agency priority. The NPMs have coordinated with the Office of Administration and Resources Management, the Office of Civil Rights (OCR), and the Office of General Counsel to assign tasks to EPA regions to ensure applicants for, and recipients of, the EPA's financial assistance to whom Title VI applies are in compliance and do not take actions involving either discriminatory treatment or that have discriminatory effects. In addition, EPA is collaborating with states to prioritize specific areas of mutual interest with respect to civil rights laws and engaging with states and other stakeholders as OCR develops a "Compliance Toolkit for EPA Recipients". As part of this effort, EPA will collaborate closely with states and other stakeholders to identify promising practices for complying with civil rights laws.