U.S. Environmental Protection Agency Multipurpose Grant Guidance for States

June 15, 2020

SUMMARY

The U.S. Environmental Protection Agency is issuing multipurpose State and Tribal Assistance Grants to state and tribal co-regulator partners. Multipurpose funds are intended to be used at state and tribal discretion, for high-priority activities to complement activities funded under established environmental statutes. While EPA encourages states to consider using funds to address per- and polyfluoroalkyl substances, states are not required to do so, and may direct the funds to their highest priorities. Funds may be used to support activities associated with any of the categorical grant programs. EPA is awarding \$11,050,000 to eligible state and territorial recipients (referred to as "states" as described in the "Eligible Recipients" section below). This guidance provides information on eligibility, use of funding, grant mechanisms and processes for awarding funding, the allocation methodology used for distribution of funding, timelines, and terms for reporting under these grants.

This guidance is for states. Tribal guidance is issued separately.

BACKGROUND

Congress created the Multipurpose Grant (MPG) program in the 2016 Consolidated Appropriations Act. No funding was provided in FY17. In FY18 and FY19, Congress again appropriated MPG funds^{2,3}. Due in part to the transition of the grant program to the Administrator's office, EPA decided to combine the FY18 and FY19 funds and awarded them together. This year, EPA is taking a similar approach with the \$13 million appropriated by Congress for the FY20 MPG program. In the Explanatory Statement accompanying the 2020 Act, Congress said,

States and Tribes play a significant role helping reduce public exposure to emerging contaminants like PFAS. These grants are expected to assist States and Tribes in their efforts to facilitate treatment, cleanup, and remediation efforts of PFAS and other emerging contaminants in contaminated water sources, water systems, and lands. The Agency is directed to continue to give maximum flexibility to States and Tribes so that they, not the Agency, may determine where funds from this grant program are of most value.

As the Agency did in prior years, EPA is setting aside 15% for the tribal MPG program.

¹ Consolidated Appropriations Act, 2016 (P.L. 114-113)

² 2018 Consolidated Appropriations Act (P.L. 115-141). In the <u>Explanatory Statement</u> accompanying the 2018 Act, Congress said, "The Committees were disappointed with the Agency's funding formula in fiscal year 2016 because it did not provide the flexibility that Congress expected and instead gave preference to air programs. In fiscal year 2018, the Agency is directed to give maximum flexibility to States, so that States, not the Agency, may determine where funds from this grant program are of most value."

³ Consolidated Appropriations Act, 2019 (P.L. 116-6)

⁴ Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

AUTHORITY

This grant funding is authorized by the Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

ELIGIBLE RECIPIENTS

EPA is offering Multipurpose Grant funds to entities having primary responsibility for implementing the non-competitive categorical grant programs. This includes: states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and certain state universities having authority conferred by the governor or designee of the governor to administer federal environmental programs on behalf of the state (referred to as "states" for the purposes of this guidance).⁵

There may be more than one agency or department in each state receiving funds directly from EPA to implement non-competitive categorical grant programs; each of these entities is eligible to receive MPG funding. States may also name a single agency as the recipient and transfer funds among state agencies under state law and policies, provided the EPA funds are properly accounted for under 2 CFR 200.302(a).

States may use the MPG to fund sub-recipients, including interstate organizations, in accordance with $\underline{2}$ CFR 200.330 and 2 CFR 200.331 and the EPA Subaward Policy.

ELIGIBLE ACTIVITIES

While EPA encourages states to consider using MPG funds to address per- and polyfluoroalkyl substances, states are not required to do so, and may direct the MPG funds to their highest priorities. MPG funds may be used to support activities associated with any of the categorical grant programs. Those programs include:

- 1. Air Pollution Control (CAA §105)
- 2. Water Pollution Control (CWA §106)
- 3. Public Water System Supervision (SDWA §1443(a) and §1451(a)(3))
- 4. Underground Injection Control (SDWA §1443(b))
- 5. Hazardous Waste Management (SWDA §3011(a))
- 6. Pesticide Cooperative Enforcement (FIFRA §23(a)(1))
- 7. Pesticide Applicator Certification and Training (FIFRA §23(a)(2))
- 8. Pesticide Program Implementation (FIFRA §23(a)(1))
- 9. Nonpoint Source Management (CWA §205(j)(5) and §319(h))
- 10. Lead-Based Paint Program (TSCA §404(g))
- 11. State Indoor Radon Grants (TSCA §306)
- 12. Toxic Substances Compliance Monitoring (TSCA §28)
- 13. Underground Storage Tanks (SWDA §2007(f)(2))
- 14. Pollution Prevention (PPA §6605)

⁵ All documentation requirements for recipients are presented at 2 CFR Part 200, Subpart E, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

- 15. Wetlands Development Grants (CWA §104(b)(3))
- 16. Environmental Information Network Exchange Grants (PL 108-7 and PL 108-199)
- 17. Brownfields (CERCLA §128(a) with the exception of Small Community Technical Assistance Grant activities authorized by CERCLA §128(a)(1)(B)(iii)))
- 18. Beaches (PL 106-284)

Please note, the three *italicized* grant programs – Pollution Prevention, Wetlands Development, and Environmental Information Network Exchange – are the only grant programs whose funding is awarded on a competitive basis. While the funding allocation, described in detail later in the guidance, is based on the fifteen non-competitive programs, state agencies are welcome to use their MPG funds on activities associated with one or more of the eighteen programs listed above.

Examples of eligible activities under these programs include planning, development, implementation, research, investigations, experiments, monitoring, assessment, training, surveys, inspections, compliance assistance, enforcement, process improvement, education and outreach, technical support, and maintenance associated with the environmental programs listed above. Activities may also include joint efforts between the recipient and EPA, such as streamlining and other E-Enterprise projects, provided the activities are eligible under one of the EPA categorical grant programs listed above. If needed, EPA's Regional Points of Contact (listed at the end of this guidance) can help states connect priority activities with one or more of the categorical grant programs listed above.

All activities for which MPG funds are used must be eligible under one or more of the federal environmental statutes specified above. Conversely, activities that are ineligible for grant funding under federal environmental statutes may not be conducted using MPG funds.

MATCH, COST-SHARE, AND MAINTENANCE OF EFFORT REQUIREMENTS

MPG funding authority does not have a match, cost share, or maintenance of effort requirement. Adding MPG funds to a Performance Partnership Grant (PPG) will not impact the PPG's existing cost-share requirement under 40 CFR 35.136.

GRANT MECHANISMS

EPA encourages states to take full advantage of the reduced administrative burden and maximum flexibility offered by accepting MPG funds into PPGs. States may also receive MPG funds through a separate, stand-alone grant. Details on how to apply for the MPG via PPG or stand-alone grant can be found on the following pages. States and Regions should discuss which of the following grant vehicles is most appropriate:

- Agencies that have an existing PPG may add MPG funds to the PPG through an amendment.
- Agencies nearing the end of their existing PPG, or negotiating a new PPG, may include MPG funding in a new PPG award.

⁶ For more information about the flexibilities offered through PPGs, see: https://www.epa.gov/ocir/national-environmental-performance-partnership-system-nepps

- Agencies that wish to use a PPG, but who do not already have one, may combine MPG funds
 with one or more PPG-eligible standalone grant(s) into a new PPG. All of the environmental
 programs listed above are eligible to be included in a PPG.
- Agencies without a PPG, and who do not wish to pursue a PPG at this time, may accept MPG funding through a standalone grant or amending an existing standalone MPG awarded under CFDA 66.204.
- Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands may add this
 funding to an existing or new consolidated assistance agreement awarded under the authority
 of 48 U.S.C. §1469a(a).

Amending an existing PPG

Agencies that wish to add MPG funds to an existing PPG should discuss with their Regional POC or Project Officer the best way to update the existing project workplan with new MPG activities or commitments.

In the event a state agency is approaching the end of its PPG or budget end date, the agency and Region might consider a waiver to the five-year limit, in order to add MPG activities to an existing PPG. This extension would only apply to the activities associated with the MPG funds.

Agencies using a Performance Partnership Agreement (PPA) as the grant workplan should work with their Regional POC to determine the best way to incorporate MPG funds and associated activities into the PPA.

To apply for MPG funds on a PPG, follow these steps:

- 1. Go to www.grants.gov.
- 2. Under the "Applicants" tab, click "How to Apply for Grants."
- 3. Near the bottom-right of the page, click the red button, "Search for Opportunity Package."
- 4. In the field "Funding Opportunity Number," type **EPA-CEP-01** (leave the "Opportunity Package ID" field blank) and click "Search."
- 5. CFDA number **66.605** can be found at the bottom of the list; users can click "Preview" to download the required forms or "Apply" to begin the application process.
- 6. Applicants may (but are not required to) use the MPG workplan template in **Appendix A** to facilitate work planning.

For additional information on how to apply through grants.gov, see:

https://www.epa.gov/grants/grantsgov-submission-requirements. Please note, amending an existing PPG may require the agency to submit a new SF-424, SF-424A, workplan, and budget detail.

Establishing a new PPG

Agencies nearing the end of their existing PPG, in the process of negotiating a new PPG, or who do not have a PPG but wish to create one may accept MPG funds through a new PPG. States should submit a complete grant application and workplan through grants.gov using the opportunity number **EPA-CEP-01**, CFDA number **66.605** (same instructions as above).

Using a standalone grant

Agencies may also accept the MPG funds through a standalone grant, either as a new award, or as a supplemental award to an existing MPG award. Please note, because MPG funds have a different funding code than those associated with the individual categorical grant programs, EPA cannot add MPG funds to an existing, standalone program grant (e.g., MPG funds cannot be added to a CWA §106 grant). MPG funds must be accepted as a new standalone grant, added to an existing MPG grant, or incorporated into a PPG.

To apply for MPG funds on a standalone grant, follow these steps:

- 1. Go to www.grants.gov.
- 2. Under the "Applicants" tab, click "How to Apply for Grants."
- 3. Near the bottom-right of the page, click the red button, "Search for Opportunity Package."
- 4. In the field "Funding Opportunity Number," type **EPA-CEP-02** (leave the "Opportunity Package ID" field blank) and click "Search."
- 5. CFDA number **66.204** can be found at the top of the list; users can click "Preview" to download the required forms or "Apply" to begin the application process.
- 6. Applicants may (but are not required to) use the MPG workplan template in **Appendix A** to facilitate work planning.

For additional information on how to apply through grants.gov, see: https://www.epa.gov/grants/grantsgov-submission-requirements.

Regardless of the funding vehicle used, work conducted using MPG funds should complement activities under existing EPA assistance agreements. States should coordinate with their Regional POCs (listed below) or Project Officers to begin workplan negotiation. Further, as required by EPA's Environmental Results Order (EPA Order 5700.7A1), workplans must link the MPG activities to EPA's strategic goals and objectives, and include outputs and outcomes. The Regional POCs or Project Officers may also assist with linking workplan activities to the Agency's FY18-22 Strategic Plan.⁷

PROCESS FOR AWARD

EPA will email each eligible recipient, informing the recipient of its allocation, and requesting the agency to accept or decline the funds. To facilitate coordination, states may wish to use the *Notice of Intent to Accept FY2020 MPG Funds* template found in **Appendix B**.

In the case where a state agency declines the funds, its allocation will be re-distributed to its sister agencies within the state. It is therefore important that all agencies offered MPG funds respond by the deadline. After the deadline, EPA's Regional POCs will work with each recipient to confirm final award amounts and assist with work plan development. See "Timeline," below.

⁷ EPA FY2018-2022 Strategic Plan: https://www.epa.gov/planandbudget/fy-2018-2022-epa-strategic-plan

FUNDING ALLOCATION

A total of \$13,000,000 is available for all eligible recipients. 85% of the funds (\$11,050,000) is available for state agencies, and 15% of the funds (\$1,950,000) is available for tribal agencies. This generally reflects the proportion of STAG funds allocated to states and tribes.

State agencies are allocated a base amount of \$25K per agency, supplemented by an amount based on that agency's share of total FY19 STAG funding for the 15 non-competitive categorical grant programs. Due to the competitive nature of three of the categorical grant programs – Pollution Prevention, Wetlands Development, and Environmental Information Network Exchange – the amount associated with these programs was excluded from the overall calculation. 8 The supplemental amount is calculated by multiplying the amount of total available supplemental funding by each agency's share (percentage) of the sum of the 15 non-competitive categorical grant dollars awarded by EPA in FY19. For example, if a state's Department of Environment received \$7M in categorical grant program funds in FY19, and \$7M accounted for 1% of the total non-competitive categorical grant funding awarded to all states in FY19, that state's Department of Environment would receive 1% of the supplemental (i.e., non-base) amount, on top of the \$25K base.

Example allocation: A state that implements its pesticides program out of its Department of Agriculture; its lead-based paint and public water programs through its Department of Health; and its air, wetlands, and hazardous waste programs out of its Department of Environment might receive three awards, as follows:

State Agency	Program	Base Amount	Supplemental	Total
Department of Agriculture	Pesticides	\$25,000	\$5,000	\$30,000
Department of	Lead Paint	\$25,000	\$3,500	\$42,500
Health	PWSS	\$25,000	\$14,000	
Department of Environment	Air Monitoring		\$6,000	\$59,750
	Water Quality	\$25,000	\$20,000	
	Hazardous Waste		\$8,750	
			State Total:	\$132,250

With the MPG, agencies are free to determine what priorities they want to use the MPG funds for, so long as the grant activities align with one or more of the categorical grant programs listed above. In this example, the Department of Environment might choose to distribute the MPG funds across air, water, and hazardous waste activities, or to use all of its \$59,750 for eligible activities under one of these three programs. In some instances, a state agency may also perform activities in support of any of the 18 categorical grant programs listed above, regardless of whether or not the state agency's current grant relationship with EPA covers that program (for example, a state Department of Agriculture that currently receives funding from EPA to implement its pesticides programs may use the MPG to address nutrients under the Nonpoint Source Management programs.)

⁸ This, in turn, led to a decrease in the total number of state agencies eligible for MPG funding, with approximately 20 agencies that received only a competitive grant in 2019 coming off the list of state agencies invited to participate. These agencies may, however, receive MPG as a sub-award from a sister state agency.

In order to maximize resources, agencies within the state may wish to coordinate and direct the funds to one agency to address a shared priority (such as PFAS).

In the event an agency wishes to decline MPG funds or re-direct their allotment to a sister agency, that agency should communicate this decision to their Regional POCs (see below) by the deadline (also below), so the Agency can re-distribute and finalize funding levels.

TIMELINE

- Week of June 15, 2020 EPA Regions will contact state agencies via email, informing eligible recipients of available funding, and requesting a response.
- **July 2,** 2020 States notify EPA (via email to Regional POCs) of their intent to accept or decline MPG funds. Use of the Notice of Intent to Participate template is helpful, but optional.
- July 9, 2020: Regions notify states of final award amounts.
- July 31, 2020: Grant applications due (through grants.gov)

EPA will aim to award all FY20 MPG funds by the end of the calendar year.

TERMS AND CONDITIONS

There are no new terms and conditions for MPG funding. The typical grant terms and conditions associated with awards to the environmental programs listed above apply. The repository for EPA's Assistance Agreement General Terms and Conditions by year can be found at http://www.epa.gov/grants/grant-terms-and-conditions.

PERFORMANCE TRACKING AND REPORTING

MPG funds awarded to states must be managed in accordance with existing Federal and EPA-specific administrative grant regulations and policies, including but not limited to: <u>2 CFR Part 200</u>, <u>2 CFR Part 1500</u>, <u>40 CFR Part 35 Subpart A</u>, EPA's Environmental Results Order, <u>GPI 11-03 State Grant Workplans and Progress Reports</u>, <u>GPI 12-06 Timely Award</u>, <u>Obligation</u>, and <u>Expenditure of EPA Grant Funds</u>, and <u>GPI 15-01 Performance Partnership Grants for States</u>.

There is no additional reporting associated with the MPG funds, but agencies should be prepared to summarize specific results that will be, or have been, achieved through the contribution of these funds under the reporting requirements contained in their EPA grants.

⁹ Grant policies are available at https://www.epa.gov/grants/epa-grants-policy-resources

PROJECT PERIOD

Existing EPA grant policies limit project periods for the programs listed above to no more than five years. EPA asks that states demonstrate the projects they've identified in their work plans are "of most value," as Congress directs, by drawing down the funds as soon as reasonably possible. EPA understands that many activities are impacted by social distancing requirements associated with the Covid-19 pandemic; states and Regions should discuss and build time into the project plan to account for potential delays. ¹⁰

REGIONAL POINTS OF CONTACT

States should direct questions about the FY20 MPG program to their Regional Point of Contact:

EPA Region	Regional POC	Phone Number	Email
R1	Jen Brady	617-918-1698	Brady.JenniferL@epa.gov
R2	Sandy Whittaker	212-637-3427	Whittaker.Sandy@epa.gov
R3	Kelly Rakus	215-814-5163	Rakus.Kelly@epa.gov
R4	James Davies	404-562-8232	Davies.James@epa.gov
R5	Steffanie Crossland	312-353-4779	Crossland.Steffanie@epa.gov
R6	Barbara Schrodt	214-665-7138	Schrodt.Barbara@epa.gov
R7	Whitney Rawls	913-551-7678	Rawls.Whitney@epa.gov
R8	Matthew Null	303-312-6429	Null.Matthew@epa.gov
R9	Renee Chan	415-972-3675	Chan.Renee@epa.gov
R10	Gail Akiyama	206-553-5043	Akiyama.Gail@epa.gov

ADDITIONAL INFORMATION

The webpages listed below contain information that may be helpful for applicants.

- Multipurpose Grants to States and Tribes: https://www.epa.gov/grants/multipurpose-grants-states-and-tribes
- A listing of EPA's grant programs: https://www.epa.gov/grants/specific-epa-grant-programs
- A searchable compendium of EPA's grant policy resources: https://www.epa.gov/grants/epa-grants-policy-resources
- Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance: https://www.epa.gov/sites/production/files/2019-05/documents/applicant-budget-development-guidance.pdf

¹⁰ For additional information about the impact of the pandemic on EPA's grants and cooperative agreements, please visit https://www.epa.gov/coronavirus/frequent-questions-about-grants-and-coronavirus-covid-19