

Grants Discussion



STATE AND LOCAL AIR DIRECTOR'S MEETING

November 9, 2011

Gulfport, MS



2012 Funding Outlook



- CR through 11/18 provides approximately 13.4 % of FY 11 Enacted Budget Authority minus 1.5%
- Anticipate additional adjustments to budget with future CRs – “ratchet down”
- Process - Incremental Grant funding to subset of grantees based on need, working within CR budget parameters?
- Subsequent CRs, target funding to additional grantees in expedited manner

Grants Competition Policy Updates



- Competition exemption for Co-regulator organizations approved on 10/12 subject to the following:
 - Award must be to a co-regulator organization
 - Award must be funded with STAG funds
 - Must support co-regulator type activities
- Exemption Approved for 10 years until 9/30/2021, which will be reevaluated to determine if extension is warranted

Grants Competition Policy Updates - continued



- Justification for exemption cited administrative efficiencies and cost savings through economies of scale and avoiding duplication of services
- Caveats cited in approval:
 - Contracting out and subawarding of funds allowed, but the total amount contracted out and/or subawarded should not represent a substantial amount of the grant awards funded by EPA
 - Exemption predicated on co-regulator organization performing most of the work under the grant
 - Predominant amount of work (generally at least 90%) to be performed must be within one or more of the categories of co-regulator type work listed in the approval

Revised Maintenance of Effort (MOE) Policy



- On 9/30/2011 OAR issued updated MOE guidance entitled “Updated Information for Determining Non-Selective Reduction”
- Guidance to be used in determining the approvability of requests from grantees for waivers of the cost share requirements under the Clean Air Act due to non-selective budget cuts
- Provides a more flexible approach for determining that a grantee has experienced a non-selective budget reduction

Revised MOE Policy - continued



- EPA determined that an across the board proportional reduction in budget is not required
- Now will use “weight of evidence” approach to evaluate appropriation reductions across agencies
- Must be clear from “weight of evidence approach” that air program expenditures are not being singled out for reduction or for disproportionate reduction relative to other executive branch agencies

Revised MOE Policy - continued



- Guidelines for Regions to determine appropriateness of non-selective reduction (Highlights):
 - Reduction in air program expenditures should be part of an across the board or general reduction
 - For general reductions, it must be clear that the air program is not being singled out
 - Programs critical to public safety can be excepted (e.g. police and fire)
 - Executive agencies with budgets not subject to Executive Level budget control can be excepted (e.g., programs supported with dedicated funds)
 - Reductions may take the form of a percentage or dollar level reduction or their equivalent, including personnel actions which may include, but are not limited to: hiring freezes, layoffs, furloughs, hiring caps, etc.

Revised MOE Policy - continued



- Recipients seeking approval of cost sharing waiver (MOE waiver) must provide rational and documentation for EPA to make determination – documentation listed in guidance
- Once EPA notifies recipients that all documentation has been received the Agency should take no more than 60 days to reach an initial determination
- EPA must still provide prior notification to the public and opportunity for public hearing through publication of Federal Register notice