

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029
January 27, 2000

We would like to follow up on our recent letter to your agency concerning your success in developing and implementing the Nonpoint Source (NPS) Program under Section 319(h) of the Clean Water Act by providing you with the revised Region III Policy for Section 319(h) Progress Reporting.

In our December 1999 letter we indicated that, as a result of our states' program progress, the Region would continue to streamline our NPS work program and grant reporting requirements. EPA is eliminating the requirement to report progress at the task level for projects which have goals to achieve specific outcomes and can report Measurable Environmental Results (MERs). By shifting our emphasis from programmatic accounting to MERs based outcomes we not only reduce the amount of time to report but also position ourselves at the forefront of the national dialogue on tracking appropriate NPS results. Specific MERs are described in the 1996 National Program Guidance - Appendix B.

In addition, focusing on MERs will enable us to document how the state and Federal dollars are being spent and what water quality improvement or load reduction is being achieved as the result of these expenditures.

Some of the questions which we should be better able to answer are:

- What are the goals of these projects (e.g., do they have water-quality goals, load reduction goals, best management practices (BMP) implementation goals, or education goals)?
- Does the water quality currently meet the District's water quality standards? At the close of the project does the project now meet standards?

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- Are other objective measures of on-the-ground or in-the-water success (e.g., load reduction, measurable habitat improvement, or measurable improvement in water quality) being achieved?

Furthermore, under the Government Performance and Results Act (GPRA), EPA's current national commitment includes reporting on water quality improvements (achieving water quality standards in 75% of waters by 2005) and reducing NPS source loadings (including reduction of sediments by 20%). MERs will facilitate documenting program achievements in response to GPRA's mandates.

If you have any questions on this letter and the enclosed document, please call Patricia M. Gleason at 215-814-5740 or have your staff call Frank Ciambrano at 215-814-5746.

Sincerely,

Jon M. Capacasa
Acting Division Director

Enclosure

**POLICY FOR SEMI-ANNUAL REPORTING OF PROGRESS
FOR SECTION 319(h) GRANTS
EPA Region III
January 2000**

The purpose of this policy is to provide information to Region III States using the Lotus Notes based Grants Reporting and Tracking System (GRTS) to electronically report their semi-annual progress on Section 319(h) nonpoint source (NPS) grants and to expand the requirements to traditional reporting involving State submittal of paper copies to the Environmental Protection Agency (EPA) Region III.

Each state is still required to also report the Nationally Mandated Elements as part of the Section 319(h) grant condition.

I. Background

EPA's Office of Water **Nonpoint Source Program and Grants Guidance for Fiscal Year 1997 and Future Years**, dated May 1996, says that

"Regions and states should work together to assure that appropriate reporting requirements are incorporated into each grant, either through specific grant conditions, or within the actual work program document

"The Regions and states are encouraged to assess the effectiveness of the reporting process and determine annually if adjustments or modifications are necessary and mutually beneficial."

In addition, the Guidance says

"Regions are encouraged to work with their states to design reporting procedures utilizing GRTS that will promote efficiency and eliminate duplication of work. In particular, states are encouraged to use GRTS to submit grantee performance reports pursuant to 40 CFR 31.40(b)(1)."

Region III initially negotiated with states in 1996 to produce Region III Guidance in July 1996. EPA Region III recently tested our Guidance by reviewing the contents of the current GRTS records through the reporting period ending August 31, 1999 to "determine . . . if adjustments or modifications are . . . mutually beneficial." We concluded that the current system which focuses on Tasks appears to be labor intensive and to provide too little concise information about the grant's environmental accomplishments and too little hard data about environmental results.

In addition, there is no Region III guidance or policy for what constitutes requirements for traditional reporting involving state submittal of paper copies to EPA.

The Director of the Region III Water Protection Division concluded in December of 1999 that:

1. He would like to have staff negotiate streamlined state NPS work program and grant reporting requirements for FY2000 grants and beyond.
2. Task Level progress reporting would be dispensed with for projects for which EPA and states negotiate goals at the Project Level to achieve specific outcomes and report measurable environmental results (MERs).

EPA Region III is also amenable to working with states to revise work plans to focus on MERs for grants already awarded, should states wish to do so, for future reports.

Reporting at the Grant Level is being dropped. When it was crafted, GRTS was resident on the mainframe and there were fields available for this type of reporting. There is no provision for Description and Evaluation Fields at the grant level in Lotus Notes based GRTS. More importantly, we never effectively used this field. As a consequence, we are dropping this from the Policy because it is obsolete.

II. Reporting on National Mandated Program Elements

The Office of Water **Nonpoint Source Program and Grants Guidance for Fiscal Year 1997 and Future Years**, reads

"EPA has developed a computerized system, the Section 319 Grant Reporting and Tracking System (GRTS), for use by states . . . [for] reporting data on section 319 grants."

Headquarters has instructed Regions to include a grant condition requiring States to enter data into (ARTS for the Nationally Mandated Program Elements. These elements enable Headquarters to provide a defense of and support for the NPS program before the Congress.

There is no specific Headquarters requirement as to when these data are to be entered into GRTS. However, since much of this data is also useful for EPA Region III purposes, states should enter it within two months of the award.

III. Reporting at the PROJECT Level:

Description Field: Necessary

Information should be the same as the one-to-two paragraph project summary the State is responsible for entering for each project. States will update this information in a timely manner, within two months of the award.

This is also a nationally mandated reporting element and prompt data entry is encouraged from the national program perspective as well. For incremental funds, States must specifically identify and describe how these funds are being used in relation to Watershed Restoration Action Strategies (WRAS) requirements.

For FY2000 grants and beyond, Region III will rely more heavily on reporting at the Project Level and less at the Task Level provided EPA and the state negotiate an agreement on quantifiable outputs and environmental benefits for Projects; as appropriate.

EPA Region III is interested in working with states to use the environmental measures which are in Appendix B, Measures and Indicators of Progress and Success, Nonpoint Source Program and Grants Guidance for Fiscal Year 1997 and Future Years, a copy of which is made part of this policy.

The categories which appear in Appendix B are approaches which have been successfully used as water-quality and implementation measures and indicators, as well as measures of enhanced public education, awareness and action. A streamlined version of the Appendix B measures is attached to this Guidance.

Projects reporting outcomes in Appendix B categories 1 - 3 are not required to report at the task level. States may continue to break out tasks if these are useful tools for state management purposes.

Status Field: Necessary

EPA Region III's shift to a Project focus makes the Project Status field very important. States should indicate one of the following seven options: *Behind Schedule*, *On schedule*, *Ahead of Schedule*, *Revised*, *Completed*, *Discontinued*, *Not initiated*. States should also include "See Evaluation Field" if more information is provided in the evaluation field.

The status line is to be used to indicate if a project was terminated and what project has been substituted, the status of a particular task in the project, and/or any other pertinent project level information.

Evaluation Field: Necessary

Paragraph(s) update on the status of each Project. Pertinent information should be added semi-annually. This must include information on any reported problems in the Project Status Field (e.g. behind schedule, on schedule but problems or potential problems) and can also include other additional information the State feels would be useful to EPA and/or other GRTS users, such as when EPA can expect to review a draft deliverable, positive public feedback on a project, if new partners have joined the effort, or other valuable information. This information can also be entered more frequently on an as-needed basis if desired.

States should also provide targeted environmental improvements for each implementation project and report on the achievements at the completion of the respective projects.

III. Reporting at the Task Level:

EPA Region III's focus is shifting toward tracking accomplishments at the Project level insofar as EPA and the state negotiate specific environmental benefits targeted for each implementation Project.

States should continue to include significant tasks in 319 work plans which are submitted to EPA for funding. However, the primary purpose for articulating tasks in the work plan is to facilitate review by EPA technical reviewers, that is, to assist them in forming professional judgments

concerning the manner in which the projects are to be conducted.

Since GRTS is also designed to assist states to track grant activity and expenditures for their purposes, states, may continue to use the Task fields for their own management needs and purposes. Task and task evaluations will continue to be reported for projects which do not have specific environmental benefits as described in categories 1 - 3 Appendix B of the National Nonpoint Source Guidance which follows below.

IV. Frequency and Timing for Reporting

Progress Reports are required semi-annually and are due no later than January 31 and July 31. States should advise the Region III GRTS Coordinator by e-mail (mattis.eugene@epa.gov), as well as their EPA Grants Project Officer, no later than January 15 and July 15 how they will comply with reporting requirements (i. e. electronically or traditionally).

States should confer with their EPA Grants Project Officer if they are unable to comply with reporting requirements within these timeframes.

V. Appendix B: Measures and Indicators of Progress and Success from Nonpoint Source Program and Grants Guidance for Fiscal Year 1997 and Future Years, May 1996, Office of Water

The following is taken verbatim from the EPA May 1996 NPS Guidance

To measure the progress and success of their nonpoint source programs, states will generally need to use at least three sets of measures. These include measures to indicate progress towards (1) the state's overall water quality vision of achieving and maintaining beneficial uses of water, (2) the long-term goals set by the State in its program (e.g., installing appropriate technology at all animal waste facilities that need to be upgraded, or implementing particular watershed projects) and (3) the shorter-term goals and objectives set by the state (e.g., successfully implementing a particular technology).

The following list illustrates measures and indicators which states may choose from or add that will help the states and the public measure the progress and success of their programs. States may identify and use other measures and indicators that are most relevant to their nonpoint source problems, programs, and projects. However, states must at least use the three measures of progress that are identified in section 319(h)(11), i.e., implementation milestones. available information on reductions in nonpoint source pollutant loadings, and available information on improvements in water quality.

Further, well-designed state programs will usually include several appropriate measures and indicators from each of the categories set forth below for each of their projects or program activities. For overall program status and trends, states will generally include measure 1.A. below as part of their section 305(b) reports.

EPA and its state, Federal and other public and private partners have adopted core indicators to report nationally to measure attainment of five specific objectives. These five objectives are preserving and enhancing public health; preserving and enhancing ecosystem health; supporting uses designated by States and Tribes to their water quality standards; conserving or improving ambient conditions; and reducing or preventing pollutants loadings and other stressors. For nonpoint source pollution control, these five