U.S. Environmental Protection Agency FY21 Multipurpose Grant Guidance for States [May 26, 2021]

SUMMARY

The U.S. Environmental Protection Agency is issuing, for the fourth time, Multipurpose State and Tribal Assistance Grants (MPG) to state and tribal co-regulator partners. Funding Congress appropriated for MPGs in Fiscal Year 2021 is intended to be used at state and tribal discretion, for high-priority activities to complement activities funded under established environmental statutes. EPA encourages grantees to consider using funds to address per- and polyfluoroalkyl substances (PFAS) and other emerging contaminants. While EPA encourages states to consider using funds for PFAS-related activities, states are not required to do so, and may also direct the funds to address other important priorities within the parameters of the MPG guidance, such as advancing environmental justice and tackling climate change. Funds may be used to support activities associated with any of the categorical grant programs. With the FY21 program, EPA intends to award **\$8,500,000** 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.¹ No funding was provided in FY17. Additional funds were appropriated for the MPG program in FY18, FY19, and FY20.^{2,3,4} The FY21 appropriation provided \$10M in State and Tribal Assistance Grants for the MPG program.⁵ In the <u>Explanatory Statement</u> accompanying the 2021 Act, Congress said,

States and Tribes often undertake primary cleanup and remediation efforts on emerging contaminants like PFAS while the Agency goes through the regulatory process on setting standards for such contaminants. Given the current activities of States and Tribes to address the emerging contaminants of PFAS and others, this funding is expected to aid such regulatory, cleanup and remediation efforts of contaminated water sources, water systems, and lands, and of impacted air quality. The Committees note that such funds

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)

⁵ Consolidated Appropriations Act, 2021 (P.L. 116-260)

should not be limited to only those activities subject to the Categorical Grants but should also include any State-led effort that will lead to cleanup and remediation of areas affected by PFAS and other emerging contaminants.

The direction in the FY21 Explanatory Statement on MPGs is incorporated by reference into the FY 2021 Appropriation Act and provides EPA with discretion to expand the activities eligible for MPG funding beyond those eligible for funding under existing categorical grant authority. States are encouraged to consider using MPG funds to address emerging contaminants such as PFAS. States may also direct the funds to address other important priorities such as advancing environmental justice and tackling climate change. MPG funds may be used to support activities associated with any of the categorical grant programs listed in guidance to states and tribes.

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

AUTHORITY

This grant funding is authorized by the Consolidated Appropriations Act, 2021 (P.L. 116-260).

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).⁶

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 <u>2 CFR 200.302(a)</u>.

States may use the MPG to fund subrecipients, including interstate organizations, in accordance with <u>2</u> <u>CFR 200.331</u> (Subrecipient and contractor determinations), <u>2 CFR 200.332</u> (Requirements for Pass-Through Entities), and the <u>EPA Subaward Policy</u> (updated Nov. 12, 2020).

ELIGIBLE ACTIVITIES

States are encouraged to consider using MPG funds to address PFAS. States may also direct the funds to address other important priorities, such as advancing environmental justice and tackling climate change. MPG funds may be used to support activities associated with any of the categorical grant programs listed in guidance to states and tribes. Those programs include:

⁶ 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."

- 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)
- 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)

The three *italicized* grant programs – Pollution Prevention, Wetlands Development, and Environmental Information Network Exchange – are 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, including the competitive programs, if they so choose.

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.

With the exception of PFAS and other emerging contaminant cleanup and remediation, all activities for which MPG funds are used must be eligible under one or more of the federal environmental statutes specified above. The exception to this includes MPG funding used for State-led efforts that will lead to cleanup and remediation of areas affected by PFAS and other emerging contaminants, which otherwise would not fall under any of the existing Continuing Environmental Programs. EPA interprets the new authority provided in EPA's 2021 appropriation act to encompass funding for:

- Development and enforcement of regulations requiring that sources of contamination clean up and remediate affected areas;
- Pre-cleanup and pre-remediation activities such as site assessment and sampling;
- Public outreach for site-specific work; and

• Other activities that EPA approves as consistent with Congressional direction.

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 costshare requirement under <u>40 CFR 35.136</u>. However, because PPG cost shares are a composite calculation, the addition of MPG funding will reduce the state's cost share percentage for the entire agreement.

GRANT MECHANISMS

States may choose to take advantage of the flexibilities offered by accepting MPG funds into PPGs.⁷ 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.
- 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 the Omnibus Territories Act, 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.

⁷ For more information about the flexibilities offered through PPGs, see: <u>https://www.epa.gov/ocir/national-environmental-performance-partnership-system-nepps</u>

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

- 1. Go to <u>www.grants.gov</u>.
- 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:

<u>https://www.epa.gov/grants/grantsgov-submission-requirements</u>. 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 <u>grants.gov</u> 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 through a standalone grant, follow these steps:

- 1. Go to <u>www.grants.gov.</u>
- 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: <u>https://www.epa.gov/grants/grantsgov-submission-requirements</u>.

Regardless of the funding vehicle used, work conducted using MPG funds should complement activities under existing categorical grant program assistance agreements unless those activities specifically address PFAS contamination consistent with the guidance above. 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.⁸

*Note that addressing PFAS may be an eligible activity under existing categorical grant programs (e.g., CWA§106) but that EPA's policy preference is to rely on the explicit authority in the FY21 Appropriations Act as it provides states with more flexibility.

PROCESS FOR AWARD

EPA will email each eligible recipient to request that the state agency accept or decline the offer of MPG funds. To facilitate coordination, states may opt to use the *Notice of Intent to Accept FY2021 MPG Funds* template found in **Appendix B**.

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

FUNDING ALLOCATION

A total of \$10,000,000 is available for all eligible recipients. 85% of the funds (\$8,500,000) is available for state agencies, and 15% of the funds (\$1,500,000) 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 FY20 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. 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 FY20. For example, if a state's Department of Environment received \$7M in categorical grant program funds in FY20, and \$7M accounted for 1% of the total non-competitive categorical grant funding awarded to all states in FY20, that state's Department of Environment would receive 1% of the supplemental (i.e., non-base) amount, on top of the \$25K base.

⁸ EPA FY2018-2022 Strategic Plan: <u>https://www.epa.gov/planandbudget/fy-2018-2022-epa-strategic-plan</u>

<u>Example allocation</u>: A state that implements its pesticides program out of its Department of Agriculture; its lead-based paint and drinking 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, as long as the grant activities align with one or more of the categorical grant programs listed above or comply with the guidance above on addressing PFAS and other emerging contaminants. 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.)

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 EPA can re-distribute and finalize funding levels.

TIMELINE

- **NLT May 28, 2021** EPA Regions will contact state agencies via email, informing eligible recipients of available funding, and requesting a response.
- **June 8, 2021** 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.
- June 9-10, 2021 Regions verify the MPG amounts for each agency that accepted. If any amount was declined by a state those funds are (1) re-distributed back into the state first equally between the other agencies (2) if not possible, the Regions have discretion on how best to re-allocate the funds. Regions may also decide to re-direct declined MPG funds to the tribal 'pot,' if appropriate.

- June 11, 2021: Regions notify states of final award amounts.
- July 9, 2021: Grant applications due (through grants.gov)
- September 30, 2021: EPA awards grants

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</u> <u>1500</u>, <u>40 CFR Part 35 Subpart A</u>, EPA's <u>Environmental Results Order</u>, <u>GPI 11-03 State Grant Workplans</u> <u>and Progress Reports</u>, <u>GPI 12-06 Timely Award</u>, <u>Obligation</u>, <u>and Expenditure of EPA Grant Funds</u>, and <u>GPI 15-01 Performance Partnership Grants for States</u>.⁹

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.

PROJECT PERIOD

Existing EPA grant policies limit project periods for the programs listed above to no more than five years. EPA asks that states draw 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

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

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

REGIONAL POINTS 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	Ken Rose	215-814-3147	Rose.Kenneth@epa.gov
R4	Angie Billups	404-562-9943	Billups.Angie@epa.gov
R5	Steffanie Crossland	312-353-4779	Crossland.Steffanie@epa.gov
R6	Joseph Hubbard	214-665-8476	Hubbard.Joseph@epa.gov
R7	Whitney Rawls	913-551-7678	Rawls.Whitney@epa.gov
R8	Matthew Null	303-312-6429	Null.Matthew@epa.gov
R9	Angela Mendiola	415-972-3284	Mendiola.Angela@epa.gov
R10	Gail Akiyama/Andrea	206-553-5043/206-	Akiyama.Gail@epa.gov /
	Westenberger	553-6111	Westenberger.Andrea@epa.gov

States should direct questions about the FY21 MPG program to their Regional Point of Contact:

ADDITIONAL INFORMATION

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

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