Recommendations of the Small Communities Advisory Subcommittee
November 2022

The Local Government Advisory Committee's Small Communities Advisory Subcommittee was charged with advising EPA on how it can better support small communities as it implements the Bipartisan Infrastructure Law. Specifically, the SCAS was asked how the Agency can:

- Support clean and sustainable air, water, and land priorities for small and rural communities
- Support capacity needs/advancement for small and rural communities
- Ensure long-lasting communication between EPA and local officials from small and rural communities
- Ensure small communities are positioned to benefit from this generational investment in environmental infrastructure

The members of the SCAS identified several barriers and solutions, which are divided into pre-application and post-application for federal funding. The barriers identified are undoubtedly things EPA Leadership have heard before, so beyond simply naming them, we also endeavor to share why these are barriers. The recommendations below are integrated with anecdotes and details about the day-to-day life of governing in a small community, to tell the story of this important sector of the country.

We look forward to sharing more with you and invite you to visit any of the communities we represent to see the challenges we face first-hand.

Lack of Capacity to Find Funding Opportunities

One perennial challenge for small governments wishing to access federal funding is the time and expertise needed to find, apply for, and manage a grant program. There are currently more than 900 federal grant programs offered by 26 difference agencies. Even within the BIL there are almost 400 separate opportunities, many with their own application. The time needed to assess each one of these for a community is astounding, and once a community decides to apply for a federal grant, it's estimated to take 80 to 200 hours to complete. In small community governments it's often hard to find one free hour, much less one hundred. The story of Tom Carrol illustrates this.

> "People expect to be able to pick up the phone and talk to the manager in a city of 13,000," Carroll said. "Some days I'm not lucky enough to get a request for something as easy to fix as removing roadkill."
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> At some part of his day, Mr. Carroll sees a list serv highlighting grant opportunities from the Environmental Protection Agency (EPA). He wonders if any of them could be used to address the city's stormwater management issues. Looking ahead at his afternoon, he knows he can't justify spending 20 minutes exploring the grants.gov announcement to determine if his city qualifies, so he forwards it to a staff member. She has written two grant applications in the last two months - one they were awarded and the other they were not - but it's only a small part of her

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duties, so Carroll knows she may not be able to meet the 30-day deadline for this particular opportunity.

"Without a large workforce, there is little capacity for division of labor," Carroll said. "Workers do not have significant amounts of time to devote to searching for grants that the community qualifies for. They get overwhelmed and stop trying."

That means that basic opportunities are missed, and more complex challenges – like understanding the cross-cutting health impacts of PFAS or converting municipal equipment to climate-friendly options – are well beyond reach.

"There's a disconnect between what EPA thinks is important for training and the management of time at the local level, and everything we are dealing with – from police, to addiction, to community services," said Christine Lowery, Commissioner for Cibola County, New Mexico. "We don't have a lot of time to explore lists [of grant opportunities] and trainings."

"In some small communities, if you get elected Mayor, you are the Mayor for life, as well as the Dog Catcher and the [personal responsible] for snow removal," said Dave Glatt, Director of North Dakota's Department of the Environment.

The same challenges resonate in Gloversville, New York, where Mayor Vincent DeSantis says his plans for the day are often overtaken by responding to the needs of its 15,000 residents. Sometimes he and his team can help, but often they must turn to consultants. When a grant application for a citywide environmental assessment grant was rejected, they turned to a nearby engineering firm, who helped them secure two $200,000 grants to clean up land contaminated by a former tannery and glove manufacturing plant.

"We are now in a position where we can get all the data on the extent of the pollution, and this has opened the door on an opportunity to actually clean up the sites," DeSantis said. "We just bid on a demolition crew to do surface cleanup on three of the sites, so now we can do more in-depth surveys, and get to the point of cleaning up the pollution. It's recycling large swaths of real estate for new economic development. It's been a real turning point to [get this grant and] establish a relationship with EPA. Now we have specific people assigned to us from EPA to answer questions."

Many communities rely on consultants to navigate the stream of discrete funding opportunities offered by the federal government and align them with their needs. For Gloversville, the cost so far has been just under $20,000, but getting that approved wasn't an easy process, DeSantis said. Like many small cities they have limited resources and a city council that must be conservative in its spending decisions.

"When applying for a grant, you are asking [a government] to gamble thousands of dollars on something they may not win," Carroll said. He noted that when a sewer line broke in his town the decision to spend $2.2 million to fix it was made quickly, because it had to be done. Having to risk money through a consultant is a real barrier.

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This kind of gamble didn't end well for Jackson County, Mississippi, said County Administrator Brian Fulton. The county he oversees has a population of 150,000, with four cities comprised of around 15,000 each. They paid a $25,000 consulting fee a few years back, and despite putting forward what he thought was a strong application, they weren't awarded. "When that happens a few times, it's hard to get approval to spend again."

The need to rely on paid consultants is further underscored by the fact that most grant opportunities from EPA only accept applications for 30 days after they are published. SCAS Members state definitively that this is not enough time to complete a competitive application, especially if a community lacks significant capital to pay for help.

The short turn-around fuels cynicism about the federal government overall.

"Often when people find out about grants there are only 10 days left to apply," said Ann Mallek, Commissioner for Albemarle County in Virginia. "That gives the perception that the grants are already planned, and it's a just a bunch of paperwork that is a sham."

Solutions

The first barrier a small community faces in receiving federal assistance is simply knowing about available grants. Despite hundreds of Federal Register notices and list servs from federal agencies, the message is not getting through to its intended audience.

The SCAS recommends that the federal government take a new approach – Regional Offices should work closely with state, county and town officials. Each state has municipal leagues with periodic meetings of elected officials, and each county has planning commissions with individuals looking for ways to grow their communities. The SCAS recommends that EPA coordinates with their regional offices to attend these meetings and talk to community leaders about what is available, how to navigate the process, and what resources are available for follow-up. Bloomberg Philanthropies announced a $50 million program just like this in May 2022. The goal of the Local Infrastructure Hub is to work directly with communities as they complete robust federal grant application, including individualized coaching sessions, access to subject matter experts, office hours, and peer-to-peer learning, as well as tools including templates, example submissions, and white papers.

SCAS member Kwasi Fraser, Mayor of Purcellville, Virginia, is counting on this program to help his community, but the members agree that the sustainable option is to institutionalize this kind of support in a state or regional organization, and for it to go beyond the statutory authorities of the EPA, as most problems at the local level require cross-cutting solutions.

The SCAS knows that EPA is funding technical assistance centers across the country and encourages using the Bloomberg program as a model or partner. An important component of this assistance will be to have individuals available to answer detailed questions – or at least connect callers with an appropriate expert, like an ombudsman. The need isn't to "dumb things down," but to understand that a lot of communities have limited time and would benefit from a simpler process and someone to help work through any issues. Even simple steps such as adding filters to the list of grant opportunities

available that capture common criteria or high-level topics (i.e. population size, type of government, statutory program) would be helpful.

Rather than a reactive response, the federal government could also address these barriers proactively. One idea is to come to state municipal leagues (as recommended in June 2022 by the LGAC) or other existing networks and provide a type of "speed dating for funding" at the community level. Have staff from EPA and other federal agencies talk to community leaders about their challenges and then match them with the types of funding that would help them, and the technical assistance needed to get them to a point of completing a competitive application. Another idea is to fund someone on a short-term contract to come into a community and accomplish this work on a deeper level, overseeing the application and implementation as needed. Additionally, EPA can provide ease for applications and its consistency between year to year. An example can follow Massachusetts grant portal for local communities Community Compact Cabinet | Mass.gov

Mr. Carroll noted that for EPA to give a well-defined pathway for funding would go a long way. Even if the reward is a few years down the road, there must be a pay-off for the community.

The bottom line is that the current system requires small communities to gamble limited funding and pay a consultant if they want to have a chance at submitting a competitive application. This kind of pay-to-play dynamic will continue to benefit wealthy communities and marginalize disadvantaged communities, as it has for decades.

Another system barrier is the limited amount of time that a competitive funding opportunity is "open." With this timeline, even if a community finds out about an opportunity on day one, they must dedicate most of their time to the application to submit it in time. In small communities that's just not feasible. Even for larger cities with bigger staffs, there is still an opportunity cost of spending the bulk of an employee's time one month on an application that may not be funded, versus another project with a more tangible benefit.

While the SCAS has heard from EPA staff that the timing can't be expanded because of last-minute changes to prioritization criteria and deadlines to obligate funding, other federal agencies have found ways. A quick look at grants.gov shows several hundred "forecasted" opportunities from federal agencies expected to post anywhere from one month to one year in advance, including the Department of Health and Human Services, Department of State, Department of Agriculture, Department of Labor, Department of the Interior, and Department of Transportation. Each listing offers eligibility information, links to additional information about the program, and how to contact a staff member at the relevant Agency. Even this basic information would help communities get started with staff assignments, data collection, and political buy-in to pursue a grant. This point is especially critical when matching funds are required for a grant.

The SCAS challenges EPA to think innovatively and lessen these burdens on communities that want to be partners in protecting the environment and public health.

Lack of Capacity to Manage Grants

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Another aspect of providing sustainable federal funding to small communities is having staff within the community who have the expertise and capacity to manage the implementation of a grant.

> In Albemarle County in Central Virginia, direct funding through the ARRA was used to reorganize the County's financial department and dedicate one staff member to grants. Commissioner Ann Mallek said this change has made a big different for the County, and she hopes it will help the government better respond to the requests of area residents.
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> "The community is really tired of hearing that we didn't have the staff to do something, because they hear about all the funding localities are getting, but we can't do all the required reporting." Mallek said. "When considering whether to apply for a grant, our staff and officials look at the implementation requirements, to see if we can actually pull it off. If not, the only way to change that is to get three other Commissioners to agree and push to prioritize existing staff funding for a project over another one."
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> The situation is similar In Jackson County, Mississippi. Brian Fulton oversees a small grants department that can help its smaller communities with grant needs if needed, because they recognize the gap in staff capacity.
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> Mayor Pro Tem Hattie Portis-Jones from Fairburn, Georgia, said that many communities don't apply for federal funding because they are afraid of inadvertently doing the wrong thing with the money and getting in trouble.
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> "The typical small town is not financially nimble," said Tom Carroll. "It can be scary because you can get in big trouble for mismanaging funds – sometimes that's intentional mismanagement, but sometimes it's just a lack of capacity."
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> For Dave Glatt of North Dakota DEQ, the federal grants process is failing small communities.
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> "You're missing the end game," Glatt said. "With water infrastructure, all we want to do is replace a pipe, but we have to jump through all these hoops to get that done. We have a limited workforce and budget and no capacity to hire more people. We could hire an expert for getting grants, but sometimes the administrative burden is so high that we just wait until something catastrophic happens and the pipe breaks."

Solutions

The overall recommendation of the SCAS is to simplify the grant application and management process in any way possible. A few EPA programs are doing this, but there is much more work needed.

Specifically, the SCAS recommends providing administrative relief waivers for communities under a certain size, knowing that capacity is limited.

Another recommendation is to ensure that all EPA grants allow for a certain percentage of funding be set aside for administration. This is how Mayor DeSantis's town has been able to pursue EPA funding on a limited budget, and it's a way to help many others as well.

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> These small cities across the country … they have the potential to offer the best quality of life for residents. You might have an interesting downtown, a theater, a decent school system, and a familiar community where you can have a great work-life balance. Small cities are usually surrounded by beautiful countryside. [It's] the perfect place for the federal government to focus, in terms of redevelopment and quality of life. Those benefits could really be shared if we had the benefits of the largess of the federal government.
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> - Vincent DeSantis, Mayor, Gloversville, NY

Project Planning and Costs

When using federal grants, the escalation of project costs is easily seen for smaller communities. Across the board, projects that are federally funded become much more expensive due to historic structures, property rights, environmental studies, and in some instances, projects can trigger standards such as the Americans with Disability Act (ADA).

SCAS member Jeremy Stutsman, Mayor of Goshen IN, and his staff frequently discuss and determine if the city (and the taxpayers) could be more effective by using local funding even though they can receive a significant increase of federal funding on a project. For example, Goshen, IN has nearly identified all lead service lines in their water utility, which tend to be in the older section of the town. The city estimates the cost to remove all the lead service lines will be approximately $1M. Because there are so many homes in a condensed area, the roads will have multiple locations dug up and patched. With the severity of winters, they will see several of these patches fail due to the amount of freezing and thawing and potholes will become an issue. "So, it makes more since to repave each street when we remove the lines. We will be able to mill and topcoat some streets. Others are past their life span, and we will then need to perform a complete reconstruction on the street. Once repaved, we will have triggered the need to redo any crosswalks and sidewalks that do not fit current ADA standards. So, it is estimated that our $1M lead project will cost us at least $6M."

Solution

The SCAS recommends EPA to first allow communities to receive funding to remove lead and fix the roads subsequently. Additionally, allow communities to submit a 5–6-year plan to complete the work and spread the expenses out over time. Otherwise, communities will need to withdraw significant funding from other important developments in order to closeout a project.

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