



# **State Best Practices Guide: Performance Partnership Grants**

National Environmental Performance Partnership System

Office of External Affairs

Regional Partnerships & Operations Division

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## Purpose of this Guide

This *State Best Practices Guide for Performance Partnership Grants (PPGs)* is a “how to” guide written in a question & answer format to help states, at both the staff and management level, to:

- Better understand and utilize the benefits of PPGs.
- Consistently interpret and implement PPG policies and regulations when managing PPGs.

States continually seek to expand the use of PPGs to best leverage resources and optimize the efficiencies and flexible approaches toward meeting joint environmental goals and priorities. The U.S. Environmental Protection Agency (EPA) and state counterparts regularly collaborate in sharing best practices and approaches in managing PPGs, much of which is captured within this Guide.

Additionally, this Guide:

- Explains how PPGs can help achieve agreed-upon environmental goals and objectives.
- Highlights key regulations, policies, and procedures for developing and managing PPGs.
- Provides examples showing how PPGs have been used to achieve administrative efficiencies and direct resources to support priority environmental programs and results.
- Provides information and resources for state staff involved in negotiating, managing, and maintaining PPGs.

To raise a topic or question that you believe should be addressed in a future issue of this Guide, please email [regionaloperations@epa.gov](mailto:regionaloperations@epa.gov) with “State PPG Best Practices Guide” in the subject line.



## Section I: Introduction to Performance Partnership Grants

### 1. What is a Performance Partnership Grant (PPG)?

A Performance Partnership Grant (PPG) is a single grant combining funds from two or more eligible environmental program grants. A PPG requires only a single application, work plan, and budget, regardless of the number of eligible programs included in the PPG. Recipients are encouraged to use PPGs to fully capitalize on their ability to leverage EPA financial assistance and optimize flexibilities through joint priority setting while minimizing reporting requirements and financial constraints.

Once funds are awarded in a PPG, the recipient can direct the funds as needed to achieve work plan commitments. Program requirements that restrict the use of funds after an award do not apply when funds are awarded in a PPG as long as all PPG work plan requirements are met. Once funds are awarded in a PPG, they may be used for cross-media activities or strategies and do not need to be accounted for in accordance with their original program sources. Unlike consolidated grants, PPGs have their own statutory authority distinct from individual program statutes, which provides unique flexibilities to recipients offered by no other grant program at EPA.



## 2. Which statutes and regulations govern PPGs for states?

For many years, states wanted greater flexibility in how they use and manage the grant funds they receive from EPA. In 1995, EPA asked Congress for new authority to provide this flexibility. In response, Congress authorized EPA to award assistance agreements that combine funds from two or more eligible environmental program grants without the restrictions of consolidated grants, and those agreements were titled Performance Partnership Grants or PPGs. Specifically, the statutory authority to award PPGs was provided to EPA in the Omnibus Consolidated Rescissions and Appropriations Act of 1996 ([Public Law 104-134](#)) and in EPA's 1998 Appropriations Act ([Public Law 105-65](#)). EPA established regulations governing the award and administration of PPGs to states in [40 CFR Part 35 Subpart A \("Environmental Program Grants"\)](#).

In addition, all EPA grants, including PPGs, must comply with the assistance regulations in [2 CFR Parts 200](#) and [1500](#), known collectively as the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, or Uniform Guidance, and [40 CFR Part 33](#), Participation by Disadvantaged Business Enterprises in United States Environmental Protection Agency Programs.

## 3. What are the advantages of PPGs?

A PPG may provide for administrative savings or programmatic flexibility to direct grant resources where they are most needed to address public health and environmental priorities. PPGs streamline administrative requirements, give states greater flexibility to direct resources to their most pressing environmental problems, and make it easier to fund efforts that cut across program boundaries. Under standalone environmental program grants, states receive funds to administer and implement air, water, waste, pesticides, and toxics programs. Each standalone grant can only be used for the specific purposes set out in the statutory authority for that grant.

### PPG Example



The state of Alaska used their PPG to streamline water monitoring and compliance workload efforts. PPG funds were used to develop an Electronic Database Management System to maintain records and permitting matrices, track fees and compliance and enforcement data.

[Learn More](#)

With PPGs, states can:

### Combine Funds

Combine funds from multiple eligible environmental programs and activities.

### Reduce Costs

Reduce administrative costs through streamlined paperwork and accounting procedures, e.g., single performance/progress reports, Federal Financial Reports (Standard Form 425).

### Shift Funds

Shift funds across programs, making it easier to meet pressing needs and adapt to changing priorities.

## 4. What are the challenges of PPGs?

While PPGs can afford states more financial and administrative flexibility during the grant's period of performance, PPGs require increased collaboration and coordination to successfully negotiate a work plan and to report and track progress throughout the period of performance for the grant. This Guide delves deeper into these challenges and presents best practices to help alleviate them.

## 5. Which grant programs are eligible for inclusion in state PPGs?

For grant programs to be deemed eligible for inclusion in a PPG, they must have been funded through the Categorical State and Tribal Assistance Grants (STAG) appropriation. Only funds included in the Categorical Grant earmark within the STAG appropriation are available for inclusion in PPGs because the statutory authority to award a PPG ([Public Laws 104-134](#) and [105-65](#)) is limited to those funds.

\*Public Law 104-134  
104th Congress

### An Act

Making appropriations for fiscal year 1996 to make a further downpayment toward a balanced budget, and for other purposes.

Apr. 26, 1996  
[H.R. 3019]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*  
SECTION 101. For programs, projects or activities in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1996, provided as follows, to be effective as if it had been enacted into law as the regular appropriations Act:

Omnibus Consolidated Rescissions and Appropriation Act of 1996.

### AN ACT

Making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes

Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1996.

### TITLE I—DEPARTMENT OF JUSTICE

### GENERAL ADMINISTRATION



## Eligible environmental programs for inclusion in state PPGs

There are 16 environmental program grants that are currently eligible for inclusion in a state PPG, listed in below. Please refer to Table 1 in the Appendix and the [NEPPS website](#) for more information.

1. Air Pollution Control Program Support<sup>1</sup>
2. State and Tribal Indoor Radon Grants
3. TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals
4. Pollution Prevention Grant Program
5. Consolidated Pesticide Enforcement Cooperative Agreements<sup>2</sup>
6. Toxic Substances Compliance Monitoring Cooperative Agreements
7. Hazardous Waste Management State Program Support
8. Underground Storage Tank (UST) Prevention, Detection, and Compliance Program<sup>3</sup>
9. State and Tribal Response Program Grants
10. Environmental Information Exchange Network Grant Program and Related Assistance
11. Water Pollution Control State, Interstate, and Tribal Program Support
12. State Public Water System Supervision
13. State Underground Water Source Protection
14. Nonpoint Source Implementation Grants
15. Regional Wetland Program Development Grants
16. Beach Monitoring and Notification Program Implementation Grants

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<sup>1</sup> This program covers funding for state, local, and Tribal air pollution control programs.

<sup>2</sup> Under this assistance listing, the Office of Chemical Safety and Pollution Prevention manages the pesticide program implementation (section 23(a)(1) of FIFRA) and pesticide applicator certification and training (section 23(a)(2) of Federal Insecticide, Fungicide, and Rodenticide (FIFRA)), and the Office of Enforcement and Compliance Assurance manages the pesticide cooperative enforcement (section 23(a)(1) of the FIFRA).

<sup>3</sup> While STAG funding for the UST prevention, detection, and compliance program is PPG-eligible for states and Tribes, EPA awards available Leaking Underground Storage Tank (LUST) Trust Fund money to states to support the UST Program. LUST prevention and LUST cleanup money are appropriated outside of the STAG appropriation. A STAG UST Prevention, Detection, and Compliance Program grant cannot be incorporated into a PPG if the funding is combined with funding from the LUST Trust Fund. LUST program funds are separate and distinct Congressional appropriations and therefore are not appropriated through STAG and thus are not PPG eligible. For more information about eligible uses of LUST funds and STAG money, see the [State Grant Policy and Guidance](#) page.



## 6. Can new or existing grant programs be deemed eligible for inclusion in a PPG?

Additional grant programs can be made eligible for inclusion in PPGs if they are funded through the Categorical STAG appropriation. As provided in [40 CFR §35.133\(b\)](#), the EPA Administrator may, in guidance or regulation, describe subsequent additions, deletions, or changes to the list of environmental programs eligible for inclusion in PPGs.

After approval by the EPA Administrator, any new PPG-eligible program will be listed on the [NEPPS website](#).

## 7. What state entities are eligible to receive PPGs?

Under [40 CFR §35.134](#), all state agencies (including environmental, health, agriculture, and other agencies) and interstate agencies eligible to receive funds from more than one environmental program may receive PPGs. Consistent with the definition of “state” in [2 CFR §200.1](#), territories (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands) are treated like states and are therefore eligible for PPGs. A state agency must be designated by a Governor, state legislature, or other authorized state process to receive grants under each of the environmental programs to be combined in the PPG.

A state agency may be awarded funds within a PPG for another state agency to perform work. For example, a state environmental agency may be awarded a PPG that includes funding for a drinking water program (i.e., Public Water System Supervision—Safe Drinking Water Act (SDWA) Section 1443(a)) even though the authority to implement the drinking water program resides with the state public health agency. This is allowable if there is an agreement between the state’s environmental and public health agencies about how the funds will be shared between the agencies to carry out the drinking water program.

Congress authorized EPA to award PPGs to interstate agencies, but only as provided in authorizing statutes. Recipients must be interstate agencies as defined by either the Clean Water Act (CWA), the Clean Air Act (CAA), or both, depending on which funds are included in the PPG. Specifically, interstate agencies are eligible for PPGs that include funds from the following programs: Air Pollution Control (CAA Sec. 105); Water Pollution Control (CWA Sec. 106); and Wetlands Development Grants (CWA Sec. 104(b)(3)).

### PPG Example



The Wisconsin Department of Natural Resources (WDNR) used their PPG to support an E-Enterprise project. The flexibilities provided by the PPG allow for the interconnectivity of facility information.

[Learn More](#)

## 8. What is the period of performance of a PPG?

A funding period, or period of performance, is the period of time specified in the grant agreement during which the recipient may expend or obligate funds for the purposes set forth in the agreement. The period of performance for a PPG is flexible and can be negotiated between EPA and the state recipient for a maximum of five years ([Grants Policy Issuance 11-01](#)).

If additional time is needed to complete work plan commitments, the recipient may work with their project officer to request a no-cost extension beyond five years. Extensions are considered in limited circumstances and are not guaranteed. For more information on this process, please refer to the section titled “*Can the period of performance for a PPG be extended?*”.

To maximize flexibilities and ensure program continuity, it is a best practice to apply for multi-year PPGs. Recipients are encouraged to align their multi-year PPG work plans with EPA’s [National Program Guidances](#) to streamline the work plan negotiation process and reduce administrative burden.

## 9. Can a state agency receive more than one PPG?

Yes. Some situations where a state may opt to have multiple concurrent PPGs include:

- A state opts to have several media-specific PPGs (e.g., a “water PPG” and an “air PPG”) in order to align grant management work with the state’s organizational structure/departments.
- Timing of a multi-year grant project would cause an existing PPG to go beyond the 5-year limit, so a second PPG may be awarded with new additional funds that overlap an existing PPG for a year or more.

There are important considerations when a state agency is awarded more than one concurrent PPG:

- The recipient is expected to carefully track and document expenditures to ensure costs are charged to the appropriate grant.
- The recipient must ensure records support the distribution of the employee's salary or wages among specific activities or cost objectives, as required by [2 CFR §200.430](#).

## 10. What activities are eligible for funding under PPGs?

PPGs can be used to manage any activities that are consistent with program requirements and the approved PPG work plan.

Because PPG funds do not need to be accounted for in accordance with their original program sources, recipients have the flexibility to carry out program-specific activities even if the costs exceed the program's initial contribution to the PPG. This is commonly referred to as the 'dollar in rule' because even if one dollar is contributed to the PPG from a given program, the recipient may use any portion of the PPG award to carry out activities in an approved work plan.

### PPG Example



The Indiana Department of Environmental Management (IDEM) used PPG flexibilities to create a web portal for Underground Storage Tank (UST) operators, speeding up report submissions and improving site evaluations and remediation. This initiative boosted the management of petroleum and substance releases.

[Learn More](#)



## Section II: Applying for and Negotiating a Performance Partnership Grant

### 11. What needs to be included in a PPG work plan?

A PPG work plan should be the product of work plan negotiations that involve joint planning, priority setting, and mutual agreement between the recipient and EPA. Successful PPG work plan negotiations rely on a predictable process that fosters prompt resolution of issues, where EPA and the recipient reach a mutual understanding and agreement about what will be accomplished under the agreement.

An approvable work plan, as outlined at [40 CFR §35.107\(b\)\(2\)](#), must specify:

- ☐ The work plan components to be funded under the grant.
- ☐ The estimated work years and the estimated funding amounts for each work plan component.
- ☐ The work plan commitments for each work plan component and a time frame for their accomplishment.
- ☐ A performance evaluation process and reporting schedule in accordance with [40 CFR §35.115](#).
- ☐ The roles and responsibilities of the recipient and EPA in carrying out the work plan commitments.

The work plan must also be consistent with applicable federal statutes; regulations; circulars; executive orders; and EPA delegations, approvals, or authorizations ([40 CFR §35.107\(b\)\(3\)](#)).



## Components and commitments

A work plan component is a negotiated set or group of work plan commitments established in the grant agreement. PPG work plans typically have more than one work plan component. All state recipients are provided flexibility through the work plan negotiation process and can organize work plan components in whatever way fits the state recipient best. For example, components can be media specific, or they can be cross-media, grouping together similar activities that fall within the scope of multiple media.

Work plan commitments are the outputs and outcomes associated with each work plan component. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period, while outcomes must be quantitative and may not necessarily be achievable within an assistance agreement funding period ([40 CFR §35.102](#)). Outcomes may be environmental, behavioral, health-related, or programmatic in nature.

It is [EPA policy](#) to ensure that outputs and outcomes are appropriately addressed in work plans and performance reports.

## State PPG Work Plan and Reporting Tool

The State PPG Work Plan and Reporting Tool can be used to facilitate work plan negotiation and creation. This resource offers a user-friendly approach to capturing the required elements identified in [40 CFR §35.107\(b\)](#) and contains additional (optional) data fields which may be included at the discretion of EPA and the applicant. The State PPG Work Plan and Reporting Tool provides a standardized list of work plan components, which is intended to create greater consistency in reporting of the PPG activities and results. This resource may also be used for tracking and reporting environmental results.

To obtain a copy of the State PPG Work Plan and Reporting Tool, please contact your [regional NEPPS Coordinator](#) or project officer.

## 12. What is the relationship between PPGs and Performance Partnership Agreements?

A Performance Partnership Agreement (PPA) is a high-level document that is typically signed by a state official and the EPA regional administrator to identify joint environmental priorities to be accomplished. While the scope and content may vary, PPAs typically address joint goals and objectives through work plan commitments. PPAs also include the roles and responsibilities of each partner and how they will assess progress. PPAs include details of program implementation needs, as well as the planned approach to achieve the greatest environmental results.

PPAs are based on an assessment of environmental conditions and program implementation needs as well as an analysis of the approaches and tools that are most likely to bring about the greatest environmental results. Many states now use the process of negotiating a PPA with its EPA region as a mechanism for reaching mutual agreement on joint priorities and grant work plans.

A fundamental concept underlying PPAs is the recognition that all states have unique capacities and environmental priorities. Each EPA-state partnership negotiation accommodates for these differences and considerations. Individual PPAs can range from a general statement about how the state and EPA will work together as partners (perhaps identifying joint priorities that will be addressed) to more comprehensive, multi-program documents that detail each party's roles and responsibilities.

While the scope and content may vary, PPAs typically set out goals and objectives, priorities and plans, the roles and responsibilities of each partner, and the measures they will use to assess progress. The best PPAs are based on a state-specific assessment of environmental conditions and program implementation needs as well as analyses of what approaches and tools are most likely to bring about the greatest environmental results.

A PPA, or a portion of a PPA, can serve as the grant work plan for a PPG. The most strategic, flexible, and outcome-oriented option for states may be a comprehensive PPA that serves as a PPG work plan. The PPA (or portion thereof that serves as a grant work plan) must meet the same work plan requirements as any state program grant. The portion(s) of a PPA that serve(s) as a work plan must be clearly identified and distinguished from the rest of the PPA.

The regulation at [40 CFR §35.107\(c\)](#) provides that an applicant may use a PPA or a portion of a PPA as the work plan for an environmental program grant if the portions of the PPA that serve as all or part of the grant work plan:

- Are clearly identified and distinguished from other portions of the PPA.
- Meet the requirements in [40 CFR §35.107\(b\)](#).

Though a PPG does not require an accompanying PPA, the PPA provides the strategic and collaborative underpinning for a PPG.

### **13. How do the National Program Guidances influence PPG work plans?**

EPA program offices issue National Program Guidances to serve as the operational framework for EPA regions and grant recipients to meet agency priorities, strategies, and goals.

EPA regions and grant recipients should consider the priorities in the National Program Guidances when they negotiate PPG work plans. To allow flexibility when addressing regional and state-specific needs, states are encouraged to develop work plans that reflect jointly identified priorities as well as state-specific environmental and programmatic needs.

EPA encourages grant negotiations to continue in the event that a program office is late in issuing its National Program Guidance, or when a grant recipient's fiscal year begins earlier than a federal fiscal year. As outlined in [40 CFR §35.107\(a\)\(3\)](#), state agencies should use the National Program Guidance in place at the time that the applicant prepares its grant application.

The PPG regulations require that state priorities be considered, along with national program priorities and, if applicable, regional supplemental guidance, in developing grant work plans (see [40 CFR §35.107\(a\)\(1\)](#)). This allows for flexibilities to be applied to proposed grant work plans that differ from the goals, objectives, and measures in the National Program Guidance.

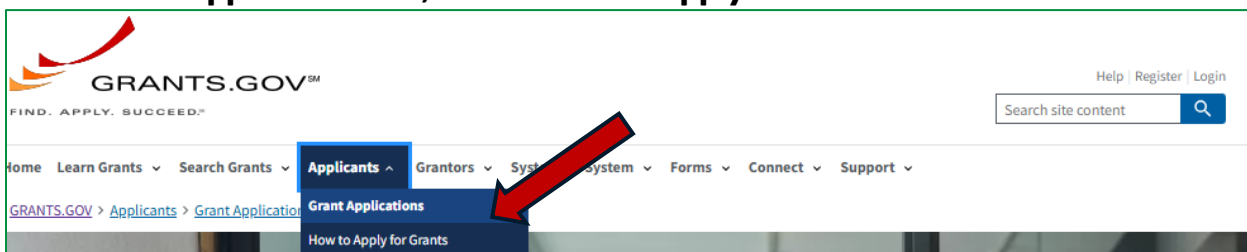
If the state recipient proposes a work plan that is significantly different from the National Program Guidance, the regional administrator must consult and approve this with the affected National Program Manager before agreeing to the work plan ([40 CFR §35.107\(a\)\(2\)](#)).

## 14. How do state agencies apply for a PPG?

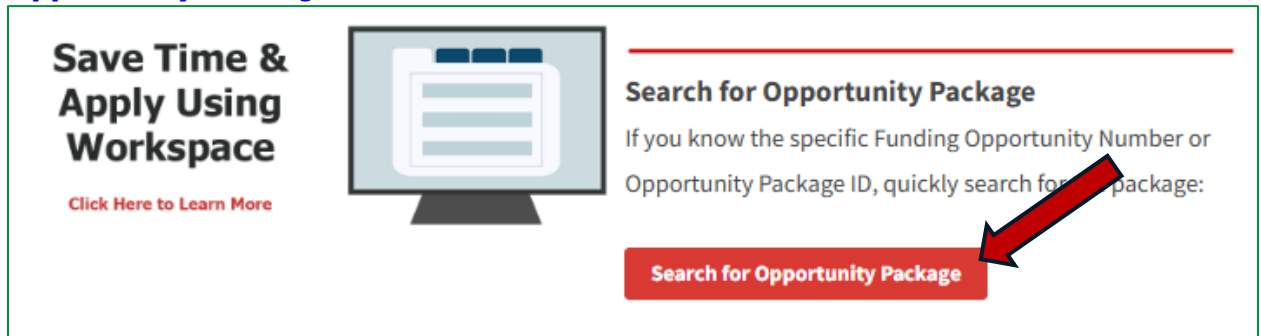
All applications for new EPA assistance agreement awards must be submitted using [www.grants.gov](http://www.grants.gov).

PPG applications are to be submitted through [www.grants.gov](http://www.grants.gov) at least 60 days before the beginning of the proposed funding period. As a best practice, applicants should consult their [regional NEPPS Coordinator](#) or EPA project officer to discuss submitting an application and determine if more time is needed for review. The steps to apply are as follows:

1. Go to [www.grants.gov](http://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.”

Please enter criteria and click Search:

Funding Opportunity Number:

Opportunity Package ID:

5. The PPG assistance listing, 66.605, can be found at the bottom of the list. Alternatively, the list can be accessed via this direct [link](#). Users can click “Preview” to download the required forms or “Apply” to begin the application process.

66.518			PKG00214120		Oct 04, 2030	<a href="#">Preview</a>   <a href="#">Apply</a>
66.600			PKG00214121		Oct 04, 2030	<a href="#">Preview</a>   <a href="#">Apply</a>
66.605			PKG00214122		Oct 04, 2030	<a href="#">Preview</a>   <a href="#">Apply</a>

Applicants with questions about submission requirements, including required forms and other materials, should contact their project officer, regional Grants Management Official (GMO), or [regional NEPPS Coordinator](#).



## 15. What needs to be included in a PPG application?

An application for a PPG must contain:

1. A list of the environmental programs and the amount of funds from each program to be combined in the PPG.
2. A consolidated budget (SF 424, 424A and a budget narrative, either as one budget encompassing each PPG program, or individual program budgets, based on the applicant's preference).
3. A consolidated work plan (including either a singular project narrative or individual PPG program work plans, based on the preference of the state) that addresses each program being combined in the grant and meets the requirements of [40 CFR §35.107](#).
4. [EPA Form 4700-4](#).
5. [EPA Key Contacts Form](#).
6. [EPA Form 6600-06](#) (for new/first year grants only).

## 16. Can a state include competitive funds in a PPG?

Yes, a state or interstate agency may include their competitively awarded funds from PPG-eligible programs in a PPG. While most PPG-eligible grants are noncompetitive, there are three competitive grants eligible for state PPGs:

1. Pollution Prevention Grant Program (66.708)
2. Environmental Information Exchange Network Grant Program and Related Assistance (66.608)
3. Regional Wetland Program Development Grants (66.461)

### EPA grant competition policy

States apply for competitive grants individually and indicate in their application if they anticipate incorporating the proposed project, if selected for funding, into an existing PPG or if they intend to create a new PPG. The PPG should be in place before the time of grant award, or a new PPG is created concurrently with the award of the competitive grant funds. Applications are selected under the competitive grant process in accordance with the relevant program competition.

To maintain the integrity of the competitive process and ensure that the work that was the basis for EPA's selection of the proposal is performed, the applicant must include the work plan commitments proposed in the competitive grant application in the PPG work plan. Recipients may make significant changes in work plan commitments only after obtaining the Regional Administrator's prior written approval. EPA, in consultation with the recipient, will document these revisions including budgeted amounts associated with the revisions ([40 CFR §35.114](#)).

Award of competitive grants must adhere to the requirements of [EPA Order: 5700.5A1](#), “EPA’s Policy for Competition of Assistance Agreements.” This policy ensures that grant competitions are conducted according to accepted government-wide principles. The agency’s policy assures fair competition while giving programs the flexibility to customize a competition to maximize program results. Each of the PPG-eligible competitive grant programs issues unique guidance that includes the criteria for award.

## Adding a competitive grant to PPGs

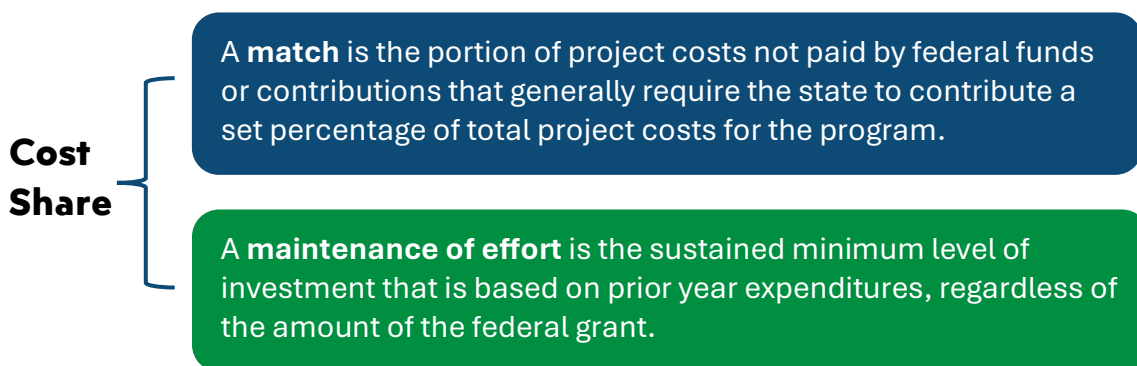
If a recipient opts to include competitive funds in a PPG, the budget and work plan commitments from the competitively selected application will be incorporated into the budget and work plan of the PPG. This can be done with an initial PPG award or through a supplemental amendment to an existing PPG.

If the time required to complete work plan commitments from the competitive program is longer than the funding period for the existing PPG, recipients have the option to request an extension to the period of performance for the PPG. In some cases, opening a new PPG for the competitive program to ensure ample time to complete work plan commitments may be a better option. This option would require the applicant to identify an additional eligible program to be combined with the competitive program to create a PPG.

As a best practice, the recipient should consult with their project officer to determine which option may work best.

## 17. What is cost share?

Many environmental program grants require states to provide nonfederal funds to support the environmental program activities. This state contribution is called a cost share and there are two types of cost sharing provisions: match and maintenance of effort (MOE).



The minimum required cost share under a PPG is the sum of the cost share amounts required for each of the environmental program grants combined in the PPG. If a program has both a match and a maintenance of effort requirement, the greater of the two amounts will be used to calculate the minimum cost share attributed to that program.

The general rules for cost share are found at [2 CFR §200.306](#) and further described specifically for PPGs in [40 CFR §35.136](#) for the individual environmental programs.

When the cost share becomes a part of the PPG, it must be detailed in the budget and must follow the federal grant regulations and the specific Terms and Conditions of the grant. Grant recipients may use nonfederal resources from any of the eligible categorical environmental programs included in a PPG to meet the cost share requirement. Once included in the PPG, the nonfederal funds may be used to complete any of the approved PPG work plan commitments.

The PPG approach to cost share is valuable because a state agency may have the necessary resources to meet the required cost share in one program, but not enough in another program included in the PPG. In such cases, a state can use excess cost share from one program to cover the cost share requirement for another program.

The cost share must be broken out in the budget by cost category (e.g., personnel, fringe, equipment, etc.) for each work plan component, but does not need to be broken out by program. For example, if a PPG includes three programs, and only two programs contain cost share, the PPG budget would show the sum of cost share for those two programs in personnel, the sum of cost share for those two programs in fringe, and so on. The recipient is not required to break out the cost share by how much program X and program Y are contributing to personnel, fringe, and so on.

At the end of the grant period, the recipient is required to submit a final Federal Financial Report (FFR). The recipient is required to document in the FFR that the required composite cost share has been met. When a recipient receives resources in a PPG, the recipient is not required to show whether each environmental program cost share requirement has been met. The recipient need only show that the total, composite minimum cost share for the PPG was met.

For a list of PPG-eligible programs with state cost share requirements, please see Table 2 in the Appendix.

## **18. How is final cost share determined?**

The recipient is responsible for contributing the cost share percentage agreed to in the award.

### Example:

Calculating the cost share based on the total project cost (TPC) and required percentage of TPC:

A grant has a total project cost of \$160,000 and the applicant is funding a grant program which contains a required cost share of 25 percent of the total project cost. The cost share can be calculated using the following formula:

**Cost Share = Total Project Cost \* Percentage Match Requirement**

**Cost Share = \$160,000 \* 0.25**

**Cost Share = \$40,000**

**Therefore, the federal contribution is \$120,000, or \$160,000 - \$40,000**

## 19. Can voluntary cost share be included in a state PPG?

Yes. As defined in [2 CFR §200.1](#), voluntary committed cost sharing (referred to within this document simply as “voluntary cost share”) means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the federal award on the part of the nonfederal entity and that becomes a binding requirement of federal award.

Because cost share initially included on a voluntary basis becomes legally binding after the PPG is awarded, applicants are discouraged from including voluntary cost share in their proposed PPG work plans and budget. Instead, as a best practice, any state funding put towards eligible PPG activities beyond the required cost share should be reported on in the recipient's FFR. This amount can be reported on line “j. Recipient share of expenditures”. This additional funding is considered overmatch and can be used to replace any costs that may be disallowed over the course of the PPG project period to minimize any potential repayments.





## Section III: Managing a PPG

### 20. How is PPG performance evaluated?

State PPGs are subject to the reporting, joint evaluation, and other accountability requirements of 40 CFR Part 35. State agencies are held accountable for achieving the commitments set out in approved PPG work plans. States with PPGs continue to report information into national data systems and submit any other reports required by regulation, as outlined in the Terms and Conditions of the award.

As discussed in [EPA Order 5700.7, Environmental Results Under EPA Assistance Agreements](#), program offices must review performance reports submitted by a recipient under [2 CFR §200.329](#) to determine whether the recipient achieved the environmental and/or public health outputs and outcomes contained in the assistance agreement work plan. This includes ensuring that performance reports provide a satisfactory explanation if outcomes or outputs were not achieved. The review is to be documented in the official project file.

#### Reporting

PPGs can be comprised of program grants that require different frequencies of reporting. While a reporting schedule can vary across programs, recipients are required to report at least annually and must satisfy the requirements for progress reporting under [2 CFR §200.329](#). Some programs may ask recipients to report more frequently, either semi-annually or quarterly. In these instances, only those programs requiring more frequent reports would need to be reported on as specified in the Terms and Conditions of the award; the other programs included in the PPG would provide updates in an annual progress report that covers all programs in the PPG.

The State PPG Work Plan and Reporting Tool may be used for mid-year and end-of-year reporting by recipients to record progress of meeting work plan commitments.

## Joint evaluation

As required by [40 CFR §35.115](#), PPG performance is assessed by reviewing reported outputs and outcomes according to an agreed upon joint evaluation process. EPA and the state recipient develop a joint evaluation process for reporting progress and accomplishments under the work plan. A description of the evaluation process and a reporting schedule must be included in the work plan and the schedule must require the recipient to report at least annually and satisfy the requirements for progress reporting.

The elements of the joint evaluation process must provide for:

A discussion of accomplishments as measured against work plan commitments.

A discussion of the cumulative effectiveness of the work performed under all work plan components.

A discussion of existing and potential problem areas.

Suggestions for improvement, including, where feasible, schedules for making improvements.

The purpose of the joint evaluation process is to assess progress in accomplishing the commitments in a grant agreement. Joint evaluations produce valuable performance information to support state and EPA program planning and decision making and provide assurance that EPA and the recipient are meeting their environmental program responsibilities.

## EPA and state coordination

The basis for joint evaluations comes from a variety of sources and may be achieved in a variety of ways involving one or many program reports about the commitments in the work plan, including formal reports from program data systems, informal and formal program reviews, site visits, and most important, ongoing EPA-state staff relationships. In addition to the joint evaluation process, other program specific reviews may be used to complement and inform the joint evaluation. These include reviews of delegation and other program requirements and may occur outside of the time frame for the joint evaluation process. The joint evaluation will reveal both progress and possible shortfalls under the work plan.

## Fiscal accountability

PPG recipients must maintain accounting and financial records which adequately identify the use of EPA funds for PPG activities ([2 CFR Part 200 Subpart D - Performance and Financial Monitoring and Reporting](#)). These records should contain relevant information such as obligations, unobligated balances, outlays, expenditures, and program income. Recipients track PPG funds to the total effort or costs incurred for the PPG work and draw down funds from the PPG budgetary account for the federal share of costs incurred.

## 21. Can changes be made to an approved PPG work plan?

Yes, the regulations at [2 CFR §200.308\(f\)](#) and [40 CFR §35.114](#) provide information on when prior approval from the EPA is necessary. A best practice that is embedded in the Terms and Conditions of a PPG award is for the recipient to consult with their EPA project officer before making a post-award change to the work plan. Consulting the project officer will help the recipient determine whether their proposed work plan change is significant or not. If the project officer determines the change is significant, the recipient should work with the EPA project officer and grant specialist to create a formal amendment to the PPG, to be approved by EPA's GMO.

If the recipient and project officer cannot agree on whether a significant change to work plan commitments will take place, the matter will be elevated to the EPA approval official for the assistance agreement and an appropriate senior manager for the recipient for a negotiated resolution. The recipient cannot make the change until the matter is resolved. If a negotiated resolution is not achieved, the EPA's GMO or other authorized official will issue an Agency Decision under the [2 CFR Part 1500, Subpart E Dispute Procedures](#).

## 22. Can the period of performance for a PPG be extended?

Yes. If the original project period for a PPG is less than five years, and a recipient needs more time to finish the work plan commitments, they can request a no-cost extension. The administrative Terms and Conditions of the assistance agreement dictate where to send requests for an extension. Typically, requests for extensions are sent to the EPA grant specialist and project officer.

As a best practice, requests include the following information:

- Recipient Name.
- Grant Number.
- Current and Proposed Budget/Project Periods.
- Remaining Award Amount.
- A justification for the extension, including pertinent background information, a description of their circumstances, and what the extension will allow the recipient to do.

If a recipient encounters extenuating circumstances that necessitate an extension to the PPG period of performance beyond five years, a waiver request from the [EPA Grants Policy Issuance 11-01](#) may be submitted to the EPA for consideration. As a best practice, PPG recipients that anticipate needing an extension beyond five years should notify their project officer six months before their project end date to ensure it is processed in time. Extensions are not guaranteed and are granted by EPA on a case-by-case basis. For more information regarding the details to be included in a waiver request, refer to [EPA General Terms and Conditions](#).

## 23. What is the EPA Quality Program?

EPA organizations and non-EPA organizations performing environmental information operations<sup>4</sup> funded by or on behalf of EPA are required to participate in the EPA agencywide Quality Program. EPA's Quality Program supports EPA's mission to protect human health and the environment and to ensure environmental information operations products and services are of known and documented quality for their intended use(s).

The Terms and Conditions of the award will specify a recipient's quality assurance responsibilities. Any data collection that does not follow quality assurance procedures is unusable and therefore the costs must be disallowed. For more information on EPA's Quality Program, please visit [www.epa.gov/quality](http://www.epa.gov/quality).

## 24. What is a Quality Management Plan (QMP)?

A Quality Management Plan (QMP) describes an organization's Quality Program. It documents how an organization structures its Quality Program including descriptions of its internal quality procedures for implementing and assessing the effectiveness of the program; criteria for and areas of application; and roles, responsibilities, and authorities. Thus, the Quality Management Plan (QMP) may be viewed as the "umbrella" document under which individual projects are conducted. The QMP must also document all technical activities to be performed under the Quality Program and how the program will integrate quality assurance (QA), quality control (QC), and Quality Assurance Project Plans (QAPPs) into all its environmental information operations.

Requirements for QMPs can be found in [Directive No: CIO 2105-S-01.1 Quality Management Plan](#). States should also contact their sponsoring EPA program office(s) for additional requirements for QMPs.

## 25. What is a Quality Assurance Project Plan (QAPP)?

Project-specific details of individual projects are documented in a Quality Assurance Project Plan (QAPP). A QAPP is a planning document related to a project that describes in comprehensive detail the necessary QA/QC requirements and other technical activities that must be implemented to ensure that the results of the work performed will satisfy the stated performance and acceptance criteria. It integrates all the technical and quality aspects of the project to provide a "blueprint" for obtaining the type and quality of environmental information needed for a specific decision or use. All work performed or funded by EPA that involves environmental information operations must have an approved QAPP.

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<sup>4</sup> An environmental information operation is a collective term that encompasses the collection, production, evaluation, or use of environmental information by or for EPA and the design, construction, operation, or application of environmental technology.



A QAPP is a post-award requirement that needs to be completed and approved before environmental information operations are conducted. Additionally, activities involving environmental information operations in the grant work plan may not be funded until the QAPP is approved. Requirements for QAPPs can be found in [Directive No: CIO 2105-S-02.1 Quality Assurance Project Plan](#). States should also contact their sponsoring EPA program office(s) for additional requirements for QAPPs.

## **26. What is the difference between a QMP and a QAPP?**

A QMP is a document that describes a quality program in terms of the organizational structure, policy and procedures, functional responsibilities of management and staff, lines of authority, and required interfaces for those planning, implementing, documenting, and assessing all activities conducted. A QAPP is a document that describes the necessary quality assurance, quality control, and other technical activities that must be implemented to ensure that the results of the work performed will satisfy the stated performance criteria. A QMP documents the overall organization/program whereas a QAPP documents project-specific information. Usually, a quality program is documented once (and updated on a regular basis), but the quality assurance activities are documented for each project.

## **27. How does a PPG recipient draw down funds?**

In accordance with [2 CFR §200.305\(a\)](#), payments are governed by Treasury-State Cash Management Improvement Act (CMIA) agreements and default procedures codified at 31 CFR Part 205, Subparts A and B and Treasury Financial Manual (TFM) 4A-2000, “Overall Disbursing Rules for All Federal Agencies” unless a program specific regulation (e.g., 40 CFR §35.3160 or 40 CFR §35.3560) provides otherwise. For more information, see “Proper Payment Drawdown for State Recipients” section in [EPA General Terms and Conditions](#).

As required by [2 CFR §200.305\(b\)](#), recipients must only draw funds for the minimum amounts needed for actual and immediate cash requirements to pay employees, contractors, subrecipients or to satisfy other obligations for allowable costs under the assistance agreement. The timing and amounts of the drawdowns must be as close as administratively feasible to actual disbursement of EPA funds. Disbursement within five business days of the drawdown will materially comply with this requirement. Excess funds drawn down not meeting this requirement should be returned to EPA. More information on receiving assistance agreement payments can be found on EPA’s [website](#).

PPG recipients do not need to account for PPG funds in accordance with the funds' original environmental program sources; they need only account for total PPG expenditures. When drawdowns are made, they are charged proportionately to each source of funds in the PPG.

## **28. How can a recipient use remaining funds after all work is complete?**

If funds remain on the grant after all work plan commitments have been accomplished, PPG recipients may use those remaining funds for additional activities that fall within the scope of work defined in the work plan. Recipients should contact their project officer to discuss the process for confirming that all proposed activities fall within the scope of work before proceeding.



## Section IV: Closeout

### 29. What does closeout mean?

[Closeout](#) refers to the systematic process EPA uses to determine that a recipient has completed all the required work under a grant and to confirm that all applicable financial and administrative requirements have been met.

PPGs follow the closeout procedures that are outlined in the Office of Management and Budget's (OMB) [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) regulations, located at 2 CFR Part 200.

About 90 days before the PPG expires, the grant specialist will send a letter to remind the recipient about the approaching end date and explain the grant closeout requirements.

Under federal grant regulations as noted in [2 CFR §200.344](#), grants must be closed out within 120 days of the end of the period of performance, meaning all final technical and financial reports have been submitted to the Agency Finance Center.

The grant recipient must also submit a Final Performance Report to the EPA project officer for review and approval no later than 120 calendar days after the end of the period of performance.

The PPG project officer completes the project officer closeout certification form and returns it to the EPA Grants Office.

The grant specialist closes the grant once all requirements have been met.

# Exceptions to Program-Specific Requirements

There are program-specific requirements that do not apply to program funds when they are included in a state PPG. The following provides examples, but is not an exhaustive list, of program-specific requirements that do not apply to PPGs:

<a href="#">40 CFR §35.268(c)</a>	Administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against activities and programs carried out with these funds shall not exceed 10 percent of the funds the State receives in any fiscal year. The cost of implementing enforcement and regulatory activities, education, training, technical assistance, demonstration projects, and technology transfer programs are not subject to this limitation.
<a href="#">40 CFR §35.272</a>	Recipients must use the Lead-based paint program funding in a way that complements any related assistance they receive from other federal sources for lead-based paint activities.
<a href="#">40 CFR §35.298(c):</a>	The costs of radon measurement equipment or devices (see <a href="#">40 CFR §35.290(b)(1)(iv)</a> ) and demonstration of radon mitigation, methods, and technologies (see <a href="#">40 CFR §35.290(b)(1)(ix)</a> ) shall not, in the aggregate, exceed 50 percent of a State's radon grant award in a fiscal year.
<a href="#">40 CFR §35.298(d):</a>	The costs of general overhead and program administration (see <a href="#">40 CFR §35.290(b)(1)(vii)</a> ) of a State Indoor Radon grant shall not exceed 25 percent of the amount of a State's Indoor Radon Grant in a fiscal year.
<a href="#">40 CFR §35.298(e):</a>	A State may use funds for financial assistance to persons only to the extent such assistance is related to demonstration projects or the purchase and analysis of radon measurement devices.

Additionally, while [40 CFR §35.134\(c\)](#) states that [40 CFR §35.298\(g\)](#) does not apply to PPGs, EPA has a class exception in place that requires recipients of State Indoor Radon Grant (SIRG) funds to maintain and make available to the public, a list of firms and individuals in the state that have received a passing rating under the EPA proficiency rating program, regardless of whether those funds are in a standalone SIRG award or a PPG.

# Real-World Examples of PPG Flexibilities

The [PPG StoryMap](#) provides real-world examples of how states and Tribes have used the flexibilities of PPGs to achieve environmental results. PPG benefits can be grouped into three broad categories: administrative, financial, and programmatic flexibilities.

## Administrative flexibilities

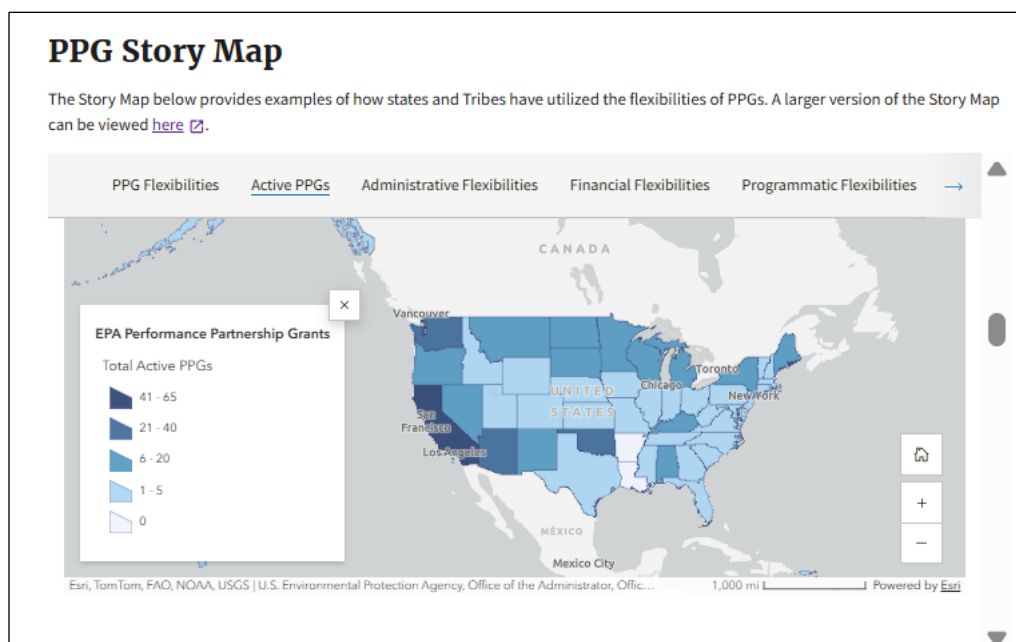
- Administrative flexibilities help reduce the administrative burden of managing a PPG. For example, a recipient can use the state fiscal year for their schedule as opposed to the federal fiscal year.

## Financial flexibilities

- Financial flexibilities refer to the ease of managing funds. For example, a recipient may shift funds toward water monitoring equipment based on changing priorities.

## Programmatic flexibilities

- Programmatic flexibilities refer to a program's ability to shift work within or between media programs. For example, a recipient may incorporate a standalone grant into a new or existing PPG in order to extend the period of performance to ensure sampling is completed in the upcoming field season.



To share a success story to be featured in the StoryMap, please email [regionaloperations@epa.gov](mailto:regionaloperations@epa.gov).



# Appendix

## Glossary of Terms

**Assistance listing:** Detailed public descriptions of federal programs that provide grants, loans, scholarships, insurance, and other types of assistance awards. The assistance listing number for PPGs is 66.605. For more information on assistance listings, please refer to <https://sam.gov/assistance-listings>.

**Consolidated grant:** A single grant made to a recipient consolidating funds from more than one environmental grant program. After the award is made, recipients must account for grant funds in accordance with the funds' original environmental program sources. Consolidated grants are not PPGs.

**Funding period:** The period of time specified in the grant agreement during which the recipient may expend or obligate funds for the purposes set forth in the agreement.

**Environmental program:** A program for which EPA awards grants under the authorities listed in [40 CFR §35.101](#). The grants are subject to the requirements of 40 CFR Part 35 Subpart A.

**Maintenance of effort:** A requirement contained in certain legislation or regulations that a recipient must maintain/contribute a specified level of financial effort in a specified area to receive federal assistance funds, which ensures that those federal funds are used to supplement, but not supplant, expenditures of the recipient's funds.

**National Program Guidance:** Guidance issued by EPA's National Program Managers for establishing and maintaining effective environmental programs. This guidance establishes national goals, objectives, and priorities as well as other information to be used in monitoring progress. The guidance may also set out specific environmental strategies, core performance measures, criteria for evaluating programs, and other elements of program implementation.

**Outcome:** The environmental result, effect, or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes must be quantitative, and they may not necessarily be achievable during a grant funding period. See “output.”

**Output:** An environmental activity or effort and associated work products related to an environmental goal or objective that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during a grant funding period. See “outcome.”

**Pre-award costs:** Pre-award costs, as defined in [2 CFR §200.458](#), are those incurred before the start date of the Federal award or subaward directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. These costs are allowable only to the extent that they would have been allowed if incurred after the start date of the federal award and only with the written approval of the federal agency. If approved, these costs must be charged to the initial budget period of the federal award unless otherwise specified by the federal agency or pass-through entity. The applicant incurs pre-award costs at its own risk. EPA is under no obligation to reimburse such costs unless they are included in an approved grant application. For more information, refer to [40 CFR §35.113](#) and [2 CFR §1500.9](#).

**Work plan:** The document which identifies how and when the applicant will use funds from environmental program grants and is the basis for management and evaluation of performance under the grant agreement to produce specific outputs and outcomes (see [40 CFR §35.107](#)). The work plan must be consistent with applicable federal statutes; regulations; circulars; executive orders; and EPA delegations, approvals, or authorizations.

**Work plan commitments:** The outputs and outcomes associated with each work plan component, as established in the grant agreement.

**Work plan component:** A negotiated set or group of work plan commitments established in the grant agreement. A work plan may have one or more work plan components.

**Table 1. State PPG-Eligible Programs**

Program Office	Assistance Listing Number	Grant Program
Office of Air and Radiation	66.001	Air Pollution Control Program Support <sup>1</sup>
	66.032	State and Tribal Indoor Radon Grants
Office of Chemical Safety and Pollution Prevention	66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals
	66.708	Pollution Prevention Grant Program
Office of Chemical Safety and Pollution Prevention & Office of Enforcement and Compliance Assurance	66.700	Consolidated Pesticide Enforcement Cooperative Agreements <sup>2</sup>
Office of Enforcement and Compliance Assurance	66.701	Toxic Substances Compliance Monitoring Cooperative Agreements
Office of Land and Emergency Management	66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program <sup>3</sup>
	66.801	Hazardous Waste Management State Program Support
	66.817	State and Tribal Response Program Grants
Office of Finance and Administration	66.608	Environmental Information Exchange Network Grant Program and Related Assistance
Office of Water	66.419	Water Pollution Control State, Interstate, and Tribal Program Support
	66.432	State Public Water System Supervision
	66.433	State Underground Water Source Protection
	66.460	Nonpoint Source Implementation Grants
	66.461	Regional Wetland Program Development Grants
	66.472	Beach Monitoring and Notification Program Implementation Grants

<sup>1</sup> This program covers funding for state, local, and Tribal air pollution control programs.

<sup>2</sup> Under this assistance listing, the Office of Chemical Safety and Pollution Prevention manages the pesticide program implementation (section 23(a)(1) of FIFRA) and pesticide applicator certification and training (section 23(a)(2) of Federal Insecticide, Fungicide, and Rodenticide (FIFRA)), and the Office of Enforcement and Compliance Assurance manages the pesticide cooperative enforcement (section 23(a)(1) of the FIFRA).

<sup>3</sup> While STAG funding for the UST prevention, detection, and compliance program is PPG-eligible for states and Tribes, EPA awards available Leaking Underground Storage Tank (LUST) Trust Fund money to states to support the UST Program. LUST prevention and LUST cleanup money are appropriated outside of the STAG appropriation. A STAG UST Prevention, Detection, and Compliance Program grant cannot be incorporated into a PPG if the funding is combined with funding from the LUST Trust Fund. LUST program funds are separate and distinct Congressional appropriations and therefore are not appropriated through STAG and thus are not PPG eligible. For more information about eligible uses of LUST funds and STAG money, see the [State Grant Policy and Guidance](#) page.

**Table 2. PPG-Eligible Programs with State Cost Share Requirements**

Office	Grant	Cost Share Requirements
<b>Office of Air and Radiation</b>	Air Pollution Control Program Support	40% of Total Project Costs (TPC) plus Maintenance of Effort (MOE) Requirement
	State and Tribal Indoor Radon Grants	40% of TPC (for recipients with two or more years in the program)
<b>Office of Chemical Safety and Pollution Prevention</b>	Pollution Prevention Grant Program	50% of TPC
<b>Office of Chemical Safety and Pollution Prevention &amp; Office of Enforcement and Compliance Assurance</b>	Consolidated Pesticide Enforcement Cooperative Agreements	Up to 50% of TPC
<b>Office of Enforcement and Compliance Assurance</b>	Toxic Substances Compliance Monitoring Cooperative Agreements	25% of TPC
<b>Office of Land and Emergency Management</b>	Hazardous Waste Management State Program Support	25% of TPC
	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	25% of TPC
<b>Office of Water</b>	Water Pollution Control State, Interstate, and Tribal Program Support	MOE equal to expenditures in FY ending June 30, 1971*
	State Public Water System Supervision	25% of TPC
	State Underground Water Source Protection	25% of TPC
	Nonpoint Source Implementation Grants	40% of TPC
*State or interstate agency must expend annually for recurrent Section 106 program expenditures an amount of nonfederal funds at least equal to expenditures during the fiscal year ending June 30, 1971.		