

Gem State Air Quality Initiative

Idaho's CPRG grant application

Budget Narrative Appendix

Expenditure of Award Funds:

DEQ uses the following approach, procedures, and controls to ensure awarded funds will be expended in a timely and efficient manner within the grant period.

Pre-Award Assessment: Before accepting grant funds, DEQ conducts a thorough assessment of the proposed project's feasibility and alignment with agency priorities and objectives. This assessment includes an evaluation of project timelines, resource requirements, appropriation available over the grant period, and potential challenges to ensure that the project can be successfully implemented within the grant period.

Grant Agreement and Reporting Requirements: Upon award acceptance, DEQ establishes a formal grant agreement outlining the terms, conditions, and reporting requirements. DEQ staff and sub-awardees are provided with clear guidance on expenditure deadlines, allowable costs, and reporting timelines to facilitate timely and accurate financial management. Award funds may be used only for expenditures necessary to carry out the approved research or related work to achieve the approved specific aims.

Financial Management and Monitoring: DEQ implements robust financial management procedures to monitor grant expenditures and ensure compliance with budgetary constraints. Program and Fiscal staff are required to maintain detailed accounting records and submit periodic financial reports to DEQ for review and verification. Regular financial monitoring reviews are conducted to assess expenditure trends, identify potential issues, and provide assistance as needed to address challenges and ensure timely expenditure of grant funds. Burn rates are utilized to ensure that project deadlines are on track and expedite reallocation of resources if necessary. Internal controls are in place to double check invoicing information and ensure that the individual approving of a transaction is separate from the one processing the transaction. The department undergoes frequent auditing by the State Legislative Services Office, and performs sub-recipient monitoring before, during, and after the grant is authorized.

Project Oversight and Technical Assistance: DEQ provides ongoing technical assistance and support to sub-recipients throughout the project lifecycle to facilitate successful implementation. This includes guidance on project planning, procurement, contract management, and compliance with regulatory requirements. DEQ staff members are available to address questions, provide clarification, and offer solutions to challenges that may arise during project execution. Changes to approved budgets are acceptable if they comply with allowable cost guidelines and are within the relevant scope of work on the grant. Adjustments that do not fit the scope of work would require amendments with the granting agency and the department to ensure that they are in compliance.

Performance Evaluation and Reporting: DEQ evaluates grantee performance against established project milestones, deliverables, and performance measures to assess progress and ensure accountability. Grantees are required to submit regular progress reports documenting project activities, achievements, and challenges. DEQ conducts periodic site visits and inspections, where applicable, to

verify project status, assess compliance with grant requirements, and identify opportunities for improvement. We track expenditures to our appropriation and the grant timelines to ensure that allocated funds are expended within the appropriate timelines and budgetary deadlines set by both state and federal statute and rule. Annual or semi-annual reports are conducted by Fiscal staff to inform federal agencies on the progress of our grant. The department prepares the Schedule of Expenditures of Federal Awards annually and submits this to our State Controller's Office for review and submission to the federal clearinghouse.

Closeout Procedures: At the conclusion of the grant period, DEQ oversees the closeout process to ensure that all funds have been expended in accordance with the grant agreement. Sub-recipients are required to submit final financial and programmatic reports, including documentation of expenditures and outcomes achieved. DEQ conducts a comprehensive review of all project documentation and financial records to verify compliance and finalize grant closeout procedures. Through these rigorous procedures and controls, DEQ strives to ensure that awarded grant funds are expended in a timely and efficient manner, maximizing the benefits to communities while upholding accountability and transparency in the use of public funds. Our commitment to effective grant management is grounded in our dedication to advancing environmental protection and enhancing the quality of life for all Idahoans.

DEQ has an excellent working relationship with EPA and a superior track record in meeting the financial, administrative, and programmatic commitments contained in its grant/cooperative agreements.

Reasonableness of Costs

DEQ has provided a detailed description of every itemized budget item and cost.

Overall Grant Management

DEQ will hire 2 full-time positions to support this grant. The positions will be a Gem State Air Quality Initiative (GSAQI) Project Manager located in the Air Quality Division and a Contracts Officer located in DEQ's Financial office.

Personnel:

- GSAQI Project Manager - \$88,300/year for Year 1. Based on 100% of policy for an Analyst 4 position
- Contracts Officer - \$70,000/year for year 1, based on 100% of policy for
- DEQ assumed an annual 3% cost of living adjustment in years 2-5.

Fringe Benefits:

- DEQ has an overall fringe benefits rate of 42% and includes social security, health and life insurance, sick leave, workers compensation, and unemployment insurance.

Indirect Rate:

- DEQ's approved indirect rate for FY 2025 is 36.85%

Measure 1: Sustainable Agriculture Program

Personnel:

- GSAQI Project Manager – This position will spend 60% of their time supporting this measure.

- Contracts Officer - This position will spend 75% of their time supporting this measure.

Fringe Benefits: - Calculated as described above.

Travel:

- The GSAQI Project Manager will have 2 in-state trips per year to conduct project site visits; 1 to South Idaho and 1 to North Idaho. Each trip will include 4 overnight stays, per diem, and use of DEQ fleet vehicle. The average nightly rate for an Idaho hotel is \$150/night. Idaho approved in-state per diem rate for SFY24 is \$55/day. The cost for use of the DEQ fleet vehicle is included in DEQ's approved indirect rate.

Supplies:

- DEQ included a complete office set up for the 2 new FTEs described above in the Grant Management section. DEQ assigned 100% of these costs to the Sustainable Agriculture Program due to the fact both these positions will spend the majority of their time supporting this measure.
- Each office setup includes the following and the costs are based on recent purchases made by DEQ:
 - Desk - \$2,500
 - Chair - \$500
 - Monitor Arms - \$200
 - Docking station for laptop - \$200
 - Laptop - \$1,700
 - 2 monitors - \$265 each, total \$530
- Office supplies – DEQ has estimated a total of \$200/year for both new positions for the purchase of other costs normally associated with an FTE, such as software, notepads, pens, folders.

Contractual: DEQ will enter into the following 2 contracts to support this measure:

- Contract to support Amplifund in the amount of \$75,057:
DEQ is currently implementing a new grant and sub-recipient managing software called Amplifund that will be used to manage all sub awards and participant support cost agreements for this grant. The contractor will provide the following:
 - In person training – the contractor will provide in person training on site at DEQ for 2 days. Costs will include travel time, hotels, per diem, flights, and car rental for 3 people: \$12,000
 - Virtual Training – contractor will provide 100 hours of virtual training on report creation, workflows, quality assurance, etc.- \$12,500
 - Form & Process Creation – contract will develop forms and processes within Amplifund for use by DEQ staff: \$25,000
 - Accounting System Integration & Updates for New Grant – contractor will create new projects, grant rules and regulations, and integration with general ledger - \$15,000
 - Outreach to potential sub-recipients – contract will help potential sub-recipients with applications, requesting reimbursements, submitting receipts, and develop outreach material, website design and integration with DEQ systems and landing page for FAQ for grant: \$4,500

- Contract to develop a greenhouse gas (GHG) and co-pollutant emission reductions quantification tool to support the Animal Operations and Farm Efficiency Program (AOEFP). This will be a 2-year contract in the amount of \$200,000. The cost of the contract is based on a recent contract to quantify emission reductions for Idaho's Priority Plan which cost \$100,000 and provided a tool that quantified emissions from high-level scenarios. The contractor will provide the following:
 - Well documented, user-friendly tool that is customized to Idaho's environment and animal production industry.
 - Training for DEQ staff and document that provides calculation methods and assumptions.

Other:

DEQ will use both sub awards and participant support cost agreements to implement this measure.

Participant support costs

DEQ will fund awarded projects using a PSCA for the Animal Operations and Farm Efficiency (AOFE) Program. DEQ allocated a total of \$25 million for the AOFE Program which will represent 60% of the total project costs. Awarded applicants will be required to provide a minimum of 40% of the project cost.

DEQ used the attached GHG emission reduction calculations spreadsheet to calculate the activity (e.g., number of cows, number of pumps) based on \$25 million representing 60% of the total project cost. See the attached Technical Appendix for assumptions. From this DEQ calculated the cost per activity:

- Manure management: \$22,410,939, 115,000 cows results in \$194.88/cow
- Enteric fermentation: \$1,895,000, 25,000 cows results in \$75.80/cow
- Irrigation pumps: \$699,300, 555 pumps results in \$1,260/pump

Sub Award

University of Idaho Sub Award Budget: \$16,353,032

DEQ will issue a sub award to the University of Idaho (UI) for the implementation of the Healthy Soils program. UI developed a detailed budget for implementation of the Healthy Soils program that is included at the end of this Budget Narrative appendix. Key budget components include:

- **Personnel** (\$1,300,255): UI will use seven staff at an average of 25% FTE each and 4 staff at 100% each. This includes 2% COLA where appropriate.
- **Fringe Benefits** (\$451,462): UI fringe benefits include FICA, group life, health insurance, Medicare, Workers Compensation, retirement, other post-employment benefits, unemployment insurance, disability insurance, employee tuition remission, and terminal leave.
- **Travel** (\$60,065): UI included in state travel for field site visits, stakeholder meetings, workshops, cereal and potato schools; and out of state for conference for the purpose of sharing results from program. UI used University of Idaho/State of Idaho reimbursement rates for in-state travel and Federal GSA rates used for travel to larger metropolitan areas, where appropriate.
- **Equipment** (\$460,000): UI will purchase GHG sampling equipment to verify GHG emission and carbon storage; and farm equipment that will be available for small landowners to use. This

equipment are for the direct purpose of supporting this program and ensuring the outcomes listed in Table 5 of the workplan.

- **Supplies** (\$42,600): UI includes supplies which include educator's supplies; computer and peripherals for 3 staff; research, analysis, and laboratory supplies.
- **Other** (\$13,224,019): UI will issue up to six sub awards to eligible entities to work with producers and external partners in the core activity of this project to enroll producers to receive incentives for implementing proposed practices.
- **Indirect Costs** (\$814,631): based on an approved indirect rate

Measure 2: Idaho K-12 Energy Efficiency Program

Personnel:

- GSAQI Project Manager – This position will spend 5% of their time supporting this measure to manage the single subaward, conduct project site visits and complete reporting requirements.

Fringe Benefits: - Calculated as described above.

Travel:

- The GSAQI Project Manager will have 2 in-state trips per year to conduct project site visits; 1 to South Idaho and 1 to North Idaho. Each trip will include 4 overnight stays, per diem, and use of DEQ fleet vehicle. The average nightly rate for an Idaho hotel is \$150/night. Idaho approved in-state per diem rate for SFY24 is \$55/day. The cost of use of the DEQ fleet vehicle is included in DEQ's approved indirect rate.

Other:

Sub Award

ISDE sub award budget: \$14,986,462

DEQ will issue a sub award to the Idaho State Department of Education (ISDE) to implement this measure. DEQ allocated no more than \$15 million for this program and used the GHG emission reductions calculations spreadsheet to develop a budget based on the number of buildings and types of energy efficiency projects and costs documented in the attached Technical Appendix. A total of \$14,986,462 was calculated for this program. This amount includes 10% for ISDE administrative costs, such as personnel, contracts, and indirect.

Measure 3: Sustainable Land Management

Personnel:

- GSAQI Project Manager – This position will spend 5% of their time supporting this measure to manage two sub awards, conduct project site visits and complete reporting requirements.

Fringe Benefits: - Calculated as described above.

Travel:

- The GSAQI Project Manager will have 2 in-state trips per year to conduct project site visits; 1 to South Idaho and 1 to North Idaho. Each trip will include 4 overnight stays, per diem, and use of DEQ fleet vehicle. The average nightly rate for an Idaho hotel is \$150/night. Idaho approved in-

state per diem rate for SFY24 is \$55/day. The cost of use of the DEQ fleet vehicle is included in DEQ's approved indirect rate.

Contractual:

- DEQ will enter into a contract for the development of a GHG and co-pollutant emission reductions quantification tool. This will be a 2-year contract in the amount of \$100,000. The cost of the contract is based on a recent contract to quantify emission reductions for Idaho's Priority Plan which cost \$100,000 and provided a tool that quantified emissions from high-level scenarios. The contractor will provide the following:
 - Well documented, user-friendly tool that is customized to Idaho's environment and land use.
 - Training for DEQ staff and document that provides calculation methods and assumptions.

Other:

Sub Awards

DEQ will issue sub awards to Idaho Department of Lands (IDL) and Idaho Department of Fish and Game (IDFG) to implement this measure. IDL and IDFG developed a budget based on the number of acres they determined that could be completed within the 5-year period of the grant.

IDL sub award Budget: \$21,000,000

Personnel and Fringe Benefits - \$2,193,818

- Costs include staff time to administer the program, implement projects.

Travel - \$548,364

- In state travel for project work as well as visiting project locations and meetings.

Supplies - \$137,091

- Will include consumables associated with implementing projects such as flagging, marking paint, saw chain, gloves, as needed printing of existing education materials, etc..

Other - \$16,800,000

- IDL will issue sub awards to IDL cooperators for the implementation of fuels mitigation work throughout the state. IDL anticipates 12-15 awards will be made.

Indirect - \$772,727 is based on cognizant rate which is negotiated with the USFS and as dictated by OMB Super Circular.

IDFG sub award budget: \$1,375,000

Contractual – \$1,375,000

- IDFG will issue 2 contracts for juniper removal (~1,667 acres @ \$90/acre) and forest health (~125 acres @ \$1,000/acre). These costs are based on similar projects that have been completed.

Measure 4: Conservation & Restoration Program:

Personnel:

- GSAQI Project Manager – This position will spend 10% of their time supporting this measure to manage three sub awards, conduct project site visits and complete reporting requirements.

Fringe Benefits: - Calculated as described above.

Travel:

- The GSAQI Project Manager will have 2 in-state trips per year to conduct project site visits; 1 to South Idaho and 1 to North Idaho. Each trip will include 4 overnight stays, per diem, and use of DEQ fleet vehicle. The average nightly rate for an Idaho hotel is \$150/night. Idaho approved in-state per diem rate for SFY24 is \$55/day. The cost of use of the DEQ fleet vehicle is included in DEQ's approved indirect rate.

Contractual:

- DEQ will enter into a contract for the development of a GHG and co-pollutant emission reductions quantification tool. This will be a 2-year contract in the amount of \$100,000. The cost of the contract is based on a recent contract to quantify emission reductions for Idaho's Priority Plan which cost \$100,000 and provided a tool that quantified emissions from high-level scenarios. The contractor will provide the following:
 - Well documented, user-friendly tool that is customized to Idaho's environment and land use.
 - Training for DEQ staff and document that provides calculation methods and assumptions.

Other:

DEQ will issue sub awards to IDL, IDFG, and Idaho Coalition of Land Trusts (ICOLT) to implement this measure. IDL, IDFG, and ICOLT developed a budget based on the number of acres they determined that could be completed within the 5-year period of the grant.

IDL sub award budget: \$6,000,000

Personnel - \$636,364

- Costs include staff time to administer the program, implement projects.

Travel - \$127,272

- In state travel for project work as well as visiting project locations and meetings.

Supplies - \$31,819

- Will include consumables associated with implementing projects such as flagging, marking paint, saw chain, gloves, as needed printing of existing education materials, etc..

Contractual and Other - \$4,800,000

- IDL will issue sub awards to IDL cooperators for the implementation of restoration work throughout the state.
- IDL will issue contracts for due diligence work in support of conservation easement acquisition
- IDL may use funds to acquire conservation easements.

Indirect - \$404,545 is based on cognizant rate which is negotiated with the USFS and as dictated by OMB Super Circular.

IDFG sub award budget - \$4,797,763

Personnel and Fringe: \$173,882

- IDFG will support a portion of one existing full time employee's salary in order to coordinate the conservation easement due diligence and purchase activities. IDFG will also hire two seasonal technicians to support restoration activities that will otherwise be largely handled by third party contractors.
- Fringe- Fringe rates for full and part time employees are established at an agency and state level

Contractual: \$2,000,000

- Conservation easement due diligence costs include appraisals, land surveys, baseline reports, mineral remoteness surveys, title commitments and closing fees) These activities will be contracted out and coordinated by the Staff Biologist. IDFG expects to pursue 1 easement per year, with the recognition that not all projects that incur due diligence costs will actually lead to an easement purchase.
- Contracts for riparian restoration (~75 acres @ \$2,000/acre), shrub planting (~250 acres @ \$200/acre), rangeland seeding (~500 acres @ \$200/acre), and conifer plantings (~250 acres @ \$200/acre). These cost are based on similar projects that have been completed.

Other: \$2,450,000

- Conservation easement purchase ~3000 @ \$750/acre
- Conservation easement stewardship @\$50,000/easement per year.

Indirect: \$173,882 based on an approved 27.21%.

ICOLT sub award budget: \$1,100,000

Personnel: \$100,000 for staff to administer program

Contractual: \$1,000,000

- For due diligence work at average cost of \$50,000 per project and 4 projects per year.

Measure 5: Waste Diversion Program

Personnel:

- GSAQI Project Manager – This position will spend 60% of their time supporting this measure.
- Contracts Officer - This position will spend 75% of their time supporting this measure.

Fringe Benefits: - Calculated as described above.

Travel:

- The GSAQI Project Manager will have 2 in-state trips per year to conduct project site visits; 1 to South Idaho and 1 to North Idaho. Each trip will include 4 overnight stays, per diem, and use of DEQ fleet vehicle. The average nightly rate for an Idaho hotel is \$150/night. Idaho approved in-state per diem rate for SFY24 is \$55/day. The cost of use of the DEQ fleet vehicle is included in DEQ's approved indirect rate.

Other:

Sub Awards

Sub award to cities and counties total budget: \$6,927,183

DEQ will issue sub awards to cities and counties through a competitive application process. DEQ determined that a 5-year program could result in 35,000 tons each of recyclables and organics diverted from landfills. DEQ used the GHG emission reductions calculations spreadsheet to develop a budget based on the tons diverted and costs documented in the attached Technical Appendix. A total of \$6,927,183 was calculated for this program.