

Climate Pollution Reduction Grants – Implementation Grants

Texas Budget for General Competition

1. Budget Detail

This budget narrative uses the following budget categories to break out costs associated with implementation of the proposed measures:

- Personnel: Direct costs for salaries and wages.
- Fringe Benefits: Allowances and services provided by the employer to personnel in addition to regular salaries and wages. These may include the cost of leave, employee insurance, pensions and unemployment, cell phone allowances, holiday bonuses, and similar benefits.
- Travel: Costs for transportation services, lodging, per diem, mileage, transportation, and similar personal expenses allowed under applicable travel policies for trips necessary to implement the proposal.
- Equipment: Costs for tangible, non-expendable, personal property having a useful life of more than one-year and an acquisition cost of \$5,000 or more per unit used by personnel implementing the proposal. Equipment purchased by project participants is classified in the “Other” budget category as participant support costs. TCEQ does not expect any equipment purchases.
- Supplies: Costs for tangible personal property other than equipment with a per item acquisition cost of less than \$5,000 that are necessary to implement the proposal.
- Contractual: Costs associated with contracts to acquire property (including intellectual property) and services needed to carry out the proposal.
- Other: Direct costs that do not fit in any of the other budget categories, including participant support costs and subawards.
- Indirect: Costs incurred for a common or joint purpose that benefit more than the proposed project that is not readily divisible among cost objectives without efforts disproportionate to the results achieved. Examples include space costs, utilities, accounting services, human resources, etc.

An explanation of costs associated with each measure and a consolidated budget for all four measures are presented below. A breakdown of costs for each budget category for each measure is provided in the CPRG Implementation Grants Budget Table included with this proposal.

a. Personnel and Fringe

- Total Personnel: \$2,500,000
- Total Fringe: \$973,250

TCEQ will budget one FTE per proposed measure, for a total 4 FTEs. These FTEs will be Project Managers for each associated measure. For each respective measure, the project manager will be responsible for:

- Selection of a third-party program administrator and technical assistance contractor, when needed.
- Initial community engagement efforts prior to selection of program administrator.
- Coordination with the program administrator to develop grant program materials and details.
- Project application review and final approval on awarded project awards, pilot projects, and rebates.
- Tracking of grant budget and spending.
- Review of project tracking from the program administrator.
- Selection of a contractor to conduct program analytics and review of analytics produced.
- Submission of progress reports and final reports to EPA.
- Tracking of performance measures.

The salary for a senior project manager will start at \$115,000 per year, with a \$5000 per year raise built in for each year of the grant. TCEQ fringe rates are 38.93% and includes, but is not limited to, the cost of leave, employee insurance, pensions, and unemployment benefit plans.

b. Travel

- Total Travel: \$58,514

For each proposed measure, TCEQ is budgeting one out of state trip per year, per employee, for each year of the grant. Out of state travel would be used to attend any relevant conference or workshop to share details on TCEQ's measures, or to learn about other programs as relevant to the measures implemented in Texas. Out of state travel may also be used for training or other conferences as relevant to the program. The budget includes airfare, travel, meal expenses, and conference or training fees for three days for each year of the measure.

For each measure, TCEQ is also budgeting for three days of in-state travel per year, per employee. In-state travel would be used for outreach or engagement activities, or for project site visits. The budget includes mileage, meal expenses, and parking.

c. Equipment

TCEQ does not anticipate any equipment purchases for any of the proposed measures.

d. Supplies

- Total Supplies: \$35,000

TCEQ budgeted one laptop plus accessories for each FTE for each measure. TCEQ also budgeted for supplies for each year for each measure. Supplies could include a variety of consumable supplies such as paper, pens, folders, etc. These supplies may also be used for engagement activities and for program materials.

e. Contractual

- Total Contractual: \$16,463,746

TCEQ is budgeting contractual costs to hire four third-party administrators, one for each proposed measure. Each third-party administrator would be responsible for the following:

- Development of program parameters, application specifics, and any competitive scoring criteria.
- Development of outreach materials.
- Outreach, engagement, and education about the programs with the public and relevant stakeholders.
- Submitted project review and application selection.
- Annual review of program and adjustment to program based on previous rounds.
- Ensuring applicable projects meet Davis Bacon Prevailing Wage and Build America, Buy America requirements.

TCEQ is also budgeting for a technical support contractor for the New Oil and Gas Technology and the Rural Clean Vehicle programs. The technical support contractor would be responsible for development of a technical assistance program that could include stakeholder engagement, technical assistance with application and documentation, and technical training.

TCEQ also budgeted for program analytics for all four measures. These contractual services will be used to track grant progress, calculate reduction estimates, calculate quantifiable low income and disadvantaged community (LIDAC) benefits, and analyze any other metrics relevant to the program.

f. Other

- Total Other: \$479,111,239

TCEQ budgeted the bulk of the proposed grant funds towards each of the four grant measure programs. The Petroleum and Refinery Innovation and the New Oil and Gas Technology programs will include programmatic funds that will be used to incentivize projects for the respective industries. The Electric Power Innovation Program will include an award for a pilot project to demonstrate an innovative energy generation technology, a fund to incentivize renewable energy storage projects, and a fund to award a variety of energy generation and demand reduction projects. The Rural Clean Vehicle Program will include a fund to provide rebates for medium- and heavy-duty vehicles and equipment.

g. Indirect

- Total Indirect: \$858,250

TCEQ indirect rates are 34.33%. Indirect costs are commonly referred to as overhead or facilities and administration costs. Those costs that the TCEQ cannot charge to a grant or contract as a direct cost. These costs are considered common or shared and are incurred in support of more than one cost objective. Examples of indirect costs for TCEQ includes rent, utilities, payroll processing, accounts payable, human resources, and other support services.

2. Expenditure of Awarded Funds

TCEQ will expend and account for awarded funds in accordance with state laws and procedures for expending and accounting for the state's own funds. The financial management system for TCEQ complies with the requirements of 2 CFR 200.302(b).

These agreements will include all applicable pass-through requirements for subrecipients in accordance with [EPA's Subaward Policy](#) and [EPA's General Term and Condition for Subawards](#). The semi-annual reports and final report will include a breakdown of expenditures associated with implementation of this proposal.

3. Reasonableness of Costs

Reasonableness of costs are outlined in the Section 1 for each budget category. A detailed, itemized breakdown of costs is included in the attached CPRG Implementation Grants Budget Table.