Appendix E—Guidance and Checklist for Determining Progress of State NPS Management Programs and Performance of CWA Section 319 Grants

Regions shall review the progress that each state is making in implementing its nonpoint source (NPS) management program and provide written documentation of this progress. Specifically, prior to approving funding recommendations for the award of section 319 funds, the Regions shall complete this checklist covering the prior section 319 grant or PPG reporting period. The checklist applies to all states that receive funds from section 319; however, Section 5 applies only to states that include these funds in Performance Partnership Grants (PPGs). Note that the Rate of Expenditure analysis in Section 4(B) is not required for section 319 funds incorporated into a PPG.

The checklist is designed to document the extent to which each state meets foundational aspects of program progress and CWA section 319 grant management requirements, including those specified in binding section 319 grant guidelines available at www.epa.gov/nps/319. These aspects should be assessed as a whole in making a determination, with each response constituting information, or a line of evidence, that will lead towards a decision based on the Region's best professional judgment. Negative responses to a question may be supplemented with a justification or description of a corrective action underway or necessary. Yes-or-no questions should typically begin with "yes" or "no" responses (and sparingly with other responses such as "n/a", "unknown", or "somewhat"); additional succinct assessments or explanations are strongly encouraged, where helpful. With only one question in the checklist – question 1(A)(iv) – does a "no" response constitute a de facto finding of unsatisfactory progress, per CWA section 319(h)(8).

The final determination of progress of state NPS management programs is to be made by the Regional Administrator or delegated authority (e.g., water division director or program manager). The checklist for this determination should be completed by the appropriate regional NPS program staff (typically, the CWA section 319 Grant Project Officer for non-PPG awards and the CWA section 319 NPS Program Coordinator for states that include section 319 grant funds in a PPG). A transmittal letter or memo for each determination shall include a summary of any significant outstanding concerns and notice of corrective action plan, if needed. Each state NPS program manager shall receive a copy of this transmittal letter/memo and the completed checklist, with a copy to the state water division director. The completed checklist and transmittal letter/memo may be attached to the grant funding recommendation.

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1. **Meeting Statutory and Regulatory Requirements and Demonstrating Water Quality Results**

   A. Section 319(h)(8) requires EPA to determine if a state has made satisfactory progress in meeting a schedule of annual milestones to implement its NPS management program.

i) Does the state's NPS management program include relevant, up-to-date and trackable annual milestones for program implementation?

ii) If the state does not yet include up-to-date annual milestones in its NPS management program, in what document(s) is this schedule located?

iii) Has the state reported its progress in the annual report required under CWA section 319(h)(11) in meeting its milestone(s) for the preceding fiscal year?

iv) Has the state demonstrated satisfactory progress in meeting its schedule of milestone(s) for the preceding fiscal year? Briefly elaborate. (If no, in accordance with CWA section 319(h)(8), the 319 grant award for the coming year cannot be awarded.)

B. Section 319(h)(11) requires each state to report on an annual basis reductions in NPS pollutant loading and improvements in water quality.

i) For all active projects that have NPS reduction goals for nutrients or sediment, did the state report load reductions (WQ-9) into GRTS during the reporting period after the first year that practices were installed or implemented achieved?

ii) Has the state reported improvements in water quality that have occurred in the current reporting period resulting from implementation of its NPS management program and/or previous years' section 319(h) grant work plans? (e.g., reporting on SP-12 or other improvements such as shellfish bed and beach openings that have not yet led to attainment of water quality standards)?

iii) Did the state meet its annual commitment/target/goal (if any) under WQ-10 to remove impaired waters from the 303(d) list?

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2. Overall GRTS Reporting

For this question, it is sufficient to report on the results of previously conducted post-award grants monitoring. No additional monitoring may be needed.

A. To ensure that the state meets the reporting requirements in section 319(h)(11), did the state enter all mandated data elements into GRTS (including geolocational tags where available) for all applicable projects in the previous section 319 grant award?

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3. Focus on Watershed-Based Implementation

For this question, it is sufficient to document the results of previous findings, if this was determined during the Region's reviews of the state's active grant work plans.

A. Is the state implementing nine-element watershed-based plans – or approved alternative plans - at required grant expenditure levels in accordance with EPA's guidelines for CWA section 319(h) grants? That is, in fiscal year 2014 and subsequent years, was 50% of the state's grant used to implement watershed based plans, unless the state provided state funding for watershed projects equal to its total section 319 allocation? If no, please explain.

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4. Ensuring Fiscal Accountability

For this section, it is sufficient to briefly report on the results of previously conducted grants management and oversight required of all grants.

A. *Tracking and Reporting*. For all active section 319(h) grants, using existing post-award monitoring or best professional judgment:

   i) Is the state's RFP process efficient and timely for selecting and funding projects within the work plan timeframe?

   ii) Did the State obligate all of the section 319(h) funds in the previous year's award within one year per current section 319 grant guidelines?

B. *Rate of Expenditures*. For categorical grants, include and examine a summary of expenditures for all open section 319 grant awards listing the following: state; grant #; FY; project period; grant award amount; balance (unliquidated obligation); percent unliquidated obligation. See example below, which contains information readily available through Compass, EPA's financial data warehouse. This information could also be obtained from other EPA tools such as GRTS or the Post Award Baseline Tracking Tool. Include a state total of grant award amount, balance and percent unliquidated obligation. Please reference the source and date of information used to answer the question below. ("SA" in column 1of the example below = State Abbreviation.)
Note: This analysis is not required for section 319 funds incorporated into a PPG.

CWA Section 319(h) Funds, Rates of Expenditures (Unliquidated Obligations)								
Based on Compass Federal Data Warehouse Online on **<PROVIDE DATE>**								
	Grant #	**FY**	**Project**		**Period**	**Grant Award Amount**	**Balance (ULO)**	**% ULO**
SA	C9-97956808	08	07/01/08	-	06/30/13	$ 2,699,664	$ 89,089	3.3%
SA	C9-97956809	09	07/01/09	-	06/30/14	$ 2,759,386	$ 482,893	17.5%
SA	C9-97956810	10	07/01/10	-	06/30/15	$ 2,608,349	$ 957,264	36.7%
SA	C9-97956811	11	07/01/11	-	06/30/16	$ 2,257,140	$ 938,970	41.6%
SA	C9-97956812	12	07/01/12	-	06/30/17	$ 2,257,732	$ 1,763,289	78.1%
SA	**Total:**					**$ 12,582,271**	**$ 4,231,505**	**33.6%**

i) Relying on best professional judgment, do the figures in the Rate of Expenditures chart substantially match the expected drawdown rates or the negotiated outlay strategy from the associated grant work plan schedules? If not, briefly explain.

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5. PPG Considerations

For states that include section 319 funds in Performance Partnership Grants (PPGs), briefly report on the following.

A. Has the state followed the goals, objectives and measures of the national program guidelines and priorities in implementing its NPS program? If not, did the state negotiate with the EPA region a work plan that differs significantly from the National Program Manager (NPM) guidance? (If yes, the EPA Region was required to consult with the NPS NPM.) Please explain.

B. Using best professional judgment, has the state adequately documented progress consistent with its listed priorities?

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6. Identifying and Addressing Performance Issues/Progress Concerns

A. Considering issues itemized on this checklist, briefly summarize any significant outstanding section 319 grant performance issues or progress concerns, including recommendation(s) for corrective action(s). For states with out-of-date NPS management programs or schedule of milestones, Regions are to ensure that forthcoming section 319 grant awards are contingent on completing updates to these programs or milestones.

B. Are there other significant outstanding section 319 grant performance issues or progress concerns that were not identified through this checklist? If so, please describe, including any recommendation(s) for corrective action(s), as may be appropriate.