

ENVIRONMENTAL PROTECTION AGENCY

[FRL-6908-9]

Supplemental Guidelines for the Award of Section 319 Nonpoint Source Grants in FY 2001

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of availability.

SUMMARY: EPA has developed guidelines for the award of Clean Water Act Section 319 nonpoint source grants in FY 2001. The guidelines are intended to assist States, Territories, and Tribes in identifying the process and criteria to be used in distributing FY 2001 319 grants. The process and criteria are generally the same as were used last year, which are provided in four documents: *Nonpoint Source Program and Grants Guidance for Fiscal Years 1997 and Future Years* (May 1996); *Process and Criteria for Funding State and Territorial Nonpoint Source Management Programs in FY 1999* (August 18, 1998); *Funding the Development and Implementation of Watershed Restoration Action Strategies under Section 319 of the Clean Water Act* (December 4, 1998); and *Supplemental Guidance for the Award of Section 319 Nonpoint Source Grants in FY 2000* (December 21, 1999). The guidance provided by each of these four documents remains fully in effect except to the extent that they are specifically modified in today's guidelines.

DATES: The guidelines are effective November 28, 2000.

ADDRESSES: Persons requesting additional information or a complete draft of the document should contact Stacie Craddock at (202) 260-3788; craddock.stacie@epa.gov; or U.S. Environmental Protection Agency (4503-F), 1200 Pennsylvania Avenue, NW., Washington, DC 20460.

FOR FURTHER INFORMATION CONTACT: Persons requesting additional information or a complete draft of the document should contact Stacie Craddock at (202) 260-3788; craddock.stacie@epa.gov; or U.S. Environmental Protection Agency (4503-F), 1200 Pennsylvania Avenue, NW., Washington, DC 20460. The complete text of today's guidelines, as well as each of the supplemental documents listed below, is also available on EPA's Internet site on the Nonpoint Source Control Branch homepage <<http://www.epa.gov/owow/nps>>.

SUPPLEMENTARY INFORMATION: Congress enacted Section 319 of the Clean Water Act in 1987, establishing a national program to control nonpoint sources of water pollution. Section 319 authorizes EPA to issue annual grants to States, Territories, and Tribes who have EPA-approved nonpoint source assessment reports and nonpoint source management programs. Section 319 requires States, Territories and Tribes to provide at least a 40 percent non-Federal dollar match.

The Section 319 grants process, criteria, and schedules are set forth in four documents: *Nonpoint Source Program and Grants Guidance for Fiscal Years 1997 and Future Years* (May 1996); *Process and Criteria for Funding State and Territorial Nonpoint Source Management Programs in FY 1999* (August 18, 1998); *Funding the Development and Implementation of Watershed Restoration Action Strategies under Section 319 of the Clean Water Act* (December 4, 1998); and *Supplemental Guidance for the Award of Section 319 Nonpoint Source Grants in FY 2000* (December 21, 1999).

The *Nonpoint Source Program and Grants Guidance for Fiscal Years 1997 and Future Years* (May 1996) is a product of joint discussions in 1995 and 1996, with representatives of EPA Headquarters, Regions and the States, under the auspices of the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). These discussions resulted in new national Section 319 program and grant guidance jointly signed by EPA and ASIWPCA and issued by EPA on May 16, 1996. The guidance reflects a joint commitment to upgrade States' and Territories' nonpoint source management programs to incorporate nine key program elements designed to achieve and maintain beneficial uses of water.

On August 18, 1998, Robert H. Wayland III (Director, Office of Wetlands, Oceans, and Watersheds) issued a memorandum entitled *Process and Criteria for Funding State and Territorial Nonpoint Source Management Programs in FY 1999*. This document supplemented the 1996 guidance with guidelines for the use of incremental (in excess of \$100 million appropriated by Congress) Section 319 nonpoint source grants in FY 1999. These guidelines were consistent with the goals of the *Clean Water Action Plan*, released by the President in February 1998. A central aspect of the Clean Water Action Plan is its set of actions that are designed to promote a renewed focus by States, Territories, and Tribes to identify watersheds with

the most critical water quality problems and to work together to focus resources and implement effective strategies to solve these problems. A key way in which States, Territories, and Tribes would do this is to create Unified Watershed Assessments that identify watersheds that do not meet clean water and other natural resource goals and where preventative action is needed to sustain water quality and aquatic resources, and to develop Watershed Restoration Action Strategies for watersheds most in need of restoration. In accordance with the Clean Water Action Plan and the August 1998 guidelines, States and Territories were to focus incremental Section 319 grant funds on implementing their Watershed Restoration Action Strategies.

A subsequent memorandum issued by Robert Wayland on December 4, 1998, entitled *Funding the Development and Implementation of Watershed Restoration Action Strategies under Section 319 of the Clean Water Act*, expanded upon and reiterated the need for States and Territories to use their incremental Section 319 grant funds to support implementation of actions called for in Watershed Restoration Action Strategies.

On December 21, 1999, Robert Wayland issued a memorandum entitled *Supplemental Guidance for the Award of Section 319 Nonpoint Source Grants in FY 2000*. The guidance was intended to supplement the three aforementioned documents by adding discussion on: use of Section 319 funds for animal feeding operation strategies; increase of grant funds available to Indian Tribes; use of incremental Section 319 grant funds for Watershed Restoration Action Strategies; and use of Section 319 grant funds to support Clean Lakes activities and American Heritage Rivers; and discussion of possible expansion of the computer-based Grants Reporting and Tracking System.

The guidance provided by each of these four documents remains fully in effect except to the extent that they are specifically modified in this year's supplemental guidelines, as summarized immediately below:

1. The incremental \$100 million may be used to implement the nonpoint source components of total maximum daily loads (TMDLs) in all watersheds and of watershed restoration action strategies in Category I watersheds.

2. The \$38 million additional funds appropriated by Congress for FY 2001 may be used to implement projects to control nonpoint source pollution throughout the State, Territory or Tribe. In other words, these additional funds are treated as part of the "base funds",

for a total base amount of \$134.5 million for States. EPA strongly encourages the States and Territories to use these additional funds to implement WRASs in Category I watersheds and to implement TMDLs throughout the State.

3. Regions should include in each 319 grant a written determination that the State, Territory, or Tribe has made satisfactory progress during the previous year to meet the schedule of milestones specified by the State, Territory, or Tribe in its nonpoint source management program.

4. For each State or Territory that has a conditionally approved coastal nonpoint pollution control program under Section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990 (CZARA), the Section 319 grant will provide that at least \$100,000 of the grant dollars will be devoted to specific actions that are designed to meet all outstanding conditions.

The full text of the *Supplemental Guidelines for the Award of Section 319 Nonpoint Source Grants in FY 2001* is published below.

Dated: November 21, 2000.

Robert H. Wayland III,
Director, Office of Wetlands, Oceans, and
Watersheds.

Memorandum

Subject: Supplemental Guidelines for the Award of Section 319 Nonpoint Source Grants in FY 2001.

From: Robert H. Wayland III, Director, Office of Wetlands, Oceans, and Watersheds.

To: EPA Regional Water Division Directors, State and Interstate Water Quality Program Directors.

I am pleased to inform you that Congress has appropriated \$238 million in FY 2001 for States, Territories, and Tribes to help them implement their nonpoint source (NPS) management programs under Section 319 of the Clean Water Act (CWA). This funding increase of \$38 million will enable the States, Territories, and Tribes to strengthen their efforts to implement effective, upgraded NPS programs. This memorandum provides guidelines for the award of the grants under Section 319(h) in FY 2001. We have also attached in Appendix A the allocations for each State and Territory based upon the long-standing 319 allocation formula, including a set-aside for Tribes with approved NPS programs.

Nonpoint Source Grants to Indian Tribes

EPA is extremely pleased that in FY 2001, at EPA's request, Congress has again authorized removal of the 1/3%

cap in Section 518(f) on awarding nonpoint source grants to Indian Tribes. We are very pleased with the number of excellent Tribal grant proposals that we received in FY 2000, which exceeded the \$2.5 million provided for Tribal nonpoint source grants in FY 2000. In light of our experience in FY 2000, we are setting aside \$6 million for grants to Tribes in FY 2001. We are currently preparing a separate memorandum detailing the funding process that will be used in FY 2001 to make Section 319 grant awards to Tribes. We are currently circulating a draft of that memorandum to EPA Regions and to Tribes for review and comment prior to finalizing the memorandum.

States' and Territories' Upgraded Nonpoint Source Programs

I would like to take this opportunity to express my great appreciation and admiration for the fine work that the States and Territories have done during the past several years to upgrade their nonpoint source management programs. I am confident that these upgraded programs will provide the basis for accelerating our success in solving NPS problems and in achieving our water quality goals.

The States' and Territories' upgraded programs collectively represent a tremendous effort by the States and Territories to strengthen their programs. The increased level of effort and sophistication of the States' and Territories' programs is reflected in many ways. First, the States and Territories have developed objective long-term and short-term goals and milestones that provide a framework for future actions over the next five, ten, and fifteen years. Second, the States and Territories have developed plans to enhance their existing partnerships among State, Territory, and Federal agencies; industry, agriculture, and environmental groups; and other interested groups. Third, they have targeted their nonpoint source funds and technical assistance efforts to geographic priorities, such as 303(d)-listed waters and Category I watersheds identified through the States' and Territories' Unified Watershed Assessments.

Other key State and Territory program improvements include increased and enhanced coordination with key related programs such as the coastal nonpoint pollution control program under Section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990 (CZARA); new and increased State funding programs to address nonpoint sources well above the levels needed to match the Federal 319 dollars, including

both significant new State nonpoint source funding programs as well as the increased use of State revolving loan funds in many States to address nonpoint source pollution; and increased development of new State and Territory enforcement authorities to address high-priority problems such as animal waste and stormwater.

EPA Headquarters staff have begun to prepare brief summaries of the most salient aspects of each approved State and Territory's upgraded nonpoint source program, and we will forward them to each of you when they are complete.

State/EPA NPS Partnership

To build upon this success, the States and EPA have developed and are beginning to implement a new State/EPA NPS Partnership. The purpose of this new cooperative process is to identify, prioritize, and address the needs of States, Territories, and Tribes for technical, programmatic, and financial assistance to overcome any remaining obstacles to successfully implementing your nonpoint source programs. Building upon the three-day meeting that EPA and the Association of State and Interstate Water Pollution Control Administrators (ASIWPAC) held in April 2000 in Riverside, California, we have formed seven work groups that have already begun the work of identifying the States', Territories', and Tribes' highest needs and jointly developing and implementing appropriate plans and strategies to address those needs. The work groups are:

1. Watershed Planning and Implementation, including total maximum daily loads (TMDLs)
2. Rural Nonpoint Sources
3. Urban Nonpoint Sources
4. NPS Grants Management
5. NPS Capacity Building and Funding
6. Information Transfer and Outreach
7. NPS Results (discussed below)

I am pleased that, to date, many State and EPA Regional staff have already volunteered to co-chair or join one or more of the seven work groups that are guiding this State/EPA NPS Partnership. I welcome you to encourage additional State, Territorial and Tribal experts to get involved in this process and provide assistance in solving our remaining nonpoint source problems. Any experts interested in getting involved should contact either Dov Weitman, Chief of EPA's Nonpoint Source Control Branch Chief, at (202) 260-7088, weitman.dov@epa.gov, or Linda Eichmiller, Deputy Director of ASIWPAC, at (202) 898-0905, l.eichmiller@asiwpca.org.

General Guidelines for NPS Grants Are Unchanged in FY 2001

The Section 319 grants process and criteria to be used in FY 2001 are generally the same as were used last year. The process, criteria, and schedules are set forth in four documents: (1) *Nonpoint Source Program and Grants Guidance for Fiscal Years 1997 and Future Years* (May 1996); (2) *Process and Criteria for Funding State and Territorial Nonpoint Source Management Programs in FY 1999* (August 18, 1998); (3) *Funding the Development and Implementation of Watershed Restoration Action Strategies under Section 319 of the Clean Water Act* (December 4, 1998); and *Supplemental Guidance for the Award of Section 319 Nonpoint Source Grants in FY 2000* (December 21, 1999). The guidance provided by each of these four documents remains fully in effect except to the extent that they are specifically modified in this memorandum, as summarized immediately below:

1. The incremental \$100 million may be used to implement the nonpoint source components of TMDLs in all watersheds and of watershed restoration action strategies in Category I watersheds.

2. The States and Territories will receive an additional \$34.5 million above the FY 2000 level of \$200 million; Tribes will receive an additional \$3.5 million that is being added to the Tribal set-aside to provide a total of \$6 million for Tribes in FY 2001. Each State and Territory may use its additional funds to implement projects to control nonpoint source pollution throughout the State or Territory. In other words, these additional funds are treated as part of the "base funds", for a total base amount of \$134.5 million for States. However, EPA strongly encourages the States and Territories to use these new funds to implement WRASs in Category I watersheds and to implement TMDLs throughout the State or Territory. In other words, they may be spent in the same manner as the other \$100 million of "base funds".

3. Regions should include in each 319 grant a written determination that the State, Territory, or Tribe has made satisfactory progress during the previous year to meet the schedule of milestones specified by the State, Territory, or Tribe in its nonpoint source management program.

4. For each State or Territory that has a conditionally approved coastal nonpoint pollution control program under Section 6217 of the Coastal Zone Act Reauthorization Amendments of

1990 (CZARA), the Section 319 grant will provide that at least \$100,000 of the grant dollars will be devoted to specific actions that are designed to meet all outstanding conditions.

Each of the documents listed above is attached to the electronic version of this memorandum and also may be reviewed online or downloaded from the nonpoint source website at www.epa.gov/owow/nps.

Watershed Restoration Action Strategies and TMDLs

As discussed in my December 21, 1999, memorandum and the Clean Water Action Plan, the incremental 100 million Section 319 dollars are to be used to implement Watershed Restoration Action Strategies (WRASs) to control nonpoint source pollution. As in the previous two years, however, States and Territories may use up to 20 percent of the incremental funds (as well as up to 20 percent of the "base" funds) to develop WRASs. We recommend that EPA Regions and the States and Territories review the *Framework for developing Unified Watershed Assessments ("UWA") and Watershed Restoration Action Strategies* (June 9, 1998), and the memorandum, "*Unified Watershed Assessment Framework: 2000 Supplement*", published jointly by USDA and EPA on November 30, 1999.

In FY 1999 and 2000, we recognized that many States and Territories had not completed development of WRASs or may have completed development of only one or two. Therefore, we authorized the funding of critical components of a WRAS that is not yet complete but that the State or Territory has committed to completing, provided that those components have been developed and are ready for implementation. We encouraged States and Territories to begin funding the implementation of nonpoint source components of TMDLs that have been approved under Section 303(d) of the Clean Water Act in Category I watersheds. Similarly, we stated that implementation of CZARA Section 6217 management measures in Category I watersheds, or of a program that addresses the results of a completed source water assessment, should be considered for funding prior to completion of the entire WRAS.

In my December 21, 1999, memorandum, I stated our expectation that, beginning with the FY 2001 grants cycle, only completed or fully drafted WRASs in Category I watersheds would be eligible for funding with the incremental Section 319 dollars. I am reiterating at this time that the

incremental (\$100 million) FY 2001 funds may be used only to implement completed or fully drafted WRASs, or to develop WRASs (using up to 20% of the incremental funds), with one exception discussed immediately below.

It is apparent to all of us who are working in nonpoint source management and, more generally, watershed management, that TMDLs have become a critical tool for addressing water quality impairments at the watershed level. This fact has manifested itself on many levels. First, as indicated above, most State and Territory nonpoint source programs have been re-aligned in the past few years to focus on implementing watershed projects that help solve identified water quality problems in high-priority waters, most of which are listed by the States and Territories under Section 303(d) of the Clean Water Act. Second, many WRASs themselves are being developed on a foundation established by a TMDL or set of TMDLs. Third, most States' TMDL programs have by now been the subject of litigation that has resulted in court orders which require the development of TMDLs that address both point sources and nonpoint sources in accordance with expeditious schedules. All of these factors have properly focused greatly increased attention on solving identified water quality problems in impaired waters.

These factors all point to the need to increasingly focus Section 319 grant dollars on implementing approved TMDLs, under EPA's existing effective TMDL regulations and guidance, for nonpoint sources. Most Section 303(d) waters are contained in UWA Category I watersheds. However, where a waterbody impaired by nonpoint sources is not contained within a Category I watershed, EPA believes that it is essential that the waterbody be eligible for incremental 319 funds to help bring the waterbody back into compliance with water quality standards. Therefore, beginning in FY 2001, incremental Section 319 funds may be used to fund: (1) the development of WRASs and the implementation of completed or fully drafted WRASs in Category I watersheds, and (2) the development and implementation of approved TMDLs for any 303(d)-listed waterbodies.

States and Territories may use up to 20% of both the base and incremental dollars to fund the development of the nonpoint source components of WRASs and TMDLs and to conduct related assessment activities; at least 80% of the funds must be used for

implementation activities. We recognize the importance of TMDL development activities. For that reason, EPA has not only made 20% of both the base and incremental Section 319 funding available for this purpose, but EPA also requested, and Congress has appropriated, significantly increased funding under Section 106 of the CWA that can be used for TMDL development. With regard to the remaining 80% of Section 319 funds, however, it is essential that they be devoted to the primary purpose of Section 319—implementing actions that will directly assist in solving identified nonpoint source pollution problems.

One question that is likely to arise this year is how the additional \$34.5 million that is being awarded to States and Territories in FY 2001 should be classified and spent. EPA's request to Congress for an increase in FY 2001 Section 319 funds was intended to provide further support for States and Territories to solve their high-priority water quality problems. EPA is providing States and Territories with the flexibility to select those implementation activities that they believe are of the highest priority. EPA encourages States and Territories to use these funds, like the incremental \$100 million, to implement WRASs in Category I watersheds and TMDLs to restore 303(d)-listed waterbodies. Finally, as indicated in the preceding paragraph, States and Territories may use up to 20% of the additional \$34.5 million for assessment and development activities, including the development of TMDLs and WRASs.

Like last year, Section 319(h) grants to States and Territories in FY 2001 should clearly indicate which activities will be implemented using the base funds (\$134.5 million) and which projects will be supported by the incremental (\$100 million) funds. The work plans should clearly identify: (1) The Category I watersheds and sub-watersheds where the incremental funds will be used to implement WRASs and TMDLs, and (2) the activities to be undertaken to assist in the assessment and development of WRASs and TMDLs. Activities supported by the incremental funds should be separately tracked.

State and Territory Coastal Nonpoint Pollution Control Programs

In 1997 and 1998, EPA and the National Oceanic and Atmospheric Administration (NOAA) approved, subject to certain conditions, the coastal nonpoint pollution control programs ("coastal nonpoint programs") that States and Territories submitted pursuant to Section 6217(a) of the

Coastal Zone Act Reauthorization Amendments of 1990 (CZARA). Under CZARA, States and Territories were required to include in their coastal nonpoint programs (1) management measures in conformity with the guidance published by EPA as required by Section 6217(g) of CZARA, and (2) enforceable policies and mechanisms that ensure implementation of the management measures. The NOAA/EPA approval documents contained findings that identified those management measures with which the State's or Territory's program did or did not conform, and those measures for which the program did or did not have enforceable policies and mechanisms that ensure implementation.

Some States' and Territories' conditional approvals have recently expired, and many more are set to expire during the next year. For the reasons discussed below, and subject to the further conditions discussed below, NOAA and EPA have decided to grant these States and Territories, where needed, no more than an additional two years to complete the development and obtain full approval of their coastal nonpoint program. The most significant condition is that any FY 2001 Section 319 grant to a State or Territory that has conditional approval of its CZARA program must include a provision that the State or Territory will devote at least \$100,000 of its FY 2001 319 grant dollars to specific actions that are designed to meet all outstanding conditions.

Discussion

In 1997 and 1998, twenty-nine States and Territories received "conditional approval" of their coastal nonpoint programs in accordance with the provisions of CZARA and NOAA/EPA guidance. This effectively stayed the provisions of Section 6217(c) that provide for grant reductions for unapproved programs. Each State's or Territory's conditions required the State or Territory to address identified shortcomings in its management measures or in its enforceable policies and mechanisms to ensure implementation of particular management measures. Each condition stated a deadline for completion, generally within 3 years after conditional approval and, in a few instances, up to 5 years.

Despite significant efforts by many States and Territories to complete the development of their coastal nonpoint programs, only three States and one Territory have received full approval to date. Fourteen States and Territories are scheduled to have all of their conditions

expire by the end of 2000. Eleven other States and Territories will have all of their conditions expire sometime in 2001.

NOAA and EPA recognize that many States and Territories have encountered significant difficulties in completing the program development process expeditiously, for instance:

- Appropriations for State and Territory participation have been limited and no new appropriations were provided to NOAA and EPA for program development support purposes;
- The statute sets ambitious goals that address a number of politically difficult issues such as imposing a mandatory "enforceable policy" approach on traditionally voluntary programs;
- There has been, in some states, a lack of support for the adoption of specific nonpoint source management measures.

NOAA and EPA recognize these limitations, but agree that in the interest of improving the quality of coastal waters and other coastal resources, efforts to adopt full CZARA programs should continue. We have thus established the following process to assist States and Territories in a cooperative effort to achieve a goal of attaining full approval as soon as possible within the next two years, recognizing that for some States and Territories the completion of products is the only principal action delaying approval.

Approach

On page 5 of the 1995 guidance entitled "Flexibility Guidance for State Coastal Nonpoint Programs", NOAA and EPA stated that States and Territories may receive "up to five years after conditional approval to meet conditions. * * *" In light of the current expectation that a significant majority of States and Territories that were given 3-year conditions will not meet these conditions prior to their expiration dates, NOAA and EPA believe that it is in the best interest of assuring the completion of robust State and Territory CZARA programs to extend the current conditions up to a total of no more than 5 years where needed. This action is in conformance with the five year timeframe authorized in the 1995 guidance, and will be coupled with the steps outlined below to help the States and Territories meet all conditions by the end of their overall 5-year conditional approval period:

1. Draft National Report

- a. By early 2001, NOAA and EPA will issue a draft National Report on the current status of each of the

conditionally approved State and Territory programs. The report will highlight State and Territory successes and obstacles in developing and implementing coastal nonpoint programs to protect coastal waters and will also include a State-by-State summary of the conditions that remain and the necessary actions to be taken to meet the conditions. Additionally, in certain cases, activities taking place in other related programs (e.g., implementation of TMDLs in coastal waters that will simultaneously address additional management measures intended to protect coastal water quality, and implementation of stormwater construction management measures under Phase II of the NPDES stormwater program) may expedite the completion of the conditions, and these programs and activities will be reflected in the National Report.

b. NOAA and EPA will provide the States, Territories, and other interested persons an opportunity to review and comment on the draft National Report. After receiving the comments and making appropriate changes, NOAA and EPA will publish the final report by late Spring 2001.

2. EPA and NOAA, having identified those States and Territories that are currently close to obtaining full approval, will target assistance to those programs to achieve approval within the next year.

3. EPA, NOAA, and each State and Territory will develop a workplan to address the significant remaining issues in each State and Territory, with the intention of achieving full approval as soon as feasible but in all cases within the two-year extension.

4. By late Spring, 2001, EPA and NOAA will, working closely with the States and Territories, develop a National Strategy to assist the States and Territories in achieving full approval of their programs. This National Strategy will include a summary of the State and Territory workplans identified in item 3 immediately above; recommended approaches to provide financial or other incentives to promote States' and Territories' progress in completing their programs; and targeted technical assistance workshops that address those management measures or other issues that have proven the most difficult for State and Territory coastal nonpoint programs to successfully address.

5. To assure that States and Territories make progress over the next two years, EPA and NOAA will, in FY 2001 grants, direct that the States and Territories dedicate a reasonable portion of their grant funds towards finalizing these programs. Specifically, EPA will direct

that each State and Territory with conditional approval must devote at least \$100,000 of its FY 2001 319 grant dollars to specific actions that are designed to meet all outstanding conditions (and, for the four States that do not yet have conditional approval, to develop new coastal nonpoint programs) for NOAA and EPA approval. NOAA will use its grant process under its laws to achieve corresponding dedication of funds to meet all outstanding conditions.

To effectuate this requirement, the FY 2001 Section 319 grants issued by EPA's regional offices to States and Territories that have conditional approval at the time the grants are issued will include the following grant condition:

"[Name of State or Territory] will devote at least \$100,000 of its FY 2001 Section 319 grant dollars to specific actions that are designed to meet all outstanding Section 6217 conditions in its conditional approval under Section 6217 of CZARA. This grant condition will expire immediately upon full EPA approval of [name of State or Territory]'s coastal nonpoint program."

Conclusion

The development and implementation of fully approved CZARA programs provides to States and Territories an excellent opportunity to realize their goals of achieving cleaner coastal waters through the implementation of the best available, economically achievable practices that have been proven to work. Moreover, these will help strengthen the set of tools that States and Territories utilize to implement their recently upgraded nonpoint source management programs under Section 319 of the CWA.

Reporting NPS Results

Working under the umbrella of the newly formed EPA/State NPS Partnership discussed above, EPA and the States have formed a Nonpoint Source Results Workgroup, whose first task is to reevaluate and, as appropriate, revise the current reporting requirements for Section 319 grants. With the ever-increasing amount of Section 319 funds (over a billion dollars appropriated in FY 1990–2000), EPA and the States and Territories must be able to assure the public and the Congress that the funds are being used in both a legally appropriate and environmentally effective manner. This work group met in St. Louis in February 2000 and has held several conference calls since that time to develop an agreed-upon set of appropriate data elements that will do the best job, with the least burden, of telling us and our

constituencies what we are accomplishing with the funds. Once the work group has developed a workable draft proposal, we intend to provide a thorough opportunity for all States, Territories and EPA Regions to review and comment on the proposal before it is implemented.

We intend that the revised set of NPS reporting elements will be implemented beginning with the FY 2001 grants cycle. We will modify the associated computer-based data system, the Grants Reporting and Tracking System (GRTS), to accommodate the modified data elements that are to be reported. In addition, to provide a broad variety of user benefits, we have just begun efforts to Web-enable GRTS. (This system will still require protected passwords to enter and use the system, to assure data integrity.) We anticipate that this effort will be completed within 6 months. Furthermore, we plan to link GRTS with the new data system being constructed for both section 305(b) and 303(d) data (called WATERS, which in turn will be supported by the Comprehensive Assessment and Listing Methodology, or CALM). Thus, 319-funded watershed projects will be linked through geo-locational data to water quality status and improvement data contained in WATERS, providing a long-term ability to relate actions on the ground to improvements in water quality.

Determining Satisfactory Progress

Section 319(h)(8) of the CWA provides that no Section 319 grant may be made to a State (or Territory) in any fiscal year unless the Administrator "determines that such State made satisfactory progress in such preceding fiscal year in meeting the schedule specified by such State under subsection (b)(2)." Section 319(b)(2) provides that States' and Territories' approved Section 319 management programs shall include:

A schedule containing annual milestones for (i) utilization of the program implementation methods identified in subparagraph (B), and (ii) implementation of the best management practices identified in subparagraph (A) by the categories, subcategories, or particular nonpoint sources designated under paragraph (1)(B). Such schedule shall provide for utilization of the best management practices at the earliest practicable date.

The May 1996 Nonpoint Source Program and Grants Guidance explains: "The Region will determine, based on review of annual reports, other documents and discussions with the State, whether the State's progress for the previous fiscal year was satisfactory." The guidance does not,

however, state what form the determination must take. In discussions with the Regions, we have noted the Regions have adopted various methods to make determinations of satisfactory progress. We are providing the following guidelines to assure that all 319 grants comport with applicable legal requirements.

Beginning in FY 2001, Regions should include in each Section 319 grant (or in a separate document, such as the grant-issuance cover letter, that is signed by the same EPA official who signs the grant), a written determination that the State or Territory has made satisfactory progress during the previous fiscal year to meet the schedule of milestones specified by the State or Territory in its nonpoint source management program. Regions should base these determinations on annual reports, mid-year and end-of-year reviews, and other documents and discussions with the State or Territory that provide information relevant to making these determinations, and should include a

brief explanation that supports their determinations.

Conclusion

With the new grants cycle in FY 2001, we are entering the second decade of nonpoint source program implementation. With newly upgraded State programs, enlarged resources that are targeted more effectively than ever before, and a broad array of technical, programmatic, and regulatory tools, I envision that our successes during the next ten years in restoring waterbodies impaired by nonpoint source pollution and protecting threatened waters from nonpoint source pollution will accelerate and eclipse those of the previous decade. I look forward to working with you to make this vision a reality.

If you have any questions or comments, please contact me at 202-260-7166 or wayland.robert@epa.gov, or have your staff contact Dov Weitman, Chief of the Nonpoint Source Control Branch, at 202-260-7088 or weitman.dov@epa.gov.

Attachments (to the Emailed Version of This Guidance)

1. Nonpoint Source Program and Grants Guidance for Fiscal Years 1997 and Future Years (May 1996)
 2. Process and Criteria for Funding State and Territorial Nonpoint Source Management Programs in FY 1999 (August 18, 1998)
 3. Funding the Development and Implementation of Watershed Restoration Action Strategies under Section 319 of the Clean Water Act (December 4, 1998)
 4. Supplemental Guidance for the Award of Section 319 Nonpoint Source Grants in FY 2000 (December 21, 1999)
- cc: State Nonpoint Source Coordinators
 EPA Regional Water Quality Branch Chiefs
 EPA Regional Nonpoint Source Coordinators
 EPA Regional Clean Lakes Coordinators
 Kathy Gorospe
 Robbi Savage (ASIWPCA)

Appendix A

FY2001 § 319 GRANT ALLOCATIONS

	Base	Increment	Total
REGION 1			
CONNECTICUT	7,512.7	5,691.3	13,204.0
MAINE	1,291.8	978.6	2,270.4
MASSACHUSETTS	1,549.0	1,173.5	2,722.5
NEW HAMPSHIRE	1,790.0	1,356.0	3,146.0
RHODE ISLAND	1,009.1	764.4	1,773.5
VERMONT	895.1	678.1	1,573.2
REGION 2	977.7	740.7	1,718.4
NEW JERSEY	7,790.6	5,902.0	13,692.6
NEW YORK	2,202.1	1,668.3	3,870.4
PUERTO RICO	4,492.4	3,403.3	7,895.7
VIRGIN ISLANDS	739.5	560.2	1,299.7
REGION 3	356.6	270.2	626.8
DELAWARE	11,480.9	8,697.6	20,178.5
DIST. OF COL.	947.6	717.9	1,665.5
MARYLAND	825.3	625.2	1,450.5
PENNSYLVANIA	1,763.0	1,335.6	3,098.6
VIRGINIA	3,887.7	2,945.2	6,832.9
WEST VIRGINIA	2,601.0	1,970.4	4,571.4
REGION 4	1,456.3	1,103.3	2,559.6
ALABAMA	22,900.4	17,348.8	40,249.2
FLORIDA	2,592.9	1,964.4	4,557.3
GEORGIA	5,177.3	3,922.2	9,099.5
KENTUCKY	3,088.9	2,340.1	5,429.0
MISSISSIPPI	2,262.5	1,714.0	3,976.5
N. CAROLINA	2,536.4	1,921.5	4,457.9
S. CAROLINA	3,074.3	2,329.0	5,403.3
TENNESSEE	2,063.1	1,562.9	3,626.0
REGION 5	2,105.0	1,594.7	3,699.7
ILLINOIS	24,268.4	18,385.1	42,653.5
INDIANA	5,440.3	4,121.4	9,561.7
MICHIGAN	2,964.7	2,246.0	5,210.7
MINNESOTA	3,864.4	2,927.6	6,792.0
OHIO	4,564.0	3,457.5	8,021.5
WISCONSIN	4,014.1	3,041.0	7,055.1
REGION 6	3,420.9	2,591.6	6,012.5
ARKANSAS	15,789.0	11,961.4	27,750.4
LOUISIANA	2,599.4	1,969.2	4,568.6
	3,215.5	2,436.0	5,651.5

FY2001 § 319 GRANT ALLOCATIONS—Continued

	Base	Increment	Total
NEW MEXICO	1,615.3	1,223.7	2,839.0
OKLAHOMA	2,091.0	1,584.1	3,675.1
TEXAS	6,267.8	4,748.4	11,016.2
REGION 7	10,929.6	8,280.1	19,209.7
IOWA	3,023.5	2,290.6	5,314.1
KANSAS	2,442.4	1,850.3	4,292.7
MISSOURI	3,055.1	2,314.5	5,369.6
NEBRASKA	2,408.6	1,824.7	4,233.3
REGION 8	11,280.2	8,545.6	19,825.8
COLORADO	1,672.1	1,266.7	2,938.8
MONTANA	1,749.8	1,325.6	3,075.4
N. DAKOTA	3,192.3	2,418.4	5,610.7
S. DAKOTA	2,162.9	1,638.6	3,801.5
UTAH	1,214.0	919.7	2,133.7
WYOMING	1,289.1	976.6	2,265.7
REGION 9	12,436.3	9,421.5	21,857.8
ARIZONA	2,170.7	1,644.5	3,815.2
CALIFORNIA	7,051.6	5,342.0	12,393.6
HAWAII	1,019.9	772.7	1,792.6
NEVADA	1,124.3	851.7	1,976.0
TRUST TER.	0.0	0.0	0.0
AM. SAMOA	356.6	270.2	626.8
GUAM	356.6	270.2	626.8
MARIANAS	356.6	270.2	626.8
REGION 10	7,611.9	5,766.6	13,378.5
ALASKA	1,609.5	1,219.3	2,828.8
IDAHO	1,633.0	1,237.1	2,870.1
OREGON	1,831.4	1,387.4	3,218.8
WASHINGTON	2,538.0	1,922.8	4,460.8
TOTAL to States	132,000.0	100,000.0	232,000.0
Tribal	6,000.0	6,000.0
GRAND TOTAL	138,000.0	100,000.0	238,000.0

[FR Doc. 00-30279 Filed 11-27-00; 8:45 am]

BILLING CODE 6560-50-U**DEPARTMENT OF HEALTH AND HUMAN SERVICES****Administration for Children and Families****Proposed Information Collection Activity; Comment Request****Proposed Projects**

Title: Child Care Case-Level Report.
OMB No.: 0970-0167.

Description: Section 658K of the Child Care and Development Block Grant Act of 1990 (Pub. L. 101-508, 42 U.S.C. 9858) requires that States and Territories submit monthly case-level data on the children and families receiving direct services under the Child Care and Development Fund. The implementing regulations for the statutorily required reporting are at 45 CFR 98.70. Case-level reports, submitted quarterly or monthly (at grantee option) include monthly sample or full population case-level data. The data elements to be included in these reports are represented in the ACF-801. Disaggregate data is used to determine

program and participant characteristics as well as costs and levels of child care services provided. This provides ACF with the information necessary to make reports to Congress, address national child care needs, offer technical assistance to grantees, meet performance measures, and conduct research. Consistent with the statute and regulations, ACF requests extension of the ACF-801.

Respondents: States, the District of Columbia, and Territories including Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Marianna Islands.

ANNUAL BURDEN ESTIMATES

Instrument	Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
ACF-801	56	4	20	4,480
Estimated Total Annual Burden Hours	4,480

In compliance with the requirements of Section 3506(c)(2)(A) of the

Paperwork Reduction Act of 1995, the Administration for Children and

Families is soliciting public comment on the specific aspects of the