

**Policy Statement on Funding the Secretariat of the
State and Territorial Air Pollution Program Administrators and
the Association of Local Air Pollution Control Officials**

Office of Air and Radiation

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In 1980, the State and Territorial Air Pollution Program Administrators (STAPPA) and the Association of Local Air Pollution Control Officials (ALAPCO) created a Secretariat to represent their joint interests at the national level. This role includes acting as a chief state/local liaison to EPA in addressing air pollution control issues. The associations are presently composed of 48 of the 50 states*, the District of Columbia, four territories and more than 180 local agencies.

The Executive Boards of the Associations are authorized by the state and local agency membership to oversee certain financial activities on their behalf, including the funding of the Secretariat. With the approval of the Executive Boards, the Secretariat requests a grant each year from EPA to support its operations. EPA reviews and takes action on the Secretariat's request based upon the acceptability of the application, the merits of the work plan and the availability of funding.

At the request of the participating state and local agencies, EPA funds the Secretariat using dollars from the Agency's State and Tribal Assistance Grant (STAG) appropriation, as approved by Congress each year. EPA targets funds to the Secretariat on a pre-allotment basis (i.e., prior to a region-by-region allotment of funds) and awards these funds under the authority of section 103 of the Clean Air Act.

EPA does not require that state and local air pollution control agencies participate in STAPPA or ALAPCO, nor dedicate a portion of their federal grant assistance to the STAPPA-ALAPCO Secretariat. This is a matter for resolution between each state and local agency, its association and the Secretariat.

A current member agency not wishing to contribute its STAG funds directly to the Secretariat should inform the Office of Air and Radiation and the Secretariat prior to the submission of the Secretariat's grant application and work plan for the upcoming grant year. That agency's contribution will be returned to its regional allotment. The remaining member agencies would need to determine if they would cover any shortfall in the Secretariat's request or whether the request would be concomitantly reduced.

The Secretariat will also work with OAR in identifying any nonparticipating state or local agencies. Unless otherwise recommended by the membership of STAPPA and ALAPCO, EPA will continue to calculate each participating agency's contribution based upon the latest population data published by the Census Bureau of the U.S. Department of Commerce.

* Note that the current number of states is 48. S. Dakota and Colorado no longer provide funding to STAPPA-ALAPCO. Texas, Ohio, Utah and Wyoming get billed directly by the STAPPA-ALAPCO Secretariat.

Questions and Answers Related to OAR's Periodic Grant to the STAPPA-ALAPCO Secretariat

What are STAPPA and ALAPCO?

STAPPA and ALAPCO are the national associations of state and local air pollution control program administrators and officials in the United States. STAPPA stands for 'State and Territorial Air Pollution Program Administrators.' ALAPCO stands for 'Association of Local Air Pollution Control Officials.' The predecessor organizations joined in 1980 to create a Secretariat, based in Washington, D.C., to represent their interests at the national level. The Secretariat is headed by an executive director with a small staff that reports to the associations' Boards of Directors. The respective Boards consist of state and local agency officials.

What is the purpose of the STAPPA-ALAPCO Secretariat?

The objective of the Secretariat is to coordinate the activities of state and local air pollution control officials and to engage in activities that enhance the effectiveness of their agencies. This role involves acting as a state/local liaison to EPA, dissemination of information, planning and sponsorship of workshops, coordination of member participation on EPA technical committees, production of technical assistance for members, and addressing air pollution control issues in concert with other public and private interests.

Are all state and local air pollution control agencies members of STAPPA-ALAPCO?

STAPPA and ALAPCO's 1999-2000 membership directory listed all 50 states, the District of Columbia, 182 local jurisdictions, and four territories or commonwealths. Since that time, two states have withdrawn as paying members.¹ Several regional (multi-state) organizations were also listed in the directory because of their ongoing working relationship with STAPPA-ALAPCO, but they are not voting members of the associations.

Are state and local air pollution control agencies required to provide a portion of their federal section 105 funding to support the STAPPA-ALAPCO Secretariat?

No. Through FY 2000, each state and local agency receiving direct grant assistance from EPA had been voluntarily participating in, and contributing to, STAPPA-ALAPCO. However, EPA does not require this participation nor does it require that each agency contribute a portion of its federal grant to support the Secretariat. These are matters between each state or local agency, its association and the Secretariat. (See footnote below.)

What are STAPPA and ALAPCO's nonprofit status?

¹ The Commonwealth of the Northern Mariana Islands is not included. Note that S. Dakota and Colorado have withdrawn as paying members.

According to information submitted to EPA, STAPPA and ALAPCO are nonprofit organizations, exempt from taxation under sections 501(c)(3) and 501(c)(6) of the Internal Revenue Code, respectively. Each year STAPPA and ALAPCO certify that they do not use EPA grant funds to engage in lobbying or political activities as defined in Section 3 of the Lobbying Disclosure Act of 1995.

What is the origin of STAPPA and ALAPCO's funding relationship with EPA?

At the request of its member state and local agencies, the associations created the Secretariat which first applied for, and received, direct grant support from EPA in 1980. The STAPPA-ALAPCO Secretariat has continued to receive grant assistance from the Office of Air and Radiation for each of the past 24 years. Support is provided using State and Tribal Assistance Grant (STAG) funds under section 103 of the Clean Air Act. A recipient match is not required under section 103. The funds that the Secretariat receives would otherwise be allotted for distribution to other eligible STAG recipients such as state and local air pollution control agencies.

Does the Secretariat receive funding support from other sources?

The operations of the Secretariat rely almost entirely on EPA grant resources. STAPPA and ALAPCO have charged a nominal membership fee of their members though this practice has been intermittent. The Secretariat does charge registration fees for national membership meetings. The expenses and revenues for these meetings are treated as program income and used under the grant to fund grant-related activities. The Secretariat primarily sets its registration fees to cover the costs of these meetings. However, the EPA grant agreement does allow the grant to cover a shortfall in grant-eligible meeting expenses.

The Secretariat also receives revenue from the sale of its publications. The Secretariat provides publications produced under the grant free of charge to its membership, but generates nominal income from the fees charged of external parties for copies of its publications. These publications are copyrighted and revenues from their sale after the close of the relevant budget and project period are not considered to be program income.

The Secretariat has traditionally received a section 103 grant from the Office of Air and Radiation to sustain its operations. On occasion, it has also received grant funding from other EPA offices for specific purposes or projects (e.g., studies, reports, or policy and technical documents for the direct benefit of its members).

What process does the Secretariat follow in submitting its funding package?

Typically, the Secretariat prepares a two-year work plan and associated funding request in the spring of the first year of the upcoming two-year period and seeks the approval of the STAPPA and ALAPCO Executive Boards at their spring meeting. Consistent with their organizational charters, the Executive Boards represent the membership in taking action on Secretariat funding matters. After the grant proposal is approved by the Boards, the Secretariat submits the proposal to EPA in the early summer for funding starting on the subsequent October 1 of that year. The initial work plan submission covers the grant and budget period from October

1 of the first year through September 30 of the second year. Since OAR only approves funding on an annual basis, the Secretariat also submits a summary of its accomplishments to date, an updated work plan narrative, and a funding package, in the spring of the interceding year.

What process does OAR follow in acting on the Secretariat's submission?

OAR, and/or its constituent offices, may hold pre-application conversations with STAPPA and ALAPCO on potential activities eligible for grant funding. Once the STAPPA-ALAPCO Secretariat submits its draft funding request, the Office of Air and Radiation project officer conducts a formal peer review of the submission with representatives from the program offices and the lead region. This review covers both programmatic and fiscal integrity concerns.

As part of its annual grant guidance process, OAR also solicits comments from state, local and tribal governments on the proposed funding of STAPPA-ALAPCO. OAR considers all EPA and external comments received and may further consult with the Secretariat prior to taking action on its application. Once the submission and funding recommendation are final, the package is forwarded to OAR's Senior Resource Official (SRO) for action. The SRO is the decision official since the 2-year request is typically more than \$750,000 (the threshold level for SRO approval).

What is the trend in funding for the Secretariat?

Generally, the amount that the Secretariat has required to sustain its normal operations has kept pace with inflationary increases. Funding for the Secretariat increased significantly after the passage of the 1990 Clean Air Act Amendments (FY 1991) and has generally increased each year reflecting increasing state and local responsibilities and the expanded role of STAPPA-ALAPCO. The Secretariat has also received supplemental grant funds from time to time to meet the special needs of its constituents in dealing with CAA requirements and other air pollution issues. Attachment A provides a historical overview of grant funding that STAPPA and ALAPCO have received from OAR.

Why are funds for the STAPPA-ALAPCO Secretariat allotted a year in advance?

The Secretariat relies almost entirely on EPA grant assistance. It operates on the federal fiscal year and as such is vulnerable to the anomalies of the federal budget process. Allotting funds in advance at the national level diminishes the possibility of a lapse in federal funding for crucial activities of the associations (e.g., FY 2003 funds support the FY 2004 grant, FY 2004 funds will support the FY 2005 grant, etc.). This approach is also more conducive to funding the Secretariat's multi-year work plan and simplifies the grant administrative process.

In what manner is the funding allotment for STAPPA-ALAPCO made?

Each member agency contributes to the cost of support for STAPPA and ALAPCO. At the request of the member state and local agencies, EPA sets aside funds off the top of the national allocation in advance of allotting funds on a region-by-region basis. The STAPPA and ALAPCO membership formally re-affirmed their support for the set-aside approach in a resolution adopted on May 18, 1999.

How are the contributions of the individual member state and local agencies determined?

EPA calculates the individual shares of the contributing members on the basis of their population as a percentage of the total membership's population times the available amount. EPA uses the most recent U.S. Census Bureau population data. Where a direct-funded local agency is also present in a state, its share would be determined on the basis of its population as a percentage of its state's total population.

Could a member agency choose to fund the Secretariat directly with its section 105 funds?

Yes. EPA only employs the national set-aside approach as an administrative convenience for state and local agencies, at their request. A member agency is still free to fund the Secretariat directly from its section 105 funds. An agency's participation and manner of contribution are matters between that agency, its association, and the Secretariat. This is an individual agency determination and not an EPA determination. Should a member agency wish to fund STAPPA-ALAPCO directly with a portion of the section 105 funds it receives, then this funding would be subject to section 105 cost-sharing requirements.

If an existing member state or local agency prefers to provide its support to the STAPPA-ALAPCO Secretariat directly, how would this change be done?

The responsible official of the existing member state or local agency should notify STAPPA-ALAPCO and OAR of that agency's determination to provide its share of support to STAPPA-ALAPCO directly. This should occur prior to the submission of the Secretariat's funding request for the upcoming grant budget and project period. OAR would then redirect that jurisdiction's share to the allotment of its respective EPA Region. The Secretariat and the affected agency would need to determine the nature of their revised funding relationship.

If a member agency chooses to no longer participate in funding the Secretariat with its STAG resources, how would this be done?

The responsible official of the member state or local agency should notify STAPPA-ALAPCO and OAR of that agency's determination not to continue to contribute STAG support for the Secretariat. This should occur prior to the submission of the Secretariat's funding request for the upcoming grant budget and project period. OAR would then redirect the departing agency's contribution to the allotment of its EPA Region. The use of these funds would be the subject of further discussion between the EPA Region and the affected agency (or agencies).

How would the STAPPA-ALAPCO grant request be affected by changes in the number of state and local agencies choosing to participate?

With the departure of a state or local agency, the remaining member agencies, in concert with the Secretariat, would have to decide whether the Secretariat's grant request would be reduced by the departing agency's share or whether the remaining agencies would make up some or all of difference through an increase in their respective contributions (i.e., via a redirection of STAG resources which they might receive for other air program activities). To ensure that OAR

is aware of the preferences of all state and local agencies, STAPPA-ALAPCO should notify OAR of any changes in membership status, manner of contribution, or request level, prior to the submission of its funding request for the upcoming grant budget and project period.

If an agency withdrew funding support from the Secretariat, could it still participate in STAPPA or ALAPCO activities?

The nature or condition of such an agency's participation in STAPPA-ALAPCO activities would be a matter between that agency and STAPPA-ALAPCO.

How would the relative share or contribution of a new or returning agency be determined?

The addition of a new member agency, or the rejoining of a previous member, would necessitate a recalculation of each member agency's respective share. This would be done pursuant to the specific direction of the membership, or absent that direction, by EPA's use of the same proportional, population-based approach noted earlier. This would be calculated relative to the total amount of approved grant funding.

Whom should I contact for more information?

For more information, contact Bill Houck, the EPA project officer, at 202-564-1349.